



# Eastern Media International Corporation

## 2022 Annual Report

**Notice to readers**

*This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.*

Taiwan Stock Exchange Market Observation Post System: <http://newmops.twse.com.tw>

Eastern Media International Corporation Annual Report is available at: <http://www.emic.com.tw>

1. The name, title, telephone number, and e-mail address of the spokesperson or acting spokesperson

Spokesperson: Ying-Na Cheng Senior Deputy General Manager

Deputy Spokesperson: Yao-Tsu Shen Deputy General Manager

Phone: (02) 2755-7565

Email address: [ir@emic.com.tw](mailto:ir@emic.com.tw)

2. Address and telephone number of headquarters, branch offices, and factories

Headquarters

Address: 5F、8F., No. 368 Fuxing S. Rd. Sec. 1, Da'an Dist., Taipei City 10656

Phone: (02) 2755-7565

Kaohsiung Operations Management Office

Address: Pier 71, Xiaogang District, Kaohsiung City 81243

Phone: (07) 811-1131

Taichung Operations Management Office

Address: No. 23, North 5th Road, Qingshui District, Taichung City 43650

Phone: (04) 2657-5960

3. Name, address, e-mail address, and telephone number of the agency handling shares transfer

Name: Stock Agency Department, President Securities Corporation

Address: B1, No. 8 Dongxing Road, Songshan District, Taipei City 10570

URL: [www.pscnet.com.tw](http://www.pscnet.com.tw)

Phone: (02) 2746-3797

4. Name of the certified public accountant who duly audited the annual financial report for the most recent fiscal year

CPA names: Shin-Chin Chih, Hsin-Ting Huang

Firm Name: KPMG Taiwan

Address: 68th Floor, No. 7 Xinyi Road Section 5, Xinyi District, Taipei City 11049

URL: [www.kpmg.com.tw](http://www.kpmg.com.tw)

Phone: (02) 8101-6666

5. The name of any exchanges where the Company's securities are traded offshore: None.

6. Address of the Company's website: [www.emic.com.tw](http://www.emic.com.tw)

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# I. Letter to Shareholders

Looking back to 2022, the military conflict between Russia and Ukraine broke out in the first quarter, resulting in a surge in global energy and raw material prices. From the second quarter, the increase in the number of confirmed cases in Taiwan, the impact of the Russia-Ukraine war, and China's pandemic prevention and control measures on the international market led to a significant decline in the economic demand in the United States, Europe and China, which resulted in slower growth of Taiwan's exports and conservative investment of manufacturers. Fortunately, since the fourth quarter, due to the easing pandemic, the government has gradually relaxed the relevant measures, leading to the gradual recovery of the domestic consumer market and related industries. Looking ahead to Taiwan's economic development in 2023, the economic growth will still be mainly supported by private consumption; however, the annual economic growth rate will be lower than that of 2022. The Taiwan Institute of Economic Research forecasts that the domestic economic growth rate for 2023 will be 2.58%, representing a downward revision of 0.33 percentage points from the November 2022 forecast.

The performance of the three major businesses- warehousing, trading, and new media of Eastern Media International Corporation in the past year (2022): In the warehousing business, despite the impact of the COVID-19 pandemic and the Russia-Ukraine war on global inflation, the operating volume still maintained growth by 6% compared to the same period in 2021. The warehousing business continued to improve its operating efficiency by installing new equipment in replace of the old ones, and was committed to improving service quality and increasing customer satisfaction, resulting in an increase of 8% in revenue. In the trading business, ET Pet continued to expand its business scale and market share in spite of the pandemic. By the end of 2022, the number of physical stores had reached 138, representing a growth of 16% over 2021. The services are available in 18 counties and cities throughout Taiwan, securing the leading position in the pet channels. Through cooperation with pet hospitals, a complete pet ecosystem and in-depth professionalism and services, the revenue of ET Pet increased by 10.97% compared with 2021. Going forward, it will continue to develop its own pet products, pursue multi-channel sales, and move towards complex operations in an attempt to improve operating profitability. In the new media business, with continuous innovation and diversified operation, ET New Media has become the No.1 new media in Taiwan in terms of online usage and trust. ET New Media's out-of-home advertisements accounted for 58.7% of Taiwan's traffic transportation volume. Total revenue even grew by 6.65% over 2021. Both online and offline digital advertisements achieved continuous growth, far exceeding the growth rate of traditional TV advertisements. The ET OMO advertisement business platform will provide a one-stop service and complete solutions for digital and out-of-home advertisements.

In addition, the Linkou headquarters of Eastern Media International Corporation investment is expected to be in operation in 2025, making Linkou a hub of the entertainment and media industry in line with the international trend. By organizing various international events with the resources of ET New Media, Linkou will become the most active entertainment center in Taiwan. With respect to the leisure tourism business, Eastern Group is also optimistic about the consumption of millions of visits yearly in Greater Taipei, Taoyuan living areas, and the East Coast. Partnering with Silk Hotel Group, the 29th to 36th floors of Eastern Group's Linkou headquarters will be operated by "Silks X" city resort, a new brand under Silk Hotel Group, which is expected to have its grand opening in 2025. At the same time, the construction project of Eastern Group's Linkou public housing will be operated by "Just Sleep", a business hotel under Silk Hotel Group; "Eastern Hotels & Resorts" will also be entrusted to Silk Hotel Group under the brand name of "Wellspring by Silks" for planning and operation management, both of which are expected to be completed and opened in 2026.

The following reports on the operating results of each business in 2022 and the outlook for 2023:

### **Warehousing business:**

The sole source of revenue for the Group's warehousing division is the Company's silo operating business.

#### **2022 Business Report:**

In 2022, the actual national imported grains were 8.8 million tons, and the bulk/container ratio of imported grains was 76/24. The Company's silo operating volume was 6.687 million tons, which showed an increase of 378,000 tons from 6.309 million tons in 2021 (an increase of 6.0%); the overall performance of silo operation in 2022 slightly increased. The revenue amounted to NT\$1.479 billion, representing an increase of 8% from NT\$1.37 billion in 2021.

#### **2023 Business Plan Summary:**

- (1) As for the increase in international grain prices in 2022, soybeans rose by 10.1%, corn by 13.8%, and wheat by 2.8%. The prices of grain commodities continue to rise for two consecutive years due to a significant reduction in grain production in Ukraine and a decline in export volumes as a result of the Russia-Ukraine war, lower crop yields in Brazil, drought in the main farmland of Argentina, and an increase in the costs of crop fertilizers. These all put the market at risk in facing the risk of crop supply.
- (2) In 2022, the COVID-19 pandemic continued to exert an impact on the global container and bulk shipping markets. However, in the second half of the year, after the pandemic eased in Asia, the U.S. interest rates rose sharply and currencies of various countries depreciated due to a significant increase in the U.S. dollar index. Consequently, the market started to be buzzing with a lack of labor at the docks and delays in rail and road

transportation since the third quarter, which greatly increased the uncertainty of the arrival and shipping schedules of the container loading grains. In order to alleviate the imbalance between the demand and supply of grains in Taiwan, the government exempted soybean, wheat and corn from business tax and excise duty from January 2022 to June 2023. In response to this, domestic grain importers have been increasing the purchase of bulk grains as and when appropriate, which will be conducive to the operations of the Warehousing Business Division.

- (3) Despite being free from foot-and-mouth disease and the successful blocking of African swine fever, Taiwan is still defined by the World Organization of Animal Health (WOHA) the classical swine fever infected area. Some countries such as Japan still prohibit the import of fresh pork from classical swine fever infected areas. Therefore, the last mile for Taiwan to export pork to more countries is lifting the vaccination mandate for classical swine fever. In order to export Taiwan's pork globally, the Council of Agriculture will cease administering the swine fever vaccine to all pigs and newborn piglets in Taiwan in 2023.01.01. The vaccination will be completely lifted from pig farms in July. It is expected to make an official application to the World Organization for Animal Health (WOAH) to make Taiwan a classical swine fever non-infected area in 2024. At present, the domestic animal husbandry industry is still profitable due to its products. Therefore, there is still a willingness to raise livestock. However, diseases such as African swine fever and avian flu, environmental protection restrictions such as sewage charges, as well as high feeding costs due to high material prices will pose a potential concern for the future development of the livestock farming industry. Currently, there is no expansion plan for pork export in Taiwan, and there is not much volume for vendors to export. In the future, the pig industry will become large in scale, which is an inevitable trend for industry development.

On the other hand, after years of effort and effective cooperation between the industry and the government, the Council of Agriculture announced in April 2023 that the Philippines has approved the import of fresh pork from 6 slaughterhouses in Taiwan. This is the first case of Taiwan successfully gaining a foothold in the Philippines market with the "Taiwan Pork Team" model, and is also an attempt to open the door for Taiwan's fresh pork export. In the future, it is necessary for more companies to keep abreast with government policies to accelerate the modernization of slaughterhouses to enhance the competitiveness of the industry, enabling Taiwan pork to stand on the international stage again.

- (4) The growing demand for agricultural products in the next decade will be driven by the increase in population and per capita demand. In particular, population growth is the key factor. In the late 1990s, the growing global population was mainly attributable to China,

resulting in greater fluctuations in the price growth of agricultural products, with the price remaining at a relatively high level for a long time. However, as the population aging issue worldwide is getting more serious, the increase of the price of agricultural products is also slowing down year by year. Overall speaking, although the growth rate of supply and demand will slow down in the next decade, the growth rate of the supply of soybean, wheat and corn is still larger than the growth rate of demand, and it is expected that the supply and demand will remain in surplus due to technology advancement. In the absence of new explosive demand, it is difficult to witness significant changes in the overall trend of the real prices of soybeans, corn and wheat, which are expected to be affected only by the price fluctuations arising from short-term geopolitical, weather and other supply factors.

- (5) The world will continue to face inflation this year (2023) due to the impact of the COVID-19 pandemic and the Russia-Ukraine war. Besides, the other problem that domestic commodity companies worry about is climate change. The greenhouse effect and geopolitics will affect agriculture production. The imbalance between food demand and supply will result in global food price volatility. Due to the above reasons, it is expected that the cost of corn, soybeans and other raw materials as well as transportation costs, will remain high this year (2023). However, without much change in domestic demand, it will depend on whether the tax exemption policy on soybean, wheat and corn will continue after March this year. If not, it is estimated that the overall import volume of grain commodities this year (2023) will return to the level of the previous two years.
- (6) As the impact of the resurgent COVID-19 pandemic and the geopolitics on the economy this year (2023) remains uncertain, the operating volume of the Warehousing Business Division should be carefully and conservatively assessed. Nationwide annual grain imports are expected at 8.4 million tons this year (2023). Silo estimated operating volume is 6.3 million tons. The bulk/container ratio of imported grain is seen at 75/25, which is expected to maintain stable operating income and profitability.

**Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:**

Taiwan's imported grains are mainly used by the domestic oil, feed, and flour industries for processing and domestic needs. Grain imports will not easily see breakthrough growth, but they are not likely to decline rapidly. In addition to bulk grains in silo operations, imported grains also encompass container-shipped grains that have a market share of about 20%-30%.

Silo operations face competitively-priced container-shipped grains and a saturated mature market for imported grains. It has to replace old equipment in a timely manner and improve service quality in order to obtain more bulk grain supplies.



## **Media Business:**

The following is a brief description of the current operating conditions and future prospects of the Group's media business group ET New Media Holdings Co., Ltd., as well as Dung Sen Shin Guang Yun Co., Ltd., and Dung Sen Min Diao Yun Co., Ltd. :

### **2022 Business Report:**

According to The Oxford Digital News Report in 2018, 2019, 2020, 2021 and 2022 ETtoday News is the most used, and most trusted digital news brand in Taiwan for four consecutive years. Furthermore, ETtoday's social performance was much higher than its media competitors.

At the same time, the contents, products, brands, and services of ETtoday once again won a number of awards in 2022, including the Excellent Journalism Award, the first prize of the "Best Product" granted by the National Brand Yushan Award for the ET OMO advertisement business platform, "Service and Solution" for the "News Cloud Member Achievement System" of ETtoday APP, etc.

With the efforts of all our colleagues, revenue has also grown substantially as it increased 6.65% in 2022 compared to the same period in 2021. Performance growth has been mainly attributable to ETtoday News since its establishment in 2022. Traffic is growing at an exponential rate, with average daily page views in 2022 attaining 16.82 million. At the same time, we have stepped into offline advertising and currently account for more than 90% of the Taipei Metro advertising market. By combining online and offline marketing activities, we have successfully set forth a new model of integrated marketing and enhanced customer willingness to place advertisements.

### **2023 Business Plan Summary:**

In response to the advent of the broadband mobile era and new media trends such as "mobilization", "audio visualization" and "communization," the new media business has shifted from "traffic to e-commerce," "video content," "fans to membership," "online and offline integration," "content e-commerce," and other directions. This represents a comprehensive transformation in response to changes and challenges in the external environment, from the early 1.0 "text and graphic news" to the 2.0 "video and live broadcast" content, and then towards a 3.0 "all-round digital content platform."

The foundation for the development of ET New Media comes from 16.82 million average daily page views (PV), 15 million monthly active users (MAU), and more than 24 million fans on Facebook. In the future, we will continue to cultivate and work hard in the following directions:

- (1) Content: Actively invest in the production of online audio and video content; invest in the mega talent show "Jungle Voice;" "Cooking," enhance brand value by establishing IP to maintain position as the No. 1 brand of Chinese entertainment. The company has

established itself as the leading brand of Asian entertainment and is actively seeking opportunities to develop self-products to increase revenue.

- (2) Business operations: Combine online new media and offline physical access using the operational resources and advantages of new media at the same time supplemented by offline physical channels and activities. These include pet shops, picnic days, Taipei Metro, High Speed Rail, Taoyuan Metro, bus shelter advertising, and so on, and are aimed at promoting cross-platform advertising and integrated marketing business. With integrated marketing, ETtoday can meet customers' diversified needs and various budgeting. The market share of ET New Media in the transportation media accounts for over 60%, including nearly 90% of Taipei MRT, High Speed Rail and Taoyuan MRT as the exclusive agent. In the future, we will continue to expand our media footprint and build an advertising ecosystem integrating transportation systems, commercial offices, and residential houses. We will also leverage "creative" and "innovative" advertisements to secure advertising from large clients and create the classic cases of out-of-home advertising such as One boy jackets and Netflix.
- (3) Membership management: Continue to develop mobile apps, expand the user base, and optimize the user experience, turn fans and readers into members and strengthening the connection and interaction with ET New Media.
- (4) Technology: Continue to optimize mobile app's user interface, network stability, information security, and the implementation of big data for product and news algorithm, and partner with ASUS for precision advertising which has made some breakthrough and is gradually optimizing.
- (5) New Business Model: Continue to develop Podcasts to secure the ear economy, actively produce digital shorts, and rapidly increase the production capacity of original creation and editing to increase the revenue share; actively deploy the UGC platform and develop self-media mood so as to create a new platform for e-commerce. With the rising business opportunities arising from live stream of KOLs, ETtoday News Cloud has the traffic advantage, and will plan a KOL academy to cultivate KOL talent and create non-traffic revenue for ETtoday News Cloud, which can integrate with the retail trade business so as to enhance the sales of self-owned products.

**Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:**

With the advent of the 5G and AI eras, there is bound to be more video browsing and better experience. Therefore, news or content must be upgraded from "graphics" to "videos" as we strengthen the upstream mastery of original IP, Internet celebrities, etc., and use new communication technologies to enhance the user experience.

The advertising industry was badly influenced by pandemic over the past two years;

however, with the spread of pandemic is slowing down and the growth of economic, the advertising market is recovering right now.

According to the data released by Nielsen in 2022, Taiwan's five major traditional advertising markets in 2022 is valued around NT\$13 billion, it remained flat compared to the same period in 2021. Key points are as follows:

(a) Broadcast media: terrestrial TV NT\$1.484 billion (+8.59%), cable TV NT\$7.806 billion (+5.12%), broadcast NT\$0.69 billion (-1.47%).

(b) Print media: Newspapers: NT\$0.416 billion (-16%), magazines: NT\$0.539 billion (-4.29%).

(c) Out-of-home media: Out-of-home media NT\$2.125 billion (-15.8%).

As for digital advertisements, although the pandemic made people spend more time in front of computers for remote communication thus digital advertisements are expected to keep growing. Digital advertising is still controlled by major players such as Google and Facebook, resulting in a supply short of demand in digital advertising. In general, as the pandemic eases, the TV and out-of-home advertisements will likely grow steadily. Still, newspaper, magazine and broadcast advertisements are expected to shrink due to the competition from other media platforms.

Along with the economic recovery, “ETtoday” will keep the focus on “video production”, “cross-screen marketing,” and “social media utilization” to create the media value and increase the revenue.

## **Trading Business:**

Regarding the Group’s ET Pet Co., Ltd. subsidiary, a brief description of the current operating conditions and future prospects is as follows:

### **2022 Business Report:**

Since the incorporation of ET Pet Co., Ltd. in January 2019, all employees have been working together to set up brand new physical stores quickly and carry out the strategy of integrating the pet market at the same time. We have continuously integrated the top five pet chains in terms of the number of stores and total revenue and expanded our business scale rapidly. However, In 2021, under the severe impact of the Covid-19 pandemic outbreak in Taiwan, we focused on strengthening the quality of stores and products and continued to commence new store expansions in 2022. As of the end of 2022, the number of new stores amounted to 138 We kept enlarging our business scale and widening the gap with our competitors.

Despite the rampant pandemic outbreak, the operating revenue of the pet business still grew to NT\$2.33 billion in 2022, an 11% increase over the same period of NT\$2.1 billion in 2021.

## **2023 Business Plan Summary:**

According to the Ministry of the Interior, more than 170,000 new pets were registered in Taiwan last year (2022), while the cumulative number of newborns in Taiwan was estimated to be less than 140,000. It is obvious that the growth rate of pets far exceeds newborns, and the number of people with pets is increasing. In addition, with the rise of the companion economy in the post-pandemic era, the business opportunities for pets in Taiwan are estimated to exceed NT\$60 billion. The main channels include professional pet stores, online e-commerce and animal hospitals. Among them, there are about 1,900 specialized pet stores.

The pet market has been evolving rapidly. In recent years, in addition to pet insurance, there are more smart products for pets with unlimited business opportunities. Pets are no longer pets. They enjoy the food, clothing, housing, transportation and entertainment that people have in the pet market. Pet food creates the most business opportunities, followed by medical care, etc. According to the latest financial statistics, the retail sales of pet food in 2018 amounted to NT\$6,077,505,000 and grew to NT\$7,863,231,000 in 2021. The growth trend is expected to remain positive this year.

The 2023 business plan of ET Pet is going to focus on deploying multi-channel sales, integrating online and offline marketing, deepening membership management, developing proprietary products and veterinary services, and allying with different industries to establish physical stores to enlarge the business scale, described as follows:

- (1) Multi-channel sales deployment and online and offline integration: Guide 1.79 million ET Pet fans on ETtoday to visit ET Pet physical stores for consumption through marketing activities, improve consumers' loyalty and dependence on physical stores via online content and services that understand consumer needs and that solve consumer problems, i.e. we intend to introduce media expertise and the Group's resources to assist the management of pet industry chain channel, and creating a new retail channel for the pet industry.
- (2) Deepening membership management: in addition to accumulating member consumption points and using ET coins, the Company also provides many member-exclusive services. It organizes community activities to enhance the sense of the value of members and to differentiate operations from other competitors.
- (3) Developing proprietary products: ET Pet is committed to creating a happy life for pets and continues to develop its own products in response to market trends. In 2022, we introduced the leading frozen dried brand Stella&Chewy's in the U.S., and natural pet feeds based on Chinese herbal medicine. In addition, we are also working with Huato to develop pet joints health products. In March 2023, we launched probiotics for pets, combining 10 kinds of probiotics with Chinese herbal extracts to improve the quality of pet health food. In the future, we will provide consumers with high quality and high CP

value pet products, and strive to create more high-quality products that are beneficial to pets to live a healthy and happy life.

- (4) Veterinary services: In June 2022, we carried out an in-depth partnership with Loving Kindness Animal Hospital. As of March 2023, there are a total of 15 branches of the Loving Kindness Animal Hospital, which is the largest chain brand of pet medical hospital in Taiwan. The hospital provides the members of ET Pet with exclusive medical services and pet health checkups, and has 24-hour online customer service. In the future, it is expected to build an online medical consultation platform, which will offer comprehensive medical services both online and offline to complete pet ecosystem services.
- (5) Allying with different industries to establish complex business models: in addition to keeping opening physical stores in areas that still have room for market development, we also seek for cross-industry alliances to expand our business scale with complex business models. By reaching economies of scale, we can provide consumers high-quality products and services at lower costs.

**Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:**

The future development strategy of ET Pet is to integrate the highly fragmented pet retail market. Through the corporatized management and the introduction of resources and advantages of the media industry, we will create a new form of pet chain business different from traditional pet shops, and provide consumers with high-quality goods and services at a lower cost through economies of scale, so as to create a win-win situation.

The pet market has witnessed continuous growth. The relationship between humans and pets is close, and pet owners are willing to spend more on their pets. Pets in Taiwan are facing an aging issue with an increase in the demand for pet health and care. Compared with advanced countries, the percentage of domestic pet medical expenses is still low. There is room for a significant growth. ET Pet is actively developing pet health food, integrating pet medical treatment, and capturing the market trend. With the largest pet fan group, the largest offline pet channel, and the largest-scale pet medical cooperation, ET Pet has developed a competitive advantage and will focus on channel growth, aiming to expand revenue and increase gross profit by self-owned health care products.

With respect to the macro business environment, in the coming of the post-pandemic era in 2023 and the economic recovery of the offline channel, ET Pet will uphold the expansion of services and research the store expansion plan for each year, with the goal of expanding the number of existing directly-operated stores to 167 and the number of pet medical hospitals in cooperation to 17 in 2023, aiming to reach a total of 600 offline service locations within five years. In addition, ET Pet will actively move towards Online Merge Offline (OMO) and

devote itself to the multi-channel development of online e-commerce, complex stores and pet medical treatment, thereby creating a new business model for the industry through cross-marketing with the Group's resources. In the future, we will move towards the public market.

## **Future Direction:**

Looking forward, Eastern Group will be committed to maximizing shareholders' equity, fulfilling its social responsibility, paying attention to society and the environment, achieving sustainable operations and creating corporate value. Driven by the global sustainability trend, we have taken 2022 as the "First Year of ESG for Eastern Group". In the future, each of the companies under Eastern Group will continue to refine its ESG environmental protection, social responsibility and corporate governance indicators toward a sustainable ESG company.

In the warehousing business, Eastern Group will not only keep strengthening its operational efficiency, promoting energy conservation and carbon reduction, and creating a hazard-free workplace but also actively cooperate with the government in formulating a food readiness plan to ensure a secure supply of grain throughout Taiwan, demonstrating Eastern Group's core competence in bulk grain reserves; in the re-investment business, under the changing environment, Eastern Group will pursue offline store operations, continue to deepen its Online Merge Offline (OMO) new economy, and accelerate the development of its private-branded products and multi-channel integration to expand profit channels and enhance profitability.

In response to the high-speed communication era of digital convergence, the new media business will strive to innovate, develop diversified businesses, and strengthen digital media. In addition to this, in order to capture the market of "self-media" and "short video", it is expected to launch the "10 Million Live Streaming Star Program" in 2023, entering universities to explore new live streamers around the world in active cooperation with major live streaming platforms and ordinary streamers with the aim of cultivating young consumer groups. ETtoday News Cloud has the traffic advantage, and will plan a KOL academy to cultivate KOL talent and create non-traffic revenue for ETtoday News Cloud, which can integrate with the retail trade business so as to enhance the sales of self-owned products.

As there is already a rigid demand in the pet market, the trade (pet) business remains to have a positive development outlook. The pet business will establish a pet industry chain this year (2023), the scope of service of which will extend to pet medical care and grooming businesses. We will actively develop a full range of integrated services for pets, including their "food, clothing, housing, transportation, and entertainment"; and through their "birth, aging, illness, and death", to create an ecosystem of pet LOHAS. In addition, we will also continue to provide consumers with more cost-effective products and services with price advantages through the economy of scale and strive to build the only one-stop service

platform for pets across Taiwan.

In the face of the ever-changing global political and economic situation, Eastern Group upholds its core principle of “Change! Change! Change!” to keep remarkable performance with a forward-looking vision and action in 2023. We have gradually engaged in health, beauty, pet, and audio-video entertainment businesses to provide a full range of services in consumer’s daily life. Businesses multiply each other to drive business growth. Furthermore, through diversification strategies and resource sharing, Eastern Group continues to create corporate value through our “New Retail” and “New Media” cores, and build the Eastern Group OMO life circle with the objectives of delicious food, beauty, health and life. Finally, I would like to express my deep gratitude to all shareholders for their support and to all colleagues for their contributions and hard work.

With my sincerest wishes  
for your good health and good luck

Chairman **Shang-Wen Liao**

## II. Company Profile

### 2.1 Company Establishment

Date of Establishment May 14, 1975

### 2.2 Company History

<b>1973-1979</b> <b>Period of setup and warehouse construction</b>	<p>The Taiwan Grains &amp; Feeds Development Foundation successively promoted the establishment of a Privatization Preparation Silo Planning Team and a Private Kaohsiung Port Bulk Silo Preparatory Committee to be responsible for advancement of warehouse construction work. Far East Warehousing Co., Ltd. was formally established in 1975 in preparation to build bulk silos of 80,000 tons and 60,000 tons respectively at Pier 71 of the Port of Kaohsiung and Pier 1 of the Port of Taichung. Mr. Chang-Shu Chao was the first Chairman of the Board of Directors.</p>
<b>1980-1994</b> <b>Period of silo and shipping business operation</b>	<p>Silos officially began operations at Pier 71 of the Port of Kaohsiung and at Pier 1 of the Port of Taichung in 1980 and 1981 respectively. At the same time, the Company stepped into the operation of the bulk ocean shipping business. Later, a lease began for a 60,000 ton silo operation at Pier 3 of the Port of Taichung. In 1994, a lease then began for an 80,000 ton silo operation at Pier 72 of the Port of Kaohsiung.</p> <p>History of changes in the Company's Chairman position: Mr. Chong-Wei Yuan was appointed Chairman in 1983; Mr. Kun-Chong Lin was appointed Chairman in 1986; Ling-Lin Wang was appointed Chairman in 1992.</p>
<b>1995-2004</b> <b>Period of stock listing and of prototype development of business diversification</b>	<p>The Company's shares listed on the Taiwan stock exchange on September 23, 1995 under the shipping industry category. In line with the development of its business diversification, the Company was renamed in 2000 as ET Internet Technology Corporation. Furthermore, it successfully set up new divisions or engage in reinvestment to establish companies stepping into Media (operating period: 1995 - present), mainland China logistics (operating period: 1995 -2018), land development (operating period: 1997 - present),</p>



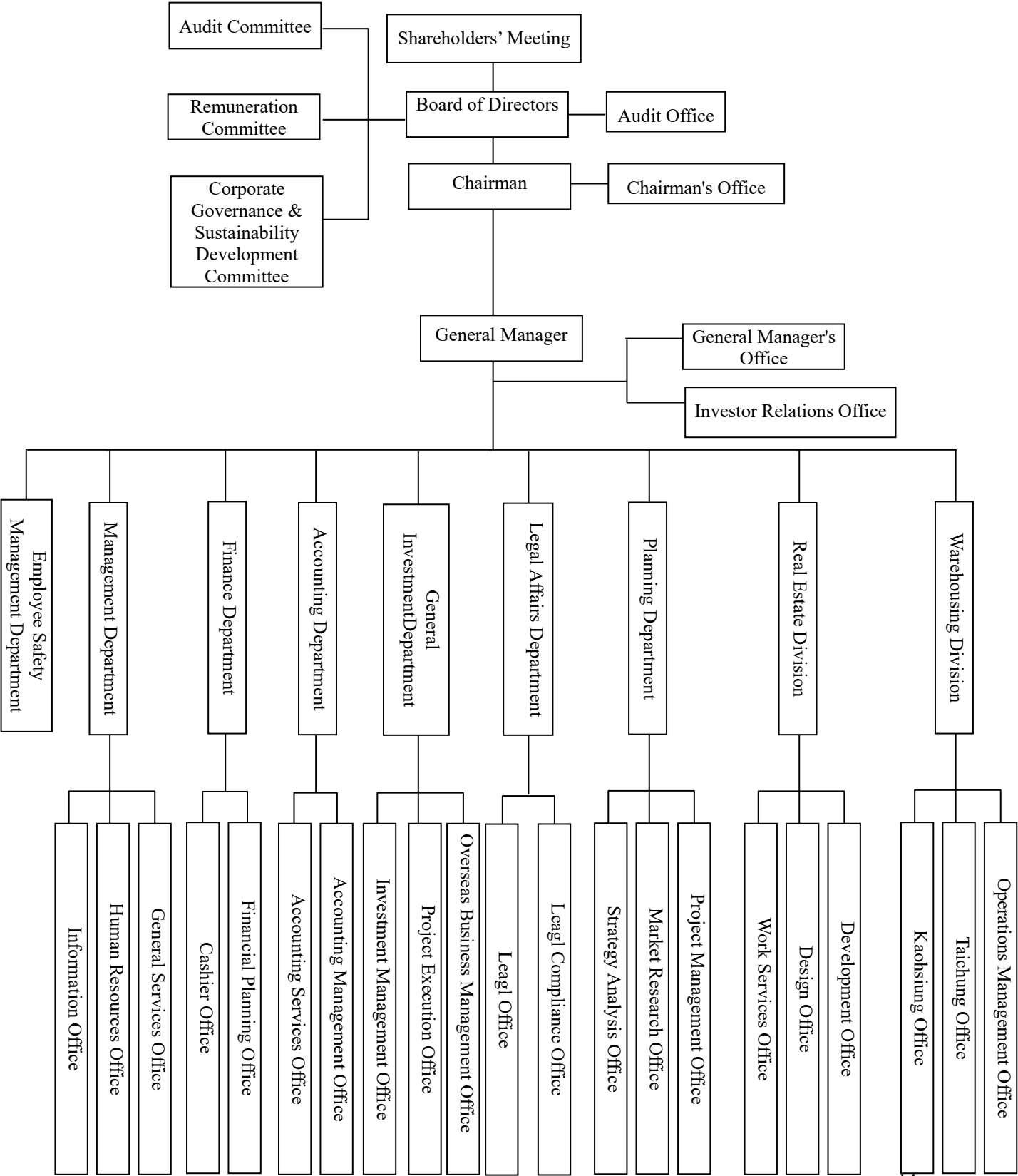
	<p>coal unloading pier operations at Keelung Port 32 (operating period: 1998 - 2008), retail shopping (1999 - present), grain trading (operating period: 2000 - 2013), and leisure tourism business (2004 to present).</p>
<p><b>2005-2013</b> <b>Period of development for the expansion of three major undertakings in cross-Strait retail, media, and leisure tourism</b></p>	<p>Renamed in 2005 as Eastern Media International Corporation With the improvement of the economic and trade environment between the two sides of the Taiwan Strait, we began to deploy the mainland domestic market and stepped into its retail trade, home shopping, e-commerce and media sectors. At the same time, we have also increased our investment in Taiwan’s e-commerce, leisure and tourist hotel, and online news markets. In 2013, Mr. Shang-Wen Liao Shang-Wen Liao was appointed as Chairman.</p>
<p><b>2014-2022</b> <b>Period of focus on the development of new retail and new media businesses</b></p>	<p>The Company had re-listed as Trading and Consumers Goods Industry in 2014 and re-listed again as Other Industry in 2021 due to majority of the consolidated revenue came from the warehousing, trading (pet) and new media businesses.</p> <p>In the face of an era when big data, mobile devices, could technologies and communication techniques are changing business models one by one, we will start a variety of investments and M&amp;As. Based on the main axis of the combination of new retail and new media, we will expand our business into health, beauty, pet and audiovisual entertainments, deepen our OMO (Online Merge Offline) strategies, accelerate the development of our proprietary products and the integration of multiple channels. We will also maximize the dual-core business through diversification strategies and resource sharing.</p>

# III. Corporate Governance Report

## 3.1 Organization

### 3.1.1 Organizational Chart

2023.04.01



### 3.1.2 Major Corporate Functions

Department	Principal work assignments
<b>Chairman's Office</b>	Implement significant resolutions of the Board of Directors, and generally manage the operational planning of the Company's future development, as well as direct, supervise and promote various businesses.
<b>General Manager's Office</b>	Coordinate the formulation of operational management guidelines and implement the resolutions of the Board of Directors.
<b>Audit Office</b>	Audit-related functions such as the establishment, implementation and improvement of the Company's internal control system and internal audit system.
<b>Investor Relations Office</b>	Spokesperson system and operation, investor relations activities and shareholders' opinions processing, media release and communication/news information collection, preparation of institutional investor conferences, external disclosure and reporting of important announcements, preparation of the annual report/sustainability report for the shareholders' meeting, Corporate Governance and Sustainable Development Committee meeting affairs, and design and updating of the Company's official website.
<b>Warehousing Division</b>	<ol style="list-style-type: none"> <li>1. Operations Management Office: Storage operation planning, contract management, operations control, storage equipment management and maintenance, engineering planning and major mechanical and electrical equipment procurement and other related functions.</li> <li>2. Operations Office: Functions related to port operations of the Taichung and Kaohsiung Operations Offices.</li> </ol>
<b>Real Estate Division</b>	<ol style="list-style-type: none"> <li>1. Planning Office: Responsible for overall real estate market research, new project development, group real estate operation and disposal management, headquarters building project planning acquisition and related administrative tasks, and other real estate related functions.</li> <li>2. Work Services Office: Responsible for the group's real estate project planning and contracting and construction management related functions, headquarters building project planning and construction management operations, and other real estate project related functions.</li> <li>3. Design Office: Responsible for the Group's design evaluation, progress and quality management of each business type, new project design planning, headquarters building engineering planning, and other real</li> </ol>

Department	Principal work assignments
	estate design-related business.
<p style="text-align: center;"><b>Planning Department</b></p>	<p>1. Strategy Analysis Office:</p> <p>(1) Develop and propose relevant development strategies for the Company, subsidiaries and investment business development, as well as integrate group resources.</p> <p>(2) Assist in short, medium and long term strategies and implement project planning with reference to market changes, competitors' development, and long term strategies.</p> <p>(3) Assist the Company, subsidiaries, and investment business operation teams in developing new business models.</p> <p>2. Market Research Office:</p> <p>(1) Collect domestic and international industry changes, consumer analysis, and competition analysis, including: competitive marketing analysis, product service analysis, and operation analysis, and propose relevant development recommendations to the Company, subsidiaries, and investment business.</p> <p>(2) Utilize the database and the resources of R&amp;D units, external units, and consultants to consolidate actual operational analysis data and assist in business judgment and analysis.</p> <p>(3) Procurement of database and relevant reports.</p> <p>3. Project Management Office:</p> <p>(1) Plan the Group's industry-academia cooperation, and coordinate the participation of the Company, subsidiaries and investment business operation teams.</p> <p>(2) Application of the Group's science and technology project, coordination and planning of the project on the offset of investment and R&amp;D, coordination of the Company, subsidiaries, investment business technical teams and accounting teams' operations.</p> <p>(3) Plan the external cross-industry cooperation project, and coordinate the participation of the Company, subsidiaries and investment business operation teams.</p> <p>(4) Use polling tools to assist the Company, subsidiaries, and investment business in investigating and analyzing relevant internal and external fields for business operations and adjustments.</p>

Department	Principal work assignments
<p><b>Legal Affairs Department</b></p>	<ol style="list-style-type: none"> <li>1. Legal Office: Contract drafting and review, provision of legal opinions, interpretation of relevant laws and regulations, litigation cases, revision of regulations and intellectual property rights of patents and trademarks, and other legal related functions.</li> <li>2. Legal Compliance Office: Company registration change and license management, functional committees/Board of Directors/shareholders' meeting related matters and major information announcement/reporting, stock/corporate bond issuance management, tracking and disclosure of corporate governance evaluation indicators, insider shareholding reporting, dividends payment, capital increase or decrease and tax reporting, court authorities signing of shareholder seizure, occasional provision of information on directors training courses/assistance to directors in legal compliance information and effective assistance to directors in performing duties, corporate governance related matters and other law compliance matters.</li> </ol>
<p><b>General Investment Department</b></p>	<ol style="list-style-type: none"> <li>1. Investment Management Office: General management of the Group's post-investment management business, feasibility assessment and financial analysis of re-investment, regular monitoring operations/internal control/evaluation reports and various reporting operations of re-investment companies, execution of M&amp;A and investment projects.</li> <li>2. Project Execution Office: Planning and execution of the Group's M&amp;A and investment projects, planning of fundraising projects, planning and development of listing of subsidiaries, financial analysis of domestic and overseas market competition, and analysis of the industry and macroeconomy.</li> <li>3. Overseas Business Management Office: Coordinate the Group's cross-strait business contacts, exchanges, and promotions.</li> </ol>
<p><b>Accounting Department</b></p>	<ol style="list-style-type: none"> <li>1. Accounting Services Office: Responsible for related functions such as voucher certificate review, accounting processing, accounts receivable and payable management, financial and tax report review, financial statement preparation, business tax and income tax declaration, accounting manual preparation, consolidated statement and notes preparation, supplementary explanations by the competent authority and tax administrative relief.</li> <li>2. Accounting Management Office: Responsible for related functions such</li> </ol>

<b>Department</b>	<b>Principal work assignments</b>
	as annual budget preparation, long-term and short-term financial forecasts, tax planning, business analysis, the correction of the accounting system, and accounting management of domestic and overseas subsidiaries.
<b>Finance Department</b>	<ol style="list-style-type: none"> <li>1. Cashier Office: Responsible for collection and cashier operations, the custody of cash bills and securities, bank transactions, bank deposit transfers, short-term bill transactions and other related functions.</li> <li>2. Financial Planning Office: Responsible for capital market financing, bank financing transactions, foreign exchange transactions, financial securities investment, external guarantees and capital loans, cash income and expenditure estimation and other related operations.</li> </ol>
<b>Management Department</b>	<ol style="list-style-type: none"> <li>1. Human Resources Department: Personnel system, appointment, leave attendance, salary and welfare, assessment, training and other related functions.</li> <li>2. General Services Office: Seal management, sending and receiving, petty cash, asset management, equipment and supplies procurement, vehicle management, environmental maintenance and other related functions.</li> <li>3. Information Office: Information related functions such as information system planning and development, computer software and hardware equipment procurement management.</li> </ol>
<b>Employee Safety Management Department</b>	Comprehensively manage various labor safety management functions.

## 3.2 Directors, General Managers, Deputy General Managers, Associate Managers, Directors of Various Departments and Branches

### 3.2.1 Directors

#### Director Information (1)

April 1, 2023

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Chairman	Republic of China	Far Rich International Corporation  Representative: Shang-Wen Liao	Male / 61-70	2020.06.29	3 years	1998.04.15 1998.04.15	23,978,293 99,877	4.307 0.018	20,501,440 85,394	4.307 0.018	0 0.000	0 0.000	0 0.000	0 0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Technician, Commodity Inspection Bureau of the Ministry of Economic Affairs Deputy Head, Industrial Development Bureau of the Ministry of Economic Affairs	Chairman/General Manager of Eastern Media International Corporation Chairman/General Manager of Far Eastern Investment Co., Ltd. Chairman, RICHNESS TRADING (SHANGHAI) CO.,LTD. Chairman, Eastern Communication Technology (Hong Kong) Ltd. Chairman, Enlighten Innovative Transformation Co., Ltd. Chairman, Eastern Asset Co., Ltd. Chairman, Huiyue Investment Co., Ltd. Chairman, Natural Beauty bio-technology Co., Ltd. Chairman, Ray-Sen Medical Cosmetics Co., Ltd. Chairman, KeMeiYan Bio-Technology Co., Ltd. Chairman, Dung Sen Min Diau Yun Co., Ltd. Chairman, Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai) Ltd. Chairman, Shanghai Natural Beauty Bio-technology Company Limited Chairman, Shanghai Natural Beauty Bio-Med Company Limited Chairman, Shanghai Natural Beauty Fuli Cosmetics Company Limited Chairman, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Eastern Home Shopping & Leisure Co., Ltd. Director, Tung Kai Lease-Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, ET New Media Holdings Co., Ltd. Director, HER Hotels & Resorts Group Yilan Director, ET Pet Co., Ltd.	None	None	None	It is reasonable and necessary for the Chairman and General Manager to be the same person because it meets the business needs of the Company. Operating efficiency is therefore increased and decision-making execution is faster and smoother. In 2023, the directors re-elected at the shareholders meeting will add an independent director to comply with the law.

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Shares	Shareholding Percentage %	Job Title	
															Director, Eastern Enterprise Development (Shanghai) Ltd. Director, Grand Scene Trading (Hong Kong) Ltd. Director, Nanjing Yun Fu Trading Ltd. Director, Jiangsu Sen Fu Da Media Technology Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Director & President, Far Eastern Silo & Shipping (Panama) S.A. Director & President, Far Eastern Silo & Shipping International (Bermuda) Limited Director, Grand Scene Media Co. Director, Fortune Investment Global Limited (BVI) Director, Billion Synergy Sdn. Bhd. Director, Next Success International Limited (BVI) Director, Great Glamour Company Limited (BVI) Director, Strawberry Cosmetics Holdings Limited Vice Chairman, Taipei Eastern Cultural Foundation Vice Chairman, Taipei City Private Eastern Social Welfare Charity Foundation Director General, Chinese Non Store Retailer Association Managing Director, Taiwan Food Safety and Industry Development Strategy Conference Managing Supervisor, Taiwan Information and Communication Association Managing Director, Chungghwa New Media Industry Development Association Director and Supervisor, Taiwan Beauty Valley President, Asia Animal Medical Association Vice President, Asia Nature beauty Association Member, Corporate Governance & Sustainability Development Committee of the Company					



Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Director	Republic of China	Far Rich International Corporation  Representative: Chao-Hsin Chiu	Male / 71-80	2020.06.29	3 years	1998.04.15  2004.03.29	23,978,293  22,465	4.307  0.004	20,501,440  19,206	4.307  0.004	0  0	0.000  0.000	0  0	0.000  0.000	National Chengchi University Master of Business Administration Secretary General of the National Chamber of Commerce	Special Assistant to the Chairman of Eastern Media International Corporation Chairman, Nanjing Yun Fu Trading Ltd. Supervisor, Tung Kai Lease Finance Co., Ltd. Supervisor, Eastern International Lease Finance Co., Ltd. Director, Eastern Media Communication (Hong Kong) Limited Director, RICHNESS TRADING (SHANGHAI) CO.,LTD. Director, Grand Richness Trading (Hong Kong) Ltd. Director, Grand Scene Trading (Hong Kong) Ltd. Director, Jiangsu Sen Fu Da Media Technology Co., Ltd. Grand Scene Media Co. Director Far Eastern Silo & Shipping (Panama) S.A.- Director & Secretary Far Eastern Silo & Shipping International (Bermuda) Limited – Director & V.P.	None	None	None	None
Director	Republic of China	Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	Male / 71-80	2020.06.29	3 years	2009.06.19  2007.01.08	6,966,179  0	1.251  0.000	5,956,083  0	1.251  0.000	0  0	0.000  0.000	0  0	0.000  0.000	Graduated from Department of Social Sciences, National Cheng Kung University General Manager, China Bills Finance Corporation	Chairman, Eastern Realty Co., Ltd. Chairman, Eastern International Lease Finance Co., Ltd. Chairman, Tung Kai Lease Finance Co., Ltd. Chairman, Eastern Enterprise Development (Shanghai) Ltd. Chairman, Eastern Enterprise Custom Broker Ltd. Director, Eastern Asset Co., Ltd. Director, RICHNESS TRADING (SHANGHAI) CO.,LTD. Director, Grand Scene Trading (Hong Kong) Ltd Director, Nanjing Yun Fu Trading Ltd. Director, HER Hotels & Resorts Group Yilan Chairman, Viking Tech Corporation Independent Director, United Radiant Technology Corp.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Director	Republic of China	Ding Fong Broadcasting Co., Ltd. Representative: Ching-Chi Chen	Male / 71-80	2020.06.29	3 years	2009.06.19 1983.07.30 (Supervisor)	6,966,179 0	1.251 0.000	5,956,083 0	1.251 0.000	171 0.000	0 0.000	0 0.000	0 0.000	Department of Diplomacy, National Chengchi University Chief Executive Officer, Taiwan Grains & Feeds Development Foundation	Chairman, HER Hotels & Resorts Group Yilan Director, Kaohsiung Port Shipping Co., Ltd. Director, Taiwan Grains & Feeds Development Foundation	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Independent Director	Republic of China	Kuen-Chang Lee	Male / 51-60	2020.06.29	3 years	2017.05.11	0	0.000	0	0.000	0	0.000	0	0.000	PhD, Corporate Management Finance Management Group, Central University CEO, Universe Think Tank Management Consulting Co., Ltd. Dean of Accounting Department, Soochow University Corporate Governance Assessment Committee Member, Taiwan Corporate Governance Association	Independent Director, Tatung Fine Chemicals Co. Audit Committee Member, Tatung Fine Chemicals Co. Remuneration Committee Member, Tatung Fine Chemicals Co. Remuneration Committee Member, United Orthopedic Equipment Co., Ltd. Audit Committee Member, United Orthopedic Co. Independent Director, United Orthopedic Co. Remuneration Committee Member, United Orthopedic Equipment Co., Ltd. Audit Committee Member, United Orthopedic Co. Independent Director, Onano Industrial Co. Remuneration Committee Member, Onano Industrial Co. Audit Committee Member, Onano Industrial Co. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Limited Director, RAY-SEN MEDICAL COSMETICS CO., LTD. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Bio-technology Company Limited Director, Shanghai Natural Beauty Bio-Med Company Limited Director, Shanghai Natural Beauty Fuli Cosmetics Company Limited Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Member, Remuneration Committee of the Company Member, Audit Committee of the Company Member, Corporate Governance & Sustainability Development Committee of the Company	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Independent Director	Republic of China	Su-Chang Chen	Male / 61-70	2020.06.29	3 years	2017.05.11	235	0.000	200	0.000	0	0.000	0	0.000	PhD, Department of Industrial Education, National Changhua Normal University Dean of National Penghu University of Science and Technology, Chief Secretary, Director of Technical Research Division, Head of Department of Marketing and Logistics Management	Member, Remuneration Committee of the Company Member, Audit Committee of the Company Member, Corporate Governance & Sustainability Development Committee of the Company	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Independent Director	Republic of China	Tien-Wei Shih	Male / 61-70	2020.06.29	3 years	2017.05.11	9,692	0.002	8,286	0.002	0	0.000	0	0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Director of R&D, Feng Chia University Professor, Department of Fiber and Composite Materials, Feng Chia University	Remuneration Committee Member , Eclat Textile Co., Ltd. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Limited Director, RAY-SEN MEDICAL COSMETICS CO., LTD. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Bio-technology Company Limited Director, Shanghai Natural Beauty Bio-Med Company Limited Director, Shanghai Natural Beauty Fuli Cosmetics Company Limited Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd Member, Remuneration Committee of the Company Member, Audit Committee of the Company Member, Corporate Governance & Sustainability Development Committee of the Company	None	None	None	None
Total shares held by directors							30,954,399	5.559	26,466,009	5.559										
<b>Total</b>							<b>30,954,399</b>	<b>5.559</b>	<b>26,466,009</b>	<b>5.559</b>	<b>171</b>	<b>0.000</b>	<b>0</b>	<b>0.000</b>						

Table 1: Major shareholders of corporate shareholders

April 1, 2023

Name of corporate shareholder	Major shareholders of corporate shareholders	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dong sen Non-life Insurance Agent Co. Ltd.	10.34
Ding-Fong Broadcasting Co., Ltd.	Far Rich International Corporation	40.00
	Dong sen Personal Insurance Agent Co., Ltd.	60.00

Table 2: Names of major shareholders of major owners listed in Table 1 above

Far Rich International Corporation

April 1, 2023

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Ding Fong Broadcasting Co., Ltd.	Far Rich International Corporation	40.00
	Dongsen Personal Insurance Agent Co., Ltd.	60.00
Dongsen Non-life Insurance Agent Co. Ltd.	Sen Feng International Co., Ltd.	100.00

Ding Fong Broadcasting Co., Ltd.

April 1, 2023

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dong sen Non-life Insurance Agent Co. Ltd.	10.34
Dongsen Personal Insurance Agent Co., Ltd.	Far Rich International Corporation	62.50
	Sen Feng International Co., Ltd.	27.78
	Dong sen Non-life Insurance Agent Co. Ltd.	9.72

Dong sen Personal Insurance Agent Co., Ltd.

April 1, 2023

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dong sen Non-life Insurance Agent Co. Ltd.	10.34
Sen Feng International Co., Ltd.	Yue-Fong Industrial Co., Ltd.	0.10
	Ding Fong Broadcasting Co., Ltd.	13.31
	Bai Hang Co., Ltd.	68.89
	Jinxin Trading co., Ltd.	17.70
Dong sen Non-life Insurance Agent Co. Ltd.	Sen Feng International Co., Ltd.	100.00

Dong sen Non-life Insurance Agent Co. Ltd.

April 1, 2023

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Sen Feng International Co., Ltd.	Yue-Fong Industrial Co., Ltd.	0.10
	Ding Fong Broadcasting Co., Ltd.	13.31
	Bai Hang Co., Ltd.	68.89
	Jing Zin Trading co., Ltd.	17.70

## Director Information (2)

### 1. Disclosure of professional qualifications of Directors and independency of Independent Directors:

Criteria Name	Professional Qualification and Experience	Number of positions as an Independent Director in other public listed companies
Shang-Wen Liao	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0
Chao-Hsin Chiu	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0
Kao-Ming Tsai	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	1
Ching-Chi Chen	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0

Criteria Name	Professional Qualification and Experience	Independence Status	Number of positions as an Independent Director in other public companies
Kuen-Chang Lee	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for business, legal affairs, finance, accounting, or Company business, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company.</li> <li>2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</li> <li>3. Not a spousal or a relative within second degree of kinship to any other Directors.</li> <li>4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return.</li> <li>5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances:               <ol style="list-style-type: none"> <li>(1) Serve as a Director, Supervisor, or employee of the Company or its affiliates;</li> <li>(2) Hold shares of the Company;</li> <li>(3) Serve as a Director, Supervisor, or employee of a specified company related to the Company.</li> </ol> </li> </ol>	3

Criteria Name	Professional Qualification and Experience	Independence Status	Number of positions as an Independent Director in other public companies
Su-Chang Chen	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company.</li> <li>2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</li> <li>3. Not a spousal or a relative within second degree of kinship to any other Directors.</li> <li>4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return.</li> <li>5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> <li>(1) Serve as a Director, Supervisor, or employee of the Company or its affiliates;</li> <li>(2) Hold shares of the Company;</li> <li>(3) Serve as a Director, Supervisor, or employee of a specified company related to the Company.</li> </ol> </li> </ol>	0
Tien-Wei Shih	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> <li>1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company.</li> <li>2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company.</li> <li>3. Not a spousal or a relative within second degree of kinship to any other Directors.</li> <li>4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return.</li> <li>5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> <li>(1) Serve as a Director, Supervisor, or employee of the Company or its affiliates;</li> <li>(2) Hold shares of the Company;</li> <li>(3) Serve as a Director, Supervisor, or employee of a specified company related to the Company.</li> </ol> </li> </ol>	0



## 2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors: Describe the policies, objectives, and implementation status of the diversity of the Board of Directors.

The Company's election of the Directors adopts a candidates nomination system per Article 192-1 of the Company Act; the nomination of candidates and the announcement of the nomination will be handled per the Company Act and the Securities and Exchange Act provisions. Directors and Independent Directors shall be elected together, provided the number of elected seats shall be calculated separately. The Article 23 of Corporate Governance Best Practice Principles of the Company indicates that the composition of the board of directors shall be determined by considering diversity. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the Board members, and that appropriate guidelines on diversity based on the Company's business operations, operating dynamics, and development requirements shall be formulated, including but not limited to, the following two aspects of standards:

- A. Basic requirements and values: Gender, age, nationality, culture, etc.
- B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

All Board members shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance. the Board of Directors shall possess the following abilities:

- A. Ability to make operational judgments.
- B. Ability to perform accounting and financial analysis.
- C. Ability to conduct management administration.
- D. Ability to conduct crisis management.
- E. Knowledge of the industry.
- F. An international market perspective.
- G. Ability to lead.

H. Ability to make policy decisions.

The Company's 17th Board of Directors currently consists of 7 Directors (including 3 Independent Directors). All members possess management professionalism of commerce, finance, accounting, or other skills required by the Company's business. In the future, the composition of the Company's Board of Directors and the background of its members will be evaluated based on the operational development pattern and the actual needs, and we will try our best to increase the number of female Directors to achieve the specific management objective of diversifying the Company's Board of Directors.

Diversity item	Basic composition			Industry experience				Professional ability		
	Nationality	Gender	Concurrent Position with the Company	Business operation development	Operating Management	International Market	Lecture of a tertiary institution	Commerce	Accounting	Risk Management
Name of the Director										
Far Rich International Corporation Representative: Shang-Wen Liao	R.O.C	Male	Serves as the Chairman and General Manager of the Company currently	V	V	V		V		V
Far Rich International Corporation Representative: Chao-Hsin Chiu	R.O.C	Male	Special assistant to the Chairman	V	V	V		V		V
Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	R.O.C	Male	None	V	V	V		V	V	V
Ding Fong Broadcasting Co., Ltd	R.O.C	Male	None	V	V	V		V		V

Representative: Ching-Chi Chen										
Kuen-Chang Lee	R.O.C	Male	None		V	V	V	V	V	V
Su-Chang Chen	R.O.C	Male	None			V	V			V
Tien-Wei Shih	R.O.C	Male	None		V	V	V	V		V

(2) Independence of the Board of Directors: Describe the number and percentage of Independent Directors; explain the independency of the Board; state whether there are no circumstances specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act, with reasons; including describing the relationships between Directors, between Supervisors, or between Directors and Supervisors as spouses and relatives within the second degree of kinship.

Current Board of Directors of the Company consists of 7 Directors, including 3 Independent Directors (43%). All three Independent Directors do not have circumstances specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act, with reasons; including describing the relationships between Directors, between Supervisors, or between Directors and Supervisors as spouses and relatives within the second degree of kinship.

### 3.2.2 General Manager, Deputy General Managers, Associate Managers, Heads of Departments and Branches

#### Information on General Manager, Deputy General Managers, Associate Managers, Heads of Departments and Branches

April 1, 2023

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
General Manager	Republic of China	Shang-Wen Liao	Male	1994.08.15	85,394	0.018	0	0.000	0	0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Technician, Commodity Inspection Bureau of the Ministry of Economic Affairs Deputy Head, Industrial Development Bureau of the Ministry of Economic Affairs	Chairman/General Manager of Eastern Media International Corporation Chairman/General Manager of Far Eastern Investment Co., Ltd. Chairman, RICHNESS TRADING (SHANGHAI) CO.,LTD. Chairman, Eastern Communication Technology (Hong Kong) Ltd. Chairman, Enlighten Innovative Transformation Co., Ltd. Chairman, Eastern Asset Co., Ltd. Chairman, Huiyue Investment Co., Ltd. Chairman, Natural Beauty bio-technology Co., Ltd. Chairman, Ray-Sen Medical Cosmetics Co., Ltd. Chairman, KeMeiYan Bio-Technology Co., Ltd. Chairman, Dung Sen Min Diau Yun Co., Ltd. Chairman, Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai) Ltd. Chairman, Shanghai Natural Beauty Bio-technology Company Limited Chairman, Shanghai Natural Beauty Bio-Med Company Limited Chairman, Shanghai Natural Beauty Fuli Cosmetics Company Limited Chairman, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Eastern Home Shopping & Leisure Co., Ltd. Director, Tung Kai Lease-Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, ET New Media Holdings Co., Ltd. Director, HER Hotels & Resorts Group Yilan Director, ET Pet Co., Ltd. Director, Eastern Enterprise Development (Shanghai)	None	None	None	It is reasonable and necessary for the Chairman and General Manager to be the same person because it meets the business needs of the Company. Operating efficiency is therefore increased and decision-making execution is faster and smoother. <del>In 2012, the director selected at the ordinary shareholders meeting will add an independent director to comply with the law</del>

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
												Ltd. Director, Grand Scene Trading (Hong Kong) Ltd. Director, Nanjing Yun Fu Trading Ltd. Director, Jiangsu Sen Fu Da Media Technology Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Director & President, Far Eastern Silo & Shipping (Panama) S.A. Director & President, Far Eastern Silo & Shipping International (Bermuda) Limited Director, Grand Scene Media Co. Director, Fortune Investment Global Limited (BVI) Director, Billion Synergy Sdn. Bhd. Director, Next Success International Limited (BVI) Director, Great Glamour Company Limited (BVI) Director, Strawberry Cosmetics Holdings Limited Vice Chairman, Taipei Eastern Cultural Foundation Vice Chairman, Taipei City Private Eastern Social Welfare Charity Foundation Director General, Chinese Non Store Retailer Association Managing Director, Taiwan Food Safety and Industry Development Strategy Conference Managing Supervisor, Taiwan Information and Communication Association Managing Director, Chunghwa New Media Industry Development Association Director and Supervisor, Taiwan Beauty Valley President, Asia Animal Medical Association Vice President, Asia Nature beauty Association Member, Corporate Governance & Sustainability Development Committee of the Company				
Senior Deputy General Manager, Accounting	Republic of China	Ying-Na Cheng	Female	2022.08.11	504	0.000	0	0.000	0	0.000	Department of Business Management, Feng Chia University	Director, Tung Kai Lease Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, Huiyue Investment Co., Ltd.	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Department												Director, Natural Beauty Bio-technology Limited Director, Ray-Sen Medical Cosmetics Co., Ltd. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Biotechnology Co., Ltd. Director, Shanghai Natural Beauty Bio-Med Company Limited Director, Shanghai Natural Beauty Fuli Cosmetics Company Limited Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Supervisor, ET New Media Holdings Co., Ltd. Supervisor, HER Hotels & Resorts Group Yilan Supervisor, ET Pet Co., Ltd. Supervisor, Eastern Asset Co., Ltd. Supervisor, Nanjing Yun Fu Trading Ltd. Supervisor, Shanghai Yongli Cosmetics Co., Ltd. Supervisor, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Supervisor, Far Eastern Investment Co, Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Grand Scene Trading (Hong Kong) Ltd. Deputy General Manager, Far Eastern Silo & Shipping (Panama) S.A. Deputy General Manager, Far Eastern Silo & Shipping International (Bermuda) Limited Deputy General Manager, Grand Scene Media Co.				
Deputy General Manager, Warehousing Division	Republic of China	Ching-Tze He	Male	2008.08.21	23	0.000	201	0.000	0	0.000	Master of Management, Chiayi University Research Institute	Deputy General Manager, Far Eastern Silo & Shipping (Panama) S.A.	None	None	None	None
Deputy General Manager, General	Republic of China	Sheng-Chong Hsu	Male	2011.09.01	246	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai	Director of Dongsen Non-Life Insurance Agent Co. Ltd.	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Affairs Department											University	Secretary General, Chinese Non Store Retailer Association				
Deputy General Manager, General Affairs Department	Republic of China	Hsiao-Ching Hu	Female	2014.08.13	0	0.000	0	0.000	0	0.000	Ming Chuan University Institute of Biography Master's degree	None	None	None	None	None
Deputy General Manager, General Affairs Department	Republic of China	Hsiang-Jui Wo	Male	2019.01.01	0	0.000	121	0.000	0	0.000	Kaohsiung Vocational College of Navigation	None	None	None	None	None
Deputy General Manager, General Affairs Department	Republic of China	Kuang-Wu Chen	Male	2019.12.19	0	0.000	0	0.000	0	0.000	PhD candidate in Biomedical Engineering, Johns Hopkins University, USA Master of Electronic Science, Ohio State University Master of Computer Science, University of Maryland	None	None	None	None	None
Investment Office, General Affairs Department Deputy General Manager	Republic of China	Chia-Wei Lin	Male	2020.04.01	0	0.000	0	0.000	0	0.000	Bachelor of Economics, National Chengchi University Master of Business Administration, Tunghai University	Director, Natural Beauty Bio-technology Limited. Director, Care Pet Bio-Tech Company	None	None	None	None
Real Estate Division Department Deputy General Manager	Republic of China	Tsong-Yi Lin	Male	2017.08.01	0	0.000	0	0.000	0	0.000	Master of Business Administration, University of Wales, UK Master of Transportation Engineering, University of Leeds	Director of Eastern Media International Hotels Co., Ltd.	None	None	None	None
Planning R&D Office, General Affairs Department Deputy General Manager	Republic of China	Lan-Ying Feng	Female	2018.03.22	0	0.000	0	0.000	0	0.000	Department of Journalism, Shih Hsin University	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Deputy General Manager, Finance Department	Republic of China	Cheng-Kuo Lu	Male	2019.12.19	23,323	0.005	0	0.000	0	0.000	Tamsui Technical College Bank Management Department	Director, Far Eastern Investment Co., Ltd. Deputy General Manager, ET New Media Holdings Co., Ltd. Deputy General Manager, ET Pet Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Grand Scene Trading (Hong Kong) Ltd. Deputy General Manager, Eastern Media Communication (Hong Kong) Limited Deputy General Manager, Far Eastern Silo & Shipping (Panama) S.A. Deputy General Manager, Far Eastern Silo & Shipping International (Bermuda) Limited Deputy General Manager, Grand Scene Media Co.	None	None	None	None
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Republic of China	Hui-Ying Chou	Female	2020.04.01	120	0.0000	6,263	0.001	0	0.000	Law Department, Chinese Cultural University Lawyer, WTW Zhongtian International Law Firm Lawyer, Yang Siqin Law Firm	Deputy General Manager, ET New Media Holdings Co., Ltd. Deputy General Manager, ET Pet Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Natural Beauty Biotechnology Limited Member, Corporate Governance & Sustainability Development Committee of the Company	None	None	None	None
Deputy General Manager, General Affairs Department	Republic of China	Kui-Ting Kao	Male	2020.04.01	0	0.000	0	0.000	0	0.000	Law Department, Chinese Cultural University	Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Eastern E-Commerce Co., Ltd.	None	None	None	None



Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
												Deputy Secretary General, Chinese Non Store Retailer Association				
Deputy General Manager, Accounting Department	Republic of China	Yao-Tsu Shen	Male	2022.08.11	0	0.000	0	0.000	0	0.000	Accounting Research Institute, Chinese Cultural University	Director, Far Eastern Investment Co., Ltd. Supervisor, Huiyue Investment Co., Ltd. Supervisor, Natural Beauty Bio-Technology Supervisor, Ruisheng Medical Beauty Technology Co., Ltd. Supervisor, KeMeiYan Bio-Technology Co., Ltd. Supervisor, Shanghai Natural Beauty Biotechnology Co., Ltd. Supervisor, Shanghai Natural Beauty Bio-Med Company Limited Supervisor, Shanghai Natural Beauty Fuli Cosmetics Company Limited Supervisor, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Supervisor, Care Pet Bio-Tech Company Deputy General Manager, ET Pet Co., Ltd. Deputy General Manager, ET New Media Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Grand Scene Trading (Hong Kong) Ltd. Deputy General Manager, Eastern Media Communication (Hong Kong) Limited Deputy General Manager, Far Eastern Silo & Shipping International (Bermuda) Limited Deputy General Manager, Grand Scene Media Co.	None	None	None	None
Work Services Office, Real Estate Division Associate Manager (Retired on July 1, 2022)	Republic of China	Feng-Wen Chen	Male	2018.03.22	0	0.000	0	0.000	0	0.000	Mingxin Engineering College	None	None	None	None	
Associate	Republic of	Ping-Yu Su	Female	2019.01.22	0	0.000	0	0.000	0	0.000	Department of	None	None	None	None	

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Manager, General Affairs Department	China										Sociology, Chung Hsing University Institute of Social Work, Soochow University					
Associate Manager, Warehousing Division	Republic of China	Kun-Yu Chang	Female	2019.04.01	0	0.000	0	0.000	0	0.000	Home Economics Research Institute, Chinese Cultural University	None	None	None	None	None
Associate Manager of Investment Office, General Administration Department	Republic of China	Yu-Ling Ye	Female	2021.02.17	0	0.000	0	0.000	0	0.000	MBA, University of Texas at Arlington	None	None	None	None	None
Associate Manager, Audit Office	Republic of China	Hui-Hui Li	Female	2021.09.02	1,710	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai University	None	None	None	None	None
Associate Manager, General Affairs Department	Republic of China	Sheng-Fen Ou	Female	2021.09.02	0	0.000	0	0.000	0	0.000	M.S. in Construction Management, Chung Hua University	None	None	None	None	None
Associate Manager of Investment Office, General Administration Department	Republic of China	Wen-Jian Sie	Male	2021.09.02	0	0.000	0	0.000	0	0.000	M.S. in Accounting, Fu Jen Catholic University	None	None	None	None	None
Associate Manager of the Warehousing Division and Taichung Office Manager	Republic of China	Chang-Yi Huang	Male	2022.01.01	88	0.000	243	0.000	0	0.000	Business School, Ling Tung University	None	None	None	None	None
Kaohsiung Office Manager, Warehousing Division	Republic of China	Po-Liang Chen	Male	2016.05.01	373	0.000	0	0.000	0	0.000	Department of Electrical Engineering, Ocean University	None	None	None	None	None

### 3.3 Remuneration Paid to Directors, General Manager, and Deputy General Manager(s) in the Most Recent Year

#### 3.3.1 Remuneration to directors (including independent directors)

Unit: NTD Thousand

Job Title	Name	Directors' Remuneration								Sum of A, B, C, and D; and its proportion to the net income after tax		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G; and its proportion to the net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business execution expenses (D)				Wages, rewards, special allowances, etc. (E)		Pension upon retirement (F)		Employee bonuses (G)						
		The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company		All companies in these financial reports		The Company	All companies in these financial reports			
Far Rich International Corporation Representative:																						
Chairman	Shang-Wen Liao	165	865	0	0	0	0	280	496	445 (0.03%)	1361 (0.08%)	3,124	12,710	0	0	0	0	46	0	3,569 (0.22%)	14,117 (0.85%)	4,361
Director	Chao-Hsin Chiu	0	0	0	0	0	0	220	295	220 (0.01%)	295 (0.02%)	865	2,593	0	0	0	0	0	0	1,085 (0.07%)	2,888 (0.17%)	0
Ding-Fong Broadcasting Co., Ltd. Representative:																						
Director	Kao-Ming Tsai	0	4,229	0	0	0	0	220	313	220 (0.01%)	4,542 (0.27%)	0	0	0	0	0	0	0	0	220 (0.01%)	4,542 (0.27%)	0
Director	Ching-Chi Chen	0	478	0	0	0	0	220	229	220 (0.01%)	707 (0.04%)	0	0	0	0	0	0	0	0	220 (0.01%)	707 (0.04%)	135
Independent Director	Kuen-Chang Lee	600	600	0	0	0	0	220	220	820 (0.05%)	820 (0.05%)	0	0	0	0	0	0	0	0	820 (0.05%)	820 (0.05%)	720
Independent Director	Su-Chang Chen	600	600	0	0	0	0	220	220	820 (0.05%)	820 (0.05%)	0	0	0	0	0	0	0	0	820 (0.05%)	820 (0.05%)	0
Independent Director	Tien-Wei Shih	600	600	0	0	0	0	220	220	820 (0.05%)	820 (0.05%)	0	0	0	0	0	0	0	0	820 (0.05%)	820 (0.05%)	720

1. Please specify the policy, system, standards and structure for the remuneration to independent directors, and the linkage of the amount of remuneration to the responsibilities, risk exposure and time commitment of the directors: Please refer to page 44.

2. In addition to the disclosure in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: 740,000

3. Paid the driver NT\$1,448,946.

### 3.3.2 Remuneration Paid to General Manager and Deputy General Manager(s)

Unit: NTD Thousand

Job Title	Name	Salary (A)		Retirement pension (B)		Rewards and Special expenses etc. (C)		Employee bonuses amount (D)				Sum of A, B, C, and D; and its proportion to the net income after tax		Remuneration from investee companies outside of subsidiaries or from the parent company
		The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company		All companies in these financial reports		The Company	All companies in these financial reports	
								Cash Amount	Stock Amount	Cash on hand Amount	Stock Amount			
General Manager (Concurrent)	Shang-Wen Liao	2,400	7,620	0	0	1,004	5,586	0	0	46	0	3,404 (0.21%)	13,252 (0.80%)	4,361
Deputy General Manager	Ching-Tze He	2,520	2,520	0	0	2,032	4,732	0	0	0	0	4,552 (0.28%)	7,252 (0.44%)	0
Deputy General Manager	Kuang-Wu Chen	3,811	3,811	0	0	2,457	2,475	0	0	0	0	6,286 (0.38%)	6,286 (0.38%)	0
Deputy General Manager	Hsiang-Jui Wo	1,802	1,802	0	0	2,944	3,207	0	0	0	0	4,747 (0.29%)	5,010 (0.30%)	0
Deputy General Manager	Chia-Wei Lin	2,971	2,971	0	0	1,395	1,404	0	0	0	0	4,366 (0.26%)	4,375 (0.26%)	0
Deputy General Manager	Ying-Na Cheng	14,059	14,821	0	0	9,708	12,136	0	0	168	0	23,767 (1.44%)	23,125 (1.64%)	442
Deputy General Manager	Sheng-Chong Hsu													
Deputy General Manager	Hsiao-Ching Hu													
Deputy General Manager	Tsong-Yi Lin													
Deputy General Manager	Lan-Ying Feng													
Deputy General Manager	Cheng-Kuo Lu													
Deputy General Manager	Hui-Ying Chou													
Deputy General Manager	Kui-Ting Kao													
Deputy General Manager	Yao-Tsu Shen(Note1)													

Note: 1. Deputy General Manager Yao-Tsu Shen took office on August 11, 2022.

Table of Remuneration Scales

Range of remunerations paid to general manager(s) and deputy general manager(s)	Name of General Manager and Deputy General Manager(s)	
	The Company	Parent company and all reinvested businesses E
Lower than NTD 1,000,000	None	None
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Yao-Tsu Shen	Yao-Tsu Shen
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Shang-Wen Liao , Hsiao-Ching Hu , Ying-Na Cheng , Sheng-Chong Hsu , Lan-Ying Feng , Cheng-Kuo Lu , Hui-Ying Chou , Kui-Ting Kao	Hsiao-Ching Hu , Sheng-Chong Hsu , Lan-Ying Feng , Cheng-Kuo Lu , Hui-Ying Chou , Kui-Ting Kao
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Ching-Tze He ,Hsiang-Jui Wo , Tsong-Yi Lin, Chia-Wei Lin	Ying-Na Cheng , Tsong-Yi Lin , Chia-Wei Lin
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Kuang-Wu Chen	Ching-Tze He , Hsiang-Jui Wo, Kuang-Wu Chen
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	None	None
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	None	Shang-Wen Liao
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	None	None
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	None	None
Over NTD 100,000,000	None	None
Total	14 individuals	14 individuals

Note : Paid the driver NT\$2,164,481.

### 3.3.3 Names of managerial officers entitled to employee bonuses and amounts entitled

Unit: NTD Thousand

	Job Title	Name	Stock amount	Cash amount	Total	As percentage of income after tax (%)
Manager	General Manager (Concurrent)	Shang-Wen Liao	0	0	0	0%
	Deputy General Manager	Ying-Na Cheng				
	Deputy General Manager	Ching-Tze He				
	Deputy General Manager	Sheng-Chong Hsu				
	Deputy General Manager	Hsiao-Ching Hu				
	Deputy General Manager	Hsiang-Jui Wo				
	Deputy General Manager	Tsong-Yi Lin				
	Deputy General Manager	Lan-Ying Feng				
	Deputy General Manager	Cheng-Kuo Lu				
	Deputy General Manager	Kuang-Wu Chen				
	Deputy General Manager	Hui-Ying Chou				
	Deputy General Manager	Chia-Wei Lin				
	Deputy General Manager	Kui-Ting Kao				
	Deputy General Manager	Yao-Tsu Shen				
	Associate Manager	Kun-Yu Chang				
	Associate Manager	Ping-Yu Su				
	Associate Manager	Yu-Ling Ye				
	Associate Manager	Wen-Jian Sie				
	Associate Manager	Feng-Wen Chen				
	Associate Manager	Sheng-Fen Ou				
Associate Manager	Hui-Hui Li					
Associate Manager	Chang-Yi Huang					
Manager	Po-Liang Chen					

**3.3.4 Compare and specify separately the amount of compensation paid in the last two years by the Company and all companies included in the consolidated financial statements to the Company's directors, general manager, and deputy general managers, and the respective proportion of such compensation to the income after tax of the standalone and individual financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and the future risks.**

1. Analysis table for the proportion to net profits after tax of the total of the remuneration paid to directors, general managers and deputy general managers by the Company and all companies in the consolidated financial statements in the most recent two years.

Job Title	2021 Proportion of total remuneration to net profit after tax		2022 Proportion of total remuneration to net profit after tax	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors (Note) (Including concurrent employees receiving related remuneration)	1.08%	3.72%	(0.46%)	(1.49%)
General Manager and deputy general managers(Note)	6.48%	8.91%	(2.85%)	(3.82%)
Note: (1) The second section of the remuneration declaration of 2021 is the actual amount of employee bonuses. (2) The first section of the 2022 remuneration declaration is the proposed number for employee bonuses.				

2. The Company's remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) Director

Item	Director (including Independent Director)
Remuneration Policies	<ol style="list-style-type: none"> <li>1. Director is not paid.</li> <li>2. Salaries of independent directors are determined by the Board of Directors with reference to industry standards.</li> </ol>
Remuneration standards and packages	<ol style="list-style-type: none"> <li>1. Directors are only paid the professional practice allowance and attendance fees for attending Board meetings.</li> <li>2. In addition to a fixed monthly salary, an independent director also receives the professional practice allowance and attendance fees for attending Board meetings.</li> </ol>

Item	Director (including Independent Director)
Procedures for determining the remuneration	Per Article 18 of the Company's Articles of Incorporation, "Remuneration of Directors", the Board of Directors is authorized to determine the remuneration based on the degree of their participation in the operation of the company; mastery of the Company's objectives and tasks; management of internal relationship and communication; professionalism and continuing education; and with reference to industry standards.
The relevance between the remuneration and business operating performance and future risks	In accordance with Article 26 of the Company's Articles of Incorporation, the Company's profits (if any) shall not be distributed to directors (including independent directors) as their remuneration.

(2) Managers

Item	Managers
Remuneration Policies	Follow the Company's "Salary Management Measures," with responsibilities, position, seniority, personal ability, experience, and reference to the market salary level as the basis for salary evaluation.
Remuneration standards and packages	Managers' remuneration items and the standards thereof: 1. Fixed monthly salary. 2. Employee remuneration: If the Company earns a profit (refers to the profit before income tax prior to deducting employee remuneration), it shall offset the accumulated losses, and then set aside 3.5% of the balance as employee compensation. 3. Year-end bonus: It is allocated based on the results reflecting the company's annual operating performance, profit and loss status, and personal performance.
Procedures for determining the remuneration	The salary adjustment at the time of appointment or salary adjustment after appointment are submitted for approval in accordance with the internal approval authority, and also refers to individual performance and contribution to company performance. Relevant performance appraisal and salary reasonableness are reviewed by the Remuneration Committee and afterward proposed to the Board of Directors for resolution.
The relevance between the remuneration and business operating performance and future risks	In addition to the Company's revenue and net profit margin, the performance of managers is evaluated on the basis of their recognition of the Company's core values and mastery of their tasks, personal leadership ability, future development potential, risk management control and measurement, and other special contributions (the items, contents, and weights of the evaluation are listed in the table below). The Company determines the distribution



	of employee compensation and year-end bonuses based on the results of performance evaluations by the Employee Performance Evaluation Measures and indeed determines the payment of variable remuneration based on operating performance.
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No.	Evaluation Indicator	Evaluation Description	%
1	Performance Indicator	Result-oriented - Department objectives/ KPI reaching rate Professional skills - Demonstrate in-depth professional skills in the relevant field and the ability to lead a team in collaboration.	50%
2	Management ability	Caring about the team - Take care of and recognize the achievements of team members in the public and private fields; encourage them to enhance themselves and develop new skills. Authorize the team - Trust team members and allow them room for development; intervene timely to provide them with support, guidance, and professional knowledge and skills. Set up visionary strategies - Set clear goals for the team, so that members know where to go and how to go.	30%
3	Development potential	Ability to communicate - To express oneself and understand the message of the other party clearly and completely promptly. Ability to cope with stress - Demonstrate stability and task completion in the face of high-intensity tasks; adapt quickly to tasks arising from changes in the Company's strategies. Self-enhancement - Enhance oneself to meet future business needs.	20%

### 3.4 Corporate Governance Status

#### 3.4.1 Operation of the Board of Directors

A. There were 10 meetings (A) of the Board of Directors held in the most recent year. The attendance of directors is as follows:

17th term of Directors

Job Title	Name	Number of times actually attending (observing) (B)	Frequency of attendance	Actual attendance (observation) rate (%) (B/A)	Note
Chairman	Far Rich International Corporation Representative: Shang-Wen Liao	10	0	100%	
Director	Far Rich International Corporation Representative: Chao-Hsin Chiu	10	0	100%	
Director	Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	9	1	90%	
Director	Ding Fong Broadcasting Co., Ltd. Representative: Ching-Chi Chen	9	1	90%	
Independent Director	Kuen-Chang Lee	10	0	100%	
Independent Director	Su-Chang Chen	10	0	100%	
Independent Director	Tien-Wei Shih	10	0	100%	

Other matters to be recorded:

- If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:
  - The circumstances referred to in Article 14-3 of the Securities and Exchange Act: Detailed in "Other matters to be recorded" in Operation of the Audit Committee on page 57 of the Annual Report.
  - Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: None.
- For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting: Please refer to page 47.
- TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations." : Please refer to page 52.
- The objective for fortifying the function of the Board in the current year and the most recent year (e.g., setting up an Audit Committee, improving information transparency, etc.) and the assessment of the status of implementation: The Company set up an Audit Committee to replace supervisors on May 11, 2017; it re-elected 7 directors in 2020 (including 3 independent directors). In accordance with relevant laws and regulations, an Audit Committee and a Remuneration Committee have been composed of three independent directors in order to perform supervisory duties and strengthen the functions of the Board of Directors, for the sake of enhancing enhance information transparency.

## Implementation status of directors' recusals from proposals due to conflicts of interest

Meeting date and session	Implementation status of directors' recusals due to conflicts of interest
<p>The 17th session of the 17th term on January 18, 2022 Board of Directors</p>	<p>Discussion 1 Proposal: Providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Chailease Specialty Finance Co., Ltd. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse the Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one directors who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 3 Proposal: Approval of the Company's NT\$1million donation to the "Dongsen Charity Foundation". Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Deputy Chairman of the Board of Dongsen Charity Foundation. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>March 23 2022 The 18th session of the 17th term Board of Directors</p>	<p>Discussion 7 Proposal: Submit the proposal to provide an endorsement guarantee of NT\$150 million for the application for a credit line of commercial paper facilities of subsidiary "ET Pet Co., Ltd." from Mega Bills Finance Corporation. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be rescued, other directors presented passed the proposal without objection.</p> <p>Discussion 8 Proposal: Submit the proposal of providing an endorsement guarantee of NT\$75 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from SinoPac Holding Co., Ltd. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>May 5, 2022 The 19th session of the 17th term Board of Directors</p>	<p>Approved Proposal: Submit the proposal for the Company's sub-subsubsidiary, ET Pet Co., Ltd. to invest in a new company in excess of its investment limit. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors, please recuse the Director of ET Pet Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>

Discussion 2

Proposal: Submit the proposal of provide NT\$400 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”.

Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday ) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.

Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

Discussion 3

Proposal: Submit the proposal of provide NT\$50 million endorsement guarantee to subsidiary “Oscar Pet Co., Ltd.” for the application for commercial paper guarantee from the International Bills Finance Corporation- Hsinchu Branch.

Chairman: Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of Oscar Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.

Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

Discussion 4

Proposal: Submit the proposal of provide NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for commercial paper guarantee from the International Bills Finance Corporation- Taipei Branch.

Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.

Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

Discussion 5

Proposal: Submit the proposal of provide an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Entie Commercial Bank, Ltd.

Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.

Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

Discussion 6

Proposal: Submit the proposal of providing an endorsement guarantee of NT\$101,760,416 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Co-Operative Asset Management Co., Ltd.

Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.

Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

Discussion 7

Proposal: Approval of the Company’s NT\$1.5 million donation to the Taiwan Information

	<p>Communication Association.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Executive Supervisor of Taiwan Information Communication Association.. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>June 13, 2022</p> <p>The 20th session of the 17th term Board of Directors</p>	<p>Discussion 5</p> <p>Proposal: Submit the proposal of the application made by ET New Media (ETtoday) Holdings Co., Ltd. to the Company for a loan and non-revolving credit line in an amount of NT\$300 million to be changed to a revolving credit line.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday ) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>August 11, 2022</p> <p>The 22th session of the 17th term Board of Directors</p>	<p>Discussion 2</p> <p>Proposal: Submit the proposal for the Company's subsidiary, ET New Media (ETtoday) Holdings Co., Ltd. to participate in the capital increase by cash project of its sub-subsidiary Dung Sen Min Diao Yun Co., Ltd., Ltd. and Dung Sen Shin Guang Yun Co., Ltd., in excess of its investment limit.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday ) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 3</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$79,359,600 for the application for a credit line of financing of a subsidiary to the subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Orix Taiwan Corporation.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 4</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from CTBC Bank. of subsidiary “ET Pet Co., Ltd.”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$189 million</p>

	<p>for the application for a credit line of financing from Mega Commercial Bank of subsidiary “ET Pet Co., Ltd.”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 6</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$1.312 billion for the application for a credit line of financing from King’s Town Bank of subsidiary “Eastern Hotels &amp; Resorts Yilan Co., Ltd.”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse the Chairman and the directors of HER Hotels &amp; Resorts Group Yilan, Mr. Ching-Chi Chen, Director Shang-Wen Liao, and Director Kao-Ming Tsai. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for three directors who should be recused, other directors present passed the proposal without objection.</p> <p>Discussion 8</p> <p>Proposal: Approval of the Company’s NT\$2 million donation to the Taiwan Information Communication Association.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Executive Supervisor of Taiwan Information Communication Association.. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>September 28, 2022 The 23th session of the 17th term Board of Directors</p>	<p>Discussion 1</p> <p>Proposal: Submit the proposal of the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Chairman and the director of T Eastern Asset Co., Ltd., Mr. Shang-Wen Liao and Director Kao-Ming Tsai. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for two director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 2</p> <p>Proposal: Submit the proposal of provide NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd” for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p> <p>Proposal: Approval of the Company’s NT\$1.2million donation to the “Dongsen Charity Foundation”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Deputy Chairman of the Board of Dongsen Charity Foundation. The proposal was proceeded by Director Chao-Hsin Chiu who</p>

	<p>acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>November 10, 2022</p> <p>The 24th session of the 17th term Board of Directors</p>	<p>Discussion 3</p> <p>Proposal: Submit the proposal of providing NT\$100 million limit for loan to “ET Pet Co., Ltd.”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 4</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$70 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from SinoPac Holding Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Bank of Panshin.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 6</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from International Bills Finance Corporation Taipei Branch of subsidiary “ET Pet Co., Ltd.”.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>December 23, 2022</p> <p>The 25th session of the 17th term Board of Directors</p>	<p>Discussion 4</p> <p>Proposal: Approval the Company's subsidiary ET New Media (ETtoday) Holdings Co., Ltd. to invest in a new subsidiary at an amount exceeding the investment limit.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p>

	<p>Proposal: Submit the proposal on the Company's acquisition of capital increase shares of ET Pet Management Co. Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 7</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from KGI Commercial Bank Co., Ltd. of subsidiary "ET Pet Co., Ltd."</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 14</p> <p>Proposal: Approval of the Company's NT\$150,000 donation to the "Dongsen Charity Foundation".</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Deputy Chairman of the Board of Dongsen Charity Foundation. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
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**B. The Board of Directors status of evaluation and implementation:**

The Board of Directors passed the "Board of Directors Performance Evaluation Measures" on December 19, 2019, which requests to evaluate, at least once a year, the performance of the Board, individual Board members, and the functional committees. The Company shall conduct the evaluation accordingly at the end of each year. On November 4, 2021 and November 10, 2022, the Company approved the amendments to the "Regulations Governing the Performance Evaluation of the Board of Directors", under which the performance evaluation of the Board of Directors shall be conducted by an external professional independent organization or external experts and scholars at least once every three years. In September 2022, the Company entrusted the Taiwan Corporate Governance Association to conduct an external performance evaluation of the Board of Directors for 2022, covering the major aspects of the composition, instruction, authorization, supervision, communication, internal control and risk management, self-regulation and others (such as the Board of Directors' meetings, support systems, etc.) of the Board of Directors by means of self-assessment questionnaires and on-site visits. On December 27, 2022, the Taiwan Corporate Governance Association issued a report on the performance evaluation of the Board of Directors and submitted the above recommendations and measures to be adopted to the Board of Directors on March 14,



2023. The relevant overall evaluation contents and measures are as follows:

(1) Overall evaluation

No.	Descriptions of the overall evaluation
1	With respect to the corporate governance and operational management, the independent directors have fully performed their duties and responsibilities in anti-corruption in pursuit of corporate benefits. The Board of Directors and functional committees have been operating well, which is worth recognition.
2	The Company has established a good corporate governance system, strengthened the management functions, and is committed to corporate social responsibility and sustainable management. This year, the Company won the TCSA - Platinum Award for Corporate Sustainability Report, which is a remarkable achievement.
3	The Group convenes a strategic consensus camp every year. The directors and independent directors of each of the Group's companies also participate in the camp. The Board of Directors is fully engaged in the planning and establishment of the Company's business strategies and targets.
4	The Company had been ranked Level 4 to 6 among listed companies since its participation in the corporate governance evaluation from 2014 to 2020, and was upgraded to Level 3 in 2021 under the active supervision of the Board of Directors.  The Company established the "Regulations Governing the Performance Evaluation of the Board of Directors" in 2019 and made amendments in 2021 to implement self-assessment by the Board of Directors, Board members and functional committees and regulate the Company to be evaluated by an external professional and independent organization at least every three years, demonstrating the Board of Directors' ambition towards the implementation of the corporate governance system and enhancement in the effective operation of the Board of Directors.

(2) Recommendations

No.	Descriptions on the recommendations	Implementation Status
1	It is recommended that the Company consider adding female directors and external directors (natural person directors/independent directors) in the future to enhance the independence and diversity of the Board of Directors.	In accordance with the recommendations, the independence and diversity of directors will be enhanced upon re-election.
2	The Audit Office of the Company is directly under the Board of Directors. It is recommended that the Company consider to arrange the Audit Committee to express its	In accordance with the recommendations, the Audit Committee will express its opinion on the performance

	opinion on the performance of the Audit Supervisor before submitting it to the Chairman for approval in order to strengthen the Audit Committee's supervisory function over the Audit Supervisor.	of the Audit Supervisor before submitting to the Chairman for approval.
3	The Company has established a whistleblower mailbox with a “system for reporting illegal and unethical conduct by internal and external personnel”. It is recommended that the Board of Directors of the Company to further strengthen the existing whistleblower system by establishing a mechanism for independent directors to receive emails simultaneously with the responsible unit to ensure the effective operation of the whistleblower mechanism, as well as set up a written information system for the relevant procedures and make announcements so as to improve the whistleblower reporting system.	In accordance with the recommendations, the amendments to the whistleblower system is proposed to be completed by the end of May and make announcements.
4	In view of the Company's re-election next year, in order to familiarize the new Board members with the Company's business and the duties of directors, it is recommended that the corporate governance supervisor of the Company coordinate the training for the new directors to help them understand the operation of the Company as soon as possible in order to perform their duties and responsibilities as directors.	In accordance with the recommendations, new directors will be provided with written information on their duties and responsibilities upon appointment. The new directors will be assisted in understanding the operation of the Company as soon as possible.

### **3.4.2 The composition, responsibilities and operation of the Audit Committee**

#### **1. Information of Remuneration Committee Members**

Criteria		Professional Qualification and Experience	Independence Status	Number concurrently serving as members of the Audit Committees of other publicly companies
Position Title	Name			
Independent Director (Convener)	Kuen-Chang Lee	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for commerce, law, finance, accounting, or Company's operation.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Su-Chang Chen	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director	Tien-Wei Shih	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0

## 2. Information on the operation of the Audit Committee

- (1) There are 3 people in the Audit Committee of the Company.
- (2) The current (second) term of members: June 29, 2020 to June 28, 2023; the Audit Committee met 10 times (A) in the most recent year (2022) and member attendance is as follows :

Job Title	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A)	Note
Independent Director	Kuen-Chang Lee	10	0	100%	Convener
Independent Director	Su-Chang Chen	10	0	100%	
Independent Director	Tien-Wei Shih	10	0	100%	

### 3. Matters considered mainly included:

- (1) Establishing or amending the internal control system in accordance with Article 14 of the Securities and Exchange Act.
- (2) Evaluation of the effectiveness of the internal control system.
- (3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, formulating or modifying the processing procedures for major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, loan funds to others, endorse or provide guarantees for others.
- (4) Matters involving director self-interest.
- (5) Significant asset or derivative commodity transactions.
- (6) Significant capital loans, endorsements or guarantees.
- (7) Raising, issuing or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of certified public accountants.
- (9) Appointment and removal of financial, accounting or internal audit supervisors.
- (10) Annual financial reports and semi-annual financial reports.
- (11) Other important matters specified by the Company or the competent authority.
- (12) Questionnaire of Self-Evaluation of Performance of the Audit Committee.

#### ■ Reviewing financial reports

The Board of Directors prepared the Company's 2022 annual business report, financial statements and earnings distribution proposal. Among them, the financial statements have been checked by KPMG Taiwan and an audit report has been issued. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed by this Audit Committee which regards them as having no discrepancies.

#### ■ Assessing the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operations, risk management, information security, outsourcing, and compliance with laws and regulations). Furthermore, it reviews the Company's Audit Department and its certified public accountants as well as periodic reports from management including risk management and legal compliance. In reference to the "Internal Control — Integrated Framework" published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee believes that the Company's risk management and internal control

systems are effective. The Company has adopted the necessary control mechanisms to monitor and correct violations.

■ Appointing a certified public accountant

The Audit Committee is given the responsibility of supervising the independence of certified public accountant firms to ensure the fairness of financial statements. Generally speaking, except for tax-related services or specially approved items, the certified public accountant firm must not provide other services of the Company. All services provided by certified public accountant transactions must be approved by the Audit Committee.

The Audit Committee of the Company evaluates the independence and suitability of certified public accountants every year by requesting the certified public accountants to provide a “Statement of Independence” and “Audit Quality Indicators (AQIs)” for evaluation in accordance with their independence and 13 AQIs. We confirm that the accountants have no financial interest or business relationship with the Company other than the fees for certification and taxation cases, and that their family members do not violate the requirements of independence. With reference to the AQIs, we also confirm that the accountants and the firm have better audit experience and training hours than that of the industry average. In addition, we will continue to introduce digital audit tools in the latest three years to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the Audit Committee on March 14, 2023, and submitted to the Board of Directors for resolution and approval with respect to the evaluation of the independence and suitability of the accountants on March 14, 2023.

■ Other matters to be recorded:

1. If the operation of the Audit Committee falls into one of the circumstances below, the date and session of the Audit Committee meetings, details of proposals, resolutions of the Audit Committee, Independent Directors’ opponents, qualified opinions or details of critical suggestions, and how the Company deals with the opinions of the Audit Committee must be stated.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company’s handling of the Audit Committee’s opinions
The 16th session of the 2nd term of Audit Committee	2022.01.18	Proposal of to providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Chailease Specialty Finance Co., Ltd.	Approved as proposed	Approved by the BOD
The 17th session of the 2nd term of Audit Committee	2022.03.23	1. Proposal of the employees’ remuneration appropriation for year 2021. 2. Proposal of the Company's 2021 business report and financial	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		<p>statements.</p> <p>3. Proposal of the Company's 2021 earnings distribution.</p> <p>4. Proposal of the Company's cash capital reduction.</p> <p>5. Proposal to provide an endorsement guarantee of NT\$150 million for the application for a credit line of commercial paper facilities of subsidiary "ET Pet Co., Ltd." from Mega Bills Finance Corporation.</p> <p>6. Proposal to provide an endorsement guarantee of NT\$75 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from SinoPac Holding Co., Ltd.</p> <p>7. Proposal for the amendments to the Company's "Procedures for Acquiring or Disposing of Assets".</p> <p>8. Proposal for the issuance of the Company's 2021 "Internal Control System Statement".</p>		
The 1th special session of the 2nd term of Audit Committee	2022.04.15	Proposal of the tender planning report to participate in the "Investment Project of Surface Rights of Public Housing Lot 18-17, Linkou District, New Taipei City".	Approved as proposed	Approved by the BOD
The 18th session of the 2nd term of Audit Committee	2022.05.05	<p>1. Proposal of the Company's sub-subsidiary, ET Pet Co., Ltd. to invest in a new company in excess of its investment limit.</p> <p>2. Adoption of the Company's consolidated financial report for January-March 2022.</p> <p>3. Proposal of providing NT\$400 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.".</p> <p>4. Proposal of providing NT\$50 million endorsement guarantee to subsidiary "Oscar Pet Co., Ltd." for the application for commercial paper guarantee from the International Bills Finance Corporation- Hsinchu Branch.</p> <p>5. Proposal of providing NT\$50 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for the application for commercial paper</p>	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		<p>guarantee from the International Bills Finance Corporation- Taipei Branch.</p> <p>6. Proposal of providing an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Entie Commercial Bank, Ltd.</p> <p>7. Proposal of providing an endorsement guarantee of NT\$101,760,416 for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd."</p>		
The 19th session of the 2nd term of Audit Committee	2022.06.13	<p>1. Proposal of providing NT\$100 million limit for loan to "Care Pet Bio-Tech Company."</p> <p>2. Proposal of providing the application made by ET New Media (ETtoday) Holdings Co., Ltd. to the Company for a loan and non-revolving credit line in an amount of NT\$300 million to be changed to a revolving credit line.</p>	Approved as proposed	Approved by the BOD
The 20th session of the 2nd term of Audit Committee	2022.07.14	<p>1. Internal Audit Implementation Report</p> <p>The company's Lending Funds to Other Parties and or Guarante Implementation</p>	Chase	Not Applicable
The 21th session of the 2nd term of Audit Committee	2022.08.11	<p>1. Adoption of the Company's consolidated financial report for January-June 2022.</p> <p>2. Submit the proposal for the Company's subsidiary, ET New Media (ETtoday) Holdings Co., Ltd. to participate in the capital increase by cash project of its sub-sub-subsidiary Dung Sen Min Diao Yun Co., Ltd. and Dung Sen Shin Guang Yun Co., Ltd. in excess of its investment limit.</p> <p>3. Proposal of providing an endorsement guarantee of NT\$79,359,600 for the application for a credit line of financing of a subsidiary to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Orix Taiwan Corporation.</p> <p>4. Proposal of providing an endorsement guarantee of NT\$50</p>	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		<p>million for the application for a credit line of financing from CTBC Bank. of subsidiary "ET Pet Co., Ltd."</p> <p>5. Proposal of providing an endorsement guarantee of NT\$189 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary "ET Pet Co., Ltd."</p> <p>6. Proposal of providing an endorsement guarantee of NT\$1.312 billion for the application for a credit line of financing from King's Town Bank of subsidiary "Eastern Hotels &amp; Resorts Yilan Co., Ltd."</p>		
The 22th session of the 2nd term of Audit Committee	2022.09.28	<p>1. Proposal for the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd.</p> <p>2. Proposal for providing NT\$50 million endorsement guarantee to subsidiary "ET Pet Co., Ltd" for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p>	Approved as proposed	Approved by the BOD
The 23th session of the 2nd term of Audit Committee	2022.11.10	<p>1. Adoption of the Company's consolidated financial report for January-September 2022.</p> <p>2. Proposal of the Company's acquisition of public facility reserves and donations to acquire bulk reward.</p> <p>3. Proposal for providing NT\$100 million limit for loan to "ET Pet Co., Ltd."</p> <p>4. Proposal of providing an endorsement guarantee of NT\$70 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from SinoPac Holding Co., Ltd.</p> <p>5. Proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Bank of Panshin.</p> <p>6. Proposal of the providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from</p>	Approved as proposed	Approved by the BOD



Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		International Bills Finance Corporation Taipei Branch of subsidiary "ET Pet Co., Ltd."		
The 24th session of the 2nd term of Audit Committee	2022.12.23	<ol style="list-style-type: none"> <li>1. Proposal of non-assurance services to be provided by KPMG Taiwan for 2022.</li> <li>2. Proposal of the replacement of the Taichung Port No. 1 silo UL101 grain unloader machine to maintain operational safety and improve the efficiency of ship unloading for the sustainable operation of the silo.</li> <li>3. Proposal of the Company's subsidiary ET New Media (ETtoday) Holdings Co., Ltd. to invest in a new subsidiary at an amount exceeding the investment limit.</li> <li>4. Proposal on the Company's acquisition of capital increase shares of ET Pet Management Co. Ltd.</li> <li>5. Proposal to entrust Formosa International Hotels Corporation for the planning and operation management of the hotel for the superfacies of the public housing section at Linkou of the Company.</li> <li>6. Proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from KGI Commercial Bank Co., Ltd. of subsidiary "ET Pet Co., Ltd."</li> <li>7. Proposal of the adoption of the Company's "Internal Audit Plan" for year 2023.</li> <li>8. Proposal of the establishment of the Company's "Operating Procedures for Preparation and Verification of the Sustainability Report".</li> </ol>	Approved as proposed	Approved by the BOD

(2) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: None.

2. Implementation status of independent directors' recusals due to conflicts of interest, including the name of the independent director, the content of the proposal, the reasons for recusal and voting status: None.
3. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered):

- a. In addition to the Audit Office’s submission of audit reports to independent directors on a monthly basis, the audit supervisor also reports to the independent directors on the execution of the audit business in the Audit Committee at least once a quarter.
- b. Every audit report needs to track its internal control deficiencies and the improvement of abnormal matters. It also prepares quarterly tracking reports and submits them to independent directors.
- c. When the Audit Committee of the Company is meeting on matters such as communication and discussion about the Company’s financial reports and accountants’ audit certification and other related matters, all accountants are invited to attend.
- d. Independent directors and accountants have regular meetings at least twice a year. The accountant reports to the independent directors on the financial status of the Company, the financial and overall operation status of the subsidiaries at home and abroad, and the internal control review situation, and fully communicate whether there are major adjustment entries or legal revisions that affect the accounting situation.
- e. Usually, the audit supervisor and accountants directly communicate with independent directors as needed.
- f. Meeting communication status is as follows:

Meeting name and date of convening	Internal audit communication matters and communication results
Communication meeting among independent directors, auditors and the audited units	
2022/12/23	Report of the improvement of audit findings for subsidiary, ET Pet Co., Ltd.
Audit Committee	
2022/01/18	June-July 2021 Internal Audit Implementation Report
2022/03/23	1. October-December 2021 Internal Audit Implementation Report 2. 2021 “Statement of Internal Control System”
2022/05/05	January 2022 Internal Audit Deficiency Improvement Report
2022/07/04	February 2022 Internal Audit Deficiency Improvement Report
2022/08/11	March-April 2022 Internal Audit Implementation Report
2022/09/28	April-May 2022 Internal Audit Implementation Report
2022/11/10	June-July 2022 Internal Audit Implementation Report
2022/12/23	1. Approved the adoption of the Company's “Internal Audit Plan” for year 2023. 2. August-September 2022 Internal Audit Implementation Report
2023/02/10	October -November 2022 Internal Audit Implementation Report
2023/03/14	December 2022 Internal Audit Implementation Report
Attendees of the aforementioned meeting: Independent directors Kuen-Chang Li, Su-Chang Chen and Tien-Wei Shih, chief auditor Hui-Hui Li.	
Communication results of the above matters: After consultation / review and approval, the Board of Directors report resolution will be submitted.	

Meeting name and date of convening	Accountant communication matters and communication results
Financial statements discussion meeting	
2022/08/11	<ol style="list-style-type: none"> <li>1. Discussion the financial analysis and operating performance for the first half year of 2022.</li> <li>2. Discussion the valuation of recoverable amount in intangible assets.</li> <li>3. Reviewing regulatory developments.</li> <li>4. Discussion and communication of questions raised by accountants for the attention of meeting participants.</li> </ol>
2023/03/14	<ol style="list-style-type: none"> <li>1. Reviewing any audit problems or difficulties and management's response in connection with 2022 annual financial statements.</li> <li>2. Reviewing regulatory developments.</li> </ol>
Attendees of the aforementioned meeting: Independent directors Kuen-Chang Li, Su-Chang Chen and Tien-Wei Shih, certified accountant Shin-Chin Chih , chief accounting officer Ying-Na Cheng.	
Communication results of the above matters: Contact us.	

### 3.4.3 The composition, responsibilities and operation of the Corporate Governance & Sustainability Development Committee

#### 1. Information of Corporate Governance & Sustainability Development Committee Members

Job Title	Name	Professional Qualification and Experience
Independent Director (Convener)	Tien-Wei Shih	Business Management
Independent Director	Su-Chang Chen	Business Management
Independent Director	Kuen-Chang Lee	Finance and Account, Corporate Governance, Business Sustainable Management
Chairman	Shang-Wen Liao	Business Management
Deputy General Senior Manager of Accounting Department and the Spokesperson	Ying-Na Cheng	Financial Accounting
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Hui-Ying Chou	Legal, Corporate Governance

#### 2. Information on the operation of the Corporate Governance & Sustainability Development Committee

A. There are six people on the Corporate Governance & Sustainability Development Committee of the Company.

B. The current (first) term of members: November 4, 2021 to June 28, 2023; the Corporate Governance & Sustainability Development Committee met 6 times (A) in the most recent year (2022) and member qualifications and attendance are as follows:

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Tien-Wei Shih	6	6	0	100%	Convener
Independent Director	Su-Chang Chen	6	6	0	100%	

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Kuen-Chang Lee	6	6	0	100%	
Chairman	Shang-Wen Liao	6	6	0	100%	
Deputy General Manager of Accounting Department and the Spokesperson	Ying-Na Cheng	6	6	0	100%	
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Hui-Ying Chou	6	6	0	100%	

### **3. Responsibilities of the Corporate Governance & Sustainability**

#### **Development Committee**

##### A. Promote and enhance corporate governance:

- a. Planning the direction of corporate governance and the annual implementation of the plan and its progress.
- b. The effects of implementing the corporate governance system; the review, recommendation, and tracking of the annual implementation plan and its progress.

##### B. Promote the CSR and sustainable development matters:

- a. Preparation of the corporate sustainable development policy and system.
- b. Setting up annual targets and the implementation plan for corporate sustainable development.
- c. The tracking, review, and revision of the implementation status and its effects for corporate sustainable development.

d. Content development and production of the Corporate Sustainability Report.

#### 4. Implementations of the Corporate Governance & Sustainability

##### Development Committee: :

Corporate Governance & Sustainability Development Committee session	Date	Proposal content	Resolution result	The Company's handling of the opinions of the Committee
The 2st session of the 1st term	2022/03/23	1. Proposal on the implementation progress report of the work plan of the Sustainability Implementation Team under the committee.	Fully informed	None
		2. Proposal on the planning of the establishment of ESG integration platform promoted by the Company.	Fully informed	None
The 3st session of the 1st term	2022/05/05	1. Proposal on the implementation progress report of the work plan of the Sustainability Implementation Team under the committee.	Fully informed	None
		2. Proposal on the planning of team members of the ESG integration platform.	Fully informed	None
		3. Proposal on the report on the 8th corporate governance evaluation results in 2021 and the 9th new indicator improvement plan in 2022.	Fully informed	None
The 4st session of the 1st term	2022/06/13	Establishment of the “greenhouse gas inventory and verification schedule plan” of the Company.	Fully informed	None
The 5st session of the 1st term	2022/08/11	1. Proposal on the implementation progress report of the work plan of the Sustainability Implementation Team under the committee.	Fully informed	None

		2. Proposal on the difference analysis report of the 2021 Sustainability Report of EILF.	Fully informed	None
The 6st session of the 1st term	2022/11/10	Implementation progress report of the annual work plan of the Sustainability Implementation Team under the committee.	Fully informed	None
The 7st session of the 1st term	2022/12/23	<p>Announcements:</p> <ol style="list-style-type: none"> <li>1. Implementation progress report on the greenhouse gas inventory and verification schedule plan of the Company.</li> <li>2. Implementation status on the communication with related parties of the Company in 2022.</li> </ol> <p>Discussions:</p> <ol style="list-style-type: none"> <li>1. Implementation status of the Sustainability Implementation Team in 2022 and the work plan in 2023.</li> <li>2. Establishment of the operating procedures for preparation and verification of the Sustainability Report.</li> </ol>	<p>Fully informed</p> <p>Fully informed</p> <p>The proposal was agreed without objection by all members present and submitted to the Board of Directors and Audit for Committee consideration.</p>	<p>None</p> <p>None</p> <p>Submitted to the Board of Directors and approved by all directors present.</p>

### 3.4.4 Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
1. Has the Company prepared and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	◎		The Company established the “Corporate Governance Best Practice Principles” on December 23, 2021 in accordance with the “Corporate Governance Best Practice Principles for TPEX Listed Companies”, and made amendments on December 23, 2022 and March 14, 2023, respectively, which were approved by the Board of Directors and disclosed on the official website and the MOPS.	None
2. The equity structure and shareholders’ equity of the Company				
(1) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	◎		(1) The Company establishes a spokesperson, an acting spokesperson, and a Legal affairs Department and investor relations unit to deal with matters related to shareholders; should there be any legal issues involved, they will be referred to the Company's Legal Department.	None
(2) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	◎		(2) The Company keeps track of the shareholding status of directors, managers, and major shareholders holding more than 10% of shares. Furthermore, it reports changes in accordance with the regulations stipulated by Provisions on the Procedures for Information Reporting of Listed Companies.	None
(3) Has the Company established and implemented the risk	◎		(3) The Company has established relevant mechanisms in the internal control system in	None



Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
<p>management, control and prevention mechanisms for affiliated companies?</p> <p>(4) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?</p>	⊙		<p>adherence with the law. The management of assets and finances is clearly divided according to internal control rights and responsibilities; risk items are regularly evaluated by the investment department.</p> <p>(4) The Company has set up procedures for handling material inside information and Guard against insider trading . Company insiders are prohibited from buying and selling securities using undisclosed information on the market.</p>	None
<p>3. Composition and Duties of the Board of Directors</p> <p>(1) Does the Board of Directors establish <u>diversification policies and specific management targets, and carries them out?</u></p>	⊙		<p>(1) a. The Company's 17th Board of Directors currently consists of 7 Directors, of whom Shang-Wen Liao, Kao-Ming Tsai, Chao-Hsin Chiu and Ching-Chi Chen have expertise in operating management, industry experience and leadership and decision-making ability. As for the three independent directors, Kuen-Chang Lee, Tien-Wei Shih and Su-Chang Chen have professional experience in financial accounting, corporate governance, corporate sustainability management and operating management.</p> <p>b. 28.57% of the Company's directors are employees, 42.86% are independent</p>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
(2) Does the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?	◎		<p>directors, and all three independent directors have a term of service of 4 to 6 years or above. 1 Board member is aged 51-60, 3 are aged 61-70 or older, and 3 are aged 71 or older.</p> <p>c. The Company measures its actual demand based on the type of operational development, and expects to add one Independent Director to the 18th Board of Directors. In addition, it will strive to increase the number of female Directors in order to achieve the specific management goal of diversifying the Company's Board of Directors.</p> <p>d. The diversity policy of the Board of Directors' composition is disclosed on the Company's website.</p> <p>(2) The Company establishes a Corporate Governance and Sustainable Development Committee, a functional committee under the Board, in 2021. The Committee consists of three Independent Directors, Chairman, Spokesperson and Corporate Governance Officer.</p>	None
(3) Has the Company formulated the Board's performance evaluation method and evaluation method, conducted performance	◎		<p>(3) The Company passed the Board of Directors Performance Evaluation Measures in December 2019, carrying out performance evaluations according to the law.</p>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
<p>evaluation annually and regularly, and reported the results of the performance evaluation to the Board of Directors, and applied it to individual directors' remuneration and nomination renewal?</p> <p>(4) Has the Company assessed the independence status of the CPAs at regular intervals?</p>	⊙		<p>(4) Authorizing the Audit Committee to comply with the professional ethics bulletin and the Corporate Governance Best Practice Principles for TWSE/GTSM Listed Companies, the projects and procedures for evaluating the independence of accountants regularly each year are as follows:</p> <ol style="list-style-type: none"> <li>a. Did not act as a director, supervisor or manager of the Company and its subsidiaries, or had significant influence positions or conflicts of interest.</li> <li>b. The same certified public accountant has not been appointed for seven consecutive years.</li> <li>c. The accountant has issued a statement of independence.</li> <li>d. No major lawsuits or cases corrected by the competent authority.</li> </ol>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
			<p>e. The scale and reputation of the accounting firm.</p> <p>f. Effectively interacted with management and internal audit supervisors.</p> <p>In the last two years, the Company has assessed that it meets the independence standards. The latest evaluation was approved by the Audit Committee on March 14, 2023 and submitted to the Board of Directors for approval on March 14, 2023.</p>	
4. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of Directors and shareholders' meeting in	◎		<p>(1) On March 25, 2021, the Board of Directors approved the appointment of Chou,Hui-Ying, Vice President of Legal Affairs Department, as the Head of Corporate Governance, and the establishment of the Legal Office as a dedicated unit for corporate governance to assist Directors in taking office as well as their continuing education. There are also providing notes and related laws for directors' attention at any time.</p> <p>(2) For details of the annual continuing education of the Corporate Governance Executive, please refer to Table 2 (page76).</p>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
accordance with the law, and producing minutes of board meetings and shareholders' meetings)?				
5. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social responsibility?	⊙		The Company sets up a stakeholder's section on its official website, listing the dedicated units and personnel in charge of each stakeholder's interest, and regularly reports the communication results to the Board of Directors.	None
6. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	⊙		The Company entrusts the Stock Agency Department of President Securities Corporation to handle matters connected to the Shareholders Meeting.	None
7. Disclosure of Information (1) Has the Company established a website for the disclosure of information on financial position and operation, as well as	⊙		(1) The Company has set up a dedicated person to maintain the website with detailed and immediate disclosure of relevant information.	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
<p>corporate governance?</p> <p>(2) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of a spokesman system, and videotaping institutional investor conferences)?</p>	◎		(2) The information disclosure methods on the left are all adopted by the Company.	None
<p>(3) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?</p>		◎	(3) The Company announces and declares its annual financial reports within three months after the end of the fiscal year, and announces and reports quarterly financial reports and monthly operating conditions within the specified period.	None

8. Essential information that would help understand the pursuit of corporate governance

(1) Employee rights

The planning principles of the Company's human resources and occupational safety-related management systems are in line with the "Labor Standards Act", the "Occupational Safety and Health Act", and other relevant laws and regulations.

## (2) Employee care

The Company provides different communication channels to facilitate communication within the firm. These include holding regular labor-management meetings to accommodate suggestions for improvement and conducting surveys to gather employees' comments about the workplace and management practices.

## (3) Investor relations

The Company posts financial, operational and material information on its official website and MOPS in a timely manner to keep investors abreast of Company developments and strategies and, thus, maximize shareholders' interests.

## (4) Supplier/contractor relations

- i. Tenders are invited for the procurement bidding in accordance with the "Regulations Governing Requisition, Procurement and Contracting", and the successful tenders shall perform their liabilities for deliveries according to the contracts.
- ii. Formulate "Administration Rules Governing the Supplier Corporate Social Responsibility", identify major suppliers, and include them in the evaluation of environmental safety, human rights, and ethical responsibility, and require suppliers with a transaction amount over NT\$100 thousand to sign the "Code of Conduct and Ethics Commitment". There are also the "Contractors' Safety and Health Commitment" and "Contract Work Hazardous Factor Notice" in the contract. With the strategy of equal emphasis of counseling, inspection and awareness, it carries out the contractor's safety management, strengthens industrial safety publicity measures, and strengthens labor's safety awareness in the workplace and maintains the labor safety.

## (5) Stakeholders' rights

To protect the interests of stakeholders, the Company has established various free and open communication channels to promote corporate social responsibility.

## (6) Director training in 2022- Table 1

Job Title	Name	Training hours	Organizer	Training date	Course title
Chairman	Shang-Wen Liao	3	Accounting Research and Development Foundation	02.16	Latest ESG Sustainability and Corporate Governance Practice Analysis
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in Corporate M&A Procedures
Director	Chao-Hsin Chiu	3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in M&A Procedures
Director	Kao-Ming Tsai	3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		3	Taiwan Corporate Governance Association	06.27	Key financial and tax issues in 2022.
		3	Taiwan Corporate Governance Association	06.27	Analysis and response to the impact of ESG trends on the capital market
Director	Ching-Chi Chen	3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in M&A Procedures
Independent Director	Kuen-Chang Lee	3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in M&A Procedures
		6	Taiwan Corporate Governance Association	10.19	The 18th Corporate Governance Forum- Improve the functions of directors and implement sustainable corporate governance

Job Title	Name	Training hours	Organizer	Training date	Course title
Independent Director	Su-Chang Chen	3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in M&A Procedures
Independent Director	Tien-Wei Shih	3	Accounting Research and Development Foundation	02.16	Latest ESG Sustainability and Corporate Governance Practice Analysis
		3	Taiwan Academy of Banking and Finance	06.28	Responsibility of Directors and Supervisors: From the Perspective of Business Secrets
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in Corporate M&A Procedures

(7) Managers' participation in corporate governance training in 2022- Table 2

Job Title	Name	Training hours	Organizer	Training date	Course title
Accounting Department Deputy General Senior Manager	Ying-Na Cheng	16	KPMG	09.15	Impact of climate change on financial statements
		16	Accounting Research and Development Foundation	11.24-11.25	Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges
Corporate Governance Officer	Hui-Ying Chou	3	Securities and Futures Institute	02.15	Advanced seminar for (independent) directors, supervisors and corporate governance executives' practices - Integrity Management Code
		3	Accounting Research and Development Foundation	02.16	Analysis of the latest ESG sustainability and corporate governance practices
		2	Taiwan Stock Exchange Corporation & Taipei Exchange	07.27	Promotion Meeting of Sustainable Development Roadmap in Industries
		3	Taiwan Corporate Governance Association	09.22	Insider Trading Risks in M&A Procedures
		9	Taiwan Stock Exchange Corporation & Taipei Exchange	11.13-11.14	2022 Cathay sustainable finance and climate change summit
Accounting Department Deputy General Manager	Yao-Tsu Shen	3	National Taxation Bureau of Taipei, Da-An	02.26	Seminar on CFC System by the National Taxation Bureau of Taipei, Ministry of Finance
		3	KPMG	09.15	Impact of climate change on financial statements
		100	Taipei Foundation Of Finance	10.03-12.31	Course on "ESG Sustainability Series – Chief Financial/Corporate Sustainability Officer (Management Trainee) Practical Course"
Audit Office Manager	Hui-Hui Li	6	Securities and Futures Institute	10.18	Legal Compliance of the Establishment of Legal Supervisors and Personnel Required by the Competent Authorities
		6	Securities and Futures Institute	11.29	Ways to Strengthen Internal Control Compliance from the Perspective of Penalty Cases

(8) The Company has adopted its "Risk Management Policies and Procedures" by relevant laws and regulations, and has disclosed it in the Important Regulations on the company's website (emic.com.tw).

9. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year. (Not applicable for companies not evaluated by TSEC) :
- Based on the results of the 9th (2022) Corporate Governance Evaluation by the TWSE Corporate Governance Center, the Company's ranking among listed companies ranged from 6% to 20%, which is higher than its ranking in the 8th (2021) Corporate Governance Evaluation, demonstrating that the Company has continued to enhance itself and worked hard in the area of corporate governance, which has been well recognized by the evaluation. For the indicators that were not scored in the 9th Corporate Governance Evaluation, the Company has made improvements or prioritized enhancement with the measures as follows:



Unscored Evaluation Indicators	Improved or Prioritized Enhancement and Measures
1. Will the Company have held a general shareholders' meeting by the end of May?	Improved. The 2023 Annual General Meeting is scheduled to be held on May 30, 2023.
2. Has the Company established and disclosed its internal regulations prohibiting insiders, such as Directors or employees, from trading securities using unpublished information in the market, including but not limited to the prohibition of Directors from trading shares during the closed period of 30 days prior to the announcement of the annual financial report and 15 days prior to the announcement of its quarterly financial report, with the description of the implementation status on the Company's website?	Amendments to the texts of the relevant regulations have been made.
3. Has the Company established a policy on diversity of the Board members and disclosed the specific management objectives and implementation status of the diversity policy on the Company's website and annual report?	Improved.
4. Has the Board of Directors approved the Board of Directors' performance evaluation measures established by the Company, which stipulate that an external evaluation shall be conducted at least once every three years, and that the evaluation has been conducted during the year under evaluation or in the past two years, and that the implementation status and evaluation results have been disclosed on the Company's website or in the annual report?	Improved.
5. Has the Company established an intellectual property management plan that is linked to its operational objectives, and disclosed the implementation status on the Company's website or annual report, and does it report this to the Board of Directors at	Research and improvements have been made.

<p>least once a year? [If the Taiwan Intellectual Property Management System (TIPS), ISO 56005, or similar intellectual property management system standards have been introduced and verified or audited by a third party, an additional point will be added to the total score.]</p>	
<p>6. Has the Company been invited to (voluntarily) hold at least two investor conferences, with at least three months between the first and last investor conferences of the year under evaluation? [If the Company holds at least one investor conference per quarter or an investor conference for each quarter's operation, an additional point will be added to the total score. ]</p>	<p>Research has been performed to consider whether to hold an additional investor conference.</p>

### 3.4.5 The composition, responsibilities and operation of the Remuneration Committee

#### A. Information of Remuneration Committee Members

Position Title	Name	Criteria	Independence Status	Number concurrently serving as members of the remuneration committees of other publicly companies
		Professional Qualification and Experience		
Independent Director (Convener)	Su-Chang Chen	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director	Kuen-Chang Lee	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for commerce, law, finance, accounting, or Company's operation.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Tien-Wei Shih	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1

#### B. Information on the operation of the Remuneration Committee

- a. There are three people on the Remuneration Committee of the Company.
- b. The current (fourth) term of members: June 29, 2020 to June 28, 2023; the Remuneration

Committee met 4 times (A) in the most recent year (2022) and member qualifications and attendance are as follows:

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Su-Chang Chen	4	4	0	100%	Convener
Independent Director	Kuen-Chang Lee	4	4	0	100%	
Independent Director	Tien-Wei Shih	4	4	0	100%	

Other matters to be recorded:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated).  
 [Explanation] The Board of Directors of the Company has not adopted or revised the recommendations of the Remuneration Committee. The Remuneration Committee also has no objections or reservations and records or written statements on board resolutions.
- On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members must be stated.  
 [Explanation] The Company does not have any objections or reservations made by members of the Remuneration Committee, and there are records or written statements about the resolutions.

### C. Responsibilities of the Remuneration Committee

The main powers of the Remuneration Committee are to draft proposals for the following matters:

- Formulate and regularly review the policies, systems, standards and structures of directors and managers' performance evaluation and remuneration.
- Regularly evaluate and determine the remuneration of directors and managers.

When the Remuneration Committee performs the functions and powers of the preceding article, they should be based on the following principles:

- The performance evaluation and remuneration of directors and managers should refer to the usual level of payment in the industry. Furthermore, they should consider the reasonableness of the connection with personal performance, company operating performance and future risks.
- Directors and managers should not be incentivized to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.
- The ratio of dividends to directors and senior managers' short-term performance and the payment time of part of the variable salary must be determined in consideration of industry characteristics and the nature of the Company's business.
- The members of this committee must not participate in discussion and voting on their personal salary and remuneration decisions.

#### D. Implementations of the Remuneration Committee:

Remuneration Committee session	Date	Proposal content	Remuneration Committee Resolution result	The Company's handling of the opinions of the Remuneration Committee
The 7th session of the 4th term	2022/01/18	The promotion of managers of the Company.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration	Submitted to the Board of Directors and approved by all directors present
The 8th session of the 4th term	2022/03/23	Employees' remuneration appropriation for 2021.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration	Submitted to the Board of Directors and approved by all directors present
The 9th session of the 4th term	2022/08/11	The promotion of managers of the Company.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration	Submitted to the Board of Directors and approved by all directors present
The 10th session of the 4th term	2022/12/23	<ol style="list-style-type: none"> <li>1. The Company's managers appointments after retirement.</li> <li>2. The Company's 2022 year-end bonus distribution.</li> </ol>	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration	Submitted to the Board of Directors and approved by all directors present

### 3.4.6 Discrepancies between the implementation of promoting sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Promoting Item	Implementation Status			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
I. Does the Company <u>establish a governance structure and dedicated (concurrent) unit promoting sustainable development</u> which are handled by the senior management delegated and supervised by Board of Directors?	◎		<ol style="list-style-type: none"> <li>1. <u>Specify the governance structure of the Company promoting sustainable development.</u></li> <li>2. <u>Specify the implementation status of each organization, including but not limited to:</u> <ol style="list-style-type: none"> <li>(1) <u>Dedicated (concurrent) unit promoting sustainable development, date of its establishment and the delegation from the Board of Directors.</u></li> <li>(2) <u>The composition, operation and implementation status of current year of the promoting unit (for example: work plan and job description).</u></li> <li>(3) <u>The reporting frequency to the Board of Directors by promoting unit (at least once a year) or reporting the date of current year.</u></li> </ol> </li> <li>3. <u>Specify the supervision of the Board of Directors on</u></li> </ol>	<p>With the vision and mission of sustainable management, the Company established the “Corporate Governance and Sustainable Development Committee” in 2021. The Committee is a functional committee under the Board of Directors and consists of three Independent Directors, the Chairman, the Spokesperson, and the Corporate Governance Executive; and is convened and chaired by an Independent Director. It works with several senior executives in different fields to review the Company's core operational competencies to define a medium to long-term sustainability plan.</p> <p>“Corporate Governance and Sustainable Development Committee” is a cross-department communication platform for vertical integration and horizontal linking. Through quarterly meetings and taskforces for various issues, it identifies sustainable issues that are relevant to the Company's operations and related parties' concerns in order to develop counter-strategies, work directions and plans, and implement annual plans. It also tracks the implementation effectiveness to ensure that the sustainable development strategy is fully carried out in the Company's daily operations.</p> <p>“Corporate Governance and Sustainable Development Committee” reports to the Board of Directors at least once a year on the implementation results of sustainable development and future work plans. The implementation status for 2022 was reported to the Board of Directors on December 23, 2022. In 2022, a total of six meetings were held. The motions included (1) future work plans for sustainability-related issues; (2) implementation status of tracking and evaluating sustainable operations; (3) promotion of the</p>

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
			<u>sustainable development, including by not limited to: the formulation of management guidelines, strategies and targets, reviewing measures, etc.</u>	<p>establishment of the ESG integration platform; (4) planning of team members of the ESG integration platform; (5) report on the 8th corporate governance evaluation results and the 9th new indicator improvement plan; (6) proposal on the difference analysis report of the 2021 Sustainability Report; (7) establishment of the “greenhouse gas inventory and verification schedule plan” of the Company; (8) implementation progress on the greenhouse gas inventory and verification schedule plan; (9) implementation status on the communication with related parties in 2022; (10) establishment of the operating procedures for preparation and verification of the Sustainability Report.</p> <p>The Company sets up a Sustainability Implementation Team under the Committee which is divided into seven working groups: “Corporate Governance”, “Risk Management”, “Integrity Management”, “Employee Care”, “Social Care”, “Environmental Sustainability”, and “Customer Relations”. The Team reports quarterly to the Board of Directors on its annual implementation plans and their results. The Board of Directors would listen to the reports from the management team, determine the feasibility of these plans, and urge the management team, when necessary, to make adjustments.</p>
<u>II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the operation of the Company according to the significance, and formulate relevant risk management policies</u>	◎		<p>1. <u>Specify the scope of risk assessment (i.e. the scope of the covered subsidiaries). Besides, the risk assessment scope shall be the same as the following environmental and social issues of this table. If there is any discrepancy, please clearly describe.</u></p> <p>2. <u>Specify the risk</u></p>	<p>1. The risk assessment is basically bounded to the Company; data disclosure covers from January to December in 2022.</p> <p>2. The Committee analyzes the report based on the materiality principle, communicates with internal and external related parties, and compiles the assessment information of each department, to determine material ESG issues. It also establishes risk management policies to effectively identify, measure, evaluate, monitor, and control risks, and takes specific action plans to reduce the impact of related risks.</p> <p>3. Based on the identified risks, relevant management policies are formulated as below:</p>

<u>Promoting Item</u>	<u>Implementation Status</u>			<u>Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof</u>		
	Yes	No	Summary	Material Issue	Risk assessment item	Description
<u>or strategies?</u>			<u>assessment standards, procedures, and results to identify significant environmental, social and corporate governance issues, and risk management policies or strategies.</u>	Environment	Environmental impact and its management	<ol style="list-style-type: none"> <li>1. The Company obtained ISO 50001 Energy Management System Verification Certification and ISO 14064 Greenhouse Gas Third-party Inventory Verification Certificate in 2022.</li> <li>2. In 2021, the Company stipulates relevant rules such as the “Green Administration Measures - Energy Saving and Carbon Reduction”, “Administration Rules Governing the Water Resources”, and “Administration Rules Governing the Wastes” to effectively reduce pollutions and the environmental impact they result.</li> </ol>
				Social	Occupational safety	<ol style="list-style-type: none"> <li>1. Conduct fire drill and occupational safety training annually to build up employees' contingency and self-safety management capabilities.</li> <li>2. Provide employees with annual check-ups, including a CT scan and a stress-free endoscopic examination; track the status of check-ups and help high-risk employees to seek medical treatment.</li> <li>3. Implement four major plans (including Prevention of Ergonomic Hazards, Prevention of Abnormal Workload-triggered Disorders, Prevention of Unlawful Infringement in the Performance of Duties, and Workplace Maternity Protection plans), and arrange relevant educational training.</li> <li>4. Introduce various ISO management systems to reduce or eliminate the occurrence of risks and move towards</li> </ol>



<u>Promoting Item</u>	<u>Implementation Status</u>			<u>Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof</u>		
	Yes	No	Summary			
						<p>sustainable development of the Company: In the fourth quarter of 2022, the ISO14001+45001 environmental safety and health management system was introduced to silo to update the Company's policies, establish environmental safety and health management procedures, and gradually introduce various management procedures so as to regulate related risk management operations, with the aim of completing third-party verification in the fourth quarter of 2023. We plan to subsequently apply for ISO 9001 quality management system assistance and certification in 2024.</p>
				Corporate Governance	Legal Compliance	Establish a governance structure and implement internal control mechanisms to ensure that all of our employees and operations comply with relevant laws and regulations.
					Strengthen the Directors' functionalities	<ol style="list-style-type: none"> <li>1. Provide the Directors with the most updated laws and regulations, system development, and policies annually.</li> <li>2. Take out the Directors' Liability Insurance to protect them from lawsuits or claims.</li> </ol>
					Communication with related parties	<ol style="list-style-type: none"> <li>1. To avoid misunderstandings caused by different viewpoints between related parties and the Company which may further result in operation or litigation risks, the Company identifies material issues of concern to related parties and responds to the relevant issues in the Sustainability Report annually.</li> <li>2. Build up various communication channels; communicate progressively to reduce confrontation and</li> </ol>

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
				misunderstanding. The Company sets up an investors' mailbox and hotline to which the spokesperson is responsible for responding.
III.Environmental issues (I) Has the Company established an appropriate environmental management system relevant with the specific characteristics of its industry?		◎	<p>1. <u>Specify how to implement an effective environmental management system and the laws and regulations it is based on.</u></p> <p>2. <u>Specify relevant international validations the Company has passed (which are still valid as of the date of the annual report printed) and their coverage.</u></p>	<p>1. The Company's environmental management system: Regular disinfection of the entire office environment.</p> <p>2. The Company obtained 2 ISO 50001:2018 energy management system verification certificates in 2022 (validity period from 2022.02.22 to 2025.02.22 and from 2022.09.20-2025 09.20).</p> <p>3. The Company passed ISO 14064-1:2018 greenhouse gas inventory and obtained the verification certificate in 2022.</p>
(II)Is the Company committed to improve the <u>energy utilization</u> efficiency and use the renewable materials that have a low impact on the environmental load?		◎	<p><u>Specify the Company's policies for improving the energy use efficiency and usage of renewable materials, including but not limited to: statistics of the base year, promotion measures, targets and their achievements.</u></p>	<p>The Company promotes various energy reduction measures actively:</p> <p>1. Use equipment with high energy-efficiency and energy-saving design to reduce energy consumption.</p> <p>2. Take the impact on the environment into consideration in new real property investments and use eco-friendly green building materials and renewable energy devices.</p> <p>3. Since September 2021, the Company has introduced the ISO50001 Energy Management System. Moving forward, it will continue to track the management effect by third-party certification to optimize the efficiency of energy use.</p>
(III)Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to		◎	<p><u>Specify how the Company assesses the potential risks and opportunities of climate change for the Company now. In the future, the assessment results and the measures it takes to deal</u></p>	<p>A detailed description of the Company's analysis of climate change risks and opportunities is disclosed in its Sustainability Report(csr.emic.com.tw).</p>

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof															
	Yes	No	Summary																
deal with climate-related issues?			with.																
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?	◎		<p>1. <u>Specify the statistics, density (for example: product, service or sales revenue per unit) and data coverage (for example: all factories and subsidiaries) of the most recent two years for the following items:</u></p> <p>(1) <u>Greenhouse gases: including carbon dioxide, methane, nitrous oxide, hydro fluorocarbons, perfluorocarbons, sulfur hexafluoride, nitrogen trifluoride, and others designated by the central competent authority which are divided into direct emission (scope 1, i.e. emissions directly come from sources owned or controlled by the Company), energy indirect emission (scope 2, i.e. emissions result from the generation of electricity, heat or steam purchased by</u></p>	<p>1. Greenhouse gas:</p> <p>(1) The Company attaches great importance to environmental sustainability, has introduced ISO 14064-1:2018 greenhouse gas inventory since March 2022 and obtained the verification certificate</p> <p>(2) For the gas emissions (per tons of emissions) in the past two years, please refer to the following table; the Company tracks emissions annually and uses the previous year's volume as a benchmark for optimization and control in order to achieve the goal of energy saving and carbon reduction.</p> <p>(3) GHG emissions in the most recent two years:</p> <p style="text-align: right;">Unit: ton CO2e</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Total emission</th> <th>Intensity of emission (total emission/per million revenue)</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>108.85</td> <td>12,826.37</td> <td>12,935.27</td> <td>2.35</td> </tr> <tr> <td>2022</td> <td>118.07</td> <td>11,417.15</td> <td>13,556.98</td> <td>2.28</td> </tr> </tbody> </table> <p>(4) In 2022, GHG emission of scope 1 and 2 reached 11,535.22 ton CO2e in total, which mainly came from the electricity emission of scope 2 that accounted for 84% of total emission. For detailed description, please refer to the Company's 2022 Sustainability Report (csr.emic.com.tw).</p> <p>(5) Verification: Starting from 2022, the Company plans to conduct regular GHG quantification and third-party certification at all of its operating divisions on an annual basis.</p> <p>2. Water consumption</p> <p>(1) The water source of the Company is tap water, which is mainly used in the cooling water tower and domestic water. There is neither industrial water demand nor industrial wastewater</p>	Year	Scope 1	Scope 2	Total emission	Intensity of emission (total emission/per million revenue)	2021	108.85	12,826.37	12,935.27	2.35	2022	118.07	11,417.15	13,556.98	2.28
Year	Scope 1	Scope 2	Total emission	Intensity of emission (total emission/per million revenue)															
2021	108.85	12,826.37	12,935.27	2.35															
2022	118.07	11,417.15	13,556.98	2.28															

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof									
	Yes	No	Summary										
			<p><u>the Company) and other indirect emissions (scope 3, i.e. emissions related to the activities of the Company and generated from the sources not owned or controlled by the Company, other than energy indirect emissions);</u></p> <p>(2) <u>Water consumption;</u></p> <p>(3) <u>Waste: distinguished as the total weight of hazardous and non-hazardous wastes. Non-manufacturers may not need to distinguish and may only disclose the total weight of the wastes and explain the way of statistics according to the industry characteristics.</u></p> <p>2. <u>Specify the policies for greenhouse gases reduction, water consumption reduction or other wastes management, including but not limited to: statistics of the base year, reduction targets, promotion measures and their achievements.</u></p> <p>3. <u>Specify the data</u></p>	<p>discharge. Please refer to the “Water Management Regulations” on the Company's website for related management methods (emic.com.tw).</p> <p>(2) Total water consumption in most recent two years:</p> <p style="text-align: right;">Unit: Metric ton</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Year</th> <th style="width: 35%;">Total water consumption</th> <th style="width: 50%;">Intensity of water consumption (Total water consumption/ per million revenue)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2021</td> <td style="text-align: center;">17,518</td> <td style="text-align: center;">12.79</td> </tr> <tr> <td style="text-align: center;">2022</td> <td style="text-align: center;">16,911</td> <td style="text-align: center;">11.43</td> </tr> </tbody> </table> <p>(3) In addition to strengthening water conservation promotion and staff education on water use behavior, the Company shall also regularly monitor the silo water consumption and change to use of water-saving equipment in the office, such as sensor faucets. Total water consumption in 2022 was 16,911 metric tons, a decrease of 607 metric tons (or 3.46%), compared to the year 2021.</p> <p>3. Waste</p> <p>(1) The waste generated by the Company does not have materiality and is mainly classified as general waste and enterprise waste, rather than hazardous waste. Please refer to the “Waste Management Rules” in the Company’s corporate website for relevant management method (emic.com.tw).</p> <p>(2) Enterprise waste: Grain dust generated during the process of loading and unloading the silo is collected by the dust collection facility and returned to the customer. The rest of the dust residues that are dispersed to the ground during the unloading operation are collected and used as organic compost after cleaning.</p> <p>(3) General waste: Starting from 2022, the Company will sort, recycle and weigh the general waste for management.</p>	Year	Total water consumption	Intensity of water consumption (Total water consumption/ per million revenue)	2021	17,518	12.79	2022	16,911	11.43
Year	Total water consumption	Intensity of water consumption (Total water consumption/ per million revenue)											
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Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
			<u>verification status (which are still valid as of the date of the annual report printed) and their coverage.</u>	
IV. Social issues (I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	◎		<u>Specify the policies and specific administration programs of human rights protection (for example: human rights assessment, human rights risk mitigations measures, conducting relevant educations and training, etc.), as well as the relevant laws and regulations and international human rights conventions on which they are based.</u>	<p>The Company recognizes and voluntarily follows the internationally recognized human rights standards such as the “United Nations Universal Declaration of Human Rights”, the “United Nations Guiding Principles on Business and Human Rights”, the “United Nations Global Compact”, and the “United Nations International Labor Organization” to adopt its own “Human Rights Policies” and publish it in the Company’s corporate website (emic.com.tw).</p> <p>Human rights management measures:</p> <ol style="list-style-type: none"> <li>1. Diversifying inclusion and equal employment principles The Company provides an open, equal, and impartial opportunity in employment, without any discrimination against any job applicant on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, or disability; together we strive to create a work environment that is dignified, equal, and free from discrimination and harassment.</li> <li>2. Respect the workplace human rights Following the labor laws and regulations of the government, the Company does not employ child labor and regularly cares for and manages the attendance of the employees, and does not force labor. If working hours are extended, the Company will provide overtime pay or compensatory time off. It also provides smooth communication channels for employees to build a workplace with harmonious labor relations. Establish the “Preventive Plan of Unlawful Infringement in the Performance of Duties” to</li> </ol>

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
				<p>prevent physical, verbal, and psychological workplace violence in the workplace and to ensure the physical and mental health of the employees.</p> <p>3. Gender-friendly care Establish the “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” to protect employees' rights and interests, and gender equality at work.</p> <p>4. Healthy and safe workplace In addition to providing a safe and healthy working environment by law, the Company has established a dedicated unit and a committee for occupational safety and health; entrusts doctors and nursing staff with on-the-site health services; and regularly conducts safety and health, fire prevention, and other related education training. The Company conducts “fire safety equipment inspection and repair reporting” once a year to ensure that the building's fire safety equipment is in good condition; and strengthens the promotion of general knowledge on fire prevention and we take the necessary precautions to prevent occupational hazards and further reduce the risk factors in the work environment. We aim to build a safe and healthy workplace with zero occupational hazards, and regularly review the health and safety risks of the employees.</p> <p>5. Harmonious labor relations In order to protect employees' rights, create a win-win system for the Company and employees, and establish a two-way communication channel, the Company holds regular labor-management meetings by the “Labor Standards Act” and the “Regulations for Implementing Labor-Management Meeting” to ensure a smooth labor-management consultation mechanism.</p>
(II)Has the Company	◎		1. <u>The employee benefits</u>	1. The Company has working rules and related

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?			<p><u>specified shall include but not be limited to: employee compensation, workplace diversification and equality (including but not limited to: the percentages of female employees and senior management), vacation, allowances, gifts, subsidies, etc.</u></p> <p>2. <u>Specify the policies reflecting the business performance or results in employee compensation and how they are implemented.</u></p>	<p>personnel management regulations. The content includes the salary management methods, working hours, vacations, insurance and pensions, welfare measures, safety and health, etc. of the hired workers are in compliance with the relevant provisions of the Labor Standards Act; and sets up the Employee Welfare Committee to deal with various welfare matters. For employee welfare measures, please refer to page 168.</p> <p>2. Reflect business performance in employee remuneration: The Company's employee bonuses are allocated based on 3.5% of the prior year's profit. After approval by the board of directors, it will be allocated based on comprehensive consideration such as the employee's salary, the previous year's contribution, the proportion of service days, and the annual personal performance appraisal.</p>
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	◎		<p>1. <u>Specify the measures to maintain a safe and healthy work environment for employees, employee education policies, and implementation.</u></p> <p>2. <u>Specify relevant validations the Company has obtained (which are still valid as of the date of the annual report printed) and their coverage.</u></p> <p>3. <u>Specify the number of cases, number of victims and their ratio to the total number of employees of the</u></p>	<p>Occupational safety and health policies</p> <p>1. The Company sets up an Occupational Safety and Health Management Department to promote safety and health affairs. Each business unit has a class-1 manager of occupational safety and health affairs and an occupational safety and health management personnel, who have been registered with the inspection agencies in each jurisdiction. Head office and each operation offices entrust professional doctors (6 times a year) and nursing staff (72 times a year) to provide regular one-on-one professional consultation services to protect employees' living; Each business unit is equipped with an AED device in response to heart disease emergencies. The Company also promotes CPR and other first aid knowledge on a regular basis; set up breastfeeding rooms to create a friendly breastfeeding environment in the workplace, so that female employees can breastfeed and work without worries.</p>

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
			<u>employee occupational accidents in the current year, and the relevant improvement measures.</u>	<p>2. To establish a effective occupational safety management system, the Occupational Safety and Health Committee consists of employer, labor representatives, unit managers, etc. and hosts at least one meeting per quarter to review the Occupational safety and health self-management plan, Occupational safety and health training, occupational disease prevention and health promotion matters.</p> <p>3. To create a safe and healthy workplace, provide necessary first aid and health measures, and reduce the factors that endanger the safety and health of employees to prevent occupational hazards, the Company prepares an occupational safety and health management plan annually, which shall be approved by the Occupational Safety and Health Committee and then implemented. With regard to the relevant work safety and health standards, and the maintenance and inspection of various equipment, the Company designates specialized personnel to conduct labor safety and health inspections periodically to ensure normal operation of relevant equipment, reduce the occurrence of accidents and protect personal safety. It also conducts regular health checkups and health-related seminars every year to ensure the health of the employees. Employees can also participate in 120-minute exercise classes led by professional fitness instructors twice a week to enhance their physical and mental health.</p> <p>4. Proactively create a smoke-free workplace and promote workplace tobacco prevention to improve health. In 2022, the Company was assessed to be eligible for certification and awarded Badge for the Accredited “Healthy Workplace for Smoke-free and Health Activation” by the Health Promotion Administration, Ministry of Health and Welfare.</p> <p>5. In order to create a better working environment, the Company introduced the “ISO 45001</p>



<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof									
	Yes	No	Summary										
				<p>Occupational Safety and Health Management System” and “ISO 14001 Environmental Management System” to silo in the fourth quarter of 2022, and conducted a comprehensive occupational safety and health environment review in 2022 in order to strengthen the identification of hazards in the working environment of employees and actively make improvements. The Company plans to pass the third-party verification in the fourth quarter of 2023.</p> <p>6. There was not any occupational disaster in 2022.</p> <p><u>Labor operational environment inspection</u> To protect labors from the hazard materials in the workplace and provide labors with a healthy and easy workplace, the Company inspects the silo operation twice a year, which entrusting an inspecting institution that meet the laws and regulations to perform environmental inspection. The inspection scope covers mainly the dust concentration and noise monitoring.</p> <p><u>Occupational safety training and promotion</u> There are fixed cranes on the grain unloader used in silos which are defined as dangerous machines by law, the Company thereby has to conduct a statutory 38-hour safety and health training for operators of fixed cranes over 3 tons before they are on the board, as well as 3 hours of general safety and health training and 3 hours of onsite work safety and health education training for new hired employees. The Company also organizes technical education training from time to time to familiarize employees with the operations.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Educational training participants</th> <th>Educational training hours</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>503</td> <td>2,518</td> </tr> <tr> <td>2022</td> <td>978</td> <td>5,084</td> </tr> </tbody> </table>	Year	Educational training participants	Educational training hours	2021	503	2,518	2022	978	5,084
Year	Educational training participants	Educational training hours											
2021	503	2,518											
2022	978	5,084											
(IV) Has the Company provided effective	◎		<u>Describe the training (for example: new employee</u>	The Company attaches great importance to employee education and training. It has formulated									

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
training in career planning for employees?			<u>orientation, professional development education, management training, etc.) and the scope (for example: each level of management, employees, etc.) covered by the training program, and its implementation.</u>	the “Employee On-the-job Education and Training Measures”, and the Human Resources Office of the Management Department is responsible for implementing relevant training programs. Education and training types are divided into six categories: pre-employment training, professional training, business management training, computer/language training, secondary expertise, and E-learning network learning training. The courses include ethical corporate management compliance, risk control, human rights education, occupational safety and health policies, and health seminars, etc. Each department has compiled an annual education and training budget, in addition to participating in the Company's own training, employees are also encouraged to participate in more field training and self-study to increase competitiveness. In 2022, there were 27,363 career training participants, with a total of 10,958 training hours and a total training cost of NT\$859,211.
(V) <u>For the issues regarding the customer health and safety, customer privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer or customer protection policies and appeal procedures?</u>	⊙		<u>Specify the laws, regulations, and international standards each issue followed and describe the title and content of the consumer or customer protection policy's title and content and the appeal procedures.</u>	The Company's customers of products and services all comply with relevant domestic laws and regulations and international common standards. The privacy rights of consumers are properly protected, and the complaint channels are unimpeded and managed by full-time personnel.
(VI) <u>Has the Company formulated supplier management</u>	⊙		1. <u>Specify the supplier management policies and the relevant</u>	1. The Company establishes a “Supplier Corporate Social Responsibility Management Rules” and requires key suppliers to sign the “Supplier Code of

Promoting Item	Implementation Status			Discrepancies from the <u>Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies</u> and the reasons thereof
	Yes	No	Summary	
policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?			<p><u>regulations to be followed. The policy shall stipulate specific requirements for suppliers regarding environmental protection, occupational safety, and health or labor rights (for example, requiring suppliers to pass relevant validations).</u></p> <p>2. <u>Describe the implementation of supplier management policies and relevant regulations to be followed (for example: the implementation of supplier self-assessment, counseling or education, performance evaluation, etc.)</u></p>	<p>Conduct and Ethics Statement” to join hand with suppliers/contractors to comply with relevant laws and regulations on labor rights and human rights, labor health and safety, environmental protection, and code of ethical management, in order to promote the balance and sustainable development of the economy, society, and the environmental ecology.</p> <p>2. We will gradually evaluate, audit, and train the suppliers/contractors on the related conditions such as environmental protection, occupational health and safety, and labor rights, including:</p> <p>(1) Introduce education and training: In October 2022, we held an “Online Seminar on Workplace Safety, Social and Environmental Protection for Contractors/Suppliers of Eastern Group”, inviting a total of 17 contractors and suppliers throughout Taiwan to participate in the event.</p> <p>(2) Establish evaluation mechanism: In 2023, we started to introduce ISO 14001 environmental management system and ISO 45001 occupational safety and health management system certification, and plan to gradually conduct supplier sustainable development evaluation in phases to enhance the sustainability of our supply chain.</p>
V. Does the Company refer to the internationally-prepared reporting standards or guidelines, preparation of corporate social responsibility reports and other reports that disclose the Company’s non-financial information? Did the	◎		<p>1. <u>Specify the international preparation standards or guidelines to which the Company refers, and the reports prepared to disclose non-financial information.</u></p> <p>2. <u>Reports that have obtained validation or assurance shall list the validating or assuring</u></p>	<p>The Company prepared the “2022 Sustainability Report” in accordance with the GRI Standards, SASB Standards and has obtained limited independent assurance from Ernst &amp; Young Taiwan in accordance with the SAES No.1 “Assurance Engagements Other than Audits or Reviews of Historical Financial Information” announced by the Account Research and Development Foundation. The Report is published on the Company’s website (csr.emic.com.tw).</p>

<u>Promoting Item</u>	<u>Implementation Status</u>			Discrepancies from the <u>Sustainable Development Best Practice Principles</u> for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
preliminary report obtain the confidence or assurance opinion of the third-party verification unit?			<u>organizations, the validated items or scopes, and the standards they followed.</u>	
VI. If the Company has enacted the <u>Sustainable Development Best Practice Principles</u> of its own in accordance with the <u>Sustainable Development Best Practice Principles</u> for TWSE/GTSM Listed Companies. Please describe the difference between its operation and the Principles: None.				
VII. Other critical information helps understand the <u>implementation of promoting sustainable development</u> : The website of the Company's corporate social responsibility report : <a href="https://csr.emic.com.tw/">https://csr.emic.com.tw/</a> °				

**3.4.7 Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies**

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
1. Formulation of ethical management policy and plans				
(1) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?	◎		(1) The Company establishes the “Ethical Management Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to regulate its ethical management policies. To ensure Directors, managers, and employees aware of and comply with it, the Company conducts regular promotions every year and incorporate it into the internal control system.	None
(3) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?”	◎		(2) 1.The Company has established effective accounting system and internal control system for business activities with a higher risk of unethical conduct, which are reviewed from time to time to ensure the continuous effectiveness of the system design and its implementation. 2. The Company requires its directors and senior management to sign the “Declaration of Ethical Management	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(3) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	◎		Policy” to ensure compliance with the Company's ethical management policy to prevent unethical conduct.  (3) The Company’s “Ethical Management Principles” and “Procedures for Ethical Management and Guidelines for Conduct” have specifically stipulated the prevention program and procedures against offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitality, or other improper benefits. We will provide information and explanation when the new hired report to work; and we will make announcements and notifications to directors, managers, and employees from time to time, to enhance the concept of ethics and self-discipline.	None
2. Implementation of Ethical Corporate Management (1) Does the Company assess a trading counterpart’s ethical	◎		(1) The Company has a rigorous audit system	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p>management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?</p> <p>(2) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?</p>	◎		<p>and process. Regarding transaction behavior and transaction contracts with customers, it has complete inspection and supervision to implement the principles of ethical management.</p> <p>All of the contracts the Company enters into with counterparties contain an express provision for ethic conduct.</p> <p>(2) 1.The Company has established the “Ethical Management Principles”and “Procedures for Ethical Management and Guidelines for Conduct”; disclosed it on the corporate website and internal employee section; incorporated it into the internal control system, and designated the internal audit unit to audit whether there is any breach of ethical management within the Company and report to the Board of Directors regularly;</p> <p>2. In order to improve the management of ethical management, the Company established the “Ethical Management Team” under the Corporate</p>	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(3) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	◎		<p>Governance and Sustainable Development Committee as a dedicated unit to promote ethical management, being responsible for assisting the Board of Directors and management in formulating and overseeing the implementation of ethical management policies and preventive programs to ensure the implementation of the Ethical Management Principles. At least once a year, the Team shall report to the Board of Directors on the promotion of ethical management and its implementation results. The implementation status for 2022 was reported to the Board of Directors on December 23, 2022.</p> <p>(3) The Company has stipulated the preventive policy against conflicts of interest in the Ethical Management Principles. And Procedures for Ethical Management and Guidelines for Conduct .If any breach is found, it may be reported to the Audit Committee, the</p>	None



Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(4) Has the Company established an effective accounting system for the implementation of ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit?	◎		<p>manager, or the internal audit supervisor.</p> <p>(4) The Company has a rigorous accounting system and a dedicated accounting unit, and all financial reports have been verified by a certified public accountant.</p> <p>Furthermore, there is an independent audit department and there is an internal audit plan performing various audit operations according to the audit plan. The inspection results are reported to the Board of Directors regularly.</p>	None
(5) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	◎		<p>(5) The Company conducts education and training related to ethical management every year to enable the Board members, managers and employees to understand the ethical management policies and plans as well as the consequences of unethical conduct. In 2022, a total of 11 education and training courses (including ethical management, anti-corruption and labor ethics, etc.) were arranged for a total of 2,460 participants with a total of 321.60 hours of</p>	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			training.	
<p>3. Operation of the Company's reporting system</p> <p>(1) Has the Company put in place the specific whistle-blowing and reward system, established a convenient reporting channel, and assigned appropriate personnel to deal with whistle-blowing?</p> <p>(2) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?</p> <p>(3) Has the Company taken measures to protect whistle-blowers from retaliation due to reporting?</p>	<p>⊙</p> <p>⊙</p> <p>⊙</p>		<p>The Company has stipulated in the "Ethical Management Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" that if any person find any breach of the ethical management rules, they can report to the internal independent report box or hotline; the dedicated unit is responsible for actively investigating and handling. For proven cases, the reported person will be punished according to the severity of the case, and the reporting person will be rewarded for reporting. The Company will keep the identity confidential of the reporting person and the content reported and protect the reporting person from improper treatment due to the reporting.</p>	<p>None</p> <p>None</p> <p>None</p>
<p>4. Strengthening information disclosure</p> <p>(1) Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?</p>	<p>⊙</p>		<p>The "Ethical Management Principles" and the "Procedures for Ethical Management and Guidelines for Conduct" have been disclosed on the Company's corporate website and MOPS. A corporate governance section has been</p>	<p>None</p>

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			set up for the purpose of disclosing relevant information.	
<p>5. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles: The Company has always follow and implement its Ethical Management Principles. There is not any discrepancy.</p>				
<p>6. Other information that enables a better understanding of the Company's ethical corporate management (for example, the Company's review and revision the Ethical Corporate Management Best Practice Principles, etc.):</p> <p>The Company will regularly review the amendments to relevant laws and regulations, review and revise the Company's ethical management policies and operating procedures promptly in accordance with such amendments, and announce and promote them in order to comply with the laws and regulations and meet the international trends.</p>				

### **3.4.8 If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles.**

The Company's regulations such as "Corporate Governance Best Practice Principles", "Audit Committee Charter", "Remuneration Committee Charter", "Rules and Procedures of Board of Directors Meetings", "Rules and Procedures of Shareholders Meetings", "Application for Suspension or Resumption of Trading Procedures", "Standard Operating Procedures of Handling Director Requests" and "Rules for Handling Unlawful and Unethical or Immoral Conduct Reporting Cases" can be inquired on the Company's website (<https://www.emic.com.tw/>).

### **3.4.9 Other important information that is sufficient to enhance the understanding of corporate governance and operational conditions must be disclosed together**

1. Timely disclosure of material information
2. Checks and balances between the board and management
3. Setting the target share of independent directors at a minimum of 40%
4. Establishing the Remuneration Committee and Corporate Governance and Sustainable Development Committee to strengthen corporate governance, promote corporate sustainable development, and improve the remuneration system for Directors and managers.
5. Shareholders' rights are guaranteed with the right to vote on all proposals at the annual general shareholders' meeting or through an electronic voting system
6. Strict compliance with the Code of Ethics and Ethical Corporate Management Best Practice Principles, and establishment of an internal audit mechanism
7. Establish channels for communication with stakeholders, and fully guard the rights and interests of stakeholders.

### 3.4.10 Implementation status of internal control system

#### A. Statement of Internal Control

Public Company Internal Control System Statement

Indicates that both design and execution are effective

(This statement is applicable when all rules and bylaws are declared in compliance with the laws and regulations)

#### Eastern Media International Corporation Internal Control System Statement

Date: March 14, 2023

For the Company's Internal Control System of 2022, based on the results of self-assessment, the following is hereby declared:

1. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
2. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the Company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the Company takes corrective action.
3. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process: 1. Environment control; 2. risk assessment; 3. control process; 4. information and communication; and 5. supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
4. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
5. Based on the evaluation result of the preceding item, regarding the Company's Internal Control System on December 31, 2022(encompassing the supervision and management of subsidiaries), and including understanding of the effectiveness of operations and the degree to which the efficiency with which objectives are achieved, it is believed that the reporting is reliable, timely, transparent and in compliance with the relevant specifications and relevant laws and regulations, and the design and execution of the relevant Internal Control System are effective and it can reasonably ensure that the above goals are achieved.
6. The Statement of Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in said published contents will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal responsibilities.
7. This statement was approved by the Company's Board of Directors on March 14, 2023. Among the seven directors present, none had objections and all agreed to the content of this statement and hereby declare.

Eastern Media International Co., Ltd.

Chairman: Shang-Wen Liao

General Manager: Shang-Wen Liao

**B. If a CPA is retained for the conduct of the internal audit system, disclose the Auditor's Report:**

None.

**3.4.11 In the most recent year and as of the date of publication of the annual report, whether the Company and its internal personnel have been disciplined according to law, or whether the Company has disciplined its internal personnel for violating the provisions of the Internal Control System. The content of the disciplinary measures should be listed, as well as the main deficiencies and improvements**

None.

**3.4.12 In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders meeting and Board of Directors**

**A. Resolutions and implementations of the General Meeting of Shareholders**

Meeting year	Meeting time	Important resolutions	Review of implementation
2022	06/13	<p>1. Acknowledge the Company's 2021 business report and financial statements.</p> <p>2. Recognition of the Company's 2021 earnings distribution proposal.</p> <p>3. Company's cash capital reduction proposal.</p>	<p>Approved the Company's 2021 business report and financial statements.</p> <p>Approved the recognition of the Company's 2021 earnings distribution proposal. (The cash dividend was NT\$1 per common share)</p> <p>In order to improve the return on equity and earnings per share, a cash capital reduction was processed (approved by June 30 2022 TWSE-Listed-I Letter No. 1111802933). The paid-in capital after the capital reduction is NT\$4,760,553,550. The refund of the capital reduction was completed on August 24, 2022.</p>

Meeting year	Meeting time	Important resolutions	Review of implementation
		<p>4. Amendments to the Company's Articles of Incorporation.</p> <p>5. amendments to the Company's "Procedures for Acquiring or Disposing of Assets".</p>	<p>It is publicly announced on the Company's website since June 13, 2022, and the registration of the change of company was approved by letter Jing-Shou-Shang No. 11101115120 on July 11, 2022 of MOEA.</p> <p>It is publicly announced on the Company's website since June 13, 2022.</p>

## B. Board resolutions in 2022 and through March 14, 2023

Meeting term and session	Meeting time	Important resolutions
The 17th session meeting of the 17th term of the Board of Directors	2022/01/18	<ol style="list-style-type: none"> <li>1. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Chailease Specialty Finance Co., Ltd.</li> <li>2. Approved the application for a credit line of financing from Taiwan Cooperative Bank Fusing Branch.</li> <li>3. Approved the Company's donation of NT\$ 1 million to the “Dongsen Charity Foundation”.</li> <li>4. Approved the promotion of managers of the Company.</li> </ol>
The 18th session meeting of the 17th term of the Board of Directors	2022/03/23	<ol style="list-style-type: none"> <li>1. Approved employee remuneration plan for 2021.</li> <li>2. Approved the 2021 business report and financial statements of the Company.</li> <li>3. Approved the Company's 2021 earnings distribution proposal.</li> <li>4. Approved the Company's intended cash capital reduction proposal.</li> <li>5. Approved the application for a credit line of financing from King's Town Bank Songshan Branch .</li> <li>6. Approved to apply for credit line of financing from Entie Commercial Bank.</li> <li>7. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of commercial paper facilities of subsidiary “ET Pet Co., Ltd.” from Mega Bills Finance Corporation.</li> <li>8. Approved the proposal of providing an endorsement guarantee of NT\$75 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from SinoPac Holding Co., Ltd.</li> <li>9. Approved amendment to the Company's Articles of Incorporation.</li> <li>10. Approved the amendments to the Company's “Procedures for Acquiring or Disposing of Assets”.</li> <li>11. Approved the amendments to the title and part of the provisions of the Company's “Internal Material Information Handling Procedures”.</li> <li>12. Approved the formulation of the Company's “Ethical Corporate Management Best Practice Principles”.</li> <li>13. Approved the formulation of the Company's “Procedures for Ethical Management and Guidelines for Conduct”.</li> <li>14. Approved the convening the Company's 2022 General Meeting of Shareholders.</li> <li>15. Approved relevant operations for accepting shareholder proposals through the Company's 2022 General Meeting of Shareholders.</li> <li>16. Approved the Company's 2021 Internal Control System Statement.</li> <li>17. Approved the meeting minutes and resolutions of the 8th meeting</li> </ol>



		of the 4th Remuneration Committee of the Company. 18. Approved consultant appointment proposal for the Company.
The 2th interim session meeting of the 17th term of the Board of Directors	2022/04/15	Approved the tender planning report to participate in the “Investment Project of Surface Rights of Public Housing Lot 18-17, Linkou District, New Taipei City”.
The 19th session meeting of the 17th term of the Board of Directors	2022/05/05	Approved the proposal for the Company's sub-subsidiary, ET Pet Co., Ltd. to invest in a new company in excess of its investment limit. 1. Approved the Company's business report and consolidated financial statements for January-March 2022. 2. Approved to provide NT\$400 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”. 3. Approved to provide NT\$50 million endorsement guarantee to subsidiary “Oscar Pet Co., Ltd.” for the application for commercial paper guarantee from the International Bills Finance Corporation- Hsinchu Branch. 4. Approved to provide NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for commercial paper guarantee from the International Bills Finance Corporation- Taipei Branch. 5. Approved to provide an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Entie Commercial Bank, Ltd. 6. Approved the proposal of providing an endorsement guarantee of NT\$101,760,416 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Co-Operative Asset Management Co., Ltd. 7. Approved the proposal of the Company's donation of NT\$1.5 million to the Taiwan Information Communication Association.
The 20th session meeting of the 17th term of the Board of Directors	2022/06/13	1. Approved to provide NT\$100 million limit for loan to “Care Pet Bio-Tech Company.” 2. Approved the application made by ET New Media (ETtoday) Holdings Co., Ltd. to the Company for a loan and non-revolving credit line in an amount of NT\$300 million to be changed to a revolving credit line. 3. Approved the establishment of the “greenhouse gas inventory and verification schedule plan” of the Company. 4. Approved the Company's organizational system adjustment proposal. 5. Approved the Company's consultant appointment proposal.
The 21th session meeting of the 17th term of the Board of Directors	2022/07/04	Rectified application for a credit line of financing from the Foreign Department of Mega International Commercial Bank. 1. Approved setting the base date of the Company's 2022 capital reduction. 2. Approved to apply for a credit line of commercial paper from Mega Bills Finance Co., Ltd.. 3. Approved to apply for a credit line of commercial paper from

		<p>International Bills Finance Corporation Hsinchu Branch.</p> <p>4. Approved the application for a credit line of financing from the Taiwan Business Bank Fusing Branch.</p> <p>5. Approved the application for a credit line of financing from the Business Department of CTBC Bank.</p>
The 22th session meeting of the 17th term of the Board of Directors	2022/08/11	<p>1. Approved the Company's January-June 2022 business report and consolidated financial statements.</p> <p>2. Approved the proposal for the Company's subsidiary, ET New Media (ETtoday) Holdings Co., Ltd. to participate in the capital increase by cash project of its sub-subsidiary Dung Sen Min Diao Yun Co., Ltd., Ltd. and Dung Sen Shin Guang Yun Co., Ltd., Ltd. in excess of its investment limit.</p> <p>3. Approved the proposal of providing an endorsement guarantee of NT\$79,359,600 for the application for a credit line of financing of a subsidiary to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Orix Taiwan Corporation.</p> <p>4. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from CTBC Bank. of subsidiary "ET Pet Co., Ltd.".</p> <p>5. Approved the proposal of providing an endorsement guarantee of NT\$189 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary "ET Pet Co., Ltd.".</p> <p>6. Approved of providing an endorsement guarantee of NT\$1.312 billion for the application for a credit line of financing from King's Town Bank of subsidiary "Eastern Hotels &amp; Resorts Yilan Co., Ltd.".</p> <p>7. Approved the application for a credit line of financing from Huanan Commercial Bank Hsinwei Branch.</p> <p>8. Approved the proposal of the Company's donation of NT\$ 2 million to the Taiwan Information Communication Association.</p> <p>9. Approved the renewal of the liability insurance for directors and managers of the Company.</p> <p>10. Approved the meeting minutes and resolutions of the 5th meeting of the 4th Remuneration Committee of the Company.</p> <p>11. Approved the promotion of managers of the Company.</p> <p>12. Approved consultant appointment proposal for the Company.</p>
The 23th session meeting of the 17th term of the Board of Directors	2022/09/28	<p>1. Approved the Company's acquisition of capital increase shares of Tunglin Asset Management Co. Ltd.</p> <p>2. Approved to provide NT\$50 million endorsement guarantee to subsidiary "ET Pet Co., Ltd" for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>3. Approved the application for a credit line of financing from the Taiwan Business Bank Fusing Branch..</p> <p>4. Approved to apply for credit line of financing from the Business Department of Bank of Panshin.</p> <p>5. Approved the Company's donation of NT\$ 1.2 million to the "Dongsen Charity Foundation".</p>
The 24th session meeting of	2022/11/10	<p>1. Approved the Company's business report and consolidated</p>

the 17th term of the Board of Directors		<p>financial statements for January-September 2022.</p> <ol style="list-style-type: none"> <li>2. Approved the proposal of the Company’s acquisition of public facility reserves and donations to acquire bulk reward.</li> <li>3. Approved to provide NT\$100 million limit for loan to “ET Pet Co., Ltd.”.</li> <li>4. Approved the proposal of providing an endorsement guarantee of NT\$70 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from SinoPac Holding Co., Ltd.</li> <li>5. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Bank of Panshin.</li> <li>6. Approved the proposal of the providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from International Bills Finance Corporation Taipei Branch of subsidiary “ET Pet Co., Ltd.”.</li> <li>7. Approved the amendments to part of the provisions of the Company’s “Internal Material Information Handling and Prevention of Insider Trading Management Procedures”.</li> <li>8. Approved the amendments to the Company’s “Regulations Governing the Performance Evaluation of the Board of Directors”.</li> <li>9. Approved the establishment of the Company’s “Notification Procedures for Major Incidental Events”.</li> </ol>
The 25th session meeting of the 17th term of the Board of Directors	2022/12/23	<ol style="list-style-type: none"> <li>1. Approved the Company’s 2023 financial forecast.</li> <li>2. Approved the proposal of non-assurance services to be provided by KPMG Taiwan for 2022.</li> <li>3. Approved the replacement of the Taichung Port No. 1 silo UL101 grain unloader machine to maintain operational safety and improve the efficiency of ship unloading for the sustainable operation of the silo.</li> <li>4. Approved the Company's subsidiary ET New Media (ETtoday) Holdings Co., Ltd. to invest in a new subsidiary at an amount exceeding the investment limit.</li> <li>5. Approved the proposal on the Company's acquisition of capital increase shares of ET Pet Management Co. Ltd.</li> <li>6. Approved the proposal to entrust Formosa International Hotels Corporation for the planning and operation management of the hotel for the superficies of the public housing section at Linkou of the Company.</li> <li>7. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from KGI Commercial Bank Co., Ltd. of subsidiary “ET Pet Co., Ltd.”.</li> <li>8. Approved the adoption of the Company's “Internal Audit Plan” for year 2023.</li> <li>9. Approved the adoption of the Company’s “Corporate Governance Best Practice Principles”.</li> </ol>

		<p>10. Approved the adoption of the Company's "Sustainable Development Best Practice Principles".</p> <p>11. Approved the establishment of the Company's "Operating Procedures for Preparation and Verification of the Sustainability Report".</p> <p>12. Approved the meeting minutes and resolutions of the 10th meeting of the 4th Remuneration Committee of the Company.</p> <p>13. Approved consultant appointment proposal for the Company.</p> <p>14. Approved the Company's donation of NT\$ 150,000 to the "Dongsen Charity Foundation".</p>
The 26th session of the 17th Board of Directors	2022/02/10	<p>1. Approved the procurement of Taichung Port No. 1 silo UL101 grain unloader machine at a final price of CHF7.7 million.</p> <p>2. Approved to provide NT\$100 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.".</p> <p>3. Approved the application for a credit line of financing from King's Town Bank Songshan Branch .</p> <p>4. Approved the application for a credit line of financing from the Bank SinoPac.</p> <p>5. Approved the application for a credit line of financing from Taiwan Cooperative Bank Fusing Branch.</p> <p>6. Approved the application for a foreign sight credit line from the Foreign Department of Mega International Commercial Bank.</p> <p>7. Approved amendment of the Company's "Rules of Procedure of the Board of Directors".</p> <p>8. Approved the Company's donation of NT\$ 120,000 to the "Dongsen Charity Foundation".</p>
The 27th session of the 17th Board of Directors	2022/03/14	<p>1. Approved the 2022 business report and financial statements of the Company.</p> <p>2. Approved the Company's 2022 loss appropriation proposal.</p> <p>3. Approved the Company's proposal on intended capital reduction to cover loss.</p> <p>4. Approved the Company's regular assessment of the independence and competency of the certified public accountant in 2023.</p> <p>5. Approved the proposal of non-assurance services to be provided by KPMG Taiwan for 2023.</p> <p>6. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to audit the 2022 financial and tax statements of the Company.</p> <p>7. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of Company's subsidiary "ET Pet Co., Ltd" from the Bank SinoPac.</p> <p>8. Approved to provide NT\$100 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.".</p> <p>9. Approved to provide NT\$142.5 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for the application for commercial paper guarantee from Mega Bills Finance Corporation Bills Department.</p> <p>10. Approved to apply for credit line of financing from Entie</p>

		<p>Commercial Bank.</p> <ol style="list-style-type: none"> <li>11. Approved a director remuneration policy of the Company.</li> <li>12. Approved amendment to the Company's Articles of Incorporation.</li> <li>13. Approved the election of the Company's 18th term of directors.</li> <li>14. Approved the Board of Directors' nomination and review of list of candidates for directors and independent directors.</li> <li>15. Approved relevant operations for accepting shareholder proposals through the Company's 2023 General Meeting of Shareholders.</li> <li>16. Approved to lift the non-competition restriction on the Company's new directors.</li> <li>17. Approved the convening the Company's 2023 General Meeting of Shareholders.</li> <li>18. Approved the amendments to the Company's "Corporate Governance Best Practice Principles".</li> <li>19. Approved the Company's 2022 Internal Control System Statement.</li> <li>20. Approved the greenhouse gas inventory and verification schedule plan of the Company and its consolidated subsidiaries in 2022.</li> <li>21. Approved change to the acting spokesperson of the company.</li> <li>22. Approved the Company's donation of NT\$ 2.7million to the "Asia Animal Medical Association.</li> <li>23. Approved the Company's organizational system adjustment proposal.</li> <li>24. Approved consultant appointment proposal for the Company.</li> <li>25. Approved the proposal of adjusting the consultant fee for the Company's consultant Mr. Yung-Jui Ma.</li> </ol>
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**3.4.13 Directors holding adverse opinions on the resolutions of the Board in the most recent year to the day this report was printed on record or in written declaration, and the summary of the content**

None.

**3.4.14 Summary of resignation or relief from office of the Chairman, President, Chief Accountant, Chief Financial Officer, Chief Internal Auditor, Chief of Corporate Governance, and Chief R&D Officer of the Company in the most recent year to the day this report was printed**

None.

### 3.5 Information about CPA Professional Fees

Unit: NTD Thousand

Accounting firm name	Accountant name	Audit period	Audit fees	Non-audit fees					Total	Remark
				Transfer Pricing	CSR	Company Registration	Others (Note)	Subtotal		
KPMG Taiwan	Shin-Chin Chih	2022.01.01   2022.12.31	6,310				230	230	6,540	
	Hsin-Ting Huang									
KPMG Taiwan										
EY Taiwan					1,850			1,850		
JYH Her					30		30	30		

Note: The components were the services for submitting applications of capital reduction to TWSE, verifying the amount of direct deduction method on value-added and non-value-added business tax and nonmanagement employee salaries.

### 3.6 Changes in Accountant Information

#### 3.6.1 Former Accountant

None.

#### 3.6.2 Successor Accountants

Not available.

#### 3.6.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

None.

### 3.7 The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year :

None.

### 3.8 Shareholding changes of directors, managers and major shareholders

#### 3.8.1 Directors, managers and major shareholders' equity changes

Job Title	Name	2022		The year ending on April 1	
		Number of shares held Number increased (decreased)	Number of pledged shares Number increased (decreased)	Number of shareholding Number increased (decreased)	Number of pledged shares Number increased (decreased)
Director	Far Rich International Corporation	(2,277,938)	0	0	0
Chairman and General Manager	Shang-Wen Liao	(9,489)	0	0	0
Director	Chao-Hsin Chiu	(2,135)	0	0	0
Director	Ding Fong Broadcasting Co., Ltd.	(661,787)	0	0	0
Director	Kao-Ming Tsai	0	0	0	0
Director	Ching-Chi Chen	0	0	0	0
Independent Director	Kuen-Chang Lee	0	0	0	0
Independent Director	Su-Chang Chen	(23)	0	0	0
Independent Director	Tien-Wei Shih	(921)	0	0	0
Deputy Senior General Manager	Ying-Na Cheng (Took office on August 11, 2022)	(57)	0	0	0
Deputy General Manager	Ching-Tze He	(3)	0	0	0
Deputy General Manager	Sheng-Chong Hsu	(28)	0	0	0
Deputy General Manager	Hsiang-Jui Wo	0	0	0	0
Deputy General Manager	Hsiao-Ching Hu	0	0	0	0
Deputy General Manager	Tsong-Yi Lin	0	0	0	0
Deputy General Manager	Lan-Ying Feng	0	0	0	0
Deputy General Manager	Cheng-Kuo Lu	(2,592)	0	0	0
Deputy General Manager	Kuang-Wu Chen	0	0	0	0
Deputy General Manager	Hui-Ying Chou	(14)	0	0	0
Deputy General Manager	Chia-Wei Lin	0	0	0	0
Deputy General Manager	Kui-Ting Kao	0	0	0	0
Deputy General Manager	Yao-Tsu Shen (Took office on August 11, 2022)	(9,500)			
Associate Manager	Ping-Yu Su	0	0	0	0
Associate Manager	Kun-Yu Chang	0	0	0	0

Job Title	Name	2022		The year ending on April 1	
		Number of shares held Number increased (decreased)	Number of pledged shares Number increased (decreased)	Number of shareholding Number increased (decreased)	Number of pledged shares Number increased (decreased)
Associate Manager	Yu-Ling Ye	0	0	0	0
Associate Manager	Hui-Hui Li	(190)	0	0	0
Associate Manager	Sheng-fen Ou	0	0	0	0
Associate Manager	Wen-chien Hsieh	0	0	0	0
Associate Manager & Taichung Office Manager	Chang-Yi Huang	(10)	(6)	(6)	(6)
Kaohsiung Office Manager	Po-Liang Chen	(42)	0	0	0
Major shareholders of 10% or above	None	0	0	0	0

Note: The number of shares held decreased in 2022 because of the 10% capital reduction in cash of the Company.

### 3.8.2 Share transfer information

Where the directors, managers and the counterparties of the major shareholders whose shareholding ratio exceeds 10% are related parties: None

### 3.8.3 Equity pledge information

Where the directors, managers, and the counterparties whose shareholding ratio exceeds 10% of the major shareholders' equity pledge are related parties: None



### 3.9 Information about the relationship of the ten largest shareholders

April 1, 2023

Name	Self Shares held		Spouse and minor children holding shares		Total holding of shares in the names of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Note
	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Designation (Or name)	Relationship with the Company	
Jinxin Trading Co., Ltd.	45,873,612	9.636	NA	NA	0	0	None	None	None
Representative: Chen Shih-Chih	0	0.000	0	0	0	0	Ding Fong Broadcasting Co., Ltd. Far Rich International Corporation Sen Feng International Co., Ltd.	Director (Far Rich International Corporation) Director (Ding Fong Broadcasting Co., Ltd.) Director (Ding Fong Broadcasting Co., Ltd.)	
Dong sen Personal Insurance Agent Co., Ltd.	21,308,625	4.476	NA	NA	0	0	Ding Fong Broadcasting Co., Ltd.	Corporate Supervisor	None
Representative: Tsai Kao-Ming	0	0.000	0	0	0	0	None	None	
Far Rich International Corporation	20,501,440	4.306	NA	NA	0	0	Ding Fong Broadcasting Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Corporate Director Corporate Director	None
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Ding Fong Broadcasting Co., Ltd. Sen Feng International Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Far Rich International Corporation) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	
Sen Feng International Co., Ltd.	16,863,296	3.542	NA	NA	0	0	Dong sen Personal Insurance Agent Co., Ltd.	Corporate Supervisor	None
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Ding Fong Broadcasting Co., Ltd. Far Rich International Corporation Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Far Rich International Corporation) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	

Name	Self Shares held		Spouse and minor children holding shares		Total holding of shares in the names of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Note
	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Designation (Or name)	Relationship with the Company	
E-Happy Travel Co., Ltd.	15,539,420	3.264	NA	NA	0	0	None	None	None
Representative: Lin Kao-Ming	0	0.000	0	0	0	0	Jinxin Trading Co., Ltd.	Supervisor	
Ding Fong Broadcasting Co., Ltd.	5,956,083	1.251	NA	NA	0	0	Far Rich International Corporation Sen Feng International Co., Ltd.	Corporate Director Corporate Director	None
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Far Rich International Corporation Sen Feng International Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Ding Fong Broadcasting Co., Ltd.) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	
DFA multiple emerging investment accounts in custody of Citibank (Taiwan)	2,400,691	0.504	NA	NA	Data not available				None
Wushun Investment Co., Ltd.	2,298,240	0.482	NA	NA	Data not available				None
Representative: Wang Rong-Ruo	Data not available								None
Chien Shing Stainless Steel Co.,Ltd.	2,250,277	0.472	NA	NA	Data not available				None
Representative: Ye Shuo-Tang	Data not available								None
Pai Yao-Chia	2,022,075	0.424	Data not available						None

### 3.10 Comprehensive Shareholding Ratios

December 31, 2022

Units: Shares; %

Reinvestment business (Note)	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding
FESS-Bermuda	600,000	100.00	0	0	600,000	100.00
FESS-Panama	71,700	100.00	0	0	71,700	100.00
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	6,637,500	6.51	19,726,660	19.36	26,364,160	25.87
Far Eastern Investment Co, Ltd.	67,641,445	97.90	0	0	67,641,445	97.90
Eastern International Lease Finance Co., Ltd. (EILF)	40,690,330	53.77	34,840,500	46.00	75,530,830	99.77
Tung Kai Lease Finance Co., Ltd.	40,847,294	53.76	34,948,500	46.00	75,795,794	99.76
HER Hotels & Resorts Group Yilan Grand Richness Trading (Hong Kong) Ltd.	32,973,086	60.40	21,618,114	39.60	54,591,200	100.00
ET New Media Holdings Co., Ltd.	16,214,616	100.00	0	0	16,214,616	100.00
ET New Media Holdings Co., Ltd.	53,522,508	89.20	627,492	1.05	54,150,000	90.25
Eastern Asset Co., Ltd.	71,500,000	55.00	0	0	71,500,000	55.00
ET Pet Co., Ltd.	41,625,000	59.46	18,500,000	26.43	60,125,000	85.89

Note: This table shows the Company's long-term equity investments using the equity method.

# IV. Capital Overview

## 4.1 Capital and Shares

### 4.1.1 Source of Capital

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
May 1975	50,000	200	200,000	50	50,000	Cash on hand		
July 1978	350,000	700	700,000	400	400,000	Cash on hand		
March 1980	200,000	700	700,000	600	600,000	Cash on hand		
October 1982	258,317	85,832	858,317	85,832	858,317	Cash on hand		1982.09.30 (71) Taiwan-Finance-Securities (I) No. 1776
June 1989	238,422	133,516	1,335,161	109,674	1,096,739	Cash on hand		1989.05.05 (78) Taiwan-Finance-Securities (I) No. 00983
November 1989	504,500	160,124	1,601,239	160,124	1,601,239	Cash and earnings		1989.09.13 (78) Taiwan-Finance-Securities (I) No. 01905
August 1990	205,761	180,700	1,807,000	180,700	1,807,000	Cash on hand		1990.03.09 (79) Taiwan-Finance-Securities (I) No. 00397
February 1991	234,910	204,191	2,041,910	204,191	2,041,910	Surplus		1990.11.30 (79) Taiwan-Finance-Securities (I) No. 03349
September 1991	367,544	240,945	2,409,454	240,945	2,409,454	Earnings and Additional paid-in capital		1991.07.19 (80) Taiwan-Finance-Securities (I) No. 01610
November 1992	96,378	250,583	2,505,832	250,583	2,505,832	Capital surplus		1992.10.14 (81) Taiwan-Finance-Securities (I) No. 02657
June 1995	425,991	293,182	2,931,823	293,182	2,931,823	Earnings		1995.05.19 (84) Taiwan-Finance-Securities (I) No. 29249
July 1996	478,665	484,000	4,840,000	341,049	3,410,488	Earnings		1996.07.01 (85) Taiwan-Finance-Securities (I) No. 41050
June 1997	1,102,412	600,000	6,000,000	451,290	4,512,900	Cash and earnings		1997.05.17 (86) Taiwan-Finance-Securities (I) No. 35656
January 1998	316,281	600,000	6,000,000	482,918	4,829,181	Conversion of corporate bonds		1998.01.16 (87) Taiwan-Finance-Securities (I) No. 11377
August 1998	1,762,667	960,000	9,600,000	659,185	6,591,848	Surplus, additional paid-in capital, and conversion of corporate bonds		1998.07.09 (87) Taiwan-Finance-Securities (I) No. 58507
October 1999	1,450,206	1,100,000	11,000,000	804,205	8,042,054	Capital surplus		1999.06.25 (87) Taiwan-Finance-Securities (I) No. 58251
December 1999	15,000	1,100,000	11,000,000	805,705	8,057,054	Conversion of corporate bonds		
December 1999	484,944	1,100,000	11,000,000	854,200	8,541,998	Conversion of corporate bonds		
February 2001	(25,090)	1,100,000	11,000,000	851,691	8,516,908	Purchases of treasury shares to reduce capital		2001 Shangzi No. 006506-1

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
August 2003	(2,912,782)	1,100,000	11,000,000	560,413	5,604,126	Capital reduction		2003.7.28 Taiwan-Finance-Securities No. 0920130473
June 2004	757,129	1,100,000	11,000,000	636,125	6,361,254	Earnings		2004.4.12 Taiwan-Finance-Securities Yizi No. 0930112793
October 2004	1,329,158	1,100,000	11,000,000	769,041	7,690,413	Conversion of corporate bonds		2004.5.19 Taiwan-Finance-Securities Yizi No. 0930118370
December 2004	162,352	1,100,000	11,000,000	785,277	7,852,765	Conversion of corporate bonds		
March 2005	327,585	1,100,000	11,000,000	818,035	8,180,350	Conversion of corporate bonds		2004.11.19 SFB Yizi No. 0930151508
August 2005	1,814,702	1,500,000	15,000,000	999,505	9,995,052	Earnings and capitalization of capital reserves		2005.7.15 FSC Yizi No. 0940128962
October 2005	134,059	1,500,000	15,000,000	1,012,911	10,129,111	Conversion of corporate bonds		
April 2006	3,815	1,500,000	15,000,000	1,013,293	10,132,926	Conversion of corporate bonds		
August 2006	1,552,819	1,500,000	15,000,000	1,168,575	11,685,745	Profit transfer and capital transfer		2006.7.17 FSC Yizi No. 0950130972
August 2006	11,626	1,500,000	15,000,000	1,169,737	11,697,371	Conversion of corporate bonds		
September 2006	6,116	1,500,000	15,000,000	1,170,349	11,703,487	Conversion of corporate bonds		
December 2006	469,318	1,500,000	15,000,000	1,217,281	12,172,805	Conversion of corporate bonds		
March 2007	30,680	1,500,000	15,000,000	1,220,349	12,203,485	Conversion of corporate bonds		
June 2007	629	1,500,000	15,000,000	1,220,411	12,204,114	Conversion of corporate bonds		
September 2007	3,769	1,500,000	15,000,000	1,220,788	12,207,883	Conversion of corporate bonds		
December 2007	167,434	1,500,000	15,000,000	1,237,532	12,375,317	Conversion of corporate bonds		
March 2008	35,393	1,500,000	15,000,000	1,241,071	12,410,710	Conversion of corporate bonds		
June 2008	172,983	1,500,000	15,000,000	1,258,369	12,583,694	Conversion of corporate bonds		
September 2008	2,301,612	1,500,000	15,000,000	1,488,531	14,885,306	Earnings, additional paid-in capital, and conversion of corporate bonds		2008.8.20 FSC Yizi No. 0970042408
April 2009	(700,000)	1,500,000	15,000,000	1,418,531	14,185,306	Treasury shares to reduce capital		2009.3.30 FSC San Zi No. 0980012457
September 2013	(7,225,432)	1,500,000	15,000,000	695,987	6,959,874	Capital reduction		2013.9.5 SFB Fa Zi No. 1020032568
June 2018	(1,391,975)	1,500,000	15,000,000	556,790	5,567,899	Cash capital reduction		2018.6.4 FSC Fa Zi No. 1070319751
July 2021	(278,395)	1,500,000	15,000,000	528,950	5,289,504	Cash capital reduction		23 Jul. 2021 TWSE-Listing-I Letter No. 1100012876.
June 2022	(528,950)	1,500,000	15,000,000	476,055	4,760,554	Cash capital		30 June. 2022 TWSE-

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
						reduction		Listing-I Letter No. 1111802933.

Unit: Thousand shares

Shares Type	Approved share capital			Note
	Outstanding shares (Note)	Unissued shares	Total	
Listed common stock	476,055	1,023,945	1,500,000	None

Note: The Company does not raise and issue securities under the collective reporting system.

#### 4.1.2 Status of Shareholders

April 1, 2023

Shareholder structure	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreign individuals	Total
Quantity						
Number of individuals	0	0	271	97,771	127	98,169
Number of shares held	0	0	133,595,211	330,066,626	12,393,518	476,055,355
Shareholding ratio	0.000	0.000	28.063	69.334	2.603	100.000

#### 4.1.3 Distribution of Shareholding

April 1, 2023

Shareholding class	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	54,062	18,698,159	3.928
1,000 to 5,000	32,140	74,814,232	15.715
5,001 - 10,000	6,562	49,251,034	10.346
10,001 - 15,000	1,787	22,247,126	4.673
15,001 - 20,000	1,181	21,148,897	4.443
20,001 - 30,000	929	23,138,614	4.860
30,001 - 40,000	439	15,392,118	3.233
40,001 - 50,000	303	13,666,630	2.871
50,001 - 100,000	484	34,068,283	7.156
100,001 - 200,000	179	25,162,868	5.286
200,001 - 400,000	57	15,771,052	3.313
400,001 - 600,000	20	10,125,590	2.127
600,001 - 800,000	3	2,046,502	0.430
800,001 to 1,000,000	4	3,518,593	0.739
1,000,001 or more	19	147,005,657	30.880
Total	98,169	476,055,355	100.000

Note: The Company has not issued preferred shares.

#### 4.1.4 List of major shareholders

April 1, 2023

Name of major shareholder	Shares	Number of shares held	Shareholding ratio %
1. Jinxin Trading Co., Ltd.		45,873,612	9.636
2. Dongsen Personal Insurance Agent Co., Ltd.		21,308,625	4.476
3. Far Rich International Corporation		20,501,440	4.306
4. Sen Feng International Co., Ltd.		16,863,296	3.542
5. E-Happy Travel Co., Ltd.		15,539,420	3.264
6. Ding Fong Broadcasting Co., Ltd.		5,956,083	1.251
7. DFA multiple emerging investment accounts in custody of Citibank (Taiwan)		2,400,691	0.504
8. Wushun Investment Co., Ltd.		2,298,240	0.482
9. Chien Shing Stainless Steel Co.,Ltd.		2,250,277	0.472
10. Pai Yao-Chia		2,022,075	0.424



#### 4.1.5 Information about market value per share, net value per share, earnings per share, and dividends per share in the most recent two years

Item		Year	2022	2021
		Per share Market price (Note1)	Highest	
Lowest			18.45	14.4
Average			26.33	28.48
Net value per share	Before distribution		7.42	11.8
	After distribution (Note5)		7.42	10.8
Earnings per share	Weighted average number of shares (Net of treasury shares)		502,865,169	544,815,093
	Earnings per share		(3.29)	1.37
Per share Dividends	Cash dividends		0	1.0
	Stock dividends	Stock dividends from capitalization of retained earnings	0	0
		Additional paid in capital	0	0
	Accumulated unpaid dividends		0	0
Return on investment analysis	P/E ratio (Note2)		0	20.79
	Price to dividend ratio (Note3)		0	28.48
	Cash dividend yield (Note4、5)		0	3.51%

Note 1: Referred to TWSE website

Note 2: Price/Earnings Ratio = Average Market Price/ Diluted Earnings Per Share

Note 3: Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share

Note 4: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price

Note 5: Since there was net loss in 2022, the Company would not distribute dividends this year.

#### **4.1.6 Company dividend policy and implementation status**

##### **A. Dividend policy of the Company**

The Company's business environment is a mature and stable industry. In order to consider the Company's medium and long-term business development needs and bear the risks of future operations, the Company must have a safe cash level, maintain a stable level of dividends, and comply with the Company's Articles of Incorporation, and take into account factors such as long-term shareholders' equity and the Company's long-term financial planning while setting forth the Company's dividend distribution plan. Dividends are distributed in cash or stocks. Cash dividends must be allocated by the Board of Directors, and will be submitted to the shareholders meeting.

The distribution of dividends has a bearing on the interests of shareholders. To clarify the dividend policy, the Articles of Incorporation stipulate as follows:

In respect to the Company's dividend policy, in order to cope with the Company's diversified operations and the capital expenditure required for future expansion of the scope of operations and long-term financial planning, it can be based on the needs of the business climate and industry changes and take into account the interests of shareholders, making appropriate assignments or reservations. Shareholders' dividends are allocated with distributable earnings. They should not be less than 15% of the current year's distributable earnings and the cash dividend is not to be less than 10%.

##### **B. The plan for dividends payment for presenting to the Shareholders' Meeting of this year**

Since there was net loss in 2022, the Company would not distribute dividends this year.

#### **4.1.7 The influence of stock dividends planned to be paid in the Shareholders Meeting of this year on the operation performance and earnings per share of the Company:**

The shareholders meeting did not propose a stock dividend this time (2023).

#### **4.1.8 Remuneration of employees and directors**

##### **A. The percentage or scope of compensation for employees and directors as set out in the Articles of Incorporation:**

If the Company makes a profit for the year, the pre-tax benefits must be deducted from the benefits before the distribution of employee bonuses and then the accumulated losses must be deducted. Then 3.5% of the balance must be allocated as employee compensation and the amount allocated must be used as the current

year's expense. Employees' remuneration is based on stocks or cash, subject to resolution of the Board of Directors and reporting to the General Meeting of Shareholders.

The Company's Articles of Incorporation do not provide for directors' compensation.

**B. The accounting of the difference between the amounts calculated on the basis of the estimation of the remuneration to the employees and the Directors, the calculation of shares for paying stock dividends to the employees as remuneration and the actual amount of payment:**

The Company estimates employee bonuses on a prorated basis based on the net profit before tax before deduction of employee bonuses in the current year. If there is any change in the amount after the publication of the annual financial report, then according to the changes in accounting estimates it will be adjusted and recorded in the next year.

**C. Remuneration distribution approved by the Board of Directors:**

1. The amount of employee bonuses and directors' bonuses paid in cash or stocks. If there is a discrepancy with the annual estimated amount of recognized expenses, the number of discrepancies, reasons and handling circumstances should be disclosed: Since there was net loss in 2022, the Company would not distribute employee bonuses this year.
2. The amount of employee bonuses distributed by stocks and its proportion to the total after-tax net profit and total employee bonuses in the parent company only financial report for the current period: None.

**D. The actual payment of remuneration to the employees and the Directors in the previous year (including the number of distributed shares, amounts, and stock price). If there is a difference with the recognized amount of remuneration for employees and directors, the number of differences, the reasons and the handling circumstances should be stated:**

There is no difference between the actual distribution of employee bonuses in 2021 and the recognized amount.

#### **4.4.9 Repurchases of shares by the Company**

In 2022 and as of the printing date of the annual report: None.

## **4.2 Handling of corporate bonds**

None.

**4.3 Disposal of preferred shares**

None.

**4.4 Circumstances of handling overseas depositary receipts**

None.

**4.5 Employee stock options and new restricted employee shares**

None.

**4.6 M&A or transfer of shares of other companies to issue new shares**

None.

**4.7 Implementation status of fund utilization plan**

None.

# V. Operational Highlights

## 5.1 The business content, market, production and sales of the warehousing business

### 5.1.1 Business content

#### A. Business scope

The storage business is mainly engaged in importing bulk grains (soy, corn, wheat), and automated operations such as unloading into warehouses, storing warehouses and trucks, and train loading and unloading.

#### B. Industry overview

The Company's warehousing business is engaged in dock loading, unloading, storage and transfer of bulk grain bulk grain ships. It is a purely port warehousing and loading and unloading service industry. Its main function is to use the automatic grain unloading machine with high unloading rate to take the grain imported by the cargo owner, quickly unloading from the cabin into the silo for storage and transfer, loading and unloading from the warehouse for suppliers of domestic bulk materials (such as: feed mills, salad oil mills, flour mills and import traders, etc.) with safe and fast raw material entry, storage and transfer, and exit requirements.

#### C. Technology and R&D Overview: In 2022 and as of the publication date of the annual report, there was no investment in related functions research and development expenses.

#### D. Long and short term business development plan

##### 1. Short-term business development plan:

Give full play to the advantages of terminal silo automation equipment. Speed up the efficiency of ship unloading in and out of the warehouse. Significantly reduce the probability of slow unloading fines for customers of bulk imported grains, and increase the quick unloading bonus income to reduce import costs. Strengthen customer momentum.

##### 2. Long-term business development plan:

- (1) Expand the niche of silo operations. Grasp the advantages of port silos. Provide more convenient value-added services, and give full play to the best synergies.
- (2) Diversified management.

### 5.1.2 Market and production and sales overview

## A. Market analysis

### 1. Main product (service) sales (provision) areas

- (1) Most feed mills, salad oil mills, and flour mills in Taiwan are concentrated in the central and southern regions. Their raw materials are imported from Taichung Port and Kaohsiung Port. The Company's four terminal silos are also distributed in these two ports. They are adequate to provide services for unloading, storage and transfer of imported bulk grains.
- (2) Taiwan's livestock breeding areas are concentrated in the central and southern regions. Therefore, imported grains are stored, transferred and sold in Taichung Port and Kaohsiung Port due to geographical factors.

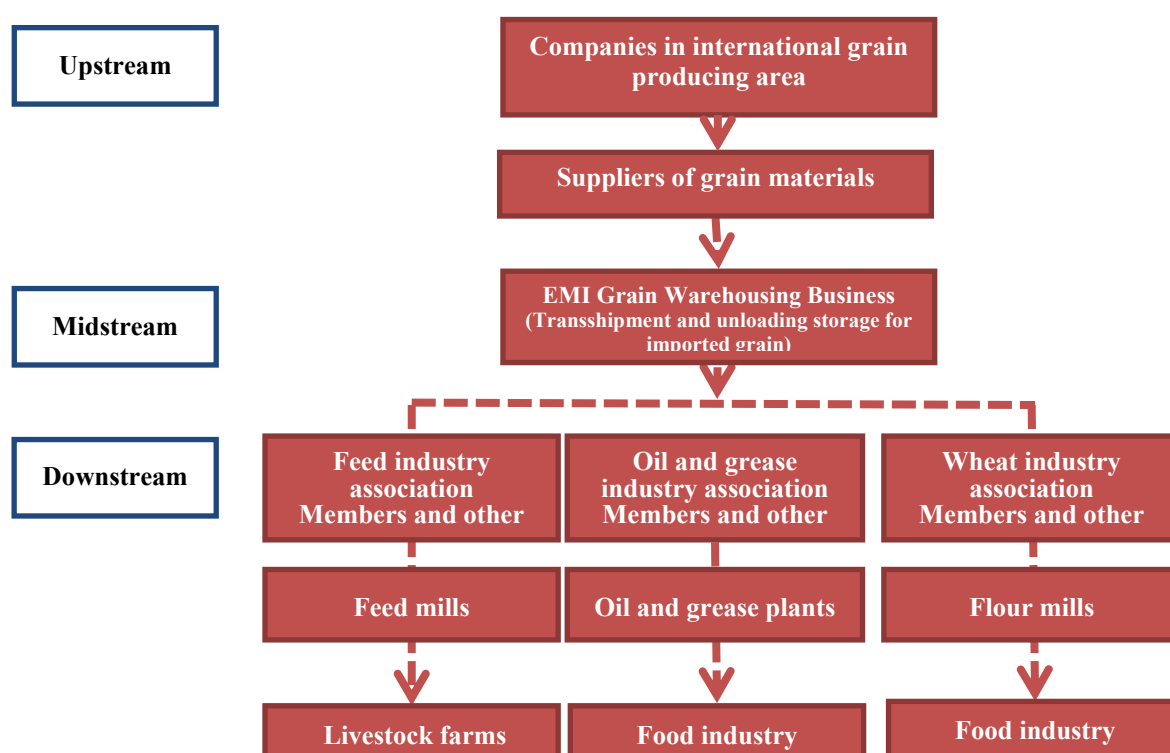
### 2. Market share

The statistics of actual unloading of imported bulk grains in the past three years are detailed in the table below.

The Company's grain unloading market share Unit: Ten thousand metric tons

Year \ Silos	Unloading volume at Taichung		Unloading volume at Kaohsiung		The Company Unloaded amount	Nationwide bulk		Nationwide total imports (including containers)	
	#1	#3	#71	#72		Import volume	The Company Market share	Import volume	The Company Market share
2020	204.8	163.0	148.2	133.5	649.5	649.5	100.0%	852.8	76.2%
2021	182.4	157.3	144.5	146.7	630.9	630.9	100.0%	830.2	76.0%
2022	196.6	156.5	155.2	160.4	668.7	668.7	100.0%	880.1	76.0%

### 3. Relevance between the upstream, midstream and downstream of the industry



#### 4. Competitive niche

- (1) The Company has been operating terminal silos for 46 years. At present, there are four deep-water terminals in Taichung and Kaohsiung, #1, #3, and No. #71, #72. Equipped with hardware facilities such as fully automatic grain unloading, in and out of warehouse equipment and 330,000 tons of silo warehouse capacity, and combined with the accumulated silo operating experience to cultivate a professional operating team and core capabilities, this is the biggest competitive niche for the Company's warehousing business.
- (2) The main raw materials of animal feed such as corn, soybeans, etc., all have to rely on imported supplies from abroad. The Company has deep-water silo terminals in Taichung and Kaohsiung ports, operating bulk grain loading and unloading storage. With a good understanding of surrounding industries, it can provide more direct services for domestic animal husbandry related industries.

#### 5. Advantages and disadvantages of development prospects

- (1) Favorable factors:
  - a. The Company has been operating terminal silo for a long time and has accumulated rich practical experience and has a skilled and dedicated team. It must be able to provide the industry with the best service quickly, accurately, and efficiently.
  - b. The Company has fully automated computer program-controlled warehouse access equipment and four deep-water wharfs with a total storage capacity of 330,000 tons that can simultaneously unload two Panamax grain carriers at Taichung Port and Kaohsiung Port. It can quickly unload grain boats and store and transfer grain functions.
  - c. Silos have a high operating market share and can ensure a competitive advantage. The management of terminal silos is restricted by laws and regulations; only the right to lease operation is required, and a huge fixed rent and port fees must be paid every year. It accounts for more than 40% of fixed costs. Therefore, only by establishing economic scale and increasing market share can we ensure business advantages. Relying on a steady, firm and down-to-earth corporate attitude, we are committed to the development of terminal silo loading and unloading and warehousing services.
  - d. With high efficiency silo operations and improving loading and unloading efficiency, relieving port congestion is the original purpose of the Company. Facing the impact of changes in the

business environment, market participants can accurately grasp real-time market information, connect with the international trends, and develop flexible management strategies. This is positively beneficial to the sustainable operation of port silos.

- e. The high international container freight rate and the uncertainty of arrival help the grains to be imported by bulk freight.
- f. The government successfully blocked the swine diseases which would affect the export of pork. Besides the foot-and-mouth disease, since the international epidemic of African Swine Fever started in 2018, all people worked together to block the virus outside the country; the last mile for Taiwan to export pork to more countries is the lift the vaccination mandate for classical swine fever. Therefore, the Council of Agriculture will cease administering swine fever vaccine to all pigs and newborn piglets in Taiwan in 2023.01.01. The vaccination will be completely lifted from pig farms in July. It is expected to make an official application to the World Organization for Animal Health (WOAH) to make Taiwan a classical swine fever non-infected area in 2024. Once the vaccination mandate lifted, it will be an important milestone for Taiwan's pig industry to reopen the export market.

On the other hand, after years of effort and effective cooperation between the industry and the government, the Council of Agriculture announced in April 2023 that the Philippines has approved the import of fresh pork from 6 slaughterhouses in Taiwan. This is the first case of Taiwan successfully gaining a foothold in the Philippines market with the "Taiwan Pork Team" model, and is also an attempt to open the door for Taiwan's fresh pork export. In the future, it is necessary for more companies to keep abreast with government policies to accelerate the modernization of slaughterhouses to enhance the competitiveness of the industry, enabling Taiwan pork to stand on the international stage again

- g. In recent years, the Company has appropriated huge budgets every year for the retirement and replacement of unloading and major equipment at the four terminal silos and renovated the automated equipment in order to move towards smart warehousing to achieve operational efficiency and service quality.

(2) Disadvantages:

- a. At present, the domestic animal husbandry industry is still profitable due to product prices. Therefore, there is still a willingness to raise



livestock. However, due to diseases such as African swine fever and avian flu, as well as environmental protection restrictions such as sewage charges, may cause hidden concerns for the future development of the animal husbandry industry.

- b. In recent years, importers of grain properties have used a large number of return containers to ship grain, causing the Company to lose millions of tons of grain unloaded; if the international crude oil price rises above US\$80/barrel, it may not be conducive to the competitiveness of bulk grain shipping. Moreover, the backhaul containers of the US routes still possess the advantages of small cubic volume and purchase flexibility, which may not disappear in the short term. The container freighters devote themselves to the freight market. All of which may disadvantage to the bulk silo business.
- c. The total national grain imports in 2021 was 8.302 million tons. Due to the declining birthrate domestically and depopulation (work abroad or emigration), if the export of pork cannot be increased in the future, the future grain import volume will not grow easily.
- d. In response to the rising environment protection awareness and the domestic environmental pollution improvement standards getting more stringent, the Executive Yuan has revised relevant laws and regulations to significantly raise the fines and regulatory penalties for corporates. Together with ESG (environmental, social and corporate governance) becoming an international trend and drawing great attention in recent years, companies and governments have been developing ESG development strategies to strengthen corporate sustainability and capital market competitiveness and capital market competitiveness, therefore it also results in great rise of cost for establishing the environmental facilities.

B. Important use of main products

Provide bulk materials port warehousing, loading and unloading, storage and transfer services.

C. Supply status of main raw materials

Not applicable for non-production manufacturing.

D. List of main purchase and sales customers

2021				2022			
Name (Note)	Amount (NTD thousand)	Percentage of total annual net sales (%)	Relationship with issuer	Name	Amount (NTD thousand)	Percentage of total annual net sales (%)	Relationship with issuer
2	144,788	10.6%	None	2	174,330	11.8%	None
Others	1,225,120	89.4%	None	Others	1,304,829	88.2%	None
Warehousing Net income	1,369,908	100.0%		Warehousing Net income	1,479,159	100.0%	

Note: List names of customers accounting for more than 10% of total sales in the last two years, and their sales amounts and proportions. However, code names are permitted if disclosure of the customer name or transaction counterparty is not allowed due to contractual obligations or if the transaction counterparty is an individual and a non-related person.

- E. Recent production value  
Not applicable for non-production manufacturing.
- F. Sales volume in the last two years

#### Operating volume and amount of warehousing services

Grain category	2021		2022	
	Quantity (ten thousand metric tons)	Amount (NTD thousand)	Quantity (ten thousand metric tons)	Amount (NTD thousand)
Grain	630.9	1,369,908	668.7	1,479,159

- G. Industry-specific key performance indicators (KPIs):  
Because the port warehousing business is a special industry, each ton of revenue is handled in accordance with the regulations of the loading, unloading and warehousing rates of each port branch company. Therefore, “key performance indicators with industry specificity” are not applicable.

## 5.2 Media Business: Business content, markets, and production and sales conditions

### 5.2.1 Business content

- A. Business scope:
1. The main scope of operations of the Company’s media business originally encompassed ETtoday’s news website management, advertising business sales, and audio-visual content production.
  2. ETtoday started operating offline advertising for Taipei Metro in October 2018 and ET Pet Co. stores in November of that year, expanding its business scale by means of online and offline integration.
  3. Building on the past foundations laid by ETtoday, ETtoday was renamed ET New Media Holding Co., Ltd. in December 2018 to oversee five limited

corporations; namely, Dung Sen Shin Wen Yun Co., Ltd., Dung Sen Shin Guang Yun Co., Ltd., Dung Sen Dian Jing Yun Co., Ltd. , and Dung Sen Min Diao Yun Co., Ltd.. Based on its original huge traffic and fan base, it thus created a new business model for diversified business development. In addition to its news, audiovisual, and advertising businesses, ETtoday also stated that it would deepen its future efforts in the pet, entertainment, and e-sports industries as it moves toward diversified O2O operations.

B. Industry overview:

1. Description of development status:

- (1) Since its launch on November 1, 2011, the ETtoday News website operated by the Company's media business has deepened social interaction and integrated news, information, knowledge, and entertainment information platforms while presenting warm news content. With our business philosophy of sincere trust, we have joined netizens in creating a new media advancing the idea of "sharing is happiness; loving cloud technology." The Company's main operating focus and operating model are to actively make good use of various community operations to deepen networks, allowing "community interaction" to be deeply integrated with "news," "online marketing," and "shopping.
- (2) In 2020, ETtoday News had 33 Facebook fan groups, 17 Instagram account, 26 YouTube channels. It also established six independently operated media accounts on Toutiao, NetEase, Baijia, Penguin, and iQIYI. Its total number of fans exceeded 24 million as of the end of December 2021. ETtoday's social performance was much higher than its media competitors. With a total of nearly 190 million interactions volume, it was ranked first in Tag Analysis's Social Signals Statistic for two consecutive years.
- (3) From the perspective of website traffic results, social traffic accounted for the largest proportion at about 55% in 2017 and direct traffic was about 27%, while direct traffic has accounted for 29.54% (including apps) by the end of 2022. This reflects that own traffic has grown incrementally and mobile app development has gradually achieved results.
- (4) Rewards and Highlights : " In 2014, Business Next magazine announced the top 100 Internet sites in Taiwan and ETtoday News won 9th place; it was also recognized as the number one news website in Taiwan. In 2016, ETtoday ranked 15th in the "2016 Top 100 Internet Service Traffic sites"

announced that year and was 1st in Taiwan's media category. In 2018, Trip Advisor (the world's largest travel website) announced that ETtoday Travel was Taiwan's most popular news travel website. In the same year, ETtoday Co. won the China News Association "2018 Cultural and Creative Industry News Reporting Award" and Google's Annual Innovation Award. In 2019, "Jungle Voice" won "Best Variety Programme" in the 54th annual Television Golden Bell Awards. Meanwhile, the Oxford Digital News Report cited ETtoday Co. as the most used digital news brand in Taiwan for four consecutive years in 2018, 2019, 2020, 2021 and 2022. Meanwhile, ETtoday was also honored with the Award of Golden Peak in "Honored Cooperation" and "Outstanding Business Leaders" and became the first Taiwan news media to ranked first in the National Brand Yu-Shan Award's "Honored Cooperation" and "Most Popular Brand". Besides, ETtoday won the Award of Golden Torch, the Best OOH Agency and Super MVP Awards in 2021.

In 2022, we won the "Excellent Journalism Award", the first prize of the "Best Product" granted by the National Brand Yushan Award for the ET OMO advertisement business platform, and "Service and Solution" for the "News Cloud Member Achievement System" of ETtoday APP, etc.

2. Relevance between the upstream, midstream and downstream of the industry
  - (1) Upstream: Mainly are content providers. The source of content includes: foreign news agencies, User Generated Content (UGC), purchase of foreign shows (such as: "Street Dance of China", "Chuang", etc), which can enrich the breadth of content of ETtoday New Media.
  - (2) Midstream: ETtoday New Media organizes physical events, produces large-scale IP shows or commissions outsourced vendors to assist in events and the production of shows, etc. For example, the "Jungle Voice" and "CooKing" of ETtoday New Media are both produced by QT Entertainment, which, by its unique audiovisual content, enhances ETtoday New Media's content depth and differentiate it from the competitors.
  - (3) Downstream: The content produced by News Cloud mainly reaches consumers through the following 2 platforms:
    - a. Self-owned platform: Including news website, APP, M-

site.

b. External platform: Build up fan groups on social media platforms such as FB, IG, YT, etc.

3. ETtoday News development trends and competitive status:

- (1) Real-time news: In the past, the main competitors of ETtoday were UDN and Apple Daily, and these two competitors are supported by their parent newspaper companies. However, “Apple Daily” announced in May 2021 that it would cease publication in Taiwan. In December of the same year, it announced that it would close its operations in Taiwan due to the depletion of funds. In addition, in order to win the support of young readers, coupled with changing reading habits, print newspapers are gradually turning to real-time online news. As a result, competition in the online media market has become increasingly intensified. Recently, LINE TODAY has also taken advantage of its communications background to storm into the new media segment. Future trends will closely monitor the development of this new media in response to market changes.
- (2) Community operations: Various news media have shown a recent dedication toward community operations as they focus on the development of community fan group management as a key strategy. ETtoday News made early investments in this area and currently has over one million fans in six fan groups covering ETtoday Co., ETtoday Star, ETtoday Pet Co., Beauty, Sharing, and Instant News. In 2022, the total number of fans on Facebook has exceeded 24 million. The focus in the future will be to create new business opportunities by transforming “fans” into “members” and then “members” into “consumers”.
- (3) Mobile network: The proportion of news readership via mobile devices (phones, tablets) has been increasing gradually, and consumer usage habits have changed as they become accustomed to using a single device and the time that readers use mobile devices keeps growing. The development of Mobile Web and mobile apps is crucial. ETtoday Co.’s flagship app continues to be revised to strengthen live video and audio, real-time, audiovisual content, and activity functions. At the same time, we are adding to the app new functions and marketing activities. Regarding the new functions, the message board was officially launched in 2022, where readers can leave comments, post their EMOJIs, personalize the layout, and make recommendations. In terms of marketing activities, the Company continues to attract readers by

accumulating points to exchange for Eastern tokens and gifts. Therefore, ETtoday News will continue to optimize the mobile web for more readers to use. By the end of 2022, the app's own traffic accounted for 29.54% of overall traffic, thereby reducing dependence on social media.

(4) Audiovisual content:

a. News video: Since it is difficult for the public to concentrate for a long time, "Online Video" has become an Internet star. "ETtoday News" follows audio and video trends to produce audiovisual news clips such as "Instant News" and "Play News" to enhance the viewability of its online news as an important medium to attract audiences' attention, and is receiving wide response.

b. Entertainment video:

i. CooKing: The CooKing program, the mega reality show for cooking, was produced and broadcasted in 2020 and 2021. In addition to the host Lulu, the program also invited Jason Wang (Master Chef's first runner up), and "Truffle Chef" Fred, as their chief mentors. The program was met with favorable reviews and invited its viewers to vote on the contestants' creative dishes.

ii. Jungle Voice: The "Jungle Voice" program was produced and broadcasted in 2018 and 2019 and was met with a wave of favorable reviews. "Jungle Voice 3" is broadcasting in 2021 and 2022. On the one hand, it provides high-quality entertainment programming and brings high-quality content to audiences. On the other hand, it is also drafting fresh talent and bringing new blood to the Taiwanese entertainment industry. Meanwhile, the online voting mechanism for the talent show increases the autonomous traffic of the app's live broadcasts.

iii. Short videos: Videos are short and light in content are very suitable for watching on mobile devices. ET New Media produces short videos on Tiktok and Shorts to attract young man 's eyeballs.

(5) Advertising business:

a. According to the data released by Nielsen, Taiwan's five major traditional advertising markets in the first half of 2022 were valued at around NT\$13 billion, which remained flat compared to the same period in 2021. Key points are as follows:

i. Broadcast media: terrestrial TV NT\$1.484 billion (+8.59%), cable TV NT\$7.806 billion (+5.12%), broadcast NT\$0.69 billion (-

1.47%).

ii. Print media: Newspapers: NT\$0.416 billion (-16%), magazines: NT\$0.539 billion (-4.29%).

iii. Out-of-home media: Out-of-home media NT\$2.125 billion (-15.8%).

b. Taipei Metro out-of-home advertising: The pandemic has greatly declined the public's willingness to go out, causing a reduction in the number of people on the Taipei region's MRT, High Speed Rail, and Taoyuan MRT. With the gradual easing of restrictions, coupled with the diversified portfolio and innovative modules of ETtoday, the business has gradually recovered to the pre-pandemic level.

C. Overview of technology and R&D:

Currently, ET New Media has obtained patents for the four technologies. These technologies address mobile app applications required for the development of new media, content e-commerce derived from the high traffic created by various fan groups, and the development of new technologies such as online audio and video streaming.

D. Long-term and short-term business development plans:

1. Short-term business development plan

(1) ETtoday has 4 technologies patented for both long-term and short-term business development plan, ranging from mobile app required for the new media operation, content e-commerce generated by fan's high visiting traffic, and the development of new technologies in online audio and video streaming.

News products and content :

a. Real-time news:

ETtoday News emphasizes immediate and fast reporting, as well as the social sharing concept of "sharing is happiness; loving cloud technology." In addition to not reading newspapers, TV viewing time has also been drastically reduced among young people in recent years and they get information from the Internet instead.

Secondly, Under the long-term management of ET New Media, it is deeply loved by netizens. Average daily page views were 16.82 million in 2022, At the same time, whenever there is a major event, through real-time news reports, it creates high traffic. For example: The fall of artist Eison from a building in August 2022 brought 27.25 million network traffic; the strong earthquake in Taitung in September

of the same year brought 23.68 million network traffic; the police killing case in Tainan in August of the same year brought 23.52 million network traffic; the 9-in-1 elections in November brought 22.2 million network traffic; the death of artist Miu Chu in July of the same year brought 21 million network traffic; and the Seoul Halloween crowd crush in October brought 20.72 million network traffic.

It means that in major news, the news cloud is not absent, bringing readers the most immediate and correct news, which is affirmed by netizens.

In news operations, we maintain a certain amount of press releases. In addition to enhancing the accuracy of subtitles to meet the tonality of online news, we drive high flow simultaneously through fast and accurate news community push efforts. The action center was established in 2015 to actively operate the news cloud app. Using “Live Video” with “Unique news content and views” is a bonus for netizens, making the most effective dissemination of news, striving for more exposure, and bringing more business opportunities. The production of live audio and video content started at the end of 2016, fully jumping into audio and video content and sales. Aside from promoting the app live video broadcast, and in addition to attracting netizens to download “ETtoday News app” through the difference in audio-visual content and live broadcasts, it also increases autonomous traffic. In addition, we strengthen live broadcast of sports events and meet the passionate spirit of sports fans. From March 23, 2019, 240 Chinese professional baseball games were to be broadcast. According to the usage profile of intercity sports websites, in the statistics of the number of unique people in July 2019, the sports website “ETtoday Sports Cloud” under the native news media “ETtoday News Cloud” reached 2 million monthly users. It topped the list on behalf of the news cloud under the continuous cultivation of content and has been deeply loved by the people of Taiwan.

b. Innovative products

i. Focus content: The ETtoday Star Cloud was newly revised in 2015, and we added Health Cloud and Real Estate Cloud in 2016, In 2017, ET Car Cloud, Poll Cloud and Grace Cloud were launched. Boss Cloud and Legal Cloud has opened in 2019, Sustainability Cloud



was established in 2022. In the end of 2020, ET launched Unboxing Cloud and 19 social media curators sell product via content marketing. In addition to satisfying the needs of various netizens through various niche content, these offerings can more flexibly meet the needs of different customers at the same time in terms of advertiser sales.

ii. Real-time news and event live: In addition to grasping important news and event information, and meeting the needs of advertisers, we push the product locally to increase the overall advertising budget.

iii. Customized audio and video: In addition to the original news content, we simultaneously increase the sales of audio-visual advertising and strengthen the page planning of the mobile version to improve overall performance.

c. Community operations

The three major operating strategies of social media based on "focus", "interaction," and "real-time" have moved towards the "video and audio" of the community to attract more viewers more quickly. This has opened up new battlefields in the "mobile social" and "cross-strait communities". The Company produced the "Open-box Cloud" at the end of 2020, which sells the ET proprietary products via its 19 influencer's, and has opened a brand new business model of content marketing.

d. Action strategy

Mobile traffic is growing fast, and the trend of using smartphones and mobile devices to browse has formed. ETtoday News responds to market changes by actively launching its app and mobile version optimization. The current mobile version of the webpage continues to be optimized after the news cloud flagship app was launched in February 2015. It also continues to strengthen the functions of audiovisual, live broadcast, social interaction and personalization. Since 2017, the app membership system has been implemented to prepare for personalized services, continuously passing user experience tests, and strengthening user experience design. The version is updated and optimized once a month on average. Furthermore, it continuously optimizes the essence of the product through data analysis, achieving product market fit while increasing

user stickiness and the number of app downloads. The goal is to become the leader of Mobile TV.

e. Deepening audio and video

Since the launch of “BOBA” in November 2016, it has gathered various forms of audio and video content from news, programs, live broadcasts, and short videos, and established a viewing environment suitable for netizens to view audio and video content. In 2017, there was a strong push on video and audio optimization, letting all netizens have a faster and more convenient video viewing experience, and increasing the video and audio chat room mechanism and a simplified video and audio search interface, so that netizens can grasp all the audio and video content at any time. It is expected that the increase in traffic in the future will bring in more revenue.

f. Overseas development and cooperation

i. Cooperation with the mainland: The news of “ETtoday News” is not partisan. In the political spectrum of Blue versus Green in Taiwan, ETtoday lands in the neutral zone. We get the most favorite of the middle class and young people, and it is conducive to cooperation with mainland media and market development. ETtoday News cooperates with Beijing Sina, People’s Daily Online, Xinhua News Agency, Tencent Weibo, Baidu, and so on for mutual supply of content, expanding the popularity among mainland netizens. Simultaneously, we have opened two Weibo and two WeChat accounts respectively, and self-media accounts such as Toutiao, NetEase, Baijia, etc., to strengthen the management of mainland netizens.

ii. Set up news America, Hong Kong and Macau, Southeast Asia and New Zealand and Australia editions: To serve the global Chinese audience, we start from the editorial desk in recruiting professional Chinese talent from various regions. According to the news content of overseas Chinese communities, we have established sub-sections for North America, Hong Kong, Macau, Southeast Asia, New Zealand and Australia, with content suitable for local Chinese viewing as we actively explore overseas markets. In addition, we established the mainland version of the ETtoday Star Cloud app and the News Cloud app from Q4 2018 in order to actively expand the mainland market, thus providing news more in line with the needs

of overseas regions.

g. Big Data precision marketing

In order to increase the reading volume, stickiness and staying time of ET New Media, News Cloud actively builds a reader news recommendation system, and a personalized push system to provide advertisers with precise marketing services while fully integrating the advertising and reader markets. In addition to this, it is believed that will promote CTR performance gradually.

(2) New media career development

a. Audiovisual business:

At the same time as the establishment of an audio-visual platform, an audio-visual production team has also been established to enrich the production content. The current live video content covers five major series. Gourmet cooking: “Crazy About Cuisine.” Life category-” Cloud is Richest” “Action Court”, “Cloud is Health Room”, “Cloud is millionaire” and “Cloud is Good life”. Entertainment topics: “ETtoday Star Run News,” “Play News.” News and current affairs: “ET News at Noon” and “Street News”.

At the same time, in order to seize the fragmentary viewing time of the general public through mobile phones, in addition to live broadcasts, short videos are produced, including: Wage Slave, Fred’s Food Addiction, and meet the needs and popularity of different netizens. We produce audio-visual content such as current affairs to enhance business needs.

In addition, “Jungle Voice” has been widely acclaimed by the society after its launched, won the 54th TV Golden Bell Awards “Variety Show Award” in 2019. The third season of “Jungle Voice” also invited well-known singers, Harlem Yu and LaLa Hsu as mentor and is broadcasting in 2021, benefiting the audience with better programs.

b. Social media:

Following the trend of community audio visualization, ETtoday is a “community audiovisual” that combines “audiovisual news” and “community operations”. Reporters and editors who master the characteristics and preferences of each community are used to instigate audiovisual production content, to evolve graphic news into “video news”, spread and interact through the community in the fastest and most immediate way.

In order to quickly enter the community’s audiovisual operations, ETtoday established the “Instant News” FB fan group in September 2015, a fan group set up specifically for audiovisual news, and established the “Audiovisual News Center” in January 2017. Full-time editing and production of audio-visual news, rapid production of audio-visual news, and at the same time various types of audio-visual, combined with the operation of ETtoday Focus Fan Group, expand the reach of each fan group, increase the number of fans and strengthen fan interaction.

The Company produced the “Open-box Cloud” at the end of 2020, which sells the ET proprietary products via its 19 influencer's, and has opened a brand new business model of content marketing.

According to internal observations, the main types of social media with “entertainment ETtoday Star” and “soft video” (Internet celebrities, funny, cute pets, warm news, travel, and food) have the most views and interactions. Therefore, “entertainment” will be strengthened in the future, and “soft audio and video” operations will meet the needs of the audience.

c. Podcast:

ET New Media launched its Podcast at the end of 2020 to seize the opportunities in the emerging podcast craze. Our podcast programs such as “I am on the Crime Scene” and “Social Media Curator is on Duty ” have been ranked in the top 100 global podcasts and aroused much discussion among netizens. The market response suggests there exist the considerable potential for advertising purpose. Among which, the “National Judge” unit produced by the “I am on the Crime Scene” won the “Podcast News Program Award” in the Broadcast and Internet (Audio) category of the 21st Excellent Journalism Award in 2022.

The key programs and its characteristics of ET New Media’s Podcast are listed as follows:

Item	Program Name	Category
1	The history time of Tony	Military
2	I am on the crime scene	Society
3	Shane’s Car World	Automobile

Item	Program Name	Category
4	Ishan tell the truth	Real Estate
5	The Pet world	Pet
6	Social Media Curator is on duty	News
7	My husband is Chef	Cooking & Gourmet
8	Wow! hustle and bustle world	International News
9	Never mind! Give me money	Financial management

(3) Advertising business promotion

- a. Digital advertising: In response to the general trend of the new media advertising market, ETtoday's business advertising strategy is "industry deepening", "platform layout" and "diversified advertising and services." It fully focuses on mobile advertising (M-SITE, APP), content marketing (Content marketing/Native advertising), audio-visual advertising (including audio-visual advertising space, audio-visual advertising and Pre-Roll advertising, multi-screen screens) and the large visual high impact of Rich Media in all four of its directions. And for advertisers it has business opportunities, strong cohesion, and distinct audience segments, such as game cloud, car cloud, sports cloud suitable for male audiences, and ETtoday Star cloud/movie and life cloud suitable for female audiences to make in-depth channel revisions. It plans to provide a customer base with clear and accurate advertiser attributes.
- b. Outdoor advertising: Due to the pandemic impacting the public's willingness to go out, the passengers of Taipei MRT, Taiwan High Speed Rail and Taoyuan MRT have shrunk, which impacted the out-of-home advertisements greatly. According to the information of Nielsen in 2021, Taiwan's out-of-home advertisements still grew 23% in 2021 compared to the same period in 2020 as the pandemic eases. This was mainly due to the slowing down of the pandemic in Taiwan, which in turn increased advertisers' willingness to buy. Starting from 2020, in addition to its advertising market share of 90% in the Taipei MRT, ET New Media expanded its advertising operation to the three rings and three Lines of New Taipei MRT, Taoyuan MRT, Taiwan

High Speed Rail and the street furniture of Taipei Bus, to enlarge its advertisement business scale, so as to build up its market territory of out-of-home advertising.

In addition to expanding the scale of market operations, according to the trend of foreign off-home advertising, out of-home advertising is paying more and more attention to creativity, data, and online and offline integration, bringing more viewership and attention. Therefore, from 2019, ET New Media has been actively increasing Taipei Metro's visual creative space and advertising design creativity, beautifying the public space of the Taipei MRT, and expects to bring more advertising benefits.

At the same time, we will also cooperate with the physical channels of affiliated companies (including Eip and Inforcharge) to fully exploit the influence of the four-oriented advertising platform. Through the horizontal and vertical diversified cross-industry integrated marketing, it can facilitate and satisfy the diverse marketing needs of advertisers and strengthen the advertising services of ET New Media.

(4) 2023 outlook

- a. Multiple platforms: ETtoday will become a multi-service platform. In addition to graphic news, there will be more video clicks, live broadcasts, and sharing. In addition to various types of live broadcasts, more "short video" content that fans love, such as pets, stars, and beauty must be broadcast on multiple platforms to increase the spread of news cloud content and opportunities for profit sharing. In addition, it is also operating on omni-media platforms, including news sites, Chunghwa Telecom MOD, and planning the development of audio and video in the direction of short videos, focusing on Mobile only, making all audio and video content more suitable for viewing on various platforms, such as YouTube and Facebook. The platform thus conducts program content sharing and accounting. By the end of 2021, about 72 million were directed from external platforms, such as Google and Facebook. The account will be used to maintain both internal and external social media communities and diversifying ETtoday's revenue model. The ultimate ideal is to become an all-round entertainment information platform. By combining multimedia audio and video, new media interactive functions and mobile phone anytime and anywhere viewing experience it will let users get the

- information or entertainment they want anytime, anywhere, and at will.
- b. Online and offline integration: In the past, the media and the general public mostly came into contact online, as the news cloud spread its branches and leaves. In the future, physical activities will become an important interface for contact with consumers, such as picnic days, physical storefronts via ET Pet Co., and offline advertising via Taipei Metro. Through the integration of “online” and “offline”, we can get close to consumers, optimize consumer experience, and increase brand loyalty.
  - c. Fans to membership: Currently ET New Media currently has over 24 million fans on Facebook. In order to provide fans with a better consumption experience, “fans” will be transformed into “members”, and “members” will then become “consumers”. This will not only provide “content”, but also establish a deep interaction with fans.
  - d. Content Marketing: ET New Media formally established the e-business platform “Unboxing Cloud” in the end of 2020 and there are 19 social media curators sell self-produced products and gain great popularity creating a new business model.
  - e. 3-in-one AD Platform: Regarding the deficiency of attention, ET New Media combines digital, outdoor and Focus Media into an integrated advertising platform. In other words, this platform provides digital banners, outdoor advertising, community and business building elevator advertising to attract online and offline attention. The total number reached is up to 10 million. The 3-in-one AD platform is the most influential advertising platform in Taiwan.
  - f. Digital Internet celebrity learning course: With the rising business opportunities arising from live stream of KOLs, ETtoday News Cloud has the traffic advantage, and will plan a KOL academy to cultivate KOL talent and create non-traffic revenue for ETtoday News Cloud, which can integrate with the retail trade business so as to enhance the sales of self-owned products.
2. Medium and long-term business development plan:
- (1) Community operations: Move towards “News 3.0” concept development, establishing the concept of community operations and UGC(User-Generated Content) to encourage everyone contributing to diverse ideas and content. In addition to the Facebook fan group, we also develop various social media and apply various community new

technologies. In response to the advent of the personal self-media era, we will also cooperate with each other outside fan groups to expand the sharing of energy. In addition, we will also plan “Community Big Data” applications. With big data and personal recommendation systems, we can predict the news that readers need more accurately.

- (2) Video: With the continuous evolution of social media and the rapid progress of audio-visual technology, social media will combine new technology research and development new tool applications, optimizing and evolving audio-visual news.
- (3) Big Data: We will continue to use the application of big data tools to monitor the trend of the social community, the trend of video and audio and the dynamics of frequency competition, to find out the audio and video content that readers are most interested in, and to strengthen the relevance of the production of audio and video news and the interaction between readers.
- (4) Internet celebrity economy: We will invite multiple artists and Internet celebrities to work together on online programs, short videos, and events, to share traffic, create commercial modules, and create more business cooperation and benefits. The main projects include: super talent show “Jungle Voice,” life financial management programs, beauty shopping guide programs, and large-scale physical events. It will be centered on Taiwan, connecting the Asian Chinese area, with ETtoday’s self-made programs, short videos, and various large-scale projects cooperating with artists and Internet celebrities. The packaging will be assembled and put on shelves in China, Malaysia, Singapore, Thailand, the Philippines, Vietnam and other related digital platforms do commercial profit sharing, thereby creating greater commercial benefits.
- (5) Multi-screen ads: In order to provide more cross-media advertising marketing services, we will go beyond deep cultivation of download traffic in the future to actively expand the “non-download” advertising business, including program placement, short video shooting, news broadcasting and other services to diversify business opportunity risks. Furthermore, in terms of content focus, we can also create a win-win cooperation situation through cross-industry or peer-industry alliances. We will leverage the influence of our digital, out-of-home and in-building 3-in-one AD Platform, combined with Internet celebrity and



community operations, from online network platforms to offline entities and readers, through horizontal and vertical diversified industries Integrated marketing, in addition to facilitating and satisfying the diverse marketing needs of advertisers, and strengthening ET New Media's advertising services.

- (6) Seeking new business models:
  - a. Poll Cloud: Poll Cloud own about 1.91 million panelists. In previous election surveys, the accuracy of the polls has been high and has attracted attention from all walks of life. In addition to political investigations, many social and life issues can be investigated. At the same time, it integrates group telemarketing resources and has a competitive edge. The unique advantages of the partition.
  - b. ET Pet: Based on the about 1.92million fans of ET Pet, we can guide the pet industry ecology and expand pet business opportunities based on media and membership.
  - c. ETtoday Star Cloud: With the traffic and popularity of ETtoday Star Cloud, and the momentum of the super large talent show “Jungle Voice,” it leads the trend and topics. At the same time, it cultivates the singers of Jungle Voice to become next generation stars.
  - d. Unboxing Cloud : ET New Media formally established the e-business platform “Unboxing Cloud” in the end of 2020. 19 social media curators sell self-produced products and gain great popularity creating a new business model.
  - e. ETtoday Game Cloud: The main development strategy is support government’s gaming project and events. It is expected there will be self-organized gaming competition at the company’s Linkou headquarters in 2026.

### **5.2.2 Overview of market and of production and sales**

#### **A. Market analysis**

##### **1. Overview of market development**

- (1) Online news market: The main competing media for ETtoday News are Apple Daily, UDN, China Times Electronic News, and Liberty Times. Looking at the development trend of competitors, at present, there are three main resources/markets for competing industries: content, audience and advertising, and they mainly rely on “Instant News” and “Video content” to rush to attack the aforementioned three markets. ET New

Media is actively adjusting its strategy. At present, including traffic and advertising, it has far exceeded other local competitors.

- (2) Online advertising market: According to the DMA's data, the overall market size reached NT\$554.428 billion in 2021, compared with NT\$48.256 billion in 2020, a growth rate of 12.8%. Amongst them, the total amount of social media platforms was NT\$20.663 billion; the total amount of general platforms was NT\$33.766 billion. In terms of advertising categories, display advertising remained the top volume, with a total amount of NT\$18.005 billion. It is worth noting that this is followed by multimedia, with a total amount of NT\$14.729 billion.

### Taiwan Digital Advertising Type and Platform Statistics in 2021

(in NTD 100mn)

廣告類型	一般媒體平台General Media				社交媒體平台Social Platform				兩大平台類型總和	
	手機/平板Mobile		電腦Desktop		手機/平板Mobile		電腦Desktop		總金額	百分比
	總金額	百分比	總金額	百分比	總金額	百分比	總金額	百分比		
展示型廣告 Display Ads.	36.17	6.65%	11.35	2.08%	113.88	20.92%	18.65	3.43%	180.05	33.08%
影音廣告 Video Ads	82.75	15.20%	33.05	6.07%	28.65	5.26%	2.84	0.52%	147.29	27.06%
關鍵字廣告 Search Ads	71.32	13.10%	58.87	10.82%	0.00	0.00%	0.00	0.00%	130.19	23.92%
口碑/內容操作 Buzz/Content Marketing	31.71	5.83%	10.52	1.93%	34.60	6.36%	8.01	1.47%	84.83	15.59%
其他廣告類型 Others Ads	1.68	0.31%	0.24	0.04%	0.00	0.00%	0.00	0.00%	1.92	0.35%
平台 X 類型總和	223.63	41.09%	114.03	20.95%	177.13	32.54%	29.50	5.42%	544.28	100.0%
整體廣告量	544.28(億元)									

- (3) Out-of-home advertising market: According to the data released by Nielsen, Taiwan's five major traditional advertising markets in the first half of 2022 was valued at NT\$13 billion, which remained flat compared to the overall advertising of 2021. Outdoor advertising was valued at NT\$2.125 billion (a negative growth of 15.8%).

## 2. Product development and competitive niches

- (1) Socialization: As social sites such as Facebook mature and mobile devices become more popular, sharing and diversion of content through social media is a must for all news media. On the social networking site, at present, the community operation is still outside the main battlefield of Facebook. Simultaneously, emerging social media including IG and YT are also battlegrounds. At present, various media have also imitated

ETtoday News and its development of a concept of “Focus Community.” Outside of Facebook, ETtoday News constantly develops various community tools, dispersing the risk of excessive reliance on Facebook. In addition, in mainland community operations, it currently operates mainly on websites such as Sina Weibo, WeChat, and Meipai, and has developed independent account on Toutiao, WangYi, Baijia, Qiyi, and iQIYI on six trending social media.

- (2) Real-time news: In order to enhance the volume and quality of real-time news, ETtoday recruited some senior media professionals in 2021. We will also invite more famous external writers to write columns, thereby increasing the click rate. And with the aid of technology, we will increase the volume of news to create traffic. The large number of competitors in the contemporary media market leads to fierce competition. The value of news comes mainly from timeliness. Therefore, when there is a major news event, the first report and promotion become the core of creating click-through and traffic. In order to create real-time and high traffic, the news department uses daily monitoring and competition analysis to understand other competitive industry profiles. We will thus optimize news operations on the premise of knowing yourself and the enemy. Simultaneously, we will use text content audio visualization to make news content more eye-catching and more diffuse.
- (3) Audio visualization: Next Digital, China Times, UDN, and others all have parent newspapers or TV stations that provide audio-visual content. In response to the development of video and audio of competitors, ETtoday News actively develops audio and video, providing self-made video and audio news content such as news, instant news, live news, and UGC news. At the same time, the “BOBA” interactive audio-visual news platform was formally established in November 2016, and self-made programs such as news, lifestyle, health, entertainment, etc. were launched.
- (4) Mobility: In terms of trends in news sites, Internet news has been “mobile” and “audio-visual.” The current mobile version of the ETtoday News webpage and flagship version of the app continue to optimize. The Information Department and the Marketing and Public Relations Office of the General Management Office are responsible for optimizing product design, and actively promoting the ETtoday News flagship app. In 2021, ETtoday News’s flagship app reached 4.48 million average daily page views, a 22% increase from 2020.

- (5) Foreign Cooperation: To increase the richness of content, ETtoday News has cooperated with many famous artists and magazines. In 2020, in addition to cooperation with political, economic, military, diplomatic and other famous figures, it has more actively developed famous people on soft topics such as pets and film and television, joining a celebrity forum, providing diverse perspectives, and strengthening the free market of opinions.
- (6) Project activities:
- a. Online activities: Activities can attract the attention of netizens. In addition to allowing the fan group to grow they can also become a stable source of traffic. Enterprise Prestige Survey was held in December 2021 and invited all netizens to vote “the Award for Best Popularity”, “the Award for Best Brand” and “the Award for Sustainable Development” among 20 industry categories. In response to the 2020 presidential election, the election page and related activities were planned, virtually combined with physical entities, and more than 25 million PVs were attracted on the day of voting. ETtoday Sports Cloud has become the most prominent sports website in Taiwan since it began broadcasting ball games in 2017, including the WBC World Baseball Classic and the Jones Cup Basketball Tournament. The site even broadcasted the CPBL in 2019.
  - b. Offline activities: Organization of ET friendship picnic days, Senior High School graduation songs, and other activities, have gotten considerable responses. At the same time, the ETtoday News app download has been promoted through these events. We have significantly enhanced brand awareness and influence through project activities!
  - c. Campus sponsored activities: ETtoday News has gone deep into campuses to actively sponsor campus activities including dance, singing, audio-visual competitions, and other activities at Soochow University, National Taiwan University of Arts, and National Chengchi University. By participating in these events, we actively promote brand awareness and push app downloads locally.

B. Important uses and production processes of main products

Not applicable.

- C. Supply conditions of primary raw materials  
Not applicable.
- D. Information on major sales customers in the last two years  
Not applicable because there were no customers accounting for more than 10% of the total sales in the last two years.
- E. Production value in the last two years  
Not applicable for non-production manufacturing.
- F. Sales value in the last two years  
Operating income in 2021 was NT\$1,998.10 million. Operating income in 2022 was NT\$2,130.92 million.
- G. Industry-specific key performance indicators  
None.

## 5.3 The business content, market, production and sales of the trading business

### 5.3.1 Business Content

#### A. Business Scope:

##### 1. Main content

The main content of the business is ET Pet's physical store pet product sales and services and pet product e-commerce.

##### 2. Current service items

ET Pet's current service items include pet food sales, pet supplies sales, pet grooming services, pet accommodation services, and pet veterinary services.

##### 3. When ET Pet officially opened in November 2018, there were 12 stores and the service scope only covered four counties and cities in northern Taiwan. As of end of 2021 there were 138 stores in total, and the service scope covered 18 counties and cities in Taiwan. In the future, we will continue to integrate pet industry players and cultivate a huge fan base as we move toward online and offline integration.

#### B. Industry Overview:

##### 1. Current Status and Development

###### (1) General overview of the pet industry

According to the survey by the Council of Agriculture at the end of 2021, there were more than 2.95 million dogs and cats in Taiwan. Combining with the custom import and export statistics for pet products, the market size of the pet industry in Taiwan is estimated to be more than NT\$50 billion. According to consumer surveys and internal estimates of ETtoday Poll Cloud, the market scale of pet channels in Taiwan is nearly NT\$60 million. The value of the global pet food and health care market alone is already as high as about US\$320 billion. The rise of preventive healthcare is driving the overall pet healthcare and pet insurance markets, which will be the focus of pet industry development in 2023.

###### (2) Development trends

Taiwan's pet industry is undergoing transformation, and the future of the pet industry will be very different from currently. In addition to the trend of declining birthrates and pets becoming "furbabies," the rate of cat ownership in metropolitan areas is gradually increasing. Factors such as the aging of domestic dogs will change the consumption patterns of owners and consumers. In addition, important trends in business development and innovative business opportunities are brought by

advanced technology, and these may become an opportunity for the pet industry to upgrade:

- a. Major trends in business development: A new retail wave of online and offline integration

A “real and virtual integration” channel type has already become a trend, such that businesses must provide a seamless online and offline shopping experience. Take PetSmart, the leading pet retailer in the United States, for example. In 2018, it invested heavily in the acquisition of pet e-commerce platform Chewy. Combined with vast physical storefronts, it provides customers with online ordering and offline pickup services, thus improving its e-commerce capabilities.

- b. Advanced technology brings innovative business opportunities

The progress of technology is expected to bring consumers a more innovative consumption experience. At the same time, it helps companies to eliminate the unmet expectations of consumers in the current shopping journey, and provides a more comprehensive and in-depth consumer demand experience. For example, this includes smart feeders that use cloud technology to record a furbaby’s eating history. In addition to reminding the owner or even automatically placing an order to buy pet food, it can also actively monitor the furbaby’s health. Through auxiliary preventive medicine, it can take the consumer experience to the next level.

2. Relevance between the upstream, midstream and downstream of the industry

- (1) Upstream: Product manufacturers, such as FWUSOW and DogCatStar, which emphasize that the raw materials and manufacturing processes of their products are all made in Taiwan.
- (2) Midstream: Agents and distributors.
- (3) Downstream: Retail channels; including professional pet stores, online stores, wholesale stores, etc.

3. Competition

ET Pet is a professional pet channel. Therefore, the competitive situation of the top five professional pet chain companies in Taiwan can be explained as follows:

No.	Operator	Number of stores	Features
1	ET Pet	138	High brand awareness Wide distribution of stores
2	Pet parks	101	Uniform decoration style High proportion of proprietary

No.	Operator	Number of stores	Features
			products
3	Petsmall	42	Large store Highly professional aquariums
4	Cat and dog kennels	35	Rapid expansion of low-price promotions
5	Jinjingli	124	Around 16 brands.

### C. Technology and R&D Overview

Not applicable as there is no entry into production manufacturing.

### D. Long-term and short-term business development plan:

#### 1. Short-term business development plan

##### (1) Offline retail physical channels

Continue to add or merge offline physical channels to enhance the effects and economies of scale brought about by network effects.

##### (2) Focus on consumer needs

Through the interaction between stores and consumers and engaging in focus group interviews, find the real needs of pet owners, and provide related services based on the real needs of consumers so that ET Pet becomes the first target for consultation or help when consumers encounter problems.

##### (3) Differentiated service content

Continue to hold pet health examination activities, and regularly tour all stores in Taiwan to provide free pet health examinations and teach pet health methods to distinguish from other chain pet channels.

##### (4) Differentiated service content

Develop multiple proprietary products such as pet nutraceuticals according to commodity development trends to differentiate from other competitors in the industry.

#### 2. Medium and long-term development plan

##### (1) Technology upgrades

Raise the threshold, including big data, AI technology and consumer behavior, deepen daily operations and make good use of technical tools, dig a moat for ET Pet and widen the gap with other competitors.

##### (2) Deeply cultivate the channel brand

Through contact with consumers time and time again, we continue to strengthen consumers' trust in us with innovative activities, affordable



prices, and value-for-money services and become the leading channel brand in the pet industry.

(3) Expand the pet veterinary services

In June 2022, we carried out an in-depth partnership with Loving Kindness Animal Hospital. As of March 2023, there are a total of 15 branches of the Loving Kindness Animal Hospital, which is the largest chain brand of pet medical hospital in Taiwan. The hospital provides the members of ET Pet with exclusive medical services and pet health checkups, and has 24-hour online customer service. In the future, it is expected to build an online medical consultation platform, which will offer comprehensive medical services both online and offline to complete pet ecosystem services.

(4) Develop the pet nutraceuticals

ET Pet is committed to creating a happy life for pets and continues to develop its own products in response to market trends. In 2022, we introduced the leading frozen dried brand Stella&Chewy's in the U.S., and natural pet feeds based on Chinese herbal medicine. In addition, we are also working with Huato to develop pet joints health products. In March 2023, we launched probiotics for pets, combining 10 kinds of probiotics with Chinese herbal extracts to improve the quality of pet health food. In the future, we will provide consumers with high quality and high CP value pet products, and strive to create more high-quality products that are beneficial to pets to live a healthy and happy life.

### **5.3.2. Overview of market and of production and sales**

A. Market analysis

1. Main service provider area

The main sales area of ET Pet is Taiwan.

2. Market share

The estimated number of stores accounts for about 8.5%, and the estimated number of stores is about 10.1%.

3. Future supply and demand status and growth of the market

Taiwan has now entered a stage of being an “aging” and “single” society, with furbabies gradually replacing children and partners. This is also changing the appearance of the pet market. With the evolution of the industry, the growth of traditional pet food and supplies has slowed down. However, the market demand for professional services such as pet care and training is growing rapidly. In addition, there is also huge market demand for furbaby health care services.

Taiwan's pet professional retail channels are estimated to reach 1,700 and the intensity of market competition is high. In some areas, excessive supply has led to severe price competition. It is estimated that the professional retail channel of pets will continue to move towards horizontal integration in the future. Retail channels that can provide consumers with a good experience, value-added services and solve pain points will win.

#### 4. Competitive niche

##### (1) Economies of scale

The largest number of stores in Taiwan and the most widely distributed among counties and cities.

##### (2) Social community resources

The ET Pet fan page has 1.79 million fans.

##### (3) Multiple services

Retail stores, professional beauty, professional veterinary services, etc.

##### (4) Multi-channel marketing

The sales channels are diversified including online, offline stores and channels of group enterprises.

#### 5. Favorable and unfavorable factors of development prospects and countermeasures

##### (1) Favorable factors

###### a. Corporate management

Taiwan's pet industry does not yet have a mature corporate management system. ET Pet is the first company to enter the pet industry by means of disciplined and formal corporate operations.

###### b. High brand awareness of the Group

The Eastern Media group's brands have high brand awareness and trust in Taiwan. Therefore, in the process of establishing the channel brand of ET Pet, it has advantages compared with other peers.

###### c. E-commerce and online marketing

ET Pet is in the field of e-commerce and online marketing. It can be assisted by all group colleagues boasting profound experience. Soft content service aspects also have strong logistical support from the ET Pet fan club, which has accumulated more than 1.79 million fans.

###### d. Integrate group resource

The ET Group has a wide range of industries and is able to leverage the Group's cross-marketing to strengthen its sales force and channels, giving it a strong competitive advantage in the industries.

(2) Disadvantages and countermeasures

a. Disadvantages:

Excessive competition in physical stores and serious price cuts in online shopping. During the period of rapid market expansion, the speed of physical channel exhibitions is faster than the market growth rate. This leads to excessive competition in physical channels. With the rise of online shopping, those who don't have to bear store rent and related expenses use extremely deep discounts to attract consumers. As a result, profits are not enough to support good service quality.

b. Countermeasures:

Build up channel branding and provide differentiated services and products to bring distinctive consumption experiences to consumers, making consumption not only consumption but also more satisfaction and surprise. In addition, it provides additional value-added services for consumers who value service quality and have a high degree of profit contribution.

B. Important uses and production processes of main products

ET Pet is mainly engaged in general wholesale and retail business and has not entered into production manufacturing.

C. Supply conditions of primary raw materials

Not applicable as ET Pet has not entered into production manufacturing.

D. Major customers in the last two years

ET Pet is mainly engaged in general wholesale and retail business with no specific sales target; this is not applicable.

E. Recent production value

Not applicable as ET Pet has not entered into production manufacturing.

F. Sales volume in the last two years

2021		2022	
Sales volume (Items)	Amount (NTD thousand)	Sales volume (Items)	Amount (NTD thousand)
20,787,815	2,099,886	24,062,858	2,330,262

- G. Industry-specific key performance indicators (KPIs)  
None.

## 5.4 Employees

### 5.4.1 The Company:

March 31, 2023

Unit: Number of people

Year		2021	2022	March 31, 2023
Personnel Number	Management personnel	159	154	159
	Technical personnel	98	98	97
	Total	257	252	256
Average age		45.6	45.86	45.85
Average years of service		15.50	15.09	14.9
Educational distribution proportion	Ph.D.	1	1	2
	Master's degree	33	33	35
	Junior college	165	165	167
	High school	52	47	47
	Below high school	6	6	5

### 5.4.2 Related companies:

March 31, 2023

Unit: Number of people

Year		2021	2022	March 31, 2023
Personnel Number	Management personnel	130	215	222
	Technical personnel	909	1,292	1,274
	Total	1,039	1,507	1,496
Average age		34.35	33.58	33.69
Average years of service		3.94	4.22	4.36
Educational distribution proportion	Ph.D.	4	1	1
	Master's degree	79	82	77
	Junior college	783	1,070	1,059
	High school	163	340	346
	Below high school	10	14	13

## 5.5 Information on environmental protection expenditures

5.5.1 In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the content of the violation of the regulations, the content of the punishment), and disclose the current and future estimated amount and corresponding measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

None.

5.5.2 Warehousing business:

A. According to the law, for those who should apply for a pollution facility permit or a pollution discharge permit, or should pay pollution prevention and control fees or set up personnel in an environmental protection unit, explanation of their application, payment or establishment:

Due to the nature of the industry, the terminal silo does not need to apply for pollution facilities or discharge permits, or pay pollution prevention fees or set up special environmental protection personnel.

B. In reference to the Greenhouse Gas Reduction and Management Act (the "Reduction and Management Act") issued on 2015.07.01 by the Environmental Protection Administration, at present, the four silos are not included in the emission source inventory. There is no impact on the terminal silo operations.

C. To effectively reduce the fine suspended particles in the air (PM<sub>2.5</sub>), the Environmental Protection Administration of the Executive Yuan will levy air pollution fees including those for PM<sub>2.5</sub> starting from July 2018. In response to laws and regulations, in the four silos in Taichung and Kaohsiung, we persuade the trucking industry to cut off the truck support rails to facilitate the extension of the unloading pipe to reduce dust when loading grain. When the truck is loaded, it must be covered with canvas. And we also persuade truck drivers to turn off the engine while waiting to reduce the exhaust gas generated by idling. Sprinklers, dust-proof rubber strips and dust screens are equipped at truck discharging ports to suppress the dust. In addition, we are also actively enhancing the functions of the dust collection equipment in the factory, including strengthening the cleaning of dust filter bags and increasing the replacement frequency, renewing dust collectors and pipelines, etc.

## 5.6 Labor Relations

### 5.6.1 Working environment and personal safety

#### A. All employees

1. The Company prepares employee health check services with a budget of NTD 6,000 per employee every year, and it adopts the method of hospital inspection. In addition to the general statutory inspection items, the physical examination content also includes ultrasound, X-ray, blood and urine tests, various cardiovascular examinations, computer tomography and cancer index testing of various parts of the body. In addition, family members of employees can participate in employee health check at their own expense at the same preferential price, placing great emphasis on maintaining the health of employees and their families.
2. In addition to statutory protections such as labor insurance and health insurance for employees of the Company, the Company will add group insurance for each employee. Group insurance includes items such as critical illness insurance, life insurance, accidental injury insurance, occupational injury insurance, accidental medical insurance, hospitalization medical insurance, cancer medical insurance, and so on. Furthermore, many of the above insurance items also cover spouses and children. It is a comprehensive welfare guarantee that can take care of employees and take care of their families.

#### B. Storage business

In view of the fact that the silos are mainly used for unloading of bulk grain ships and loading of grain out of the warehouse, the working environment is very different from that of general production sites. The environmental aspect mainly encompasses dust and noise, which directly affect the health of the workers. The wild pigeons near the silo are occasionally the subject of complaints by neighbors. In the industrial safety aspect, fire, dust explosions, hanging, and falling are more likely to occur.

The Company's current environmental and industrial safety management measures are summarized as follows:

##### 1. Environmental aspect:

- (1) The dust collection equipment keeps normal operation at any time and there is regular inspection, cleaning, and updating of the filter bag to make sure that exhaust gas is free of dust.
- (2) The indoor and outdoor environmental cleaning committee cleans grain on the ground at any time by using a professional labor service company to keep the environment clean at all times.

- (3) Set up a sprinkler and spray device at the discharge port of the truck to reduce dust from loading
- (4) The silo factory area is equipped with a pigeon-blocking net to reduce the roosting and foraging of wild pigeons, so as to inhibit the proliferation of these animals.
- (5) Allocate dust masks and noise-proof earplugs to protect employees' health.
- (6) Equip every silo with professional measuring instruments to monitor the noise and dust concentration and the temperature of the operating equipment in the workplaces to enhance the safety of environmental health of the operating personnel.
- (7) During the COVID-19 pandemic, in line with the government's prevention measures, we strengthened the wearing of personal protective equipment for the operators and implemented workplace and workflow diversion.
- (8) Conduct regular health checks on employees every year.

2. Work safety aspect:

- (1) Follow the fire regulations and regulations. Every six months, the Taichung and Kaohsiung operations offices hold fire drills. Every employee must be familiar with actions such as evacuation and firefighting.
- (2) Hanging appliances must obtain a license for use in accordance with the labor inspection regulations, and apply for re-inspection every year to obtain qualified use license.
- (3) During the Spring Festival period every year, we cooperate with port management units to handle drills and carry out Spring Festival work.
- (4) The two operations offices at Taichung and Kaohsiung have established emergency response teams and implement drills every year to make sure that every employee is familiar with disaster response operations and tasks.
- (5) Based on the fact that there is no holiday for work safety, the operating offices in Taichung and Kaohsiung convene regular work safety meetings every week, with members including on-site supervisors and contractors of each team, team leaders and deputy team leaders, as well as the manager and assistant manager of the operating offices, so as to establish a bottom-up management model of automatically identifying problems and coordinating with each team to solve problems and take response measures.
- (6) Keep the fire and alarm system facilities within the qualified period and can operate at any time, and in accordance with the requirements of fire protection regulations, every year, professional fire-fighting manufacturers are invited to inspect and repair damaged facilities.



- (7) Operators of rigging and hoisting equipment must be trained and qualified to obtain an operation certificate before they are allowed to operate, and regularly return to training in accordance with regulations.
- (8) Conveying equipment (chain conveyors, bucket lifts) are equipped with monitoring instruments. The signals are sent to the control center to monitor to get facility operation information at any time and facilitate immediate handling of abnormal conditions.

3. Self-supervision and inspection measures:

- (1) Set up electrical administrators in accordance with power regulations, perform self-inspection, repair and replacement in accordance with regulations and make a register to the area (Taichung City, Kaohsiung City); the Construction Bureau reports the results.
- (2) The four silos in Taichung and Kaohsiung conduct regular and comprehensive inspections on high and low voltage equipment and circuit commissions by professional electrical engineering consulting companies, replacing unqualified equipment and lines.
- (3) The two operating offices in Taichung and Kaohsiung have established a “Sustainable Innovation Group” has been established from January 1, 2023, including environmental protection, and industrial safety management personnel respectively. They regularly inspect the factory area. If it is found that there is a violation of environmental protection, industrial safety regulations, or that affects the well-being of employees, they immediately make corrections and improvements and accept irregular inspections from the head office’s storage division.
- (4) The warehousing division of the head office collects the latest regulations or new knowledge of environmental protection and industrial safety, and according to the relevant education and training courses for on-site employees.
- (5) In response to international trends of development as well as the government policies, continue to reinforce the ESG (environmental, social and corporate governance) information disclosure and the promotion of relevant measures to progress toward the targets of sustainable operating and improving market competitiveness.

5.6.2 Welfare system:

A. The Company has established a complete welfare system in addition to the various welfare projects, facilities and activities provided by the Company. Furthermore, the law provides for the establishment of a consortium legal person employee welfare committee responsible for formulating employee welfare

measures and promoting related activities. The Company and the welfare committee have compiled annual budgets and implemented them as planned.

B. The main welfare items include group insurance, weddings and funerals and celebration subsidies, continuing education subsidies, travel subsidies, and new year gifts (gift money), birthday gifts, and so on.

#### 5.6.3 Education and training:

A. The Company attaches great importance to employee education and training. It has formulated the “Employee On-the-job Education and Training Measures,” and the Human Resources Office of the Management Department is responsible for implementing relevant training programs.

B. The Company’s education and training types are divided into six categories: pre-employment training, professional training, business management training, computer/language training, secondary expertise, and E-learning network learning training. The courses include ethical corporate management compliance, risk control, human rights education, occupational safety and health policies, and health seminars. Each department has compiled an annual education and training budget, In addition to participating in the Company’s own training, employees are also encouraged to participate in more field training and self-study to increase competitiveness.

C. The Company’s education and training in 2022 are aimed at training employees’ operational management capabilities, strengthening awareness of current labor laws and regulations, and enhancing employees’ information and computer operation skills, actively promoting it through the Company’s internal lecturers and external professional teachers.

D. The Company's 2022 education and training related statistics are as follows:

A: Total internal training hours: 4,460.5H

B: Total training hours dispatched: 1,172.5H

C: Total training hours of E-learning 5,325H

D: Total education and training hours: 10,958H

E: Total number of trainees: 27,363 people

F: Total costs of education and training: NT\$859,211

#### 5.6.4 Retirement system

A. The Company has established comprehensive employee retirement measures and established a labor retirement reserve supervision committee to allocate monthly retirement reserves and deposit them in a special bank account in Taiwan for safekeeping; all operations are handled in accordance with laws and regulations and reported to the competent authority for review.

B. In accordance with the implementation of the Labor Pension Regulations on

July 1, 1995, for those who choose to apply the new system, 6% of their retirement pensions must be paid in accordance with the law and deposited in the individual account of the Labor Insurance Bureau.

#### 5.6.5 Employee complaints

In line with the implementation of the Act of Gender Equality in Employment, the Company has revised the relevant internal leave regulations and formulated the “Sexual Harassment Prevention Measures, Appeals and Disciplinary Measures in the Workplace.” If the rights and interests of employees are violated, they can file a complaint according to the regulations.

#### 5.6.6 Staff Service Code

- A. Employees should abide by all regulations and loyal services of the Company.
- B. Employees should abide by their positions, be responsible for their duties, supervise and direct the timely completion of supervisory matters, and be responsible for handling matters properly and promptly.
- C. Employees have the obligation to obey the command and dispatch of their superiors within the scope of their duties, and must not disobey, evade or leave their duties without authorization. Supervisors at all levels should also be fair and generous to their staff, guide the work, and must not use violence, coercion or other illegal methods to force work.
- D. Employees should be courteous and sincere and maintain the Company’s reputation.
- E. Employees should wear modest and dignified clothes during office hours, do not eat snacks or gather people to chat, pay attention to the surrounding environment is clean, try to avoid private calls, and make a long story short if necessary.
- F. Employees should work together and cooperate with each other, exert team spirit, and achieve work goals. If there are disagreements on the matters to be handled, they should be reported to the superior for arbitration, and quarrels, fights, or disturbing order must not be allowed.
- G. Employees are not allowed to harm the interests of the Company, and must not use their positions (rights) to illegally profit themselves or others.
- H. Employees should take good care of the documents and articles under management, and should cherish maintenance of the Company’s financial equipment, and must not waste, damage, or alter them for private use.
- I. Employees must not exploit or extract benefits from the remuneration of others for their work.
- J. Employees are not allowed to misappropriate loans from the Company or the vendors with which the Company has a relationship, or guarantee others in the

name of their duties.

- K. Employees must not forge vouchers, report expenses to the Company, and must not deduct or collect commissions from the payable expenses.
- L. Regarding the undertakings and the Company's confidential information and business secrets, the obligation to keep confidential must be strictly observed during the employment period and after termination of employment.
- M. Employees should abide by the regulations on salary confidentiality.
- N. The intellectual property of the employee's invention, creation or work related to his or her duties during the service period must be reported to the Company and belong to the Company.
- O. Employees are not allowed to hold any positions other than the Company's duties without the Company's prior approval.
- P. Employees working in the port area should wear uniforms when attending work and abide by the port area regulations.
- Q. When an employee violates the provisions of each article in this chapter, the Company may, in accordance with the seriousness of the circumstances, negotiate according to the rewards and punishments, and the Company has the right to demand compensation within a reasonable range if the behavior causes loss or damage to the Company.

5.6.7 There is an "employee service immediate center" service that adopts on-demand, deadline processing, immediate response and closing control and other operating standards. Employees can apply directly in writing, employee suggestion box, online application, etc.

#### 5.6.8 Occupational Safety and Health Policies

To protect the safety and health of all employees of the Company and prevent occupational accidents from occurrence, the Company commits to establish and maintain an effective occupational safety management system, and will continue to improve it. Awareness of occupational safety is the responsibility of every employee. In the future, we will strive to improve the safety and health educational training for all employees, increase the knowledge and awareness of safety and health, protect the safety and health of all workers, and provide a comfortable and safe workplace.

To prevent the occurrence of occupational accident, protect employees' safety and health, and achieve zero occupational accidents, the Company establishes the "Occupational Safety and Health Management Plan" according to Article 23 of the Occupational Safety and Health Act and Article 31 of the Enforcement Rules of the Occupational Safety and Health Act. The main implementation contents are summarized as follows:

- A. Establish the “Occupational Safety and Health Committee” and convene meetings periodically to prepare, implement, and track the Occupational Safety and Health Management Plan; in addition, to review occupational safety and health related regulations and improvement items.
  - B. The Company sets up full-time occupational safety and health management staff by law; prepares proactive safety and health inspection plans and forms; implements regular inspections, key inspections and operational checkpoints, and keeps records.
  - C. It holds relevant education and training according to the courses and hours of education and training stipulated in the “Occupational Safety and Health Education and Training Rules”(including training and lectures about occupational safety and health); and announces, from time to time, various safety and health information and health promotion videos in the Company’s E-learning platform.
  - D. Regularly inspect the hazards in the employee work environment: Outsource the inspection to a qualified and registered organization and keep the inspection results for future reference to ensure that employee exposure to hazards is below the standard.
  - E. Conduct the annual health checkup. The hospital provides overall statistics based on the examination results, and the medical staff selects abnormal cases, conducts risk classification and follow-up management; and introduces on-site services of medical consultation.
- 5.6.9 Please list the losses suffered due to labor disputes in the most recent year and as of the publication date of the annual report, and disclose the estimated amount and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated must be stated: None.
- 5.6.10 Won the 2013 Taipei City Workforce Reconstruction and Utilization Office Certification Mark A.
- 5.6.11 The Company’s Kaohsiung Department of Warehousing Division was awarded the 2020 Annual Fortune Enterprise Golden Award in Kaohsiung City - Wage category.
- 5.6.12 Honored by 1111 Job Bank as the Gold Award and Special Award for the 2021-2022 Happy Company - Livelihood Service Industry.
- 5.6.13 Awarded Badge in 2022 for the “Accredited Healthy Workplace for Smoke-free and Health Promotion” by the Health Promotion Administration, Ministry of Health and Welfare in 2023 to 2025.
- 5.6.14 The Company's personnel involved in the transparency of financial information have obtained the relevant licenses as follows:

License	Number of people
Accountant of the Republic of China	1
Internal auditor	2
Lawyer	1
Public issuance of the professional certification certificate of the Company's accounting supervisor	2

## 5.7 Cyber security management

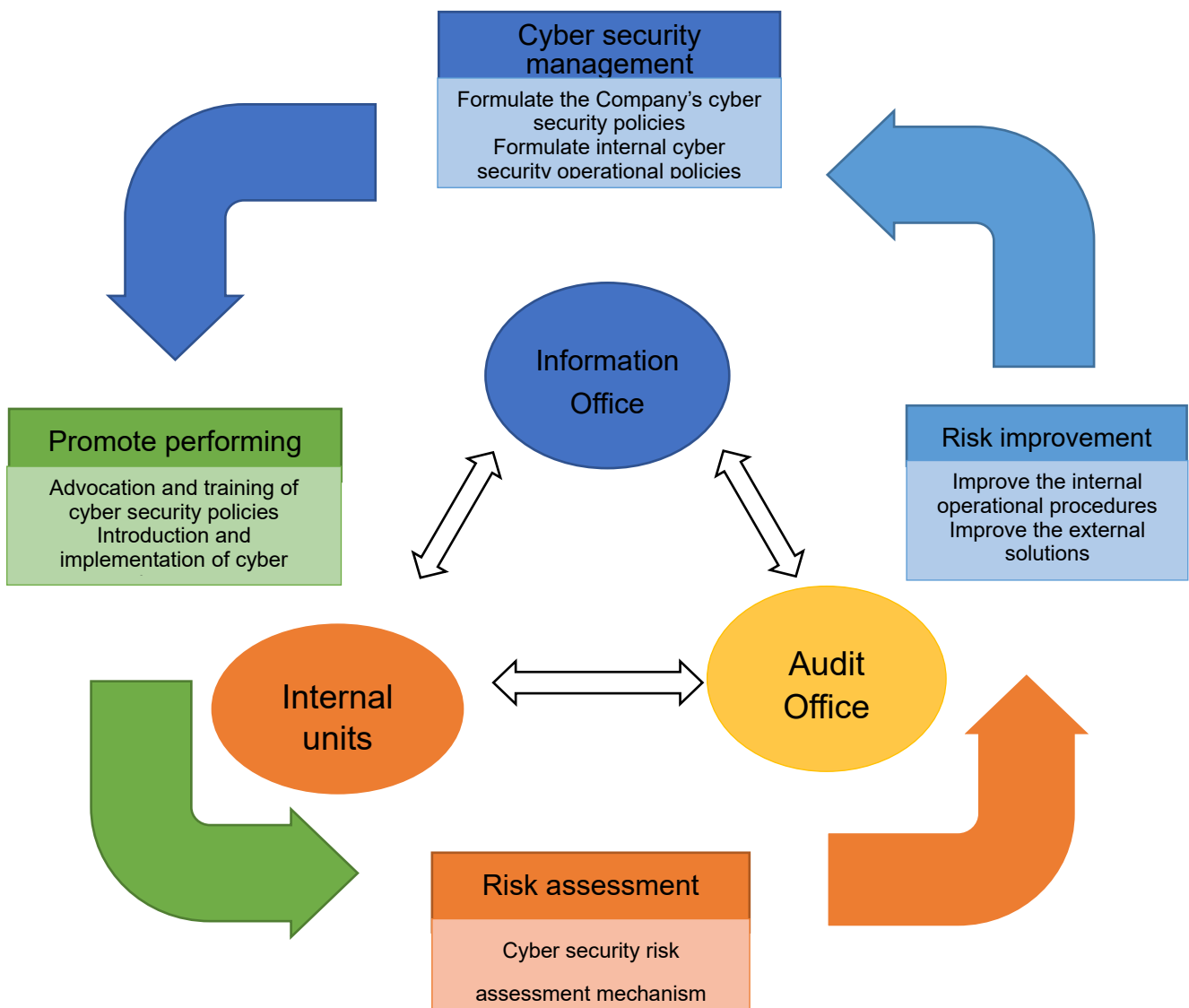
### 5.7.1 Specify the cyber security risk management structure, cyber security policies, specific administration program and resources invested in cyber security management, etc.

#### 1. Cyber security management task force

The cyber security authority of the Company is the Information Office, which is responsible for planning, performing and promoting cyber security management affairs and advocating cyber security awareness.

The Company's Audit Office is the audit unit of cyber security supervisory. If any audit findings are presented, it will require the audited unit to submit relevant improvement plan and report to the Board of Directors and track the improvement result to reduce the internal cyber security risks.

Organization operating model- adopting PDCA (Plan-Do-Check-Act) cyclical management to ensure the achievement of reliability targets and keep improving.



2. Cyber security risk management mechanism:

Perform the administration of server room, computer file security, internet security, email security, information system access control, etc.

3. Cyber security policies:

(1) Cyber security targets:

Establish a safe and reliable computerized operating environment and ensure the security of the Company's information, systems, devices, and Internet to protect the Company's benefit and the sustainable operation of the information systems of each unit.

Cyber security scope:

A. Personnel management and cyber security training; B. Computer system security management; C. Internet security management; D. System access control; E. System development and maintenance security management; F. Information asset security management; G. Physical and environmental security management; H. Management of information system sustainable operation plan; I. Cyber security auditing

(2) Principles and standards of cyber security:

A. Conduct cyber security education training and advocacy periodically, including cyber security policies, cyber security laws and regulations, cyber security operating procedures, how to use information technology devices properly, etc., to make employees understand the importance of cyber security and various possible security risks and strengthen their cyber security awareness so that they can follow the regulations.

B. In prevention of the information systems and files being infected by the computer virus, the Company shall adopt detection and prevention measures against the computer virus. An intrusion Prevention System should be equipped against intrusion and malicious attacks to ensure the requirement of computer data security.

C. In preventing the disruption of the Company's material information asset and critical business or communication system caused by natural disasters or human errors, the Company should establish policies for planning the sustainable operating of information systems.

(3) Rules that employees should follow:

A. IT unit shall create an "User ID" upon receiving the account application.

B. Computer data and devices shall not be corrupted, taken out, lent or improperly modified to maintain data integrity.

C. Using copyright-free software is prohibited.



- D. After logging in to the mainframe, if the operation has ended or the machine has not been used for a long time, the user shall log out to prevent confidential data leakage, corruption by others or computer crashes.
- E. Computer devices shall be located for convenience and shall be kept away from drinks, sunlight or humid locations to prolong their lifetime.
- F. When resigning or transferring one job to another, the IT unit shall properly dispose of the data in consideration of data relevance.
- G. When a computer device is out of order, the user shall contact the IT unit immediately for inspection or repair.
- H. When computer devices are decommissioned, the data stored on the storage devices, such as hard disk, shall be completely removed to prevent leakage of the corporate information.

4. Specific administration program for cyber security:

(1) Firewall protection:

- A. Firewall connecting setup rules.
- B. Firewall shall have capabilities of intruder prevention, unified threat prevention, etc.
- C. Special connection requests shall be applied additionally.

(2) User connection controls:

- A. Control user connection to the Internet via auto website protection system.
- B. Automatically filter the websites with a Trojan Horse program, ransomware or malware that users may link to when surfing the Internet.

(3) Antivirus software:

- A. Use anti-virus software and update the virus patterns automatically to reduce the possibility of infection.

(4) Operating system updates:

- A. The operating system shall be updated automatically. For devices that are not updated for any reason, the Information Office shall assist in updating.
- B. Install the email threat scanner system (email firewall) to prevent unsafe attachments in advance, phishing emails, spam emails before users receive the emails, to extend the protection against malicious linkages.

(5) Email security controls:

- A. Install the spam mail filter to prevent malware and phishing emails.
- B. After the emails are received by PCs, they will also be scanned by the anti-virus software for unsafe attachments.

(6) Data backups:

- A. Important databases of information systems shall be backed up automatically on a daily basis. The backup mechanism contains local backup and off-site backup.

(7) Disaster recovery drill:

- A. The DR drill of ERP system shall be performed once per year.  
Designate the base time point of the restoration date, store the data from the backup media back to the host, enter 1-day operation data in parallel, and then confirm the correctness of the restored data by the user units in writing.
- B. Ensure the correctness and effectiveness of the backup storage media and redundant host programs.

(8) Upload important files to the server:

- A. The important files of each department of the Company shall be stored on the server and backed up by the Information Office.

(9) Cyber security insurance:

- A. The majority of the Company's customers are corporates, so there is no risk to consumer personal data retention. After evaluating the coverage and applicable industries of the cyber security insurances in the market, the Company will not take out the cyber security insurance for the time being.
- B. However, in response to the cyber security challenges, it has equipped relevant software and hardware, such as firewall, anti-virus and intrusion prevention systems, etc. The Company will keep watch the trend of cyber environment changes and strengthen the cyber security awareness of employees and the response capabilities of the cyber security personnel.

5. Emergency report procedures

When a cyber security incident occurs, the occurring unit shall notify the cyber security management task force to determine the type of incident, identify the problem, deal with it timely and keep a record.

6. Advocation and training of cyber security

Password policy: request employees to change system passwords periodically to maintain account security.

Advocation lecture: conduct cyber security-related training for employees annually.

The Company has established relevant administration policies for the identified cyber security risks (including the standards to be followed, administration and implementation) and has formulated and carried out specific administration operations accordingly (including security administration operation, firewall administration, user system access management, data revision request management, information system emergency response, information system file backup management, information devices decommission and handover management, and digital file management, etc.). The operations are incorporated into the internal control system, the Auditing Office, on a yearly basis, includes the cyber security inspection in the annual audit plan and reports the implementation of cyber security risk management to the Audit Committee and Board of Directors.

**5.7.2 List any losses, possible impacts and countermeasures for incidents caused by significant cyber security issues that was suffered by the company from the most recent fiscal years up to the date of publication of the annual report.**

**If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.**

None.

## 5.8 Important contracts

### 5.8.1 Storage business

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Kaohsiung Pier 71, 80,000 tons And 20,000 tons of silo lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Kaohsiung Port Branch	2019-2028	1. Lease of 100,000 tons of silo space and ancillary equipment at Pier 71, with a lease term of ten years.	It is not allowed to request the establishment of superficies or the guarantee of mortgage rights in this contract.
Kaohsiung Pier 71, 80,000 tons And 20,000 tons of silo lease contract revision agreement	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Kaohsiung Port Branch	2019-2028	2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	
Kaohsiung Pier 72, 80,000 tons silo lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Kaohsiung Port Branch	2019-2028	1. Lease 80,000 tons of silos and ancillary equipment at Pier 72; the lease term is ten years.	Same as above
Kaohsiung Pier 72, 80,000 tons Silo lease agreement revision agreement	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Kaohsiung Port Branch	2019-2028	2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	
Taichung Port No. 1, No. 3 terminal land and silo facilities lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Taichung Port Branch	2019-2028	1. Lease of 90,000 tons of silos and ancillary equipment at Pier 1; the lease term is ten years. 2. Lease of 60,000 tons of silos and ancillary equipment at Pier 3; the lease term is ten years. 3. If there is intention to continue the lease, continue to rent for ten years with no less than the original contract.	Same as above

## 5.8.2 Media Business

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Revenue contract	Taipei Rapid Transit Corporation	2018.10.8 ~ 2024.1.16 (Lease period: 2~4 years)	Advertising billboards in MRT stations (Advertising space, Electronic Multimedia Display System, Multimedia e-shopping panel etc.)	It may not be subleased or assigned to others for operation.
Service procurement contract	Taipei City Public Transportation Office	2020.12.8 ~ 2023.9.30 (Lease period: about 3 years)	The operational management of street furniture advertising in Taipei City	May not assign the contract to others in part or in whole .
Advertising media entrusted operation agreement	Taiwan High Speed Rail Corporation	2022.9.1 ~ 2026.8.31 (Lease period: 4 year)	Ad media entrusted management for Taiwan High Speed Rail (Responsible for the production of advertising materials resulting from the entrusted management of the subject advertising space.)	It may not be assigned to a third party or exercised by a third party on proxy.
Lease contract	New Taipei Metro Corporation	2020.4.21 ~ 2024.11.30 (Lease period: 4 years)	Advertising spaces of Danhai LRT (Advertising spaces on piers, station outer wall and the connecting channel of Danhai LRT)	May not, in whole or in part, sublease, lend or assign the leasehold to others or allow others to use in lieu.
Lease contract	TAOYUAN METRO CORPORATION	2020.7.1 ~ 2024.6.30 (Lease period: 4 years)	Lease of advertising spaces in Taoyuan Airport MRT A1 to A21 stations, in train cars and on car bodies, train information video advertising.	May not assign the leasehold to others in part or in whole.

## 5.8.3 Long-term loan contracts

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Long term borrowings	1.Eastern Media International Corporation 2.King's Town Bank	2022-2030	The credit line is NT\$1,000 million.	1.Total liabilities/s hareholders' equity must not exceed 250%. 2.The interest coverage ratio shall not be lower than 2 times.
Long term borrowings	1.HER Hotels & Resorts Group Yilan 2.King's Town Bank	2022-2025	The credit line is NT\$800 million.	None
Long term borrowings	1.ET Pet Co., Ltd. 2.King's Town Bank	2021-2029	The credit line is NT\$1,000 million.	None

Long term borrowings	1.Eastern Asset Co., Ltd. 2.Mega Commercial Bank	2022-2037	The credit line is NT\$3,500 million	1.Shareholders' equity /total asset must not be less than 250%. 2.The interest coverage ratio shall not be lower than 1 times.
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#### 5.8.4 Others

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Contract for establishment of superficies	Economic Development Department, New Taipei City Government (On behalf of) Northern Region Branch, National Property Administration, MOF	2020.4.13 ~ 2070.4.12	<ol style="list-style-type: none"> <li>The Company pays annual lease to the National Property Administration at a rate of 1.1% (current annual interest rate of the announced land value)+2.4% (the annual interest rate of the announced land value when contract) every year.</li> <li>After formal operation, the Company has to pay additional operating royalty for about 2% of net operating revenue each year.</li> </ol>	Upon expiration of the lease, the buildings and relevant facilities and equipment shall be transferred for free to the National Property Administration or its designatee. Any buildings on the ground and relevant facilities and equipment, that are deemed to have no use value by the National Property Administration, must be demolished, cleaned up and vacated per instructions of the National Property Administration, and then the land shall be returned.

## VI. Financial Overview

### 6.1 Concise balance sheet, Comprehensive Income Statement and accountant's audit opinions for the most recent five years

#### 6.1.1 Condensed Balance Sheet and Comprehensive Income Statement- International Financial Reporting Standards

##### Condensed Balance Sheet-Consolidated

Unit: NTD Thousand

Year		Financial information				
		2022	2021	2020	2019	2018
Item						
Current assets		4,213,260	3,906,853	3,280,987	3,208,576	7,493,535
Property, plant and equipment		2,620,318	1,764,631	1,669,684	1,439,296	2,436,902
Right of use assets		6,412,380	6,303,591	7,210,677	6,762,163	0
Intangible assets		24,602	405,966	467,334	490,834	3,949,728
Other assets		2,226,323	3,538,766	3,594,792	3,004,918	2,811,171
Total assets		15,496,883	15,919,807	16,223,474	14,905,787	16,691,336
Current liabilities:	Before distribution	3,639,198	3,545,961	2,581,251	2,204,163	5,499,967
	After distribution	3,639,198	4,074,911	3,026,683	2,760,953	6,056,757
Non-current liabilities:		7,784,349	5,713,741	6,896,700	6,251,445	2,978,133
Total liabilities	Before distribution	11,423,547	9,259,702	9,477,951	8,455,608	8,478,100
	After distribution	11,423,547	9,788,652	9,923,383	9,012,398	9,034,890
Attributable to parent company Owners' equity		3,534,055	6,243,683	6,276,616	6,361,140	6,572,662
Share capital		4,760,554	5,289,504	5,567,899	5,567,899	5,567,899
Capital surplus		15,992	16,243	20,769	20,769	5,165
Retained Earnings	Before distribution	(1,098,138)	1,284,545	983,904	1,000,273	1,182,831
	After distribution	(1,098,138)	755,595	538,472	443,483	626,041
Other equity interest		(144,353)	(346,609)	(295,956)	(227,801)	(183,222)
Treasury shares		0	0	0	0	(11)
Non-controlling interests		539,281	416,422	468,907	89,039	1,640,574
Equity Total amount	Before distribution	4,073,336	6,660,105	6,745,523	6,450,179	8,213,236
	After distribution	4,073,336	6,131,155	6,300,091	5,893,389	7,656,446

Note: Since there was net loss in 2022, the Company would not distribute dividends this year.

## Condensed Comprehensive Income Statement-Consolidated

Unit: NTD Thousand

Earnings (Loss) per share unit: NTD

Item \ Year	Financial information				
	2022	2021	2020	2019	2018
Operating income	5,949,064	5,511,919	4,728,014	3,129,360	18,617,973
Operating margin	1,918,286	1,668,261	1,444,933	942,657	5,583,200
Operating profit and loss	210,829	157,122	(10,155)	(23,227)	394,444
Non-operating income and expenses	(1,713,051)	553,030	319,874	383,947	2,288,287
Net profit(loss) before tax	(1,502,222)	710,152	309,719	360,720	2,682,731
Continuing operations (Loss) Profit after tax for the current period	(1,750,246)	749,290	493,106	544,725	2,294,673
Profit or loss from discontinued operations	0	0	0	(168,130)	(785,541)
Profit (loss) for the period	(1,750,246)	749,290	493,106	376,595	1,509,132
Other comprehensive income, net of tax, for the period (Net of tax)	217,336	(50,136)	(48,743)	(60,899)	(135,820)
Total comprehensive income for the period	(1,532,880)	699,154	444,363	315,696	1,373,312
Net profit (loss) attributable to Owners of parent	(1,655,102)	745,493	520,859	390,531	1,070,989
Net profit (loss) attributable to non-controlling interest	(95,144)	3,797	(27,753)	(13,936)	483,143
Total comprehensive income Attributable to owner of the parent company	(1,438,312)	695,498	472,266	329,653	912,603
Total comprehensive profit and loss attributable to non-controlling interests	(94,568)	3,656	(27,903)	(13,957)	460,709
Earnings (loss) per share	(3.29)	1.37	0.94	0.70	1.74



## Concise balance sheet-parent company only

Unit: NTD Thousand

Item		Year	Financial information				
			2022	2021	2020	2019	2018
Current assets			1,628,400	1,800,650	1,813,349	2,229,749	2,453,126
Property, plant and equipment			700,484	570,737	387,257	285,395	147,442
Right of use assets			3,387,080	3,496,274	3,709,212	3,925,459	0
Intangible assets			2,477	1,351	817	538	1,915
Other assets			3,613,995	5,062,712	5,051,122	4,205,078	4,459,174
Total assets			9,332,436	10,931,724	10,961,757	10,646,219	7,061,657
Current liabilities:	Before distribution		929,274	640,038	554,574	343,995	362,804
	After distribution		929,274	1,168,988	1,000,006	900,785	919,594
Non-current liabilities:			4,869,107	4,048,003	4,130,567	3,941,084	126,191
Total liabilities	Before distribution		5,798,381	4,688,041	4,685,141	4,285,079	488,995
	After distribution		5,798,381	5,216,991	5,130,573	4,841,869	1,045,785
Attributable to parent company Owners' equity			3,534,055	6,243,683	6,276,616	6,361,140	6,572,662
Share capital			4,760,554	5,289,504	5,567,899	5,567,899	5,567,899
Capital surplus			15,992	16,243	20,769	20,769	5,165
Retained Earnings	Before distribution		(1,098,138)	1,284,545	983,904	1,000,273	1,182,831
	After distribution		(1,098,138)	755,595	538,472	443,483	626,041
Other equity interest			(144,353)	(346,609)	(295,956)	(227,801)	(183,222)
Treasury shares			0	0	0	0	(11)
Non-controlling interests			0	0	0	0	0
Equity total amount	Before distribution		3,534,055	6,243,683	6,276,616	6,361,140	6,572,662
	After distribution		3,534,055	5,714,733	5,831,184	5,804,350	6,015,872

Note: Since there was net loss in 2022, the Company would not distribute dividends this year.

## Concise comprehensive income statement-parent company only

Unit: NTD Thousand  
Earnings(Loss) per share unit:  
NTD

Item	Financial information				
	2022	2021	2020	2019	2018
Operating income	1,479,159	1,369,908	1,338,004	1,282,112	1,004,574
Operating margin	824,167	728,207	728,733	665,722	330,297
Operating profit and loss	506,562	390,959	428,709	430,177	(70,729)
Non-operating income and expenses	(1,916,675)	309,406	(107,857)	(236,499)	1,221,463
Net profit(loss) before tax	(1,410,113)	700,365	320,852	193,678	1,150,734
Continuing operations (Loss) Profit after tax for the current period	(1,655,102)	745,493	520,859	390,531	1,070,989
Profit or loss from discontinued operations	0	0	0	0	0
Profit (loss) for the period	(1,655,102)	745,493	520,859	390,531	1,070,989
Other comprehensive income, net of tax, for the period (Net of tax)	216,790	(49,995)	(48,593)	(60,878)	(158,386)
Total comprehensive income for the period	(1,438,312)	695,498	472,266	329,653	912,603
Net profit (loss) attributable to Owners of parent	(1,655,102)	745,493	520,859	390,531	1,070,989
Net profit (loss) attributable to non-controlling interest	0	0	0	0	0
Total comprehensive income attributable to owner of the parent company	(1,438,312)	695,498	472,266	329,653	912,603
Total comprehensive profit and loss attributable to non-controlling interests	0	0	0	0	0
Earnings (loss) per share	(3.29)	1.37	0.94	0.70	1.74

### 6.1.2 CPA audit opinion

Year	Certified public accountant	Audit opinion
2018	Shih-Chin Chih, Chung-Che Chen	Unqualified opinion plus paragraph on other matters
2019	Shih-Chin Chih, Chung-Che Chen	Unqualified opinion plus paragraph on matters for attention and paragraph on other matters
2020	Shih-Chin Chih, Chung-Che Chen	Unqualified opinion plus paragraph on other matters
2021	Shih-Chin Chih, Hsin-Ting Huang	Unqualified opinion plus paragraph on other matters
2022	Shih-Chin Chih, Hsin-Ting Huang	Unqualified opinion plus paragraph on other matters

## 6.2 Financial analysis for the last five years

### Financial Analysis-International Financial Reporting Standards

#### Consolidated

		Year	Financial analysis				
		2021	2020	2019	2018	2017	
Analysis item							
Finance Structure (%)	Debt to asset ratio	73.72	58.16	58.42	56.73	50.79	
	Ratio of long-term funds to property, plant, and equipment	452.53	701.21	817.05	882.49	459.25	
Debt service ability %	Current ratio	115.77	110.18	127.11	145.57	136.25	
	Quick ratio	98.64	95.00	108.45	120.43	96.02	
	Interest coverage ratio	(508.48)	416.86	237.19	346.93	4,331.24	
Operating ability	Accounts receivable turnover (times)	11.18	10.54	10.64	5.52	33.14	
	Average cash collection days	32.64	34.62	34.30	66.12	11.01	
	Inventory turnover (times)	3.09	3.34	3.75	0.49	12.98	
	Payables turnover (times)	7.82	9.80	11.66	1.71	6.88	
	Average sales days	118.12	109.28	97.33	744.89	28.12	
	Property, plant, and equipment turnover rate (times)	2.71	3.21	3.04	1.61	7.63	
	Total asset turnover (times)	0.38	0.34	0.30	0.20	1.17	
Profit ability	Return on assets (%)	(9.88)	5.78	4.33	3.12	9.81	
	Return on equity (%)	(32.61)	11.18	7.47	5.14	18.33	
	Net profit before tax to paid-in capital ratio (%)	(31.56)	13.43	5.56	6.48	48.18	
	Net profit rate (%)	(29.42)	13.59	10.43	12.03	8.11	
	Earnings(Loss) per share (NTD)	(3.29)	1.37	0.94	0.70	1.74	
Cash on hand Flow	Cash flow adequacy ratio (%)	35.98	27.69	36.39	58.83	1.70	
	Cash flow ratio (%)	98.19	98.13	293.20	357.31	351.34	
	Cash reinvestment ratio (%)	11.51	7.68	5.41	11.78	0	
Leverage	Operating leverage	17.06	21.85	( 279.14)	( 89.57)	16.34	
	Financial leverage	( 5.85)	( 2.35)	0.04	0.14	1.19	

Analysis and explanation of increases and decreases in ratios:

- (1) Debt to asset ratio was increased by 26.75%. Since the additional loans resulted from the Group's capital utilization, it led to an overall increase in total liabilities this year.
- (2) Ratio of long-term funds to property, plant, and equipment was decreased by 35.46%. The Group intended to construct the headquarters and development nearby area in 2022. Besides, the replacement of equipment of the warehousing segment had also led to an increase in property, plant, and equipment.
- (3) The decrease of interest coverage ratio by 221.98% was due to the net loss of the Group in 2022.
- (4) The decrease of 20.20% in payables turnover was attributed to the increase in accounts payable balance. In May 2022, the trading segment established a new subsidiary and expanded pet stores continually. Additionally, as the pandemic control measures in Taiwan were gradually relaxed in the second half of the year, commercial activities gradually recovered. The media segment also contracted multiple advertising campaigns at the end of the year. All descriptions mentioned above resulted in an increase in the ending balance of accounts payable.
- (5) All profitability showed a downward trend. By the end of the fiscal year, all companies should conduct asset impairment evaluations, and realizing that there were some indicators of impairment in assets of the Group. Therefore, the Group recognized an amount of impairment loss in 2022. However, the pandemic in China had a great impact on the operating of the investee company, and causing net loss of the investee company as well as the share of loss of associates accounted for using equity method in the Group. To sum up, the reasons mentioned above generated non-operating loss in 2022.
- (6) All cash flow ratios showed an upward trend, driven by a significant increase in net cash inflows from operating activities this year. The increase in operating cash inflows was attributable to a reduction in purchasing financial instruments due to the instable stock markets, as well as the collection of accounts receivable within the period in 2022.
- (7) The operational leverage showed a downward trend, despite having achieved operating profit this year. However, due to the profit grew dramatically compared to the same period last year, the ratio still decreased.

	<p>(8) The financial leverage showed a downward trend. Since there were an increase in loans, the additional loans also led an increase in interest this year. After deducting interest from operating profit, it turned the net profit into negative amount.</p>
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## Parent company only

Analysis item		Year	Financial analysis				
		2022	2021	2020	2019	2018	
Finance structure (%)	Debt to asset ratio	62.13	42.88	42.74	40.25	6.92	
	Ratio of long-term funds to property, plant, and equipment	1,199.62	2,026.97	2,687.41	3,609.81	4,543.38	
Debt service ability (%)	Current ratio	175.23	281.33	326.98	648.19	676.16	
	Quick ratio	170.89	275.04	317.73	608.83	609.03	
	Interest coverage ratio	(1,013.97)	712.54	371.52	307.53	196,470.99	
Operating ability	Accounts receivable turnover (times)	59.48	100.68	107.64	90.60	52.17	
	Average cash collection days	6.14	3.63	3.39	4.03	7.00	
	Inventory turnover (times)	0	0	0	0	0	
	Payables turnover (times)	34,473.26	33,773.74	1,978.15	474.88	135.74	
	Average sales days	0	0	0	0	0	
	Property, plant, and equipment turnover rate (times)	2.45	3.06	3.98	5.92	5.77	
	Total asset turnover (times)	0.15	0.13	0.12	0.14	0.13	
Profit ability	Return on assets (%)	(15.34)	7.65	5.70	5.25	14.27	
	Return on equity (%)	(33.85)	11.91	8.24	6.04	15.72	
	Percent age of paid-in capital (%)	Operating profit	10.64	7.39	7.70	7.73	( 1.27)
		Net profit before tax	(29.62)	13.24	5.76	3.48	20.67
	Net profit rate (%)	(111.89)	54.42	38.93	30.46	106.61	
	Earnings per share (NTD)	(3.29)	1.37	0.94	0.70	1.74	
Cash on hand Flow	Cash flow adequacy ratio (%)	52.29	48.12	137.85	344.16	0	
	Cash flow ratio (%)	107.90	124.70	149.70	151.50	42.63	
	Cash reinvestment ratio (%)	0	0	3.05	9.70	0	
Leverage	Operating leverage	2.31	2.69	2.48	2.37	( 9.53)	
	Financial leverage	1.33	1.41	1.38	1.28	0.99	

	<p>Changes in financial ratios of up to 20% in the last two years are explained as follows:</p> <p>(1) Debt to asset ratio increased by 44.89%, current ratio decreased by 37.71%, and quick ratio decreased by 37.87% were due to an increase in the addition of short-term and long-term loans for the utilization of funds this year. This resulted in an increase in the amount of long-term and short-term liabilities as well.</p> <p>(2) The decrease in the ratio of long-term funds to property, plant, and equipment by 40.82% was due to the significant increase in the amount of property, plant, and equipment as a result of the replacement of equipment by the warehousing segment and the purchase of land for resource development during 2022. Additionally, capital reduction and net loss in 2022 decreased total equity.</p> <p>(3) Except for the percentage of operating profit before tax to paid-in capital increased by 43.98%, all profitability showed a downward trend. By the end of the fiscal year, all companies should conduct asset impairment evaluations, and realizing that there were some indicators of impairment in assets in investee companies. Therefore, the investee companies recognized an amount of impairment loss in 2022, which made investment losses and net losses for the Company. On the other hand, as the warehousing segment replaced equipment, it improved operational efficiency and favorable business performance, which led an increase in operating profit.</p> <p>(4) Accounts receivable turnover decreased in by 40.92% and average cash collection days increased by 69.15% were due to the intensive grain loading and unloading operations carried out by the warehousing segment at the end of the year, resulting in a rise of ending balance of accounts receivable.</p>
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Note: The calculation formula of this Table is as follows:

1. Financial structure

(1) Liabilities to assets ratio = total liabilities/total assets.

(2) The ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.

2. Solvency

(1) Current ratio = current assets/current liabilities.

(2) Quick ratio = (current assets-inventory-prepaid expenses) / current liabilities.

(3) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.

3. Operating ability

(1) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.

(2) Average cash collection days=365/receivable turnover rate.

(3) Inventory turnover rate = cost of goods sold / average inventory value.

(4) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance.

(5) Average sales days = 365 / inventory turnover rate.

(6) Turnover rate of property, plant, and equipment = net sales/average net property, plant, and equipment.

(7) Total asset turnover ratio = net sales/average total assets.

4. Profitability

(1) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate) ]/average total assets.

(2) Return on equity = profit and loss after tax/average total equity.

(3) Percentage of operating profit to paid-in capital= operating profit / capital stock

(4) Percentage of net profit before tax to paid-in capital= net profit before tax / capital stock

(5) Net profit rate = after-tax profit and loss/net sales.

(6) Earnings per share = (profit and loss attributable to owners of the parent company-preferred share dividends) / weighted average number of issued shares.

5. Cash flow



- (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
  - (2) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
  - (3) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital)
6. Leverage:
- (1) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
  - (2) Financial leverage = operating profit / (business profit-interest expense)

### **6.3 The Audit Committee review report of the most recent financial report**

#### **Audit Committee Report**

March 14, 2023

The Board of Directors has prepared EMI's 2022 Business Report, Financial Statements, and proposal for appropriation of profit or loss. The CPAs Shih-Chin Chih and Hsin-Ting Huang from KPMG were retained to audit EMI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and appropriation of profit or loss proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Eastern Media International Corporation. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely yours,

Eastern Media International Co., Ltd.

2023 Annual general meeting

Chairman of the Audit Committee: Kuen-Chang Lee



## **6.4 The most recent annual financial reports**

Please refer to Appendix 1.

## **6.5 Parent company only financial report of the Company that has been checked by an accountant in the most recent year**

Please refer to Appendix 2.

## **6.6 Financial difficulties faced by the Company and its affiliated companies**

None.

# VII. Review of Financial Conditions, Financial Performance, and Risk Management

## 7.1 Financial status

### Review and analysis table of consolidated financial status

Unit: NTD Thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	4,213,260	3,906,853	306,407	7.84
Property, plant and equipment	2,620,318	1,764,631	855,687	48.49
Right of use assets	6,412,380	6,303,591	108,789	1.73
Intangible assets	24,602	405,966	(381,364)	(93.94)
Other assets	2,226,323	3,538,766	(1,312,443)	(37.09)
Total assets	15,496,883	15,919,807	(422,924)	(2.66)
Current liabilities:	3,639,198	3,545,961	93,237	2.63
Non-current liabilities:	7,784,349	5,713,741	2,070,607	36.24
Total liabilities	11,423,547	9,259,702	2,163,845	23.37
Capital stock	4,760,554	5,289,504	(528,950)	(10.00)
Capital surplus	15,992	16,243	(251)	(1.55)
Retained earnings	(1,098,138)	1,284,545	(2,382,683)	(185.49)
Other equity interest	(144,353)	(346,609)	202,256	(58.35)
Equity attributable to the parent company	3,534,055	6,243,683	(2,709,628)	(43.40)
Total equity	4,073,336	6,660,105	(2,586,769)	(38.84)

#### Analysis and explanation of increases and decreases in ratios:

- Property, plant, and equipment increased this year. The Group intended to construct the headquarters and development nearby area in 2022, resulting an increase of NTD 944,384. Besides, the replacement of equipment of the warehousing segment had also led to an increase of approximately NTD 77,272. However, we also incurred an impairment loss of NTD 175,511 due to the demolition of buildings required for the renovation of the resorts in Yilan.
- Intangible assets decreased this year. This was due to the simple merger carried out by the pet business this year. Goodwill, trademarks, and client rights generated from the acquisition in 2019 would no longer be used, resulting in an impairment loss of NTD 367,642.
- Other assets decreasing this year was mainly due to decreases in investments accounted for

using equity method and deferred tax assets by NTD 1,042,967 and NTD 244,872, respectively. Besides investment loss and recognizing impairment loss of investments accounted for using equity method, the net difference in equity resulting from changes in the percentage of shares held in the investee company, which affected both investments accounted for using equity method and retained earnings. As for deferred tax assets, the recognition of deferred tax assets declined due to an upward trend of the profitability in warehousing segment this year.

4. Non-current liabilities and total liabilities increased due to the additional loans of the Group amounting NTD 1,785,694 for capital utilization, as well as an increase in lease liabilities of NTD 121,282 resulting from the continuous expansion of pet stores. Additionally, as the Group intended to construct the headquarters, other accounts payable increased by approximately NTD 106,876. However, the media segment also contracted multiple advertising campaigns at the end of the year, which led to an increase in accounts payable of approximately NTD 44,449.
5. Retained earnings and total equity decreased not only due to the accumulated losses in this year, but also because of the net difference caused by changes in the percentage of shares held in the investee company. Please refer to financial performance for the details.
6. Other equity increased this year not only being affected by exchange rate fluctuations, but also recognizing the revaluation surplus because of the investee company. Please refer to financial performance for the details.

## Review and analysis of parent company only financial status

Unit: NTD Thousand

Item \ Year	2022	2021	Difference	
			Amount	%
Current assets	1,628,400	1,800,650	( 172,250)	( 9.57)
Property, plant and equipment	700,484	570,737	129,747	22.73
Right of use assets	3,387,080	3,496,274	( 109,194)	( 3.12)
Intangible assets	2,477	1,351	1,126	83.35
Other assets	3,613,995	5,062,712	(1,448,717)	(28.62)
Total assets	9,332,436	10,931,724	(1,599,288)	( 14.63)
Current liabilities:	929,274	640,038	289,236	45.19
Non-current liabilities:	4,869,107	4,048,003	821,104	20.28
Total liabilities	5,798,381	4,688,041	1,110,340	23.68
Capital stock	4,760,554	5,289,504	( 528,950)	(10.00)
Capital surplus	15,992	16,243	( 251)	( 1.55)
Retained earnings	(1,098,138)	1,284,545	(2,382,683)	(185.49)
Other equity interest	( 144,353)	( 346,609)	202,256	(58.35)
Total equity	3,534,055	6,243,683	( 2,709,628)	( 43.40)

Analysis and explanation of increases and decreases in ratios:

1. Property, plant, and equipment increased this year. This was due to the significant increase in the amount of property, plant, and equipment as a result of the replacement of equipment by the warehousing segment and the purchase of land for resource development during 2022.
2. By the end of the fiscal year, all companies should conduct asset impairment evaluations, and realizing that there were some indicators of impairment in assets of the investee companies. Therefore, the investee companies recognized an amount of impairment loss in 2022, which also declined investments accounted for using equity method.
3. In order to utilize the funds of the Company and develop resource, the short-term and long-term loans and short-term notes and bills payable increased amounting NTD 1,092,720.

4. Retained earnings and total equity decreased not only due to the accumulated losses in this year, but also because of the net difference caused by changes in the percentage of shares held in the investee company. Please refer to financial performance for the details.
5. Other equity increased this year not only being affected by exchange rate fluctuations, but also recognizing the revaluation surplus because of the investee company. Please refer to financial performance for the details.

## 7.2 Financial performance

### Review and analysis table of consolidated financial performance

Unit: NTD Thousand  
Earnings(loss) per share unit: NTD

Item	Year				
		2022	2021	Increase (decrease) amount	Change Percent %
Operating income		5,949,064	5,511,919	437,145	7.93
Operating costs		4,030,778	3,843,658	(187,120)	4.87
General and administrative expense		1,707,457	1,511,139	(196,318)	(12.99)
Non-operating income and expenses		(1,713,051)	553,030	(2,266,081)	(409.76)
Net profit(loss) before tax		(1,502,222)	710,152	(2,212,374)	(311.54)
Profit (loss)for the period		(1,750,246)	749,290	(2,499,536)	(333.59)
Other comprehensive income, net of tax, for the period (Net of tax)		217,366	( 50,136)	267,502	(533.55)
Total comprehensive income for the period		(1,532,880)	699,154	(2,232,034)	(319.25)
Net profit(loss) attributable to Owners of parent		(1,655,102)	745,493	(2,400,595)	(322.01)
Total comprehensive income Attributable to owner of the parent company		(1,438,312)	695,498	(2,133,810)	(306.8)
Earnings(Loss) per share		(3.29)	1.37	(4.66)	(340.15)

Analysis and explanation of increases and decreases in ratios:

1. Non-operating income and expenses and profit before tax decreased this year. Firstly, as realizing that there were some indicators of impairment in assets of the Group, the Group recognized an amount of impairment loss in 2022, which made a rise of impairment loss by NTD 1,126,411. Secondly, rent reductions decreased by NTD 169,723. Furthermore, with the stock markets being so volatile, net loss on financial assets or liabilities at fair value through profit or loss the Group recognized was declined at the amount of NTD 298,231. Finally, the pandemic in China had a great impact on the operating of the investee company, and causing net loss of the investee company as well as the share of loss of associates accounted for using equity method in the Group by NTD 672,152.
2. Other comprehensive income increased this year not only being affected by exchange rate fluctuations, but also recognizing the revaluation surplus because of the investee company.
3. The reasons why net (loss) profit attributable to owners of parent and total comprehensive income attributable to owner of the parent company decreased were quite the same as the descriptions mentioned above.



## Review and analysis table of financial performance of parent company only

Unit: NTD Thousand  
Earnings(loss) per share unit:  
NTD

Year	2022	2021	Increase (decrease) amount	Change Percent %
Operating income	1,479,159	1,369,908	109,251	7.98
Operating costs	654,992	641,701	13,291	2.07
General and administrative expense	317,605	337,248	(19,643)	(5.82)
Non-operating income and expenses	(1,916,675)	309,406	(2,226,081)	(719.47)
Net profit(loss) before tax	(1,410,113)	700,365	(2,110,478)	(301.34)
Profit (loss)for the period	(1,655,102)	745,493	(2,400,595)	(322.01)
Other comprehensive income, net of tax, for the period (Net of tax)	216,790	(49,995)	266,785	(533.62)
Total comprehensive income for the period	(1,438,312)	695,498	(2,133,810)	(306.80)
Net profit(loss) attributable to Owners of parent	(3.29)	1.37	(4.66)	(340.15)

Analysis and explanation of increases and decreases in ratios:

1. Non-operating income and expenses decreased this year. As realizing that there were some indicators of impairment in assets of the investee companies, the investee companies recognized an amount of impairment loss in 2022, which made a decline of investment income by NTD 2,040,907. Furthermore, with the stock markets being so volatile, net loss on financial assets or liabilities at fair value through profit or loss the Company recognized was declined at the amount of NTD 208,848.
2. Other comprehensive income increased this year not only being affected by exchange rate fluctuations, but also recognizing the revaluation surplus because of the investee company.

Revenue outlook, key assumptions, potential impact on the Company's business and corresponding proposal :

Please refer to "I. Letter to Shareholders".

## 7.3 Cash flows

### 7.3.1 Analysis and explanation of changes in combined cash flow of parent and subsidiary companies in recent years

Unit: NTD Thousand

Item \ Year	2022 Cash increase (decrease)	2021 Cash increase (decrease)	Change in increase (decrease)	
			Amount	%
Operating activity	1,309,476	981,947	327,529	33.36
Investment activity	(837,522)	147,706	(985,228)	(667.02)
Financing activity	(341,012)	(1,216,427)	875,415	(71.97)

Analysis and explanation of increases and decreases in ratios:

- (1) Increase in net cash inflow from operating activities: In the comparison of 2022 and 2021, the purchases of financial assets at fair value through profit or loss was decreased by NTD 169,550 in 2022 because of the instability of stock markets. Moreover, accounts receivable were collected in the duration, which generated cash inflows of NTD 202,652.
- (2) Decrease in net cash inflow from investing activities: The dividends from investment decreased at the amount of NTD 279,122, and capital expenditure increased at the amount of NTD 727,604 for the period.
- (3) Decrease in net cash outflow from financing activities: This was mainly due to the increase by NTD 1,162,093 in short-term and long-term loans and notes payable. However, as the expansion of pet stores, the payment of lease liabilities increased at the amount of NTD 183,879. In 2022, the issuance of cash dividends grew by NTD 80,822 as well.

Item \ Year	2022	2021	Ratio of increase (decrease) (%)
Cash Flow Adequacy Ratio (%)	98.19	98.13	0.06
Cash Reinvestment Ratio (%)	11.51	7.68	49.87

Analysis and explanation of the increase and decrease ratio: Please explain the consolidated financial analysis.

7.3.2 Improvement plan for insufficient liquidity: The Company does not have insufficient cash liquidity.

### 7.3.3 Analysis of cash liquidity in the coming year-parent company only

Unit: NTD Thousand

Beginning cash balance (1)	Estimated net cash flow from proprietary business activities throughout the year (2)	Estimated annual cash outflow (3)	Estimated cash surplus (insufficiency) amount (1)+(2)-(3)	Remedial measures for expected cash shortage	
				Investment plan	Financing plan
424,348	352,897	486,271	290,974	0	0

Note:

- (1) The estimated net cash inflow of the year from operating activities is NT\$349,381 thousand: It includes net cash inflow from warehousing business of NT\$763,712 thousand and other income of NT\$61,456 thousand, and should be sufficient to cover the expenses of NT\$472,271 thousand, such as management fee, etc.
- (2) he estimated annual cash outflow is NT\$486,271 thousand (cash outflow generated from non-operating activities): It includes capital expenditure of NT\$167,521 thousand, long-term investments increase of NT\$165,000 thousand, and limit for loan to subsidiary NT\$125,000 thousand
- (3) (insufficiency) amount= Beginning cash balance+ Estimated net cash flow from proprietary business activities throughout the year- Estimated annual cash outflow
- (4) Remedial measures for expected cash shortageFinancing plan:
  - a. Investment plan:None.
  - b. Financing plan:None

## 7.4 The impact of major capital expenditures in recent years on financial operations

None.

## 7.5 Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year

Unit: NTD Thousand

Description Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program	Other future items Investment plan
Natural Beauty Bio-Technology Limited (Natural Beauty Biotechnology Co., Ltd., Hong Kong listed company)	2,060,871	Long-term investments	The loss was mainly due to the decrease in revenue from all channels in China and Taiwan markets due to the impact of the COVID-19 pandemic.	None	The Company will carefully evaluate its investment plans from a long-term strategic perspective to respond to future market changes and continue to strengthen its competitiveness.

Description Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program	Other future items Investment plan
Eastern Home Shopping & Leisure Co., Ltd.(EHS)	325,772	Long-term investments	The loss was mainly due to the impairment loss on goodwill as a result of the “intangible asset impairment loss test”.	None	The Company will carefully evaluate its investment plans from a long-term strategic perspective to respond to future market changes and continue to strengthen its competitiveness.

## 7.6 Risk Management

Analyze and evaluate the following matters in the most recent year and up to the publication date of the annual report:

### 7.6.1 The impact of interest rate, exchange rate changes, and inflation on the Company’s profit and loss and future countermeasures

A. The impact of interest rates on the Company’s profit and loss and future measures:

The Group held bank deposits and cash equivalents on December 31, 2022 totaling NT\$1,914,254 thousand. Therefore, for every 1% increase in interest rates in the financial market, it would increase the Group’s interest income in the next year by approximately NT\$19,143 thousand. As for the borrowing rate, the Group’s account has a loan amount of NT\$2,851,234 thousand from financial institutions. The borrowings of its financial institutions are calculated based on the benchmark or advertised interest rate plus or minus. It is a debt with a floating interest rate. Changes in market interest rates will cause the Group’s borrowing rates to change accordingly. As a result, its interest expenses fluctuate. Therefore, every 1% increase in the borrowing interest rate will increase the Group’s interest expense in the next year by approximately NT\$28,512 thousand. Response measures for future interest rate changes: 1. The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. 2. The Company regularly evaluates hedging activities, aligning them with the interest rate view and established risk tolerance to ensure that the most cost-effective hedging

strategy is adopted.

B. The impact of exchange rates on the Company's profit and loss and future measures:

1. The impact of exchange gains and losses on the account:

The Group's exchange rate risk mainly comes from foreign currency denominated cash and cash equivalents, accounts receivable and other receivables, financial assets available for sale, loans, accounts payable and other payables, etc. Foreign currency exchange gains and losses occur during the conversion. When the New Taiwan Dollar depreciates or appreciates 1 NTD relative to the U.S. dollar and all other factors remain unchanged, the net profit after tax would increase or decrease by NT\$ 149 thousand.

2. Countermeasures for future exchange rate changes:

The Group is exposed to exchange rate risks arising from sales, purchases and borrowing transactions that are not denominated in the functional currency of each Group company. The functional currencies of Group companies are mainly New Taiwan Dollars, as well as US Dollars and RMB. The main currencies for these transactions are New Taiwan Dollars, Euros and US Dollars. Loan interest is priced in the currency of the principal of the loan. Generally speaking, the currency of the loan is the same as the currency of the cash flow generated by the Group's operations, mainly in New Taiwan Dollars. In this case, it provides economic hedging without the need to use derivatives. Therefore, hedging accounting is not used. For monetary assets and liabilities denominated in other foreign currencies, when short-term imbalances occur, the Group buys or sells foreign currencies at real-time exchange rates to ensure that the net risk exposure remains at an acceptable level.

C. The impact of inflation on the Company's profit and loss and future countermeasures:

Inflation has no significant impact on the Group's profit and loss.

#### **7.6.2 The policy of engagement in high risk and high leverage investment, loaning to a third party, guarantee/endorsement, and derivative trade, the main reason for profit or loss, and the response in the future**

A. High-risk investment, high-leverage investments: None.

B. Loans of funds to others: As of December 31, 2022, the balance approved

by the Board of Directors of the Group's capital loans to others is NT\$1,235,000 thousand, and the actual amount of expenditure is NT\$662,400 thousand. The Group engages in the above transactions based on applicable rules under the Company's "Procedures for Loaning Funds to Others."

C. Derivative commodity trading: None.

D. Endorsement guarantees: As of December 31, 2022 the Group's approved balance of the Board of Directors endorsed by others is NT\$10,731,215 thousand, and the actual amount of expenditure is NT\$3,302,085 thousand. All endorsement guarantees are determined by applicable rules under each company's "Endorsement Guarantee Operation Procedures."

### **7.6.3 Future R&D plans and estimated R&D expenses**

None.

### **7.6.4 The impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures**

None.

### **7.6.5 The impact of technological changes (including cyber security risks) and industrial changes on the Company's financial business and corresponding measures**

A. In order to restore operations as soon as possible when the information system damage occurs and reduce possible losses and risks, a backup mechanism has been established for important data and remote backups are regularly performed.

B. We formulate key points of system recovery operations and recovery procedures for important information equipment. After encountering natural disasters or man-made disasters, the information system can be restored to normal operation in the shortest time through the system recovery mechanism team.

The Information Office conducts parallel testing of ERP system recovery with ERP system users every year. After the relevant test report is confirmed to be correct, it issues "Recovery Test Drill Results Report".

C. All the Company's personal computers are equipped with endpoint protection software, and all internal and Internet gateways are protected by firewalls. This avoids malicious attacks on the Company's computer

systems from the Internet.

**7.6.6 The impact of corporate image change on corporate crisis management and countermeasures**

None.

**7.6.7 Expected benefits and possible risks of mergers and acquisitions and countermeasures**

ET Pet Co., Ltd., a subsidiary of ET New Media Holdings (shares), was established in January 2019. It acquired pet shops such as Animal Kingdom, Baoluo, Yuanta and Oscar through business transfer and mergers and acquisitions. By end of 2021, ET Pet had 119 pet stores national wise, making it the largest offline pet channel in Taiwan. With the transformation of social patterns, business opportunities for pets to become family members gradually emerge. We are optimistic about the development potential of pet market. The Company will continue to extend its market scale and supply chain through M&A to shorten the time to develop loyal customers and reduce costs. However, it may face the risk that the local market has shrunk or the original management team has been operating poorly for a period of time. In order to avoid the internal and external risks that may be faced after a takeover, ET Pet confirms the profit potential of the market environment with a comprehensive evaluation method, and then operates the taken over pet shop in a consistent operation model.

**7.6.8 Expected benefits and possible risks of plant expansion and countermeasures**

None.

**7.6.9 Risks and countermeasures faced by purchase or sales concentration**

None.

**7.6.10 The influence and risk of the massive transfer of shares or the replacement of the Directors or major shareholders holding more than 10% of the shares issued by the Company, and the response**

None.

### **7.6.11 The impact, risks and countermeasures of a change of management rights on the Company**

None.

### **7.6.12 Litigation or non-litigation events**

A. On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against more than 20 individuals including the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman Wang Ling-Lin. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. to conduct fake transactions and to use the bank to swindle loans. The SFIPC also filed a civil lawsuit against the Taipei District Court for bank fraud and other circumstances, requesting joint compensation of NT\$41,038 thousand. However, the facts of the prosecution's prosecution are revealed before the investigation. The Criminal Court of the same court and the High Court of Taiwan have determined that, except for the purchase and sale of bulk materials between related companies of Chia Hsin, which violates the Commercial Accounting Law, the rest were found not guilty. The Criminal Court of the same court and the High Court of Taiwan have determined that, except for the purchase and sale of bulk materials between related companies of Chia Hsin, which violates the Commercial Accounting Law, the rest were found not guilty. Although the court held that there was a violation of the Commercial Accounting Law, it also determined that the Company was not only unharmed, but also profitable. Therefore, it is clear that there is no breach of trust and damage to shareholders' rights and interests, so there is no reason for the SFIPC to initiate this lawsuit. The Taipei District Court has ruled on December 5, 2012, and the SFIPC lost the lawsuit. The SFIPC filed an appeal, and the amount of the appeal was reduced to NT\$22,664 thousand. The High Court of Taiwan also lost the case. After the third instance appealed by the SFIPC, the Supreme Court has rejected and sent it back to the High Court for retrial. The Taiwan High Court still ruled that the SFIPC lost the case. The SFIPC filed an appeal again, and the Supreme Court has rejected it and sent it back to the High Court for the second instance. The High Court still decided against the



SFIPC on February 23, 2021. However, after the Securities and Futures Investors Protection Center filed an appeal, the Supreme Court sent it back to the High Court for a third time in February 2022, and it is still under review in the High Court. While the case has not yet been determined, the amount claimed has been reduced to NT\$22,664 thousand. Even if the judgment is unfavorable to the Company, it has minimal impact on the Company.

- B. The Company and sub-investment company Far Eastern Silo & Shipping (Panama) S.A. forwards to South Korea Sammok Shipping., Co. Ltd. (Hereinafter referred to as Sammok) a joint charter of the MV SM AURORA ship. The Company is equivalent to 6 years after the expiration of the lease in accordance with the agreement in 2018. The ship was returned to Sammok at Kaohsiung Port on August 10. However, Sammok believes that the ship has many deficiencies in use and maintenance. Therefore, it cannot accept the return of the ship by the Company. Sammok filed with the London Maritime Arbitration Association on March 5, 2019 in accordance with the dispute settlement agreement of the bareboat contract signed by both parties (LMAA), lodging an arbitration claim against the Company, and so on. It advocated that the charterer failed to fulfill the charterer's responsibilities during the charter period. Therefore, the charterer is required to bear the maintenance costs, etc. Because the Company has purchased FD&D insurance from Britannia Club for ships, therefore, the insurance company must bear two-thirds of the relevant legal expenses incurred in this arbitration. As for Sammok's claim, it may be caused by natural wear and tear or the negligence of the shipowner's crew, or the shipowner's ship improvement project for the benefit of his future operations. It has nothing to do with the Company. Therefore, there are still many disputes to be clarified in this article and the case is still undergoing arbitration proceedings. The result has not yet been determined.

### **7.6.13 Other major risks and countermeasures**

In order to minimize the damage arising from various risks and crises that the Company may face, the Company has established a Risk Management Team under the Corporate Governance and Sustainable Development Committee and established the "Risk Management Policy and Procedures" which defines risks according to the Company's overall operating policy and establishes a mechanism for risk identification, accurate measurement, effective continuous monitoring, and control to ensure the effectiveness

and integrity of risk management. Please refer to “Important Rules and Regulations” in the corporate website for relevant contents.

## **7.7 Other important matters**

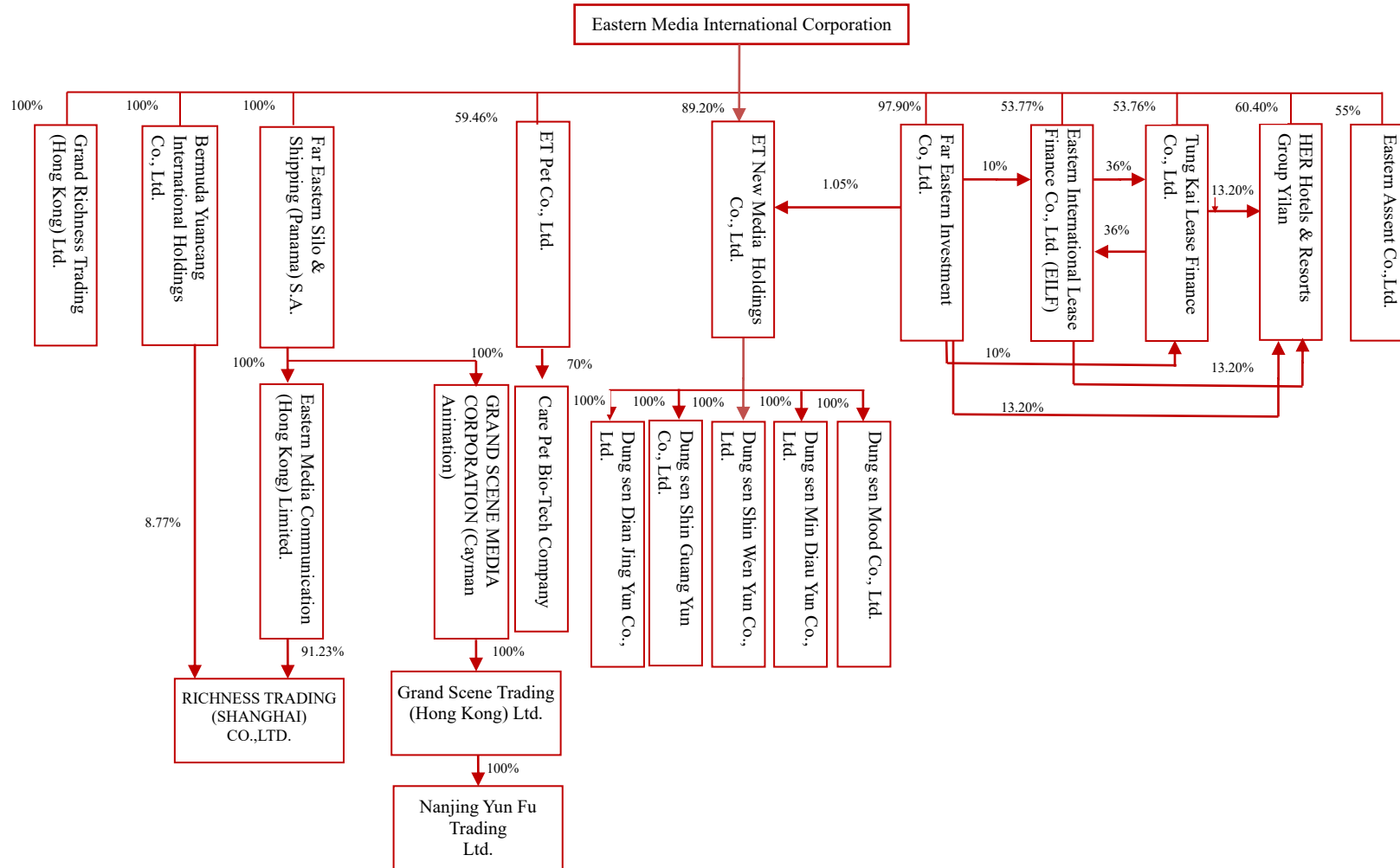
None.

# VIII. Special Disclosures

## 8.1. Related information of affiliated companies

### 8.1.1 Affiliated business merger report

#### A. Organization chart of affiliated companies of Eastern Media International Corporation (2022.12.31)



**B. Basic information of each affiliated company**

**December 31, 2022**

**Units: NTD thousand/USD thousand/RMB thousand/HKD thousand**

<b>Enterprise Name</b>	<b>Date Established</b>	<b>Address</b>	<b>Paid-in capital amount</b>	<b>Main business or production items</b>
FESS—Bermuda Bermuda Yuancang International Holdings Co., Ltd.	1994.05	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	US 600	Investment holdings
FESS—Panama Far Eastern Silo & Shipping (Panama) S.A.	1996.01	East 53rd Street, Marbella Swiss Bank Building, 2nd follr, Panama	US 71,700	Investment holdings
Grand Scene Trading (Hong Kong) Ltd.	2010.06	17th Floor, Siu Ying Commercial Building, 151-155 Queen's Road Central, Hong Kong	HK 31,980	Investment holdings
Nanjing Yun Fu Trading Ltd.	2010.09	Room 303, Commercial Office Building, Nanjing High-tech Development Zone	RMB 10,389	Wholesale trade
Grand Scene Media Corporation (Cayman Anime)	2010.05	Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands	US 4,500	Investment holdings
Eastern Media Communication (Hong Kong) Ltd.	2008.12	Room D, 8/F., Wing Cheong Commercial Building, 19-25 Jervois Street, Sheung Wan, Hong Kong.	HK 285,698	Investment holdings

<b>Enterprise Name</b>	<b>Date Established</b>	<b>Address</b>	<b>Paid-in capital amount</b>	<b>Main business or production items</b>
RICHNESS TRADING (SHANGHAI) CO.,LTD.	2006.04	Building 6, No. 2222 Gangcheng Road, Pudong New Area, Shanghai (Building) Room 303	RMB 250,774	Cosmetics, jewelry, and household sundries wholesaling and support services
Grand Richness Trading (Hong Kong) Limited	2009.11	17th Floor, Siu Ying Commercial Building, 151-155 Queen's Road Central, Hong Kong	HK 162,146	Investment holdings
Far Eastern Investment Co., Ltd.	1997.09	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	690,924	General investing
Eastern International Lease Finance Co., Ltd.	1998.06	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	756,750	Leasing service
Tung Kai Lease Finance Co., Ltd.	1998.07	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	759,750	Leasing service
ET New Media Holdings Co., Ltd.	2009.03	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	600,000	General advertising services
Dung Sen Shin Guang Yun Co., Ltd.	2019.01	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	3,000	Audiovisual and singing, information leisure
Dung Sen Dian Jing Yun Co., Ltd.	2019.01	No. 72, Chongyang Rd., Nangang Dist., Taipei City 115023, Taiwan	100	Amusement park information leisure
Dung Sen Shin Wen Yun Co.,	2019.08	No. 72, Chongyang Rd., Nangang Dist.,	5,000	Video advertising service

<b>Enterprise Name</b>	<b>Date Established</b>	<b>Address</b>	<b>Paid-in capital amount</b>	<b>Main business or production items</b>
Ltd.		Taipei City 115023, Taiwan		
Dung Sen Min Diao Yun Co., Ltd.	2020.09	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	5,000	Management consultant, market research and opinion poll
MOOD Internet Corporation Limited.	2022.12	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	50,000	Marketing, market research and data collection
ET Pet Co., Ltd.	2019.01	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	700,000	Pet food and supplies and providing pet beauty service
Care Pet Bio-Tech Company	2022.05	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	10,000	Pet food and supplies and providing pet beauty service
HER Hotels & Resorts Group Yilan (HER)	2011.04	5th Floor, No. 368, Section 1, Fuxing South Road, Da'an District, Taipei City	545,912	Leisure site management, catering business
Eastern Asset Co., Ltd.	2020.02	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	1,300,000	Real estate leasing

**C. Information of the same shareholders who are presumed to have control and affiliation**

**December 31, 2022**

**Unit: NTD thousand, Shares, %**

Presumed cause	Name or designation	Shares held		Date Established	Address	Paid-in capital amount	Main business items
		Shares	Percentage of shareholding				
Not applicable							

**D. The industries covered by the business of the overall related company**

The industries covered by the business of the overall related company mainly include:

- (1) Industry: Warehousing and trading.
- (2) General investment industry.
- (3) Management consulting services and catering business.
- (4) Other: Real estate leasing, wholesale, retail sale, general advertisement service and market research and public opinion polling, etc.

For details of the main business or production projects of each affiliated company, please refer to the list of basic information of each affiliated company in the previous disclosure.

**E. Information on directors, supervisors and general managers of related companies**

**December 31, 2022**

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
Far Eastern Investment Co, Ltd.	Chairman & General Manager	Eastern Media International Corporation	Representative: Shang-Wen Liao	67,641,445	97.90%
	Director	Eastern Media International Corporation	Representative: Yao-Tsu Shen	67,641,445	97.90%
	Director	Eastern Media International Corporation	Representative: Cheng-Kuo Lu	67,641,445	97.90%
	Supervisor	Ying-Na Cheng		0	0
Tung Kai Lease Finance Co., Ltd.	Chairman & General Manager	Eastern Media International Corporation	Representative: Kao-Ming Tsai	40,847,294	53.76%
	Director	Eastern Media International Corporation	Representative: Ying-Na Cheng	40,847,294	53.76%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	40,847,294	53.76%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Chao-Hsin Chiu	7,597,500	10.00%
Eastern International Lease Finance Co., Ltd. (EILF)	Chairman & General Manager	Eastern Media International Corporation	Representative: Kao-Ming Tsai	40,690,330	53.77%
	Director	Eastern Media International Corporation	Representative: Ying-Na Cheng	40,690,330	53.77%



Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	40,690,330	53.77%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Chao-Hsin Chiu	7,567,500	10.00%
ET New Media Holdings Co., Ltd.	Chairman	Eastern Media International Corporation	Representative: Ling-Lin Wang	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Yung-Jui Ma	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Lei Chien	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Chien-Chiang Wu	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Chi-Chong Cheng	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Ching-He Chen	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shi-Teng Wang	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Pao-Hui Huang	53,522,508	89.20%
	Director & General Manager	Eastern Media International Corporation	Representative: An-Hsiang Chen	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Vacancy	0	0
	Director	Eastern Media International Corporation	Representative: Shih-Jhih Chen	53,522,508	89.20%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Director	Eastern Media International Corporation	Representative: Chun-Ying He	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Ching-Hui Tsai	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Huang-Chi Liu	53,522,508	89.20%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Ying-Na Cheng	627,492	1.05%
HER Hotels & Resorts Group Yilan (HER)	Chairman	Eastern Media International Corporation	Representative: Ching-Chi Chen	32,973,086	60.40%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	32,973,086	60.40%
	Director	Eastern Media International Corporation	Representative: Kao-Ming Tsai	32,973,086	60.40%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Ying-Na Cheng	7,206,038	13.20%
Grand Richness Trading (Hong Kong) Limited	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	16,214,616	100.00%
	Director	Eastern Media International Corporation	Representative: Chao-Hsin Chiu	16,214,616	100.00%
	Director	Eastern Media International Corporation	Representative: Hsiang-Lan Sung	16,214,616	100.00%
	Director	Eastern Media International Corporation	Representative: Vacancy	0	0
FESS—Panama Far Eastern Silo & Shipping (Panama) S.A.	Director & President	Eastern Media International Corporation	Representative: Shang-Wen Liao	71,700	100.00%
	Director & Secretary	Eastern Media International Corporation	Representative: Chao-Hsin Chiu	71,700	100.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Director & Treasurer	Eastern Media International Corporation	Representative: Kao-Ming Tsai	71,700	100.00%
FESS—Bermuda Bermuda Yuancang International Holdings Co., Ltd.	Director & President	Eastern Media International Corporation	Representative: Shang-Wen Liao	600,000	100.00%
	Director & V.P.	Eastern Media International Corporation	Representative: Chao-Hsin Chiu	600,000	100.00%
	Director	Eastern Media International Corporation	Representative: Kao-Ming Tsai	600,000	100.00%
Grand Scene Media Corporation (Cayman Animation)	Director	FESS—Panama	Representative: Shang-Wen Liao	450,000	100.00%
	Director	FESS—Panama	Representative: Kao-Ming Tsai	450,000	100.00%
	Director	FESS—Panama	Representative: Chao-Hsin Chiu	450,000	100.00%
RICHNESS TRADING (SHANGHAI) CO.,LTD.	Chairman	Eastern Media Communication (Hong Kong) Ltd.	Representative: Shang-Wen Liao	0	91.23%
	Director	Eastern Media Communication (Hong Kong) Ltd.	Representative: Kao-Ming Tsai	0	91.23%
	Director	Eastern Media Communication (Hong Kong) Ltd.	Representative: Chao-Hsin Chiu	0	91.23%
	Supervisor	Eastern Media Communication (Hong Kong) Ltd.	Representative: Min-Hui Liu	0	91.23%
Eastern Media Communication (Hong Kong) Ltd.	Chairman	FESS—Panama	Representative: Shang-Wen Liao	28,569,840	100.00%
	Director	FESS—Panama	Representative: Chao-Hsin Chiu	28,569,840	100.00%
	Director	FESS—Panama	Representative: Vacancy	0	0
Grand Scene Trading (Hong Kong) Ltd.	Director	Grand Scene Media Corporation	Representative: Shang-Wen Liao	3,198,000	100.00%
	Director	Grand Scene Media Corporation	Representative: Kao-Ming Tsai	3,198,000	100.00%
	Director	Grand Scene Media	Representative:	3,198,000	100.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
		Corporation	Chao-Hsin Chiu		
Nanjing Yun Fu Trading Ltd.	Chairman	Grand Scene Trading (Hong Kong) Ltd.	Representative: Chao-Hsin Chiu	0	100.00%
	Director	Grand Scene Trading (Hong Kong) Ltd.	Representative: Shang-Wen Liao	0	100.00%
	Director	Grand Scene Trading (Hong Kong) Ltd.	Representative: Kao-Ming Tsai	0	100.00%
	Supervisor	Grand Scene Trading (Hong Kong) Ltd.	Representative: Ying-Na Cheng	0	100.00%
Dung Sen Shin Guang Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	300,000	100.00%
Dung Sen Dian Jing Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	10,000	100.00%
Dung Sen Shin Wen Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	500,000	100.00%
Dung Sen Min Diao Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	500,000	100.00%
MOOD Internet Corporation Limited.	Chairman	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	5,000,000	100.00%
ET Pet Co., Ltd.	Chairman & General Manager	ET New Media Holdings Co., Ltd.	Representative: Shi-Heng Zhao	18,500,000	26.43%
	Director	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	18,500,000	26.43%
	Director	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	18,500,000	26.43%
	Supervisor	Far Rich International Corporation	Representative: Ying-Na Cheng	5,935,750	8.48%
Care Pet Bio-Tech Company	Chairman	ET Pet Co., Ltd.	Representative: An-Hsiang Chen	700,000	70.00%
	Vice Chairman & General Manager	Pei-Zhong CHEN		92,800	9.28%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Director	ET Pet Co., Ltd.	Representative: Chia-Wei Lin	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: Fang-Cheng Su	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: Huang-Chi Liu	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: Shi-Heng Zhao	700,000	70.00%
	Director	Ying-Jun Ye		55,500	5.55%
	Supervisor	Yao-Tsu Shen		0	0
	Eastern Asset Co., Ltd.	Chairman	Eastern Media International Corporation	Representative: Shang-Wen Liao	71,500,000
Director		Eastern Media International Corporation	Representative: Shih-Jhih Chen	71,500,000	55.00%
Director		Eastern Media International Corporation	Representative: Kao-Ming Tsai	71,500,000	55.00%
Supervisor		Ying-Na Cheng		0	0

**F. Overview of operations of each affiliated company**

**December 31, 2022**

**Unit: NTD Thousand**

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit(loss)	Profit and loss after tax for the current period	Earnings(Loss) per share (NTD) (after tax)
FESS—Bermuda	18,426	364	81	283	0	( 560)	( 628)	(0.63)
FESS—Panama	2,201,907	1,463,109	136,284	1,326,825	0	( 88,303)	( 840,937)	(12,551.30)
Grand Scene Trading (Hong Kong) Ltd.	125,937	83,390	50	83,340	0	( 106 )	( 550)	(0.17)
Nanjing Yun Fu Trading Ltd.	45,794	4,025	40	3,985	0	( 257)	( 204 )	NA
Grand Scene Media Corporation (Cayman Anime)	138,195	85,677	50	85,627	0	( 316)	( 849 )	(1.89)
Eastern Media Communication (Hong Kong) Ltd.	1,125,080	49,842	290	49,552	0	( 579)	( 958 )	(0.03)
RICHNESS TRADING (SHANGHAI) CO.,LTD.	1,105,412	7,581	4,323	3,258	0	( 835)	( 790)	NA
GRAND RICHNESS TRADING (HONG KONG) LIMITED	638,532	59,369	950	58,419	0	( 4,015)	( 3,795)	( 0.23)
Far Eastern Investment Co., Ltd.	690,924	523,130	33,499	489,631	0	( 14,526)	(152,135)	(2.20)
Eastern International Lease Finance Co., Ltd.	756,750	622,795	77,026	545,769	6,405	( 2,106 )	( 61,248)	(0.81)
Tung Kai Lease Finance Co., Ltd.	759,750	639,471	20,235	619,236	2,393	( 656)	( 48,166)	(0.63)

ET New Media Holdings Co., Ltd.	600,000	2,079,743	2,731,703	( 651,960)	2,117,051	( 116,086)	( 259,331)	(4.32)
Dung Sen Shin Guang Yun Co., Ltd.	3,000	7,496	4,444	3,052	14,883	( 161)	( 148)	(1.39)
Dung Sen dian jing Yun Co., Ltd.(Note 1)	0	0	0	0	0	45	45	NA
Dung Sen shin wen Yun Co., Ltd. (Note 2)	0	0	0	0	0	( 266)	( 265)	NA
MOOD Internet Corporation Limited. (Note 4)	50,000	50,000	0	50,000	0	0	0	NA
ET Pet Co., Ltd.	700,000	1,968,708	1,904,658	64,050	1,242,813	( 63,218)	( 466,375)	( 22.55)
Oscar Pet Co., Ltd. (Note3)	0	0	0	0	779,304	9,935	( 926)	(0.13)
Pet Kingdom Co., Ltd. (Note3)	0	0	0	0	186,269	( 7,438)	( 8,573)	(1.99)
Kaou Sin Trading Co., Ltd. (Note3)	0	0	0	0	64,071	1,078	1,829	18.29
HER Hotels & Resorts Group Yilan (HER)	545,912	604,097	748,455	(144,358)	0	( 11,661)	( 218,948)	( 4.01)
Eastern Asset Co., Ltd.	1,300,000	2,800,994	1,514,027	1,286,967	0	( 11,847)	( 11,238)	( 0.11)
Dung Sen Min Diau Yun Co., Ltd.	5,000	4,858	3,064	1,794	6,251	( 3,107 )	( 3,118)	( 12.41)
Care Pet Bio-Tech Company	10,000	137,743	132,150	5,593	59,394	( 8,249)	( 4,407)	( 7.23)

Note 1: Dung sen dian jing yun was dissolved on June 22, 2022. The procedures of liquidation were finished on February 23, 2023. Therefore, the duration of income statements was from January 1,2022 to June 22,2022.

Note 2: Dung sen shin wen yun was dissolved on June 24, 2022. The procedures of liquidation were still in the progress. Therefore, the duration of income statements was from January 1,2022 to June 24,2022.

Note 3: Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, and ET Pet was the surviving company. Therefore, the duration of income statements was from January 1,2022 to October 30,2022.

Note 4: MOOD Internet Corporation Limited. was established on December 27, 2022; therefore, the company has not generated profit in 2022.

Note 5:

- (1) Foreign currency exchange rates are as follows: US Dollar/New Taiwan Dollar=1/30.71 (Balance Sheet) US Dollar/New Taiwan Dollar=1/29.8044 (Comprehensive income statement)
- (2) Foreign currency exchange rates are as follows: Hong Kong dollar/New Taiwan dollar=1/3.938 (Balance Sheet) Hong Kong dollar/New Taiwan dollar=1/3.8056 (Comprehensive income statement)
- (3) Foreign currency exchange rates are as follows: USD/HKD=1/7.7984 (Balance Sheet) USD/HKD=1/7.8317 (Comprehensive income statement)
- (4) Foreign currency exchange rates are as follows: HKD/RMB=1/0.8934 (Balance Sheet) HKD/RMB=1/0.8606 (Comprehensive income statement)
- (5) Foreign currency exchange rates are as follows: USD/RMB=1/6.9669 (Balance Sheet) USD/RMB=1/6.7402 (Comprehensive income statement)



### **8.1.2 Consolidated financial statements of related companies**

It is the same as the consolidated financial report of Eastern Media International's parent company and subsidiary company for 2021 which should be included in the compilation of parent company only. Therefore, it is not compiled separately. See consolidated financial report.

### **8.1.3 Relationship report**

Not applicable.

## **8.2 Circumstances of private placement of securities**

The implementation of privately placed securities in the most recent year and as of the date of publication of the annual report.

In 2021 and 2022 through the printing date of the annual report, the Company did not conduct private placement of securities.

## **8.3 Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report**

Status of holding or disposing of the Company's stocks by subsidiaries in 2021 and 2022 as of the publication date of the annual report: None.

## **8.4 Other necessary supplementary explanations**

In the most recent year and as of the printing date of the annual report, the occurrence of the matters that have a significant impact on shareholders' equity or securities prices as specified in Article 36 Paragraph 3, Item 2 of the Securities and Exchange Act: None.

**Eastern Media International Corporation**

Chairman Shang-Wen Liao

Appendix 1

**EASTERN MEDIA INTERNATIONAL  
CORPORATION AND SUBSIDIARIES**  
**Consolidated Financial Statements**

**With Independent Auditors' Report**  
**For the Years Ended December 31, 2022 and 2021**

**Address: 5F & 8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106,  
Taiwan**  
**Telephone: 886-2-27557565**

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the combined financial statements of Eastern Media International Corporation as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Eastern Media International Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Eastern Media International Corporation  
Chairman: Liao, Shang Wen  
Date: March 14, 2023

## Independent Auditors' Report

To the Board of Directors of Eastern Media International Corporation:

### Opinion

We have audited the consolidated financial statements of Eastern Media International Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2022 and 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the financial statements of partial companies, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 8.82% and 15.14% of consolidated total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituting 13.61% and 65.85% of consolidated total (loss) profit before tax for the years then ended December 31, 2022 and 2021, respectively.

Eastern Media International Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion with other matters paragraph and unqualified opinion with emphasis paragraph and other matter paragraph respectively.

## **Key Audit Matters**

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

### **1. Revenue recognition**

Please refer to Note 4q "Revenue recognition" for accounting policy related to revenue recognition, and Note 29 "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Group are the services of warehousing, media advertising, and pet merchandise sales. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: understanding the sales and collection cycle, and sampling to test the effectiveness of manual control and internal control. Additionally, we would perform test of detail on revenue; as well as perform sales cut off test on the periods before and after the balance sheet date by inspecting relevant documents of sales transactions to determine whether sales had been appropriately recognized.

### **2. Right-of-use assets impairment**

Please refer to Note 4n "Leases" and Note 4p "Impairment of non-financial assets" for accounting policy related to right-of-use assets impairment, and Note 17 "Right-of-use assets" to the consolidated financial statements.

Description of key audit matter:

The right-of-use assets of the Group constituted 41.38% of its consolidated assets. The assets mentioned above is likely to be influenced by the government policies and economic environments, which may result in the recoverability of the assets valued with discounted cash flow to be highly uncertain. Therefore, right-of-use assets impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we have performed the following audit procedures: evaluating the consistency of discounted cash flow and the future operating plans; the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.

### **3. The investments accounted of using equity method impairment**

Please refer to Note 4l "Investment in associates" and Note 4p "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 12 "investments accounted for using equity method" to the consolidated financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Group amounted to \$1,366,514 thousand, constituting 8.82% of its consolidated assets. The evaluation of the impairment on

December 31 is significant to the consolidated financial statements. There are risks that the assumption of the financial performance and cash flows related to the Group's associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: obtaining the information on which the management relied to make assumptions and evaluations for the report made by external expert; engaging evaluation experts to assess the appropriateness of the evaluation methods and assumptions used by them, including the discount rate and the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

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

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group 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 the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Shih Chin Chih and Hsin-Ting Huang.

KPMG  
Taipei, Taiwan (Republic of China)  
**March 14, 2023**

#### Notes to Readers

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (Notes 6 and 15)	\$ 1,914,254	12	\$ 1,761,806	11
1110 Current financial assets at fair value through profit or loss (Notes 7 and 37)	1,073,448	7	961,420	6
1151 Notes receivable, net (Notes 9 and 29)	40,204	-	49,092	-
1160 Notes receivable due from related parties, net (Notes 9, 29 and 36)	2,550	-	76,382	1
1170 Accounts receivable, net (Notes 9, 15 and 29)	415,014	4	417,572	3
1180 Accounts receivable due from related parties, net (Notes 9, 29 and 36)	34,270	-	29,065	-
1200 Other receivables, net (Notes 7, 10, 15 and 17)	122,683	1	85,626	1
1210 Other receivables due from related parties (Notes 10 and 36)	6,191	-	9,118	-
130X Inventories (Notes 11 and 15)	447,021	3	381,297	2
1400 Current biological assets, net	19,081	-	21,386	-
1410 Prepayments (Note 36)	99,992	1	61,316	-
1476 Other current financial assets (Notes 6 and 37)	38,055	-	52,440	-
1479 Other current assets, others (Note 15)	497	-	333	-
	<u>4,213,260</u>	<u>28</u>	<u>3,906,853</u>	<u>24</u>
<b>Non-current assets:</b>				
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,510	-	7,510	-
1550 Investments accounted for using equity method, net (Notes 12 and 37)	1,366,514	9	2,409,481	15
1600 Property, plant and equipment (Notes 15, 16, 35, 36 and 37)	2,620,318	17	1,764,631	11
1755 Right of use assets (Notes 15, 17 and 37)	6,412,380	41	6,303,591	40
1780 Intangible assets (Notes 15, 18, 35 and 36)	24,602	-	405,966	3
1840 Deferred tax assets (Notes 26)	201,581	1	446,453	3
1920 Refundable deposits (Note 37)	432,274	3	582,267	4
1940 Long-term notes and accounts receivable due from related parties (Notes 9, 29 and 36)	76,083	-	-	-
1980 Other non-current financial assets (Note 17 and 37)	133,040	1	25,272	-
1990 Other non-current assets, others (Notes 15 and 38)	9,321	-	67,783	-
	<u>11,283,623</u>	<u>72</u>	<u>12,012,954</u>	<u>76</u>
<b>Total assets</b>	<b><u>\$ 15,496,883</u></b>	<b><u>100</u></b>	<b><u>\$ 15,919,807</u></b>	<b><u>100</u></b>

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Balance Sheets (Cotn'd)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2022 (Audited)		December 31, 2021 (Audited)	
	Amount	%	Amount	%
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
2100 Short-term loans (Notes 15, 19, 35 and 37)	\$ 377,450	2	\$ 93,445	1
2110 Short-term notes and bills payable (Notes 20 and 35)	349,427	2	79,848	1
2130 Current contract liabilities (Notes 29 and 36)	42,123	-	32,238	-
2150 Notes payable (Notes 21 and 35)	173,161	1	190,461	1
2160 Notes payable due from related parties (Notes 21 and 36)	2,550	-	-	-
2170 Accounts payable (Note 15)	315,719	2	274,282	2
2180 Accounts payable due from related parties (Note 36)	65,537	-	9,097	-
2200 Other payables (Notes 15 and 35)	860,554	6	662,071	4
2220 Other payables due from related parties (Notes 36)	13,073	-	32,124	-
2230 Current tax liabilities	821	-	2,412	-
2280 Current lease liabilities (Notes 15 and 24)	1,083,123	7	1,066,678	7
2310 Advance receipts (Note 36)	1,664	-	6,891	-
2320 Long-term liabilities, current portion (Notes 22, 23, 35 and 37)	322,475	2	1,066,787	7
2399 Other current liabilities, others (Note 15)	31,521	-	29,627	-
	<u>3,639,198</u>	<u>22</u>	<u>3,545,961</u>	<u>23</u>
<b>Non-current liabilities:</b>				
2540 Long-term loans (Notes 22, 35 and 37)	2,322,573	16	331,125	2
2570 Deferred tax liabilities (Note 26)	-	-	525	-
2580 Non-current lease liabilities (Notes 15 and 24)	5,425,792	36	5,320,955	33
2610 Long-term notes and accounts payable (Note 23)	30,000	-	35,843	-
2640 Net defined benefit liability, non-current (Note 25)	1,799	-	20,976	-
2645 Guarantee deposits received (Note 15)	4,185	-	4,317	-
	<u>7,784,349</u>	<u>52</u>	<u>5,713,741</u>	<u>35</u>
<b>Total liabilities</b>	<u>11,423,547</u>	<u>74</u>	<u>9,259,702</u>	<u>58</u>
<b>Equity attributable to owners of parent (Note 27)</b>				
3100 Capital stock	4,760,554	31	5,289,504	33
3200 Capital surplus	15,992	-	16,243	-
3300 Retained earnings	( 1,098,138)	( 7)	1,284,545	8
3400 Other equity interest	( 144,353)	( 1)	( 346,609)	( 2)
Total equity attributable to owners of parent	<u>3,534,055</u>	<u>23</u>	<u>6,243,683</u>	<u>39</u>
36XX Non-controlling interests (Note 14)	539,281	3	416,422	3
<b>Total equity</b>	<u>4,073,336</u>	<u>26</u>	<u>6,660,105</u>	<u>42</u>
<b>Total liabilities and equity</b>	<u>\$ 15,496,883</u>	<u>100</u>	<u>\$ 15,919,807</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the years ended December 31			
	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (Notes 29 and 36)	\$ 5,949,064	100	\$ 5,511,919	100
5000 Operating costs (Notes 11, 25, 30 and 36)	4,030,778	68	3,843,658	70
<b>Gross profit from operations</b>	<b>1,918,286</b>	<b>32</b>	<b>1,668,261</b>	<b>30</b>
6000 Operating expenses (Notes 25, 30 and 36)	1,706,439	28	1,497,702	27
6450 Impairment loss determined in accordance with IFRS9 (Note 9)	1,018	-	13,437	-
<b>Net operating gain</b>	<b>210,829</b>	<b>4</b>	<b>157,122</b>	<b>3</b>
<b>Non-operating income and expenses:</b>				
7100 Interest income (Notes 31)	11,047	-	5,682	-
7010 Other income (Notes 7, 31 and 36)	248,048	4	346,482	6
7020 Other gains and losses, net (Notes 15, 16, 17, 18, 31 and 36)	( 1,520,758)	( 26)	( 42,655)	( 1)
7050 Finance costs (Notes 24, 31 and 36)	( 246,880)	( 4)	( 224,123)	( 4)
7060 Share of profit of associates accounted for using equity method (Note 12)	( 204,508)	( 3)	467,644	9
7900 <b>(Loss) profit before tax</b>	<b>( 1,502,222)</b>	<b>( 25)</b>	<b>710,152</b>	<b>13</b>
7950 <b>Less: tax expenses (income) (Note 26)</b>	<b>248,024</b>	<b>4</b>	<b>( 39,138)</b>	<b>( 1)</b>
<b>Net (loss) profit</b>	<b>( 1,750,246)</b>	<b>( 29)</b>	<b>749,290</b>	<b>14</b>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Losses on remeasurements of defined benefit plans	13,465	-	655	-
8316 Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	14	-
8320 Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	37,270	1	( 78)	-
8349 Less: Income tax related to components of other comprehensive that will not be reclassified subsequently	-	-	-	-
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>	<b>50,735</b>	<b>1</b>	<b>591</b>	<b>-</b>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	13,945	-	( 4,268)	-
8370 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	152,686	3	( 46,459)	( 1)
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Total other comprehensive income that will be reclassified to profit or loss</b>	<b>166,631</b>	<b>3</b>	<b>( 50,727)</b>	<b>( 1)</b>
8300 <b>Other comprehensive income, net of tax</b>	<b>217,366</b>	<b>4</b>	<b>( 50,136)</b>	<b>( 1)</b>
<b>Total comprehensive income</b>	<b>( \$ 1,532,880)</b>	<b>( 25)</b>	<b>\$ 699,154</b>	<b>13</b>

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income (Cont'd)**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
<b>(Loss) profit attributable to:</b>					
8610	Owners of parent	(\$ 1,655,102)	( 28)	\$ 745,493	14
8620	Non-controlling interests	( 95,144)	( 1)	3,797	-
		<b>(\$ 1,750,246)</b>	<b>( 29)</b>	<b>\$ 749,290</b>	<b>14</b>
<b>Comprehensive (loss) income attributable to:</b>					
	Owners of parent	(\$ 1,438,312)	( 24)	\$ 695,498	13
	Non-controlling interests	( 94,568)	( 1)	3,656	-
		<b>(\$ 1,532,880)</b>	<b>( 25)</b>	<b>\$ 699,154</b>	<b>13</b>
<b>(Loss) earnings per share (Unit: NTS) (Note 28)</b>					
9750	<b>Basic (loss) earnings per share</b>	<b>(\$ 3.29)</b>		<b>\$ 1.37</b>	
9850	<b>Diluted (loss) earnings per share</b>	<b>(\$ 3.29)</b>		<b>\$ 1.37</b>	

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
	Share capital					Total other equity interest				
						Retained earnings				
Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements			Total equity attributable to owners of parent	Non-control interests	Total equity
<b>Balance at January 1, 2021</b>	\$5,567,899	\$20,769	\$184,726	\$227,801	\$571,377	( \$ 292,290)	( \$ 3,666)	\$6,276,616	\$468,907	\$6,745,523
Profit for year ended December 31, 2021	-	-	-	-	745,493	-	-	745,493	3,797	749,290
Other comprehensive income, for the year ended December 31, 2021	-	-	-	-	603	( 50,620)	22	( 49,995)	( 141)	( 50,136)
<b>Total comprehensive income for the year ended December 31, 2021</b>	-	-	-	-	746,096	( 50,620)	22	695,498	3,656	699,154
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	54,042	-	( 54,042)	-	-	-	-	-
Special reserve appropriated	-	-	-	68,155	( 68,155)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	( 445,432)	-	-	( 445,432)	-	( 445,432)
Capital reduction	( 278,395)	-	-	-	-	-	-	( 278,395)	-	( 278,395)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	( 4,526)	-	-	( 78)	-	-	( 4,604)	( 40,118)	( 44,722)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	( 8,623)	( 8,623)
Loss of control over the subsidiary	-	-	-	-	55	-	( 55)	-	( 7,400)	( 7,400)
<b>Balance at December 31, 2021</b>	<b>\$5,289,504</b>	<b>\$16,243</b>	<b>\$238,768</b>	<b>\$295,956</b>	<b>\$749,821</b>	<b>( \$ 342,910)</b>	<b>( \$ 3,699)</b>	<b>\$6,243,683</b>	<b>\$416,422</b>	<b>\$6,660,105</b>

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity (Cotn'd)**  
**(In Thousands of New Taiwan Dollars)**

	Equity attributable to owners of parent													
	Share capital					Total other equity interest						Total equity attributable to owners of parent	Non-controlling interests	Total equity
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Retained earnings					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve										
<b>Balance at January 1, 2022</b>	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	( \$ 342,910)	( \$ 3,699)	-	-	\$ 6,243,683	\$ 416,422	\$ 6,660,105		
(Loss) profit for year ended December 31, 2022	-	-	-	-	( 1,655,102)	-	-	-	-	( 1,655,102)	( 95,144)	( 1,750,246)		
Other comprehensive income, for the year ended December 31, 2022	-	-	-	-	14,534	166,152	4,989	31,115	216,790	576	217,366			
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	( 1,640,568)	166,152	4,989	31,115	( 1,438,312)	( 94,568)	( 1,532,880)			
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	74,607	-	( 74,607)	-	-	-	-	-	-	-		
Special reserve appropriated	-	-	-	50,654	( 50,654)	-	-	-	-	-	-	-		
Cash dividends of ordinary share	-	-	-	-	( 528,950)	-	-	-	( 528,950)	-	( 528,950)			
Capital reduction	( 528,950)	-	-	-	-	-	-	-	( 528,950)	-	( 528,950)			
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	( 5,664)	-	-	-	( 5,664)	( 39,696)	( 45,360)			
Changes in subsidiaries	-	388	-	-	-	-	-	-	388	( 388)	-			
Changes in investments accounted for using equity method	-	-	-	-	( 207,501)	-	-	-	( 207,501)	( 3,312)	( 210,813)			
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	-	( 5,927)	( 5,927)			
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	266,750	266,750			
Others	-	( 639)	-	-	-	-	-	-	( 639)	-	( 639)			
<b>Balance at December 31, 2022</b>	<b>\$ 4,760,554</b>	<b>\$ 15,992</b>	<b>\$ 313,375</b>	<b>\$ 346,610</b>	<b>( \$ 1,758,123)</b>	<b>( \$ 176,758)</b>	<b>\$ 1,290</b>	<b>\$ 31,115</b>	<b>\$ 3,534,055</b>	<b>\$ 539,281</b>	<b>\$ 4,073,336</b>			

(Please see accompanying notes to the consolidated financial statements)

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows (used in) from operating activities:</b>		
<b>(Loss) profit before tax</b>	(\$ 1,502,222)	\$ 710,152
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,332,870	1,315,987
Amortization expense	30,220	40,401
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	257,234 (	40,997)
Interest expense	247,542	224,123
Interest income	( 11,047)	( 5,682)
Dividend income	( 66,154)	( 28,408)
Share of profit of associates and joint ventures accounted for using equity method	204,508 (	467,644)
(Gain) loss on disposal of property, plant and equipment	( 2,079)	4,722
Loss on disposal of investments	-	4,327
Impairment loss determined in accordance with IFRS9	1,018	13,765
Impairment loss on non-financial assets	1,222,110	95,699
Rent reductions listed as other income	( 78,668)	( 248,391)
Amounts from modification of lease contracts	( 696)	( 474)
Total adjustments to reconcile profit	<u>3,136,858</u>	<u>907,428</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets, net:</b>		
Increase in current financial assets at fair value through profit or loss	( 369,262)	( 538,812)
Decrease (increase) in notes receivable	83,245 (	8,000)
Decrease (increase) in accounts receivable	1,554 (	104,477)
Increase in accounts receivable due from related parties	( 5,205)	( 10,581)
(Increase) decrease in other receivable	( 7,571)	13,702
Increase in inventories	( 65,265)	( 59,321)
Decrease (increase) in biological assets	2,306 (	8,982)
(Increase) decrease in prepayments	( 38,354)	595
(Increase) decrease in other current assets	( 163)	458
Decrease in other operating assets	2,222	2,358
Total changes in operating assets, net	<u>( 396,493)</u>	<u>( 713,060)</u>
<b>Changes in operating liabilities, net:</b>		
Increase (decrease) in contract liabilities	9,885 (	2,405)
Decrease in notes payable	( 76,410)	( 34,394)
Increase in accounts payable	97,877	67,104
Increase in other payable	37,243	60,498
(Decrease) increase in advance receipts	( 5,227)	716
Increase in other current liabilities	5,226	6,001
Decrease in net defined benefit liability, non-current	( 2,028)	( 4,087)
Total changes in operating liabilities	<u>66,566</u>	<u>93,433</u>
Net changes in operating assets and liabilities	<u>( 329,927)</u>	<u>( 619,627)</u>
Total adjustments	<u>2,806,931</u>	<u>287,801</u>
<b>Cash inflow generated from operations</b>	<u>1,304,709</u>	<u>997,953</u>
Tax income refunded (paid)	4,767 (	16,006)
<b>Net cash inflow from operating activities</b>	<u>1,309,476</u>	<u>981,947</u>

(Please see accompanying notes to the consolidated financial statements)



**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows (Cotn'd)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) investing activities:</b>		
Net cash flow from acquisition of subsidiaries	(\$ 45,360)	(\$ 44,722)
Proceeds from disposal of subsidiaries	-	28,266
Acquisition of property, plant and equipment	( 958,014)	( 230,410)
Proceeds from disposal of property, plant and equipment	1,141	1,655
Decrease (increase) in refundable deposits	128,050	( 21,925)
Increase in other receivables	( 24,400)	-
Increase in long-term notes receivable due from related parties	( 76,510)	-
Decrease in long-term lease payments receivables	5,491	-
Acquisition of intangible assets	( 13,217)	( 11,026)
Increase in other financial assets	( 65,159)	( 15,744)
Increase in other non-current assets	( 3,736)	( 46,726)
Interest received	10,684	5,708
Dividends received	203,508	482,630
Net cash flows (used in) from investing activities	<u>( 837,522)</u>	<u>147,706</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	1,303,499	254,792
Decrease in short-term loans	( 1,019,494)	( 203,642)
Increase in short-term notes and bills payable	270,000	80,000
Increase in long-term loans	2,196,542	662,891
Decrease in long-term loans	( 948,418)	( 230,858)
(Decrease) increase in notes payable	( 21,851)	121,195
Decrease in guarantee deposits received	( 132)	( 289)
Payment of lease liabilities	( 1,127,582)	( 943,703)
Increase in long-term notes payable	92,663	26,470
Capital reduction	( 528,950)	( 278,395)
Issuance cash dividends	( 534,877)	( 454,055)
Interest paid	( 289,162)	( 250,833)
Changes in non-controlling interests	266,750	-
Net cash flows used in financing activities	<u>( 341,012)</u>	<u>( 1,216,427)</u>
Effect of exchange rate changes on cash and cash equivalents	21,506	( 7,073)
Net increase (decrease) in cash and cash equivalents	152,448	( 93,847)
Cash and cash equivalents at beginning of period	1,761,806	1,855,653
Cash and cash equivalents at end of period	<u><b>\$ 1,914,254</b></u>	<u><b>\$ 1,761,806</b></u>

(Please see accompanying notes to the consolidated financial statements)

## **EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

### **Notes To Consolidated Financial Statements**

**For The Years Ended December 31, 2022 And 2021**

**(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)**

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#### **1. Company history**

Eastern Media International Corporation (the “Company”) was established on May 14, 1975 to promote the private port silo business, and its warehouse officially opened in 1980 with the completion of its silo. In order to enhance the operating performance and expand the business scope, the Company merged with Grain Union Transport Ltd. on May 15, 1989. The Company’s shares listed on the Taiwan Stock Exchange, classified in the shipping category, on September 25, 1995. As the proportion of revenue from shipping has declined years by years, and the proportion of revenue from trading has increased to more than 50% of overall revenue, the Company’s stocks have changed classification to the retail sales category. The transfer was approved by the Taiwan Stock Exchange on July 1, 2014. In June 2019, the Group terminated all of the lease contracts of its shipping operations in advance. Since none of the operating segments owns more than 50% of overall revenue, the Company’s stocks have changed classification to other category, which was approved by the Taiwan Stock Exchange on June 1, 2021.

The Company's business development is mainly based on diversification. In addition to land development, grain trading and consumer product development and sales, the Company has diversified into new businesses such as cross-strait trade platform and multimedia shopping through its investment in subsidiaries since 2009.

The main businesses of the Company and its subsidiaries (the “Group”) include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities, selling pet food and supplies, providing pet beauty service, video advertising services and the production of related shows.

#### **2. Approval date and procedures of the consolidated financial statements**

The consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

#### **3. New standards, amendments and interpretations adopted**

- a. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
  - Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”
  - Annual Improvements to IFRS Standards 2018–2020
  - Amendments to IFRS 3 “Reference to the Conceptual Framework”
- b. The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for

annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and liabilities arising from a Single Transaction”

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 -Comparative Information”
- Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”

#### **4. Summary of significant accounting policies**

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRS endorsed by the FSC”).

b. Basis of consolidation

(a) Basis of preparation

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- (a-1) Financial instruments at fair value through profit or loss are measured at fair value;
- (a-2) Financial assets at fair value through other comprehensive income are measured at fair value;
- (a-3) The defined benefit liabilities (assets) are measured at the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4u,

(b) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

c. Basis of consolidation

(a) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non controlling interests, even if this results in the non controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(b) List of subsidiaries in the consolidated financial statements:

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	100.00%	100.00%	Note A

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	97.90%	Note A
The Company	Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	Investing activities	100.00%	100.00%	Note A (Note 6)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	Note A
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	Note A
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	Note A
The Company	Mohist Web Technology Co., Ltd. (MWT)	Application services	- %	- %	Note A (Note 3)
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	Note A
The Company	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	59.46%	- %	Note A (Note10)
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	Note B
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
ET New Media	Show Off Co., Ltd. (Show Off)	Video advertising service	- %	- %	Note C (Note 2)
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	26.43%	92.50%	Note B (Note 10)
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	Note C
ET New Media	Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	Amusementpark information leisure	100.00%	100.00%	Note C (Note 7)
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	Note C (Note 8)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen mu de tech)	Marketing, research and data collection	100.00%	100.00%	Note C
ET New Media	MOOD Internet Corporation Limited (MOOD)	Consulting management, market research and opinion poll	100.00%	- %	Note C (Note 11)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	- %	88.51%	Note C (Note 4 and 9)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	- %	100.00%	Note C (Note 4 and 9)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	- %	100.00%	Note C (Note 4 and 9)

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
ET Pet	Care Pet Bio-Tech Company (Care Pet Bio-Tech)	Pet food and supplies and providing pet beauty service	70.00 %	- %	Note C (Note 5)
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	Note C
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	Note C
FESS-Bermuda	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	8.77%	8.77%	Note C
Eastern Media Communication (Hong Kong)	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	91.23%	91.23%	Note C
RICHNESS TRADING (SHANGHAI)	Shanghai Rich Industry Ltd. (Shanghai Rich)	Producing and broadcasting TV programs, wholesale and retail groceries business	- %	- %	Note C (Note 1)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	Note C
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	Note C

Note A: The investee company is directly held over 50% by the Company

Note B: The investee company is directly held over 50% by the Group

Note C: The investee company is directly held over 50% by the Company's subsidiaries

Note 1: Shanghai Rich was liquidated on March 24, 2021.

Note 2: Show off was dissolved on July 30, 2020. The procedure of liquidation was finished on July 9, 2021.

Note 3: The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, MWT. The share transfer registration procedures were finished on May 28, 2021.

Note 4: ET Pet resolved on November 4, 2021 to acquire the rest interests of 20% in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082. Additionally, the interests in Oscar were acquired partially. The company acquired 8.51% and 11.49% of the interests in December, 2021 and January, 2022, respectively.

Note 5: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 6: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 7: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 8: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 9: On September 23, 2022, ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet would be the surviving company. The reference date of merger was on November 1, 2022.

Note 10: On December 6, 2022, the board of directors of the subsidiary, ET Pet, resolved a capital injection by cash with an investment amount of \$500,000, and the reference date would be on December 26, 2022. The Company participated in the cash capital injection by \$416,250, and would obtain shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.

Note 11: On December 13, 2022, the ET New Media's Board of Directors resolved to invest \$50,000 in MOOD with a 100% shareholding. The registration procedures had been completed on December 27, 2022.

(c) Subsidiaries excluded from the consolidated financial statements: None.

d. Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional

currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to fair value through other comprehensive income equity investment, which are recognized in other comprehensive income.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future. Exchange differences arising thereon form part of the net investment in the foreign operation and are recognized in other comprehensive income.

e. Classification of current and non current assets and liabilities

An asset is classified as current under one of the following criteria and all other assets are classified as non-current.

- (a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be realized within twelve months after the reporting period; or
- (d) The asset is cash or a 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (a) It is expected to be settled in the normal operating cycle;

- (b) It is held primarily for the purpose of trading;
- (c) It is due to be settled within twelve months after the reporting period; or
- (d) The Group does not have an unconditional right to defer settlement of 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 issuing equity instruments do not affect its classification.

Since the operating cycles of EILF and TKLF are more than one year, the classification of balance sheet accounts depends on whether their realization or settlement will be within or beyond one year from the balance sheet date.

f. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

g. Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(a) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a-1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any



loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(a-2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(a-3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(a-4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate

- profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(a-5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

(a-6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivable, other receivable, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date;

and  
· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' which is considered to be BBB or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;

- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

#### (a-7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

#### (b) Financial liabilities and equity instruments

##### (b-1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

##### (b-2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the

modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(b-3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

h. Program to be broadcast

The program to be broadcast is a video to be broadcast, a program to be broadcast, and a program to be produced. The videos to be broadcast and the programs to be broadcast are recognized at the original cost, and measured at the lower of unamortized cost and net realizable value. The programs to be produced are recognized on the base of actual input cost, and measured at the lower of cost and net realizable value.

i. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories and capitalized borrowing costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

j. Biological assets

Biological assets shall be measured at fair value, except when the fair value of the biological assets determined by the market cannot be obtained and the alternative estimate of fair value is unreliable, then the cost is measured by the accumulated depreciation. The cost of raising the cost and other related costs are capitalized in the current period, and the impairment test is carried out regularly every year, and the impairment loss is recognized for objective evidence of impairment.

k. Investment subsidiary

Goodwill is measured at the consideration transferred less the amounts of the identifiable assets acquired and liabilities assumed (generally at fair value) at the acquisition date. If the amount of net assets acquired and liabilities assumed exceeds the acquisition price, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed, and recognizes a gain for the excess.

All transaction costs relating to a business combination are recognized immediately as expenses when incurred, except for the issuance of debt or equity instruments.

The Group shall measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other non controlling interests are evaluated by their fair value or by another basis permitted by the IFRSs endorsed by the FSC.

The change in ownership of the subsidiaries not causing losing control, are recognized

as equity transaction. The Group recognizes directly in equity any difference between the carrying-amount of the investment and the fair value of the consideration paid or received.

## 1. Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

m. Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(b) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	5 ~ 55 years
Transportation equipment	3 ~ 5 years
Leasehold improvements	1 ~ 20 years
Miscellaneous equipment	1 ~ 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

n. Leases

At inception of a contract, the Group assesses whether a 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.

(a) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID 19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(b) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

o. Intangible assets

(a) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(b) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(c) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Trademark rights	2~3 years
Computer software	1~10 years

Copyright	3 years
Client rights	3~10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

p. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

q. Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Sale of goods

The Group is involved in TV shopping channels and E-commerce portal services, and sales of pet food and supplies and electronic tickets. Revenue can be reliably measured when the income is transferred, and future economic benefits are likely to be recognized as income when flowing into the company.

(b) Rending of services

The Group is involved in loading and unloading, warehousing, ticket system construction and integration services, and recognizes relevant revenue during the financial reporting period of providing labor services.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(c) Advertisement revenue

Advertising revenue is deducted from the agency commission and is recognized at the completion of the broadcast.

(d) Program authorization revenue

The program authorization revenue is recognized on an accrual basis based on the substance of the contract, or is recognized when the relevant program is delivered.

(e) Installment sales interest income

The Group engages in installment sales, wherein the amount exceeds the cash sales price, resulting in the difference to be recognized as unrealized interest income deducted to installment notes and accounts receivable, which interest is accounted for annually using the interest method over the installment period. The installment sales are transferred to the owner after the price has been fully paid.

r. Contract costs

Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

s. Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(b) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding

requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

t. Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses that are related to business combinations or recognized directly in equity or other comprehensive income all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for the following:

- (a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (c) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the

probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (b-1) the same taxable entity; or
  - (b-2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

u. Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

v. Earnings per share

The Group discloses the Company's basic and diluted earnings (loss) per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

w. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker

to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

- a. The Group is the single largest shareholder of an investee with less than 50% of the voting rights of it and concludes that the Group does not control but has significant influence over it.

It is stated in Note 12 that the Group is the single largest shareholder of EHS with 25.87% of the voting rights of the investee. Considering the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other shareholders and the voting patterns at previous shareholders' meetings, which indicate that other shareholders are not passive, the Group is not able to appoint more than half of the members of EHS's governing body. Therefore, the Group cannot direct the relevant activities of EHS and does not control EHS. Management of the Group considered the Group as exercising significant influence over EHS and; therefore, classified it as an associate of the Group.

It is stated in Note 12 that the Group is the single largest shareholder of Natural Beauty with 30% of the voting rights of the investee. After considering Natural Beauty is a listed company in Hong Kong, the independent executive directors and non-executive directors have the right to execute their own duty. Furthermore, the board of Natural Beauty directs the relevant activities, and none shareholder is able to appoint enough board members to direct the board's decision. Therefore, the Group cannot direct the relevant activities of Natural Beauty and does not control Natural Beauty. Management of the Group considered the Group as exercising significant influence over Natural Beauty and; therefore, classified it as an associate of the Group.

- b. Lease term

The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee. The Group reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 17 and 24.



Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID 19 pandemic:

a. The loss allowance of trade receivables

The Group has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 9.

b. Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 11 for further description of the valuation of inventories.

c. Impairment of investments accounted for using equity method

The Group immediately recognizes impairment losses on its net investment in an associate when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flows expected to be generated by the associate, including assumptions on the growth rate of revenue and profit and also takes into consideration market conditions and industry development when evaluating the appropriateness of the relevant assumptions. Please refer to Note 12 for further description of the valuation of the impairment of investments accounted for using equity method.

d. Impairment of property, plant and equipment, and right-of-use assets

In the process of evaluating the potential impairment, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to Note 16 and 17 for further description of the key assumptions used to determine the recoverable amount.

e. Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to Note 18 for further description of the impairment of goodwill.

f. Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions

and may have a material impact on the amount of the expense and the liability. Refer to Note 25 for further description of the actuarial assumptions and sensitivity analysis.

g. Revenue recognition

The Group records a refund liability using the expected value or the most likely amount for estimated future returns and other allowances in the same period the related revenue is recorded. Refund liability for estimated sales returns and other allowances is generally made and adjusted based on historical experience, market and economic conditions, and any other known factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and evolution of technology could result in significant adjustments to the estimation made.

h. Recognition of deferred tax assets

As of December 31, 2022 and 2021, the carrying amounts of deferred tax assets in relation to unused tax losses were \$201,581 and \$445,416, respectively. As of December 31, 2022 and 2021, no deferred tax assets have been recognized on tax losses of \$1,251,804 and \$1,292,410, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

The Group's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to the following notes for assumptions used in measuring fair value:

- (a) Note 16, Property, plant and equipment.
- (b) Note 32, Financial instruments.

**6. Cash and cash equivalents**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash on hand	\$ 16,418	\$ 15,410
Cash in banks	1,513,294	979,918
Cash equivalents	384,542	766,478
	<b><u>\$ 1,914,254</u></b>	<b><u>\$ 1,761,806</u></b>

- a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$3,900, and \$17,715 which

did not meet the definition of cash and cash equivalents, were classified as other current financial assets for December 31, 2022 and 2021, respectively.

- b. Please refer to Note 32 for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

**7. Financial assets at fair value through profit or loss**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	<u>\$ 1,073,448</u>	<u>\$ 961,420</u>
a. Please refer to Note 31 for the remeasurement of fair value.		
b. For the years ended December 31, 2022 and 2021, the dividends from financial assets designated as at fair value through profit or loss were \$63,346 and \$26,895, respectively.		
c. As of December 31, 2022 and 2021, the amount of \$1,733 and \$440 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received by the Group as of the reporting date.		
d. Please refer to Note 37 for the details of the financial assets at fair value through profit or loss pledged as collateral.		

**8. Financial assets at fair value through other comprehensive income**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity investments at fair value through other comprehensive income:		
Unlisted common shares domestic Company	<u>\$ 7,510</u>	<u>\$ 7,510</u>
a. Equity investments at fair value through other comprehensive income		

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

For the years ended December 31, 2022 and 2021, the Group recognized the dividends of \$2,808 and \$1,513 related to equity instruments measured at fair value through other comprehensive income, respectively.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2022 and 2021.

- b. For credit risk and market risk; please refer to Note 32 and 33.  
c. No financial assets mentioned above were pledged as collateral.

**9. Notes and accounts receivable (including related parties)**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable-generated from operation	\$ 5,143	\$ 5,785
Installment notes receivable	42,600	131,397
Accounts receivable	498,841	497,999
Long-term installment notes receivable	85,344	-
Less: Allowance for doubtful accounts	( 50,197)	( 52,019)
Unrealized interest revenue	( 13,610)	( 11,051)
	<u>\$ 568,121</u>	<u>\$ 572,111</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected

credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision in warehousing segment was determined as follows:

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<u>\$ 33,675</u>	-	<u>\$ -</u>

	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<u>\$ 16,065</u>	-	<u>\$ -</u>

The loss allowance provision in trading segment was determined as follows:

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 27,583	-	\$ -
More than 91 days past due	793	100%	793
	<u>\$ 28,376</u>		<u>\$ 793</u>

	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 20,328	-	\$ -
More than 91 days past due	782	100%	782
	<u>\$ 21,110</u>		<u>\$ 782</u>

The loss allowance provision in media segment was determined as follows:

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 380,863	0~0.25%	\$ 931
1 to 30 days past due	11,078	0~12.09%	1,340
31 to 60 days past due	3,386	0~28.14%	953
More than 91 days past due	2,180	100~100%	2,180
	<u>\$ 397,507</u>		<u>\$ 5,404</u>

	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 408,469	0~0.21%	\$ 855
1 to 30 days past due	10,071	0~11.39%	1,145
31 to 60 days past due	374	0~26.54%	99
61 to 90 days past due	36	0~78.62%	28
More than 91 days past due	1,745	100~100%	1,745
	<b>\$ 420,695</b>		<b>\$ 3,872</b>

The loss allowance provision in other segments was determined as follows:

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision(Note)</b>
Current	\$ 114,606	0.07~1.25%	\$ 1,429
More than 91 days past due	4	100~100%	4
	<b>\$ 114,610</b>		<b>\$ 1,433</b>

	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision(Note)</b>
Current	\$ 120,537	0~1.25%	\$ 537
More than 91 days past due	3	100~100%	3
	<b>\$ 120,540</b>		<b>\$ 540</b>

Note: As of December 31, 2022 and 2021, the receivables amounted to \$44,150 and \$45,720 were unrecoverable due to the financial difficulty of the customers. Therefore, the Group had recognized the allowance for doubtful accounts for all of its receivables.

The movement in the allowance for notes and accounts receivable was as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Balance on January 1	\$ 52,019	\$ 39,803
Recognition of impairment losses	1,018	13,437
Impairment losses reversed	( 1,570)	-
Amounts written off	( 1,270)	( 53)
Loss of control of the subsidiary	-	( 1,168)
Balance on December 31	<b>\$ 50,197</b>	<b>\$ 52,019</b>

No financial assets mentioned above were pledged as collateral.

**10. Other receivables and other notes receivable (including related parties)**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Other accounts receivable—loans to associates	\$ 54,400	\$ 30,000
Other accounts receivable—others	76,291	66,561
Less: Loss allowance	( 1,817)	( 1,817)
	<b>\$ 128,874</b>	<b>\$ 94,744</b>

- a. As of December 31, 2022 and 2021, there were no bills past due but not impaired of other receivables.
- b. For credit risk and market risk; please refer to Note 32 and 33.

## 11. Inventories

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Goods held for sale	\$ 414,248	\$ 329,335
Spare programs	-	15,264
Programs in progress	-	7,632
Raw materials and others (including fuel)	32,773	29,066
	<b>\$ 447,021</b>	<b>\$ 381,297</b>

- a. For the years ended December 31, 2021 due to the decrease in the net realizable value of inventories, the loss on inventory valuation the Group recognized was \$471.
- b. No inventories were pledged as collateral on December 31, 2022 and 2021, respectively.

## 12. Investments accounted for using equity method

- a. The Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,300,901	\$ 1,905,459
Eastern Home Shopping & Leisure Co., Ltd (EHS)	65,613	504,022
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-
	<b>\$ 1,366,514</b>	<b>\$ 2,409,481</b>

- b. Affiliates which are material to the Group consisted of the following:

<b>Affiliate Name</b>	<b>Within the Group Nature of Relationship</b>	<b>Main operating location</b>	<b>Proportion of shareholding and voting rights</b>	
			<b>December 31, 2022</b>	<b>December 31, 2021</b>
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	25.87%

### (a) Natural Beauty Bio-Technology Limited

Natural Beauty Bio-Technology Limited ("Natural Beauty") was one of the listing companies in Hong Kong Exchanges and Clearing Limited ("Hong Kong Exchange"). Its fair value is as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Fair value	<b>\$ 1,300,901</b>	<b>\$ 1,215,030</b>

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current assets	\$ 1,436,971	\$ 1,598,223
Non-current assets	1,998,172	1,703,915
Liabilities	( 1,082,343)	( 967,194)
Net assets	<b>\$ 2,352,800</b>	<b>\$ 2,334,944</b>
Net assets attributable to investee	<b>\$ 2,352,800</b>	<b>\$ 2,334,944</b>
	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue	<b>\$ 1,278,228</b>	<b>\$ 1,757,635</b>
Net (loss) income	( \$ 112,270)	\$ 127,059
Other comprehensive (loss) income	( 94,947)	62,804
Total comprehensive (loss) income	<b>( \$ 207,217)</b>	<b>\$ 189,863</b>
Comprehensive (loss) income attributable to investee	<b>( \$ 207,217)</b>	<b>\$ 189,863</b>
	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Share of net assets attributable to the Group of beginning balance	\$ 700,483	\$ 673,513
Comprehensive (loss) income attributable to the Group	( 62,165)	56,959
Dividends received from associates	( 6,826)	( 6,471)
Effect of exchange rate fluctuations	74,348	( 23,518)
Subtotal	705,840	700,483
Add: Goodwill	338,653	305,240
Trademark	306,062	275,864
Property, plant and equipment	500,046	465,145
Other intangible assets in useful life (e.g., memberships and patents, etc.)	163,180	169,415
Effect of exchange rate fluctuations	( 22,848)	( 706)
Less: adjustment for inventories	( 11,075)	( 9,982)
Impairment loss	( 678,957)	-
Book value of net assets attributable to the Group of ending balance	<b>\$ 1,300,901</b>	<b>\$ 1,905,459</b>

(b) Eastern Home Shopping & Leisure Co., Ltd.

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current assets	\$ 4,774,859	\$ 4,572,514
Non-current assets	6,196,361	7,635,401
Liabilities	( 10,709,994)	( 9,944,589)
Net assets	<b>\$ 261,226</b>	<b>\$ 2,263,326</b>
Non-controlling interests, attributable to investee	<b>\$ 7,584</b>	<b>\$ 314,919</b>
Net assets attributable to investee	<b>\$ 253,642</b>	<b>\$ 1,948,407</b>
	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue	<b>\$ 24,656,410</b>	<b>\$ 27,200,172</b>
Net income	( 528,777)	1,843,015
Other comprehensive loss	141,635	( 34,712)
Total comprehensive income	<b>( \$ 387,142)</b>	<b>\$ 1,808,303</b>
Comprehensive income (loss), attributable to non-controlling interests	<b>( \$ 16,903)</b>	<b>\$ 26,269</b>
Comprehensive income attributable to investee	<b>( \$ 370,239)</b>	<b>\$ 1,782,034</b>
	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Share of net assets attributable to the Group of beginning balance	504,022	491,228
Comprehensive income attributable to the Group	( 95,775)	460,985
Dividends received from associates	( 131,821)	( 448,191)
Changes in investments accounted for using equity method	( 210,813)	-
Share of net assets attributable to the Group of ending balance	<b>\$ 65,613</b>	<b>\$ 504,022</b>

- c. Nature Beauty had been continuously affected by the Covid-19 pandemic, leading to a decline in revenue in Taiwan and China. In addition, the escalating trade war between the US and China, which has evolved into a diplomatic war, has caused the Chinese economy to slow down and the possibility of a recession due to debt defaults and inflation in the real estate industry. Overall, the profitability of the investment could not compare to that at the time of acquisition. Therefore, the management of the Group carried out an impairment test for these investments, comparing the carrying amount of the investment with its recoverable amount. In determining the value in use of the investment, the Group estimated the present value of the cash flows arose from the operation of the invested company and from the ultimate disposal by using the discount rate 8.86%. Based on the assessment, the carrying amount of Natural Beauty was higher



than its recoverable amount. Therefore, the Group recognized impairment loss of \$678,957 in 2022.

- d. Please refer to Note 37 for the details of the investments accounted for using equity method pledged as collateral.

### 13. Acquire a subsidiary

- a. In order to enhance its market share and competitiveness in the pet industry, the consolidated subsidiary, ET Pet, resolved on November 4, 2021 to acquire the rest 20% interests in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082, making ET Pet hold 100% interests of these three companies. As of the reporting date, the transactions mentioned above were completed and the investment was fully paid. The acquisition was as follow:

Subsidiary	December 3, 2021			January 3, 2022		
	Investment amount	Shares/ Units	Proportion of shareholding	Investment amount	Shares/ Units	Proportion of shareholding
Oscar	\$ 33,586	518,300	8.51%	\$ 45,360	700,000	11.49%
Pet Kingdom	9,161	860,000	20%	-	-	- %
Kaou Sin	<u>1,975</u>	20,000	20%	<u>-</u>	-	- %
	<b><u>\$ 44,722</u></b>			<b><u>\$ 45,360</u></b>		

The influence on equity attributable to owners of parent was as follow:

	For the Year Ended December 31	
	2022	2021
Non-controlling interests carrying amount	\$ 38,574	\$ 39,205
Investment amount	( 45,360)	( 44,722)
Subtotal	( 6,786)	( 5,517)
Less: Changes in non-controlling interests	( 1,122)	( 913)
	<b><u>(\$ 5,664)</u></b>	<b><u>(\$ 4,604)</u></b>

Please refer to Note 27 for the details.

On September 23, 2022, ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet would be the surviving company. As these three companies were held 100% by ET Pet, there was no need to release new shares to merge. The capital of ET Pet still remained \$200,000. The reference date of merger would be on November 1, 2022

- b. On November 4, 2021, the board of directors of the consolidated subsidiary, EHR, resolved a capital injection by cash with an investment amount of \$200,000, and the reference date was on December 15, 2021. This capital injection was participated by the Company, EILF, TKLF and EIC in proportion to the shareholding ratio. The registration was completed on January 6, 2022.
- c. On March 16, 2022, the ET Pet's board of directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase of \$3,000 on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.
- d. On September 5, 2022, the board of directors of the consolidated subsidiary, Eastern Asset, resolved a capital injection by cash with an investment amount of \$400,000, and

- the reference date would be on October 7, 2022. This capital injection was participated by the Company and EHS in proportion to the shareholding ratio. The registration was completed on November 1, 2022.
- e. On August 2, 2022, the consolidated subsidiary, Dung sen shin quang yun, was approved to hold capital injection by cash with an investment amount of \$2,900, and the reference date was on September 1, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registration was completed on September 26, 2022.
- f. On August 4, 2022, the consolidated subsidiary, Dung sen shin quang yun, was approved to hold capital injection by cash with an investment amount of \$4,000, and the reference date was on August 15, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registration was completed on September 6, 2022.
- g. On December 6, 2022, the board of directors of the subsidiary, ET Pet, resolved a capital injection by cash with an investment amount of \$500,000, and the reference date would be on December 26, 2022. The Company participated in the cash capital injection by \$416,250, and obtained shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.
- h. On December 13, 2022, the ET New Media's board of directors resolved to invest \$50,000 in MOOD with 100% shareholding. The registration procedures had been completed on December 27, 2022.

#### 14. Material non-controlling interests of subsidiaries

Non-controlling interests of subsidiaries material to the Group are as follows:

Subsidiary name	Main operating location	Percentage of non-controlling interests	
		December 31, 2022	December 31, 2021
Eastern Asset	Taiwan	45.00%	45.00%

The following information of the aforementioned subsidiaries had been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information were the fair value adjustment and accounting policies adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

The financial information of Eastern Asset was as follows:

	December 31, 2022	December 31, 2021
Current assets	\$ 555,076	\$ 253,631
Non-current assets	2,245,918	1,542,669
Current liabilities	( 119,519)	( 5,390)
Non-current liabilities	( 1,394,508)	( 892,705)
Net assets	<b>\$ 1,286,967</b>	<b>\$ 898,205</b>

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue	\$ -	\$ -
Net loss	( \$ 11,238)	( \$ 1,366)
Other comprehensive income	-	-
Total comprehensive loss	<b>( \$ 11,238)</b>	<b>( \$ 1,366)</b>
Net cash flows used in operating activities	( \$ 45,772)	( \$ 7,477)
Net cash flows used in investing activities	( 575,658)	( 16,151)
Net cash flows used in financing activities	887,182	( 40,062)
Net increase (decrease) in cash and cash equivalents	<b>\$ 265,752</b>	<b>( \$ 63,690)</b>

## 15. Loss of control of subsidiaries

- a. The Group liquidated its subsidiaries, Shanghai Rich on March 24, 2021, and lost control over Shanghai Rich due to the disposal.
- b. The Company resolved on May 6, 2021 to dispose of the entire equity in the subsidiary, MWT with the price \$35,400. After deducting relevant fees \$106, the net price was fully received on May 10, 2021. The share transfer registration procedures were finished on May 28, 2021, and lost control over MWT since then. The loss on disposal of the investment was amounted to \$4,327. The unrealized losses on financial assets measured at fair value through other comprehensive income relating to MWT amounted to \$55 were also reclassified to retained earnings. Please refer to Note 18 for the details of transfer of goodwill generated from MWT.

The carrying amount of assets and liabilities of MWT on May 28, 2021, was as follows:

Cash and cash equivalents	\$ 7,028
Inventories	22,733
Accounts receivable and other accounts receivable	12,783
Other current assets	20,962
Property, plant and equipment	1,082
Right-of-uses assets	1,893
Other non-current assets	3,459
Short term loans	( 20,000)
Accounts payable and other accounts payable	( 5,664)
Current lease liabilities	( 645)
Other current liabilities	( 27,145)
Non-current lease liabilities	( 1,235)
Guarantee deposits received	( 149)
Carrying amount of net assets	<b>\$ 15,102</b>

- c. The Group liquidated its subsidiary, Show off on July 9, 2021, and lost control over it due to the liquidation.
- d. The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.
- e. ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

## 16. Property, plant and equipment

- a. The cost, depreciation, and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
<b>Cost or deemed cost:</b>								
<b>Balance on January 1, 2022</b>	\$ 596,742	\$ 1,024,259	\$ -	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Additions	29,236	88	-	1,437	143,865	906,652	51,482	1,132,760
Transfers	-	-	-	-	62,000	18,191	3,435	83,626
Disposals / Written-off	-	-	-	( 10,245)	( 70,311)	-	( 176,634)	( 257,190)
<b>Balance on December 31, 2022</b>	<b>\$ 625,978</b>	<b>\$ 1,024,347</b>	<b>\$ -</b>	<b>\$ 16,161</b>	<b>\$ 860,157</b>	<b>\$ 1,160,086</b>	<b>\$ 250,472</b>	<b>\$ 3,937,201</b>
<b>Balance on January 1, 2021</b>	\$ 596,742	\$ 1,024,477	\$ 3,674	\$ 41,326	\$ 502,263	\$ 163,714	\$ 347,381	\$ 2,679,577
Loss of control of the subsidiary	-	-	-	( 450)	-	-	( 5,084)	( 5,534)
Additions	-	678	-	1,277	132,504	73,593	68,946	276,998
Transfers	-	-	-	-	115,316	( 2,064)	839	114,091
Disposals	-	( 896)	( 3,674)	( 17,184)	( 25,480)	-	( 39,893)	( 87,127)
<b>Balance on December 31, 2021</b>	<b>\$ 596,742</b>	<b>\$ 1,024,259</b>	<b>\$ -</b>	<b>\$ 24,969</b>	<b>\$ 724,603</b>	<b>\$ 235,243</b>	<b>\$ 372,189</b>	<b>\$ 2,978,005</b>
<b>Depreciation and impairment loss:</b>								
<b>Balance on January 1, 2022</b>	\$ -	\$ 801,196	\$ -	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Depreciation	-	6,922	-	3,759	113,930	-	58,181	182,792
Transfers	-	-	-	-	-	-	-	-
Disposals / Written-off	-	-	-	( 9,580)	( 68,657)	-	( 176,557)	( 254,794)
Impairment loss	-	175,511	-	-	-	-	-	175,511
<b>Balance on December 31</b>	<b>\$ -</b>	<b>\$ 983,629</b>	<b>\$ -</b>	<b>\$ 8,797</b>	<b>\$ 217,140</b>	<b>\$ -</b>	<b>\$ 107,317</b>	<b>\$ 1,316,883</b>
<b>Balance on January 1, 2021</b>	\$ 5,740	\$ 654,298	\$ 3,674	\$ 27,380	\$ 105,579	\$ -	\$ 213,222	\$ 1,009,893
Loss of control of the subsidiary	-	-	-	( 450)	-	-	( 4,002)	( 4,452)
Depreciation	-	56,981	-	4,872	86,822	-	54,948	203,623
Transfers	-	-	-	-	-	-	( 13)	( 13)
Disposals	-	( 896)	( 3,674)	( 17,184)	( 20,534)	-	( 38,462)	( 80,750)
(Reversal of) Impairment loss	( 5,740)	90,813	-	-	-	-	-	85,073
<b>Balance on December 31</b>	<b>\$ -</b>	<b>\$ 801,196</b>	<b>\$ -</b>	<b>\$ 14,618</b>	<b>\$ 171,867</b>	<b>\$ -</b>	<b>\$ 225,693</b>	<b>\$ 1,213,374</b>
<b>Carrying amounts:</b>								
<b>December 31, 2022</b>	<b>\$ 625,978</b>	<b>\$ 40,718</b>	<b>\$ -</b>	<b>\$ 7,364</b>	<b>\$ 643,017</b>	<b>\$ 1,160,086</b>	<b>\$ 143,155</b>	<b>\$ 2,620,318</b>
<b>January 1, 2021</b>	<b>\$ 591,002</b>	<b>\$ 370,179</b>	<b>\$ -</b>	<b>\$ 13,946</b>	<b>\$ 396,684</b>	<b>\$ 163,714</b>	<b>\$ 134,159</b>	<b>\$ 1,669,684</b>
<b>December 31, 2021</b>	<b>\$ 596,742</b>	<b>\$ 223,063</b>	<b>\$ -</b>	<b>\$ 10,351</b>	<b>\$ 552,736</b>	<b>\$ 235,243</b>	<b>\$ 146,496</b>	<b>\$ 1,764,631</b>

- b. For the year ended December 31, 2021, the decrease in the Group's property, plant and equipment due to the loss of control over the subsidiary was described in Note 15.
- c. In March 2020, the Group signed a land rights contract with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-Owned Property Department of the Ministry of Finance in the form of land lease rights; and it has completed the establishment of land rights as of April 13, 2020. It is expected to be used for the construction of Eastern Media Group headquarters. The cost invested in the planning and construction is recognized under property, plant and equipment. In addition, please refer to Note 17 for the details of the lease of land rights.
- d. The subsidiary-EHR resolved to reconstruct its real estate in the extraordinary general meeting in 2021 and appointed Formosa international hotels corporation to manage resorts in Yilan. EHR recognized impairment loss of \$85,073 due to the reconstruction in 2021. During the period, the professional team carefully planned the construction project. However, as of December 2022, EHR had been unable to obtain a construction license. After reassessment, the company planned to submit a new application for reconstruction urban unsafe and old buildings. Due to the change in construction purpose, all of the basements of the building would need to be demolished. Therefore, EHR recognized impairment loss of \$175,511 as the same amount of the book value of the basements in 2022. Please refer to Note 31 for the details.

- e. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the interest expenses of loans during the planning and construction period will be capitalized. The interest rates were at 2.87%~3.14%. Details are as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expense on loans	<b>\$ 3,763</b>	<b>\$ -</b>

- f. The fair values of parts of the Group's land, and buildings on December 31, 2021 were measured by the third-level input value of the expert report of the real estate appraiser. The evaluation is based on a comprehensive consideration of the comparative method, the cost method and the land development analysis method. After the estimation, there was no indication of impairment in 2021.
- g. Please refer to Note 37 for the details of the property, plant and equipment pledged as collateral.

## 17. Right-of-use assets

- a. The cost, depreciation, and impairment loss of the land and equipment, buildings, media exhibition boards and transportation equipment of the Group were as follows:

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
<b>Right of use asset costs:</b>					
<b>Balance on January 1, 2022</b>	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Additions	97,027	428,526	959,467	1,049	1,486,069
Write off - lease modification	( 59)	( 56,348)	( 155,917)	-	( 212,324)
Write off - lease ending	-	( 174,121)	( 1,088,870)	-	( 1,262,991)
Write off - sublease	-	( 46,335)	-	-	( 46,335)
<b>Balance on December 31, 2022</b>	<b>\$ 5,330,416</b>	<b>\$ 1,396,176</b>	<b>\$ 2,514,947</b>	<b>\$ 6,681</b>	<b>\$ 9,248,220</b>
<b>Balance on January 1, 2021</b>	\$ 5,233,445	\$ 1,085,759	\$ 2,763,333	\$ 4,732	\$ 9,087,269
Loss of control of the subsidiary	-	( 992)	-	( 1,492)	( 2,484)
Additions	-	225,127	36,892	2,392	264,411
Write off - lease modification	3	( 34,058)	42	-	( 34,013)
Write off - lease ending	-	( 31,382)	-	-	( 31,382)
<b>Balance on December 31, 2021</b>	<b>\$ 5,233,448</b>	<b>\$ 1,244,454</b>	<b>\$ 2,800,267</b>	<b>\$ 5,632</b>	<b>\$ 9,283,801</b>
<b>Accumulated depreciation and impairment losses:</b>					
<b>Balance on January 1, 2022</b>	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Depreciation	228,301	226,911	716,176	2,143	1,173,531
Impairment loss	-	-	-	-	-
Write off - lease modification	-	( 34,619)	( 19,864)	-	( 54,483)
Write off - lease ending	-	( 174,121)	( 1,088,870)	-	( 1,262,991)
Write off - sublease	-	( 427)	-	-	( 427)
<b>Balance on December 31, 2022</b>	<b>\$ 896,993</b>	<b>\$ 480,408</b>	<b>\$ 1,454,498</b>	<b>\$ 3,941</b>	<b>\$ 2,835,840</b>

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
<b>Accumulated depreciation and impairment losses:</b>					
<b>Balance on January 1, 2021</b>	\$ 441,315	\$ 297,986	\$ 1,136,693	\$ 598	\$ 1,876,592
Loss of control of the subsidiary	-	( 83)	-	( 508)	( 591)
Depreciation	227,377	206,041	699,768	1,708	1,134,894
Impairment loss	-	-	10,595	-	10,595
Write off - lease modification	-	( 9,898)	-	-	( 9,898)
Write off - lease ending	-	( 31,382)	-	-	( 31,382)
<b>Balance on December 31, 2021</b>	<b>\$ 668,692</b>	<b>\$ 462,664</b>	<b>\$ 1,847,056</b>	<b>\$ 1,798</b>	<b>\$ 2,980,210</b>
<b>Carrying amounts:</b>					
<b>December 31, 2022</b>	<b>\$ 4,433,423</b>	<b>\$ 915,768</b>	<b>\$ 1,060,449</b>	<b>\$ 2,740</b>	<b>\$ 6,412,380</b>
<b>January 1, 2021</b>	<b>\$ 4,792,130</b>	<b>\$ 787,773</b>	<b>\$ 1,626,640</b>	<b>\$ 4,134</b>	<b>\$ 7,210,677</b>
<b>December 31, 2021</b>	<b>\$ 4,564,756</b>	<b>\$ 781,790</b>	<b>\$ 953,211</b>	<b>\$ 3,834</b>	<b>\$ 6,303,591</b>

b. In March 2020, Group subsidiary Eastern Asset cooperated with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-owned Property Administration on the “Linkou International Media Park Investment Promotion Project” and signed a contract to establish land usage rights. The duration of the land usage rights is 50 years from the date of registration of the land usage, and the land usage was set up on April 13, 2020. During the duration of the contract, Eastern Asset shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price.

Eastern Asset also signed an investment contract with the Economic Development Bureau of New Taipei City Government in March 2020. The main contents of the contract are as follows:

- (a) Development and operation period: 50 years from the date of establishment and registration of land usage rights.
  - (b) Development royalties: The total amount is \$200,000 under the right-of-use assets account.
  - (c) Operating royalties: Starting from the date of operation, the actual net operating income of each base for the year is multiplied by the percentage of operating royalties contained in the contract to the net operating income to calculate the actual operating royalties payable by each base.
  - (d) Performance bond: The performance bond has been paid according to the contract amounting to \$200,000 under the guarantee deposits paid account. However, on September 6, 2022, the guarantee deposits paid account was retrieved and replaced it with a joint performance bond issued by the bank also amounting to \$200,000.
- c. In May 2022, the Company signed a contract with the North District Office of the State-owned Property Administration to establish land usage rights. The duration of the land usage rights is 70 years from the date of registration, and the land usage was set up on May 3, 2022. In the duration of the contract, the Company shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price. While constructing the areas, the cost would be listed under property, plant and equipment. Please refer to Note 16 for the details
- d. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the

depreciation expenses of the right-of-use assets and the interest expenses of lease liabilities during the planning and construction period will be capitalized. The interest rates were at 2.75%~3.25%. Details are as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Right-of-use assets depreciation expense	<b>\$ 23,453</b>	<b>\$ 22,530</b>
Interest expense on lease liabilities	<b>\$ 24,555</b>	<b>\$ 24,009</b>

The above accounts are listed under property, plant and equipment. Please refer to Note 16 for details.

- e. In July, 2022, Care Pet Bio-Tech subleased its leasehold properties partially in financial leasing, and the initial investments were \$45,908. The durations of subleases were the same as the original leases. The maturity analysis of lease payments receivable under operating subleases was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Within 1 year	\$ 12,366	\$ -
1-3 years	19,185	-
3-5 years	10,613	-
More than 5 years	943	-
Total subleasing investment	43,107	-
Unearned finance income	( 2,689)	-
Lease payments receivables (current and non-current)	<b>\$ 40,418</b>	<b>\$ -</b>

For credit risk; please refer to Note 32.

- f. Impairment losses

The media segment was affected by the Covid-19 pandemic, which caused a decline in advertising business. The Group expects that the future cash inflow generated by outdoor advertising boards will decrease, causing its recoverable amount to be less than the book value of the right-of-use assets. Therefore, for the years ended December 31, 2021, the impairment loss recognized was \$10,595. The impairment loss has been included in the other gains and losses net of the consolidated comprehensive income statement; please refer to Note 31.

The recoverable amount of outdoor advertising boards is calculated based on the value in use, and the value in use in turn is calculated based on the pre-tax cash flow forecast of the financial forecast for the remaining lease period of the outdoor advertising boards. The discount rate used to estimate the value in use was 7.02%. The discount rate is a pre-tax rate measured on the basis of the estimated industry weighted average cost of capital, and the risk premium is adjusted to reflect the increased risk of general investment in equity and the specific systemic risk of cash-generating units.

The cash flow estimation is based on the financial budget of the remaining lease period of the outdoor advertising boards estimated by the management. The estimation of EBITDA during the financial budget period is based on past experience, actual operating results and future lease expiry dates. Considering the nature of the outdoor media business, the management believes that the aforementioned forecast period is reasonable. The relevant operating income is estimated based on past experience and actual operating conditions, taking into account the market environment and the growth of the industry market. It also estimates operating costs and expenses based on past experience and changes in various costs and expenses, and calculates the recoverable

amount using the pre-tax discount rate. The values of these key assumptions represent the management's assessment of the future trend of the outdoor media space operation business, while taking external and internal information (historical information) into account.

g. Please refer to Note 37 for the details of the right-of-use assets pledged as collateral.

## 19. Intangible assets

a. The cost, depreciation, and impairment loss of the Intangible assets of the Group were as follows:

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
<b>Cost:</b>						
<b>Balance on January 1, 2022</b>	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Additions	-	3,428	-	12,467	603	16,498
Disposal	( 79,165)	( 267,021)	( 73,169)	( 16,097)	( 13,563)	( 449,015)
<b>Based on December 31, 2022</b>	<b>\$ -</b>	<b>\$ 8,357</b>	<b>\$ -</b>	<b>\$ 58,979</b>	<b>\$ 6,629</b>	<b>\$ 73,965</b>
<b>Balance on January 1, 2021</b>	\$ 111,084	\$ 271,695	\$ 73,169	\$ 53,856	\$ 19,290	\$ 529,094
Additions	-	255	-	9,562	1,166	10,983
Disposal	-	-	-	( 809)	( 867)	( 1,676)
Loss of control of the subsidiary	( 31,919)	-	-	-	-	( 31,919)
<b>Based on December 31, 2021</b>	<b>\$ 79,165</b>	<b>\$ 271,950</b>	<b>\$ 73,169</b>	<b>\$ 62,609</b>	<b>\$ 19,589</b>	<b>\$ 506,482</b>
<b>Amortization and impairment loss:</b>						
<b>Balance on January 1, 2022</b>	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Amortization for the period	-	1,738	7,317	16,126	5,039	30,220
Disposal	( 79,165)	( 267,021)	( 73,169)	( 16,097)	( 13,563)	( 449,015)
Impairment loss	79,165	239,088	49,389	-	-	367,642
<b>Based on December 31, 2022</b>	<b>\$ -</b>	<b>\$ 5,500</b>	<b>\$ -</b>	<b>\$ 39,025</b>	<b>\$ 4,838</b>	<b>\$ 49,363</b>
<b>Balance on January 1, 2021</b>	\$ -	\$ 16,518	\$ 9,146	\$ 27,551	\$ 8,545	\$ 61,760
Amortization for the period	-	15,177	7,317	12,223	5,684	40,401
Disposal / Written-off	-	-	-	( 809)	( 867)	( 1,676)
Impairment loss	-	-	-	31	-	31
<b>Based on December 31, 2021</b>	<b>\$ -</b>	<b>\$ 31,695</b>	<b>\$ 16,463</b>	<b>\$ 38,996</b>	<b>\$ 13,362</b>	<b>\$ 100,516</b>
<b>Carrying amounts:</b>						
<b>December 31, 2022</b>	<b>\$ -</b>	<b>\$ 2,857</b>	<b>\$ -</b>	<b>\$ 19,954</b>	<b>\$ 1,791</b>	<b>\$ 24,602</b>
<b>January 1, 2021</b>	<b>\$ 111,084</b>	<b>\$ 255,177</b>	<b>\$ 64,023</b>	<b>\$ 26,305</b>	<b>\$ 10,745</b>	<b>\$ 467,334</b>
<b>December 31, 2021</b>	<b>\$ 79,165</b>	<b>\$ 240,255</b>	<b>\$ 56,706</b>	<b>\$ 23,613</b>	<b>\$ 6,227</b>	<b>\$ 405,966</b>

b. For the year ended December 31, 2021, due to the loss of control of the subsidiary, the goodwill decreased of \$31,919. Please refer to Note 15 for the details.

c. The allocation of goodwill was as follows:

	December 31 , 2022	December 31 , 2021
Retail business	\$ -	\$ 79,165

d. Trademark, Client rights, brand values and Supplier contracts

The Group measured the fair value of the net assets at acquisition date and evaluated the fair value and durability of intangible assets which were met the standard and significant. The identifiable intangible assets with determined durability would amortize since the acquisition year.

e. The impairment evaluation of goodwill

Goodwill had been allocated to the acquirer's identifiable cash generating units. The recoverable amount was based on its value in use, determined by pre tax cash flow forecasts of five-year financial budgets approved by the management.



The discount rate adopted by the management was a pre-tax rate that reflected the specific risks of the relevant operating departments.

On October 1, 2019, the goodwill, trademarks and client rights were generated due to the acquisition of Oscar, Pet Kingdom and Kaou Sin. The brands of the three companies remained to be used, but their revenue and profits did not meet expectations. In 2022, based on considerations of resource integration and long-term development, the original brands of pet stores were gradually replaced by "ET Pet". Afterwards, Oscar, Pet Kingdom and Kaou Sin were dissolved. Furthermore, the original brands would not be used in the future. Therefore, after evaluating the recoverable amount of related intangible assets, which was lower than their carrying amount, the Group recognized impairment loss of \$367,642 in 2022. Please refer to Note 31 for the details.

The recoverable amount was based on its value in use. In determining the value in use of the intangible assets, the management of ET Pet estimated the present value of pre tax cash flow forecasts of five-year financial budgets by using the discount rate 8.35% and growth rate 2%. The discount rate the management adopted was a pre tax measure reflecting specific risks of the relative operating divisions.

The management believed that any reasonable changes to key assumptions used for determining recoverable amount of each cash generating unit would not cause its carrying amount greater than the recoverable amount. The recoverable amount determined under aforesaid the key assumptions comparing with the carrying amount of the assets used for operation and the goodwill on the valuation date, ended up with no impairment loss should be recognized for the year ended December 31, 2021.

## 19. Short-term loans

Details of short-term loans of the Group were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Unsecured bank loans	\$ 2,450	\$ 49,500
Secured bank loans	375,000	43,945
Total	<b>\$ 377,450</b>	<b>\$ 93,445</b>
Unused credit lines	<b>\$ 1,614,550</b>	<b>\$ 1,666,607</b>

- a. For the year ended December 31, 2021, the reduction of short-term loans was due to the loss of control of the subsidiary. The information please refer to Note 15.
- b. Please refer to Note 37 for the details of the related assets pledged as collateral.
- c. Please refer to Note 21 for the details of the interest rates.

## 20. Short-term notes and bills

Details of short-term notes and bills of the Group were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
No guarantees to pay commercial promissory notes	\$ 350,000	\$ 80,000
Less: discount amount	( 573)	( 152)
Carrying amount	<b>\$ 349,427</b>	<b>\$ 79,848</b>
Unused credit lines	<b>\$ 300,000</b>	<b>\$ 330,000</b>

Please refer to Note 21 for the details of the interest rates.

**21. Notes payable ( including related parties)**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Generated from operation	\$ 11,163	\$ 4,539
Non-generated from operation	164,548	185,922
	<b>\$ 175,711</b>	<b>\$ 190,461</b>

- a. Notes payable which were not generated from operation were 12 periods of repayment checks issued to the leasing company. Since there were demands for short-term working capital of the Group, the Group signed loan contracts with leasing companies. The loaning duration was lasting for one year.
- b. The interest rates in short-term loans, short-term notes and bills and notes payable are 1.53%~3.25% and 2.00%~3.00% on December 31, 2022 and 2021, respectively.

**22. Long-term loans**

Details, conditions, and terms of long-term loans of the Group were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Unsecured loans	\$ 35,000	\$ 99,948
Secured bank loans	2,461,457	1,148,385
Less: Current portion	( 151,211)	( 910,549)
Fees	( 22,673)	( 6,659)
Total	<b>\$ 2,322,573</b>	<b>\$ 331,125</b>
Duration year	<b>112~126</b>	<b>111~118</b>
Unused credit lines	<b>\$ 4,742,567</b>	<b>\$ 4,453,609</b>

- a. Please refer to Note 23 for the details of the interest rates.
- b. Please refer to Note 37 for the details of the related assets pledged as collateral.

**23. Long term notes and accounts payable**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Generated from operation	\$ 17,300	\$ 99,302
Non-generated from operation	183,964	92,779
Less: Current portion	( 171,264)	( 156,238)
	<b>\$ 30,000</b>	<b>\$ 35,843</b>

- a. Long-term notes payable were 18 and 24 periods of repayment checks. Since there were demands for working capital of the Group, the Group signed installment purchase contracts.
- b. The interest rates in long-term loans and long-term notes and accounts payable are 2.43%~4.52% and 1.80%~3.94% on December 31, 2022 and 2021, respectively.

**24. Lease liabilities**

Book value of the Group's lease liabilities were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<b>\$ 1,083,123</b>	<b>\$ 1,066,678</b>
Non-current	<b>\$ 5,425,792</b>	<b>\$ 5,320,955</b>

For the maturity analysis, please refer to Note 32.

Lease amounts recognized as profit or loss were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<b>\$ 162,495</b>	<b>\$ 178,621</b>
Interest capitalized on lease liabilities	<b>\$ 24,555</b>	<b>\$ 24,009</b>
Variable lease payments not included in the measurement of lease liabilities	<b>\$ 33,254</b>	<b>\$ 31,681</b>
Expenses relating to short term leases	<b>\$ 323,381</b>	<b>\$ 295,301</b>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	<b>\$ 1,181</b>	<b>\$ 1,347</b>
Covid-19 related rent concessions recognized as other income	<b>( \$ 78,668)</b>	<b>( \$ 248,391)</b>

Lease amounts recognized in the Statements of Cash Flows were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<b>\$ 1,672,448</b>	<b>\$ 1,474,662</b>

- a. For the nine months ended September 30, 2021, the reduction of lease liabilities was due to the loss of control of the subsidiary. The information please refer to Note 15.
- b. For the years ended December 31, 2022 and 2021, newly added lease liabilities amounted to \$1,486,069 and \$264,411, respectively, and the interest rates were 2.75%~3.25%. Lease period ending dates extend from February 2023 to May 2092. However, for the years ended December 31, 2022 and 2021, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$158,537 and \$24,589, respectively. The information on modifications of the Group's lease contracts, please refer to Note 17 and 31.
- c. Leases of land and equipment, and buildings

As of December 31, 2022 and 2021, the Group leased land and buildings for its warehousing operations, office space and retail stores, and the land rights of the group headquarters. The leases of office space typically run for a period of 20 years, retail stores for 1 to 10 years, and land usage rights for 50 to 70 years. Some leases included an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group subleased its leasehold properties partially in financial leasing. Please refer to Note 17 for the details.

Some leases of office buildings contained extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

- d. Other leases

The Group leases outdoor advertising boards and transportation equipment with lease terms of three to five years. In some cases, the Group has options to extend lease terms at the end of the contract term.

The Group also leases IT equipment and machinery with contract terms of one to three

years. These leases are short-term or leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

## 25. Employee benefits

### a. Defined benefit plans

The Group determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Present value of defined benefit obligations	\$ 131,378	\$ 143,259
Fair value of plan asset	( 129,579)	( 122,283)
Net defined benefit liabilities	<u>\$ 1,799</u>	<u>\$ 20,976</u>

### (a) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$129,579 as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

### (b) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Defined benefit obligations on January 1	\$ 143,259	\$ 148,076
Current service cost and interest	2,360	1,903
Remeasurements of the net defined benefit liability:		
—Actuarial (losses) gains due to experience adjustments	( 3,948)	1,324
Benefits paid by the plan	( 6,981)	( 8,044)
Others	( 3,312)	-
Defined benefit obligations on December 31	<u>\$ 131,378</u>	<u>\$ 143,259</u>

(c) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value of plan assets on January 1	\$ 122,283	\$ 122,359
Interest revenue	784	232
Remeasurements of the net defined liability:		
—Return on plan assets (excluding interest for the period)	9,517	1,979
Contributions made from employer	3,582	5,757
Benefits paid by the plan	( 6,556)	( 8,044)
Refund	( 31)	-
Fair value of plan assets on December 31	<b>\$ 129,579</b>	<b>\$ 122,283</b>

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Service cost of the period	\$ 1,466	\$ 1,617
Net interest on net defined benefit liability	110	54
	<b>\$ 1,576</b>	<b>\$ 1,671</b>
Operating cost	\$ 1,095	\$ 1,011
General and administrative expense	481	660
	<b>\$ 1,576</b>	<b>\$ 1,671</b>

(e) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Discount rate	1.09%	0.61%~0.64%
Future salary increase	1.00%	0.50%~1.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$2,657.

The weighted-average lifetime of the defined benefits plans is 2 years.

The defined benefit plans were paid off partially in December 2022.

(f) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including employee turnover rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2022 and 2021, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	<b>Impact on present value of defined benefit obligations</b>	
	<b>Increase</b>	<b>Decrease</b>
December 31, 2022		
Discount of 0.50%	(\$ 1,112)	\$ 1,679
Future salary change of 0.50%	1,658	( 1,118)
December 31, 2021		
Discount of 0.50%	(\$ 1,813)	\$ 7,206
Future salary change of 0.50%	7,142	( 1,773)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variable may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

b. Defined contribution plans

The Group contributed 6% of the employees' monthly wages to the Labor Pension personal accounts at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group contributed a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

For the years ended December 31, 2022 and 2021, the Group contributed \$53,623 and \$55,116, respectively, under the pension plan to the Bureau of Labor Insurance.

**26. Income taxes**

a. The components of income tax (profit) for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current income tax expense		
Current period	\$ 2,008	( \$ 1,660)
Undistributed earnings additional tax	1,679	-
Adjustment for prior periods	( 10)	( 5,166)
	<u>3,677</u>	<u>( 6,826)</u>
Deferred tax expense		
Origination and reversal of temporary differences	244,347	( 32,312)
Income tax (profit) expense	<u>\$ 248,024</u>	<u>( \$ 39,138)</u>

The reconciliation of income tax (profit) and (loss) profit before tax was as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
(Loss) profit before tax	( \$ 1,502,222)	\$ 710,152
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	( 300,444)	142,030
Differences of income tax rate in foreign countries	( 19,239)	11,621
Investment gain or loss from domestic investment accounted for using equity method	40,902	93,529
Other adjustments in accordance with tax laws	237,823	( 292,004)
Prior years' adjustment	( 10)	( 5,166)
Undistributed earnings additional tax	1,679	-
Income basic tax	743	-
Deferred income taxes	286,570	10,852
<b>Total</b>	<b>\$ 248,024</b>	<b>( \$ 39,138)</b>

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Tax effect of deductible temporary differences	\$ 348,145	\$ 199,051
The carryforward of unused tax losses	1,251,804	1,292,410
	<b>\$ 1,599,949</b>	<b>\$ 1,491,461</b>

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

<b>Year of Occurrence</b>	<b>Remaining Creditable Amount</b>	<b>Year of Expiration</b>
2013	1,549,200	2023
2014	1,487,363	2024
2015	1,240,281	2025
2016	255,502	2026
2017	232,394	2027
2018	267,037	2028
2019	369,511	2029
2020	427,135	2030
2021	208,954	2031
2022	221,643	2032
	<b>\$ 6,259,020</b>	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021, were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred Tax Assets:		
Balance, January 1	\$ 446,453	\$ 414,169
Loss control	-	( 505)
Recognized in profit or loss	( 244,872)	32,789
Balance, December 31	<b>\$ 201,581</b>	<b>\$ 446,453</b>

For the years ended December 31, 2021, previously unrecognized tax losses of \$31,795 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred Tax Liabilities:		
Balance, January 1	\$ 525	\$ 48
Recognized in profit or loss	( 525)	477
Balance, December 31	<b>\$ -</b>	<b>\$ 525</b>

- c. The Company's tax returns for the years through 2020 were examined and approved by the tax authority.

## 27. Capital and other equity

### a. Ordinary shares

As of December 31, 2022 and 2021, the total value of nominal ordinary shares amounted to \$15,000,000 with a par value of \$10 (dollars) per share. The total number of shares was 476,055 and 528,950 thousand shares, respectively.

For increasing the return on equity, on March 23, 2022 and March 25, 2021, a resolution was passed in the Boardmeeting for the capital reduction with \$1(NT\$) and \$0.5(NT\$) per share, amounting to \$528,950 and \$278,395, cancelling 52,895 and 27,840 thousand ordinary shares, and passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction in 2022 was approved by the Taiwan Stock Exchange on June 30, 2022. On July 4, 2022, the Company's board of directs approved the reference date for capital reduction would be on July 5, 2022. The registration procedures were finished on July 14, 2022. The capital reduction in 2021 was approved by the Taiwan Stock Exchange on July 23, 2021. On July 27, 2021, the Company's board of directs approved the reference date for capital reduction would be on July 28, 2021. The registration procedures were finished on August 6, 2021. However, the Company resolved to make a capital reduction by \$1,758,123 with the ratio 36.93105921% on March 14, 2023. The resolution would be passed in the Boardmeeting on May 30, 2023. For further information, please refer to the Market Observation Post System.



b. Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Changes in equity of associates and subsidiaries accounted for using equity method	\$ -	\$ 639
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,992	15,604
	<b><u>\$ 15,992</u></b>	<b><u>\$ 16,243</u></b>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

c. Retained earnings

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

By choosing to apply exemptions granted under IFRS 1 First time Adoption of International Financial Reporting Standards during the Company's first-time adoption of the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission, unrealized revaluation gains recognized under shareholders' equity and cumulative translation adjustments (gains) shall be reclassified as investment property at the adoption date. In accordance with permit as issued by the Financial Supervisory Commission, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as a special earnings reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately.

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes in other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(c) Earnings distribution

The dividend policy of the Company takes into consideration the expenditures for its

business expansion, investment, and improvement of its financial structure. Dividend distributions should not be less than 15% of distributable earnings. The Company distributes dividends of at least 10% of the aggregated dividends, if the distributions include cash dividends. However, the Company may be exempt from dividend distribution if distributable profits per share is less than NT\$0.1. The policy requires that all after-tax earnings shall first offset any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the amount of issued share capital. Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve. If there is still surplus, and the undistributed surplus at the beginning of the same period (including adjustment of the amount of undistributed surplus), its distribution shall be prepared by the board of directors and approved by the shareholders' meeting.

If the profit, legal reserve, and capital surplus in the preceding paragraph are issued incash, they shall be authorized for distribution by resolution of board of directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting. When issuing new shares, this shall be handled by a resolution of the shareholders meeting in accordance with the regulations.

The appropriations of 2021 and 2020 earnings concerning cash dividends have been approved by the Company's board of directors on March 23, 2022 and March 25, 2021. The rest appropriations of 2021 and 2020 earnings were resolved by the shareholder's meeting on June 13, 2022 and July 7, 2021, respectively. The appropriations were as follows:

	Amount		Dividend per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 74,607	\$ 54,042	\$ -	\$ -
Special reserve	50,654	68,155	-	-
Cash dividends	528,950	445,432	1.0	0.8

On March 14, 2023, the Company's Board of Directors resolved to make a capital reduction, and would not distribute dividends this year for there was net loss in 2022. The capital reduction for 2022 would be passed in the Board meeting on May 30, 2023 (expected). For further information, please refer to the Market Observation Post System.

- (d) As the Group disposed its subsidiary—MWT on May 28, 2021, the unrealized losses on financial assets measured at fair value through other comprehensive income relating to MWT amounted to \$55 were also reclassified to retained earnings.
- (e) In 2022 and 2021, the Group's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$5,664 and \$4,604, respectively. In 2021, this transaction reduced capital surplus, difference between consideration and carrying-amount of subsidiaries acquired or disposed from \$4,526 to nil, and retained earnings of \$78. In 2022, it reduced retained earnings of \$5,664 directly. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$207,501.
- (f) In 2022, as the Group did not increase the capital of subsidiaries in proportion to the shareholding ratio, making differences between consideration and carrying-amount of subsidiaries. This incident increased (decreased) capital surplus by \$388 and \$(639), respectively

d. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2022	( \$ 342,910)	( \$ 3,699)	\$ -	( \$ 346,609)
Exchange differences on foreign operation	13,945	-	-	13,945
Change in other comprehensive income of associates accounted for using equity method	152,207	4,989	31,115	188,311
Balance on December 31, 2022	<b>( \$ 176,758)</b>	<b>\$ 1,290</b>	<b>\$ 31,115</b>	<b>( \$ 144,353)</b>

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2021	( \$ 292,290)	( \$ 3,666)	\$ -	( \$ 295,956)
Exchange differences on foreign operation	( 4,268)	-	-	( 4,268)
Change in other comprehensive income of associates accounted for using equity method	( 46,352)	15	-	( 46,337)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	7	-	7
Loss of control of the subsidiary	-	( 55)	-	( 55)
Balance on December 31, 2021	<b>( \$ 342,910)</b>	<b>( \$ 3,699)</b>	<b>\$ -</b>	<b>( \$ 346,609)</b>

28. (Loss) earnings per share

The basic (losses) earnings per share and diluted (losses) earnings per shares were calculated as follows:

	For the years ended December 31	
	2022	2021
<b>Basic (loss) earnings per share</b>		
Profit (loss) attributable to ordinary shareholders of the Company	( \$ 1,655,102)	\$ 745,493
The weighted average number of ordinary shares outstanding (thousand shares)	502,865	544,815
	<b>( \$ 3.29)</b>	<b>\$ 1.37</b>
<b>Diluted (loss) earnings per share</b>		
Profit (loss) attributable to ordinary shareholders of the Company	( \$ 1,655,102)	\$ 745,493
The weighted average number of ordinary shares outstanding (thousand shares)	502,865	544,815
Effect of dilutive potential ordinary shares:		
Employee stock bonus	178	925
Loss attributable to ordinary shareholders of the Company (weighted average number of ordinary shares (diluted) on December 31)	503,043	545,740
	<b>( \$ 3.29)</b>	<b>\$ 1.37</b>

## 29. Revenue from contracts with customers

### a. Details of revenue

	For the years ended December 31, 2022				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 2,136,959	\$ 10	\$ -	\$ 2,136,969
Media revenue	-	-	2,043,974	-	2,043,974
Loading and storage revenue	1,479,159	-	-	-	1,479,159
Other revenue	-	193,303	86,941	8,718	288,962
	<b>\$ 1,479,159</b>	<b>\$ 2,330,262</b>	<b>\$ 2,130,925</b>	<b>\$ 8,718</b>	<b>\$ 5,949,064</b>

	For the years ended December 31, 2021				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 1,910,361	\$ 24,526	\$ 18,162	\$ 1,953,049
Media revenue	-	-	1,866,720	-	1,866,720
Loading and storage revenue	1,369,908	-	-	-	1,369,908
Other revenue	-	189,525	106,855	25,862	322,242
	<b>\$ 1,369,908</b>	<b>\$ 2,099,886</b>	<b>\$ 1,998,101</b>	<b>\$ 44,024</b>	<b>\$ 5,511,919</b>

### b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	\$ 5,143	\$ 5,785	\$ 4,406
Installment notes receivable	42,600	131,397	121,735
Accounts receivable	498,841	497,999	395,034
Long-term installment notes receivable	85,344	-	-
Less: Allowance for doubtful accounts	( 50,197)	( 52,019)	( 39,803)
Unrealized interest revenue	( 13,610)	( 11,051)	( 7,856)
	<b>\$ 568,121</b>	<b>\$ 572,111</b>	<b>\$ 473,516</b>
Contract liability advertising services	\$ 28,626	\$ 26,134	\$ 32,912
Contract liability others	13,497	6,104	4,527
Total	<b>\$ 42,123</b>	<b>\$ 32,238</b>	<b>\$ 37,439</b>

- (a) Please refer to Note 9 for the details of accounts receivable and its impairment.
- (b) The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes.

## 30. Remuneration of employees

If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee compensation), then after deducting any accumulated loss, 3.5% of the balance shall be allocated as employee compensation and the amount allocated shall be used as the current year's expense. Employees' remuneration is based on stocks or cash, subject to a special resolution of the board of directors and reporting to the regular shareholders meeting.

Since there was net loss in 2022, no remuneration should be calculated.

The company's employee compensation for the years ended December 31, 2021 was \$25,402. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, multiplied by the percentage of remuneration to employees. These remunerations were expensed under operating costs or expenses during those periods. The differences between the actual distributed amounts, as determined by the board of directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to \$25,402 and \$11,637, respectively. The amounts of employees' and directors' remuneration, as stated in the consolidated financial statements, were identical to the actual distributions amounts for the years 2021 and 2020. For further information, please refer to the Market Observation Post System.

### 31. Non-operating income and expenses

#### a. Interest income

The details of interest income of the Group were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest income from bank deposits	\$ 10,044	\$ 5,474
Interest income from financial assets measured at amortized cost	253	183
Other interest income	750	25
	<b>\$ 11,047</b>	<b>\$ 5,682</b>

#### b. Other income

The details of other revenue of the Group were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental income	\$ 58,790	\$ 32,922
Dividend income	66,154	28,408
Liquidated damages	-	6,762
Other revenue (Note)	123,104	278,390
	<b>\$ 248,048</b>	<b>\$ 346,482</b>

Note: Other revenue includes rent reductions of the Group due to the Covid-19 pandemic. For the years ended December 31, 2022 and 2021, the amount was \$78,668 and \$248,391, respectively. Please refer to Note 24 for details.

c. Other gains and losses

The details of other gains and losses were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gain (loss) on disposal of property, plant, and equipment	\$ 2,079	( \$ 4,722)
Lease modification benefits (loss)	696	474
Foreign exchange (loss) gain	( 18,576)	3,149
Net (loss) gain on evaluation of financial assets at fair value through profit or loss	( 257,234)	40,997
Impairment loss on intangible assets	( 367,642)	( 31)
Impairment loss on right-of-use assets	-	( 10,595)
Impairment loss on investments accounted for using equity method	( 678,957)	-
Impairment loss on property, plant, and equipment	( 175,511)	( 85,073)
Expected credit loss	-	( 328)
Loss on disposal of investments	-	( 4,327)
Other income (loss)	( 25,613)	17,801
	<b>( \$ 1,520,758)</b>	<b>( \$ 42,655)</b>

d. Finance costs

The Group's finance costs were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expenses – lease liabilities	\$ 162,495	\$ 178,621
Interest expenses – bank loans	71,497	41,031
Finance expense	13,550	4,471
	<u>247,542</u>	<u>224,123</u>
Less: operating costs	( 662)	-
	<b><u>\$ 246,880</u></b>	<b><u>\$ 224,123</u></b>

## 32. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2022 and 2021, the maximum credit exposure for the Group originates from possible non-fulfillment of obligations by counterparties and from financial losses arising from financial guarantees provided by the Company, mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Group providing financial guarantees to its customers was \$3,302,085 and \$1,674,569.

(b) Concentration of credit risk

The Group caters to a large group of customers; therefore, there is no concentration of regional credit risk.

For credit risk exposure of notes and accounts receivable, please refer to Note 9.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4g.

The loss allowance provision for the years ended December 31, 2022 and 2021 were determined as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Other receivables</b>		
Balance on January 1	\$ 1,817	\$ 1,697
Impairment losses recognized	-	328
Amounts written-off	-	(208)
Balance on December 31	<b>\$ 1,817</b>	<b>\$ 1,817</b>

b. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting agreements.

	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Within 1 year</b>	<b>1-3 years</b>	<b>3-5 years</b>	<b>More than 5 years</b>
<b>December 31, 2022</b>						
Non derivative financial liabilities						
Loans	\$ 2,851,234	\$ 3,450,615	\$ 608,538	\$ 1,088,878	\$ 317,658	\$ 1,435,541
Short term notes and bills payable	349,427	350,000	350,000	-	-	-
Payables (current and non-current)	1,631,858	1,637,351	1,607,275	30,076	-	-
Lease liabilities (current and non-current)	6,508,915	8,237,273	1,259,897	1,394,785	934,006	4,648,585
Guarantee deposits received	4,185	4,185	-	4,185	-	-
	<b>\$ 11,345,619</b>	<b>\$ 13,679,424</b>	<b>\$ 3,825,710</b>	<b>\$ 2,517,924</b>	<b>\$ 1,251,664</b>	<b>\$ 6,084,126</b>
<b>December 31, 2021</b>						
Non derivative financial liabilities						
Loans	\$ 1,335,119	\$ 1,364,399	\$ 1,025,959	\$ 216,386	\$ 96,151	\$ 25,903
Short term notes and bills payable	79,848	80,000	80,000	-	-	-
Payables (current and non-current)	1,360,116	1,366,346	1,330,226	36,120	-	-
Lease liabilities (current and non-current)	6,387,633	8,183,871	1,239,320	1,298,719	780,626	4,865,206
Guarantee deposits received	4,317	4,317	-	4,317	-	-
	<b>\$ 9,167,033</b>	<b>\$ 10,998,933</b>	<b>\$ 3,675,505</b>	<b>\$ 1,555,542</b>	<b>\$ 876,777</b>	<b>\$ 4,891,109</b>

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

c. Exchange rate risk

(a) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
<b>Financial assets</b>						
<b>Monetary items</b>						
USD:TWD	\$ 149	30.712	\$ 4,575	\$ 293	27.680	\$ 8,105
USD:HKD	6,037	7.798	185,403	5,419	7.799	149,998
EUR:TWD	9	32.720	288	234	31.320	7,333
CNY:HKD	28	0.893	99	4,107	1.224	17,843
USD:CNY	42	6.967	1,288	42	6.372	1,187
EUR:HKD	1	8.309	48	117	8.825	3,674
<b>Non-monetary items</b>						
USD:TWD	43,214	30.712	1,327,108	72,523	27.680	2,007,438
HKD:TWD	14,835	3.938	58,419	15,832	3.549	56,187
CNY:HKD	1,578	0.893	6,958	1,787	1.224	7,765
HKD:USD	364,257	0.128	1,433,792	557,569	0.128	1,981,425
<b>Financial liabilities</b>						
<b>Monetary items</b>						
USD:TWD	\$ 5,757	30.712	\$ 176,807	\$ 6,395	27.680	\$ 177,015

(b) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net (loss) profit before tax would have respectively increased or decreased by \$149 and \$111 for the years ended December 31, 2022 and 2021, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the the years ended December 31, 2022 and 2021, foreign currency exchange (losses) gains (including realized and unrealized) amounted \$(18,576) and \$3,149, respectively.

d. Interest rate analysis

The interest risk exposure of the Group's financial assets and liabilities is described in the note on market risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities on the reporting date have been outstanding for the whole year. The Group's internal management reported the increases/decreases in interest rates, and changes in interest rates of one basis point are considered by management to be reasonably possible.

If the interest rate had increased or decreased by 1% and assuming all other variable factors remained constant, the Group's net (loss) profit after tax would have respectively increased or decreased by \$(10,297) and \$5,386 for the the years ended December 31, 2022 and 2021. This is mainly due to the Group's variable rate deposit and borrowing.

e. Other market price risk

Sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:



**For the years ended December 31**

<b>Price of securities at reporting date</b>	<b>2022</b>		<b>2021</b>	
	<b>Other comprehensive income after tax</b>	<b>Net income</b>	<b>Other comprehensive income after tax</b>	<b>Net income</b>
Increasing 3%	\$ 225	32,203	\$ 225	28,843
Decreasing 3%	( \$ 225)	( \$ 32,203)	( \$ 225)	( \$ 28,843)

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

<b>December 31, 2022</b>	<b>Book Value</b>	<b>Fair value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss					
	\$ 1,073,448	\$ 1,073,448	\$ -	\$ -	\$ 1,073,448
Financial assets at fair value through other comprehensive income					
	7,510	-	-	7,510	7,510
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 1,914,254				
Notes and accounts receivable (including related parties)	492,038				
Other receivables (including related parties)	128,874				
Other current financial assets	38,055				
Long-term notes and accounts payable (including related parties)	76,083				
Refundable deposits	432,274				
Other non-current financial assets	133,040				
Financial liabilities measured at amortized cost					
Short-term loans	377,450				
Short term notes and bills payable	349,427				
Notes and accounts payable (including related parties)	556,967				
Other payables (including related parties)	873,627				
Long-term loans (including current portion of long-term loans)	2,473,784				
Lease liabilities (current and non-current)	6,508,915				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	201,264				

December 31, 2022	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Guarantee deposits received	\$ 4,185				

December 31, 2021	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets					
mandatorily measured at fair value through profit or loss	\$ 961,420	\$ 961,420	\$ -	\$ -	\$ 961,420
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510	7,510
Financial assets measured at amortized cost					
Cash and cash equivalents	1,761,806				
Notes and accounts receivable (including related parties)	572,111				
Other receivables (including related parties)	94,744				
Other current financial assets	52,440				
Refundable deposits	582,267				
Other non-current financial assets	25,272				
Financial liabilities measured at amortized cost					
Short-term loans	93,445				
Short term notes and bills payable	79,848				
Notes and accounts payable (including related parties)	473,840				
Other payables (including related parties)	694,195				
Long-term loans (including current portion of long-term loans)	1,241,674				
Lease liabilities (current and non-current)	6,387,633				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	192,081				
Guarantee deposits received	4,317				

(b) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(b-1) Financial assets measured at amortized cost and financial liabilities measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted price are available, estimates shall be used. The estimates and assumptions used in the evaluation method

shall be the discounted value of cash flows to estimate the fair value.

(c) Valuation techniques for financial instruments measured at fair value

(c-1) Non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The fair value of listed (over-the-counter) equity instruments and debt instruments with quoted prices in active markets are based on quoted market prices on major exchanges and over-the-counter (OTC) central government bond marketplaces, which are judged to be popular securities.

A financial instrument is publicly quoted in an active market if quoted prices are readily and consistently available from exchanges, brokers, underwriters, industry associations, pricing services authorities, or regulatory authorities, and if those prices represent prices that are representative of actual and regularly occurring fair market activity. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, significant increases in bid-ask spreads, or low trading volume are indicators of an inactive market.

The fair values of the Group's financial assets and liabilities, such as shares, funds and bonds of listed companies, with standard terms and conditions and traded in active markets, are determined by reference to quoted market prices, respectively.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques or quoted prices with reference to counterparties.

(c-2) Derivative financial instruments

Derivative financial instruments are valued based on widely accepted valuation models, such as discounted and option pricing models. Structured interest rate derivative financial instruments are valued using an appropriate option pricing model (e.g., Black-Scholes model) or other valuation techniques, such as Monte Carlo simulation.

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(e) Reconciliation of Level 3 fair values

There was no change in fair value through other comprehensive income recognized for the years ended December 31, 2022 and 2021

(f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value are "Financial assets at fair value through other comprehensive income."

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> <li>• Price to book ratio multiple (1.29 and 1.97 as of December 31, 2022 and 2021, respectively)</li> <li>• Discount for lack of marketability (20%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the discount, the lower the fair value</li> </ul>
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>• Net Asset Value</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

- (g) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

		<u>Rate increasing or decreasing</u>	<u>Other comprehensive income</u>	
<u>Inputs</u>	<u>Favourable</u>		<u>Unfavourable</u>	
<b>December 31, 2022</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 124	(\$ 124)
Equity investments without an active market	Discount for lack of marketability	1%	124	( 124)
			<u>Other comprehensive income</u>	
<u>Inputs</u>	<u>Rate increasing or decreasing</u>	<u>Favourable</u>	<u>Unfavourable</u>	
<b>December 31, 2021</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 191	(\$ 191)
Equity investments without an active market	Discount for lack of marketability	1%	191	( 191)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

### 33. Financial risk management

#### a. Overview

The Group is exposed to the following risks due to usage of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note describes the Group's information concerning risk exposure and the Group's targets, policies and procedures to measure and manage the risks. For more quantitative information about the financial instruments, please refer to related notes to the financial statements.

b. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized the management of core business departments to develop and monitor the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

c. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from the Group's receivables from customers and financial instruments.

(a) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. For the year ended December 31, 2022, 10% of the Group's revenue was not concentrated with a single customer; therefore, there was no significant concentration of credit risk.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed periodically. The Group would not trade with clients who cannot meet the basic credit rating requirement through regular review.

The Group monitored customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk.

The Group has set up an allowance for impairment to reflect the estimate of

incurred losses with respect to trade receivables. The collectible status of the allowance for doubtful accounts is divided into five stages: normal, noticeable, recoverable, recoverable with difficulty, and uncollectible. The Group recognizes the balance of the accounts receivable as impairment loss.

(b) Investment

The credit risk exposure of the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the General Manager's office. The Group only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

(c) Guarantee

The Group's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2022 and 2021, no other guarantees were outstanding.

d. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2022 and 2021, the Group had unused bank credit lines for short term borrowings amounting to \$6,657,117 and \$6,450,216, respectively. According to the Group's evaluation, the working funds of the Group are sufficient to meet its entire contractual obligations and non hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. Equity investments recorded as financial assets carried at cost do not have reliable market prices and are expected to have liquidity risk.

e. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (TWD), US Dollar (USD), and Chinese Yuan (CNY). The currencies used in these transactions are the TWD, EUR, and USD.

Interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, and the main currency is the New Taiwan Dollar and US Dollar.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term

imbalances.

(b) Interest rate risk

The Group's interest rate risk is managed by maintaining an appropriate combination of fixed and floating interest rates. The Group periodically evaluates the hedging activities and makes the interest rate and risk preference consistent, so that the hedging strategies are most cost effective.

(c) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments since the management of the Group monitors and manages the equity investments by holding different investment portfolios. The Group's management will adjust the investment portfolios of stocks and bonds based on the market price. The significant components of the investment portfolios are individually managed.

### 34. Capital management

Based on current operating characteristics and future development of the Group and external environmental changes, the Group is planning for the need of operating usage, research and development expenses and dividend payment, the Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders, to safeguard the interests of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt to equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, other equity interest, and non controlling interests plus net debt.

As at December 31, 2022, the Group's capital management strategy is consistent with the prior year as at December 31, 2021, ensure financing at a reasonable cost. The Group's debt to equity ratios at the balance sheet dates were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 11,423,547	\$ 9,259,702
Less: cash and cash equivalents	( 1,914,254)	( 1,761,806)
Net debt	9,509,293	7,497,896
Total Equity	4,073,336	6,660,105
Total capital	<b>\$ 13,582,629</b>	<b>\$ 14,158,001</b>
Net Debt-to-equity ratio	<b>70.01%</b>	<b>52.96%</b>

As of December 31, 2022, the increase in the debt-to-equity ratio was due to the increase in loans.

### 35. Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment	\$ 1,132,760	\$ 276,998
Add: Notes payable January 1	706	2,752
Other payables January 1	38,584	36,489
Less: Interest and depreciation capitalization	( 51,771)	( 46,539)
Notes payable December 31	-	( 706)
Other payables December 31	( 162,265)	( 38,584)
Cash paid in this period	<b>\$ 958,014</b>	<b>\$ 230,410</b>
Acquisition of intangible assets	\$ 16,498	\$ 10,983
Add: Notes payable January 1	-	178
Other payables January 1	149	14
Other payables December 31	( 3,430)	( 149)
Cash paid in this period	<b>\$ 13,217</b>	<b>\$ 11,026</b>

The Group's financing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	January 1, 2022	Cash flows	Non-cash changes			December 31, 2022
			Discount	Loss of control	Amortization of financing use commitment fees	
Short term notes and bills payable	\$ 79,848	\$ 270,000	(\$ 421)	\$ -	\$ -	\$ 349,427
Long-term loans	1,241,674	1,248,124	-	-	(\$ 16,014)	2,473,784
Total	<b>\$ 1,321,522</b>	<b>\$ 1,518,124</b>	<b>(\$ 421)</b>	<b>\$ -</b>	<b>(\$ 16,014)</b>	<b>\$ 2,823,211</b>

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Discount	Loss of control	Amortization of financing use commitment fees	
Short term loans	\$ 62,295	\$ 51,150	\$ -	(\$ 20,000)	\$ -	\$ 93,445
Short term notes and bills payable	-	80,000	( 152)	-	-	79,848
Long-term loans	812,511	432,033	-	-	( 2,870)	1,241,674
Total	<b>\$ 874,806</b>	<b>\$ 563,183</b>	<b>(\$ 152)</b>	<b>(\$ 20,000)</b>	<b>(\$ 2,870)</b>	<b>\$ 1,414,967</b>

### 36. Related party transactions

#### a. Names and relationship with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Group</u>
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Strawberry Cosmetics Holdings Limited	An associate
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate
Happy Shopping CO., LTD.	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties (Note 3)
Enlighten Innovative Transformation Co., Ltd	Other related parties
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Eastern Realty Co., Ltd.	Other related parties



<u>Name of related party</u>	<u>Relationship with the Group</u>
Good pay Web Financial Technology Co., Ltd. (Good pay)	Other related parties (Note 1)
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
Quantum Entertainment Production Co., Ltd. (Quantum Entertainment)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Xing Kai Media Co., Ltd. (Xing Kai Media)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Taiwan Information and Communication Association	Other related parties
Chunghwa New Media Industry Development Association (Chunghwa New Media)	Other related parties
Dongsen Culture Foundation (Dongsen Culture)	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties (Note 2)
Xu Bon Development Co., Ltd. (Xu Bon)	Other related parties
Dongsen Health Biotechnology Co., Ltd. (Dongsen Health Biotechnology)	Other related parties
Dongsen wang hong Co., Ltd. (Dongsen wang hong)	Other related parties
Dongsen Social Welfare Foundation (Dongsen Social Welfare)	Other related parties
Sen Yue Chuan Bo Co., Ltd. (Sen Yue Chuan Bo)	Other related parties
FAR RICH INTERNATIONAL CORPORATION (FAR RICH)	Key management
All Directors, Supervisors, general manager and vice personnel general of the Group	Key management personnel (Note 2)

Note 1: Since May 28, 2021, due to the loss of control over MWT, it was not a related party.

Note 2: Since September 23, 2022, due to the merger of Oscar, Pet Kingdom and Kaou Sin, Huangjue and Fangcheng Su were not related parties.

Note 3: Since August 6, 2021, due to the liquidation of Taiwan Gift Card Co. Ltd., it was not a related party.

b. Significant transactions with related parties

(a) Sales of goods and services

The amounts of significant sales transactions between the Group and related parties were as follows:

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Associates	\$ 90,613	\$ 71,554
Other related parties	37,700	64,148
Key management	7,857	2,286
	<u>\$ 136,170</u>	<u>\$ 137,988</u>

The above revenues consist of program production revenue and project planning service revenue.

Transaction terms for the above are the same as those for ordinary transactions.

(b) Purchase of goods

(b-1) The amounts of significant purchase transactions between the Group and related parties were as follows:

	For the years ended December 31	
	2022	2021
Associates	\$ 1,564	\$ 22,935
Other related parties	76,000	91,804
	<u>\$ 77,564</u>	<u>\$ 114,739</u>

(b-2) The amount of programs production and other between the Group and related parties were as follows:

	For the years ended December 31	
	2022	2021
Associates	\$ 8,940	\$ 2,533
Other related parties	116,980	105,776
Key management	9,000	2,667
	<u>\$ 134,920</u>	<u>\$ 110,976</u>

Transaction terms for the above are the same as those for ordinary transactions.

(c) Receivables

Accounts	Related parties	December 31, 2022	December 31, 2021
Notes receivable	EIP	\$ -	\$ 76,382
Notes receivable	FAR RICH	2,550	-
Long-term accounts receivable	EIP	76,083	-
Accounts receivable	Associates	1,216	57
Accounts receivable	EHS	22,598	13,669
Accounts receivable	Natural Beauty	479	3,449
Accounts receivable	Other related parties	654	2,333
Accounts receivable	Xu Bon	8,675	-
Accounts receivable	Eastern E-Commerce	648	7,157
Accounts receivable	Key management	\$ -	\$ 2,400
Other receivables	Associates	39	-
Other receivables	EHS	5,532	6,339
Other receivables	Natural Beauty	579	1,804
Other receivables	Other related parties	41	575
Other receivables	Key management	-	400
		<u>\$ 119,094</u>	<u>\$ 114,565</u>

The Group took installment sale with EIP, and collecting installment notes receivable at an annual interest rate of 4.5% plus interest. In addition, the interest received by the Group was \$3,432 and \$3,139 for the years ended December 31, 2022 and 2021, respectively.

(d) Payables

<b>Accounts</b>	<b>Related parties</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Notes payable	FAR RICH	\$ 2,550	\$ -
Accounts payable	Associates	716	613
Accounts payable	Other related parties	95	157
Accounts payable	Xu Bon	49,473	252
Accounts payable	EIP	15,253	-
Accounts payable	Huangjue	-	5,275
Accounts payable	FAR RICH	-	2,800
Other payables	Associates	161	5
Other payables	EHS	11,983	2,539
Other payables	Other related parties	352	4,223
Other payables	Xu Bon	195	25,174
		<b>\$ 80,778</b>	<b>\$ 41,038</b>

(e) Prepayments, advance receipts and contract liabilities

Details of advance receipts / prepayments from related parties to the Group were as follows:

<b>Accounts</b>	<b>Related parties</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Accounts receivable	Associates	\$ -	\$ 255
Accounts receivable	Other related parties	6,150	180
		<b>\$ 6,150</b>	<b>\$ 435</b>

<b>Accounts</b>	<b>Related parties</b>	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Advance receipts	Quantum Entertainment	\$ -	\$ 4,114
Contract liabilities	Other related parties	-	2,401
		<b>\$ -</b>	<b>\$ 6,515</b>

(f) Borrowings from related parties

The amount of borrowing from related parties as of December 31, 2022 and 2021 was nil.

Interest expenses:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
EHS	\$ -	\$ 2,975

Interest which results from the unsecured borrowings by the Group from related parties would be calculated based on the average rates in the current year obtained from financial institutions. As of December 31, 2022 and 2021, the Group's interest payables were all nil, respectively.

(g) Endorsement / Guarantee provided

For the years ended December 31, 2022 and 2021 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$1,162 and \$531, respectively. As of December 31, 2022 and 2021, the Group's remuneration payable was amounted to \$382 and \$183, respectively.

(h) Leases

(h-1)The Group rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the years ended December 31, 2022 and 2021 were amounted to \$1,390 and \$711, respectively.

(h-2)As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the years ended December 31, 2022 and 2021 were amounted to \$3,061 and \$1,970, respectively.

(h-3)The Group leased right-of-use of office spaces and pet stores from its related party in August and December 2022, respectively. The lease terms of the two contracts were 2 years and 10 years, respectively; the rental is based on similar asset's market rental rates. The contract values were \$39,142 listed under right-of-use assets and lease liabilities. For the years ended December 31, 2022, the interest expenses of lease liabilities were \$227. As of December 31, 2022, the ending balance of lease liabilities was \$38,769.

(h-4)Transaction terms for the above are the same as those for ordinary transactions.

(i) Acquisition of property, plant and equipment

<b>Related parties</b>	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Other related parties	<b>\$ 179</b>	<b>\$ 267</b>

(j) Acquisition of intangible assets

<b>Related parties</b>	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Associates	<b>\$ 222</b>	<b>\$ 919</b>

(k) Other

(k-1)For the years ended December 31, 2022 and 2021, the Group paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$25,289 and \$8,312, respectively.

(k-2)In order to follow its operating plan, the Group donated \$5,700 and \$3,000 to related parties in related industries for the years ended December 31, 2022 and 2021, respectively.

(k-3)For the years ended December 31, 2022 and 2021, the Group received non-operating revenue from related parties amounted to \$4,680 and \$5,228, respectively.

(k-4)For the years ended December 31, 2022 and 2021, the Group paid non-operating expenses to related parties amounted \$25and \$52, respectively.

(k-5)In May 2021, the Group sold the shares of MWT at the net price \$35,294 and recognized loss on disposal of the investment amounted to \$4,327.

(k-6)In January 2022 and December 2021, the Group acquired the shares of Oscar, Pet kingdom and Kaou Sin at the prices \$45,360 and \$44,722, respectively. The transaction prices had been fully paid.

c. Key management personnel compensation

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<b>\$ 98,752</b>	<b>\$ 107,045</b>

### 37. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	December 31, 2022	December 31, 2021
Property, plant and equipment	Short-term and long-term loans	\$ 776,296	\$ 968,538
Investments accounted for using equity method	Long-term loans	1,321,177	155,809
Other current financial assets-demand deposits	Reserve and its interest	34,134	31,285
Other current financial assets-demand deposits	Letter of credit	-	1,198
Other current financial assets-demand deposits	Security for issuance of travel vouchers at travel fair	-	2,242
Refundable deposits	Bid bonds, performance bonds and security deposits	373,432	530,026
Other non-current financial assets - reserve account	Deposit in long-term loans	103,875	25,272
Investments accounted for using equity method for subsidiary (Note)	Long-term loans	-	45,053
Current financial assets at fair value through profit or loss	Short-term loans	543,235	-
Right-of-use asstes	Long-term loans	1,161,287	-
		<u>\$ 4,313,436</u>	<u>\$ 1,759,423</u>

Note: The investments accounted for using equity method for subsidiary's stocks have been written off in the preparation of consolidated financial statement.

### 38. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Unused standby letters of credit	<u>\$ -</u>	<u>\$ 8,954</u>

(b) The Company and its subsidiary-EHR had signed contracts relating to manage resorts in Yilan and Linkuo, and also had signed services agreements relating to the hotel's business and authorization with Formosa international hotels corporation. The Company and EHR should pay expenses proportionally while the services provided by Formosa international hotels corporation achieve the standards as the contracts recorded.

(c) Unrecognized contractual commitments:

The Group's unrecognized contractual commitments are as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total contract price	<u>\$ 3,687,320</u>	<u>\$ 616,332</u>
Accounted amount	<u>\$ 968,876</u>	<u>\$ 340,053</u>

b. Contingent liabilities were as follows:

(a) On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. (both are subsidiaries of the Company). The SFIPC also demanded the compensation of \$41,038. The Taipei District Court ruled that the Company violated the Commercial Company Act. However, both the ex-chairman and the general manager were acquitted, and not only did the Company did not bear any losses from the said transaction above, but on the contrary, it gained a profit amounting to \$6,894, plus an additional 5% interest arising from the delayed payment amounting to \$6,884 with a total amount around \$13,000. In other words, the transaction did not do any damage to the Company and its shareholders. As a result, the appeal filed against the Company was denied by the Taipei District Court on December 5, 2012. However, the SFIPC was not satisfied with the decision made by the court. Therefore, it filed another appeal, this time with the Taiwan High Court, demanding compensation amounting to \$22,664. The appeal was denied on December 3, 2013. Nevertheless, the SFIPC filed an appeal once more with the Taiwan High Court on December 24, 2013. The case was transferred from the Supreme Court to the High Court on April 23, 2015, for further investigation. On May 10, 2017, the Taiwan High Court ruled against SFIPC. Therefore, SFIPC filed an appeal to the Supreme Court on June 6, 2017. On February 23, 2021, the Taiwan High Court still ruled against SFIPC. However, SFIPC filed an appeal and the Supreme Court retimed to the High Court for a third trial. Currently, the arbitration process is still in progress and the results have yet to be determined.

(b) The Company and its subsidiary, FESS Panama, jointly chartered and returned the ship to South Korea's Sammok Shipping Co., Ltd. (hereinafter referred to as Sammok) at Kaohsiung Port in accordance with the contract signed on August 10, 2018. Sammok

believed that the ship still has many defects due to its usual operation and negligence of maintenance; hence, submitted arbitration to the London Maritime Arbitration Association. The Company also filed a statement of defense to the arbitral tribunal in July 2019. Currently, the arbitration process is still in progress and the results have yet to be determined.

(c) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2022 and 2021, all unsettled lawsuits had no impact on its financial and business operation.

**39. Losses Due to Major Disasters: None.**

**40. Subsequent Events:**

a. On March 14, 2023, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 27 for the details.

**41. Other**

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the years ended December 31		
	2022		
By nature	Operating cost	Operating expense	Total
<b>Employee benefits</b>			
Salary	\$ 626,407	\$ 791,662	\$ 1,418,069
Health and labor insurance	60,792	60,282	121,074
Pension	28,910	26,289	55,199
Remuneration of directors	-	30,650	30,650
Others	11,307	12,435	23,742
Depreciation expense	1,006,936	325,934	1,332,870
Amortization expense	14,381	15,839	30,220

By function	For the years ended December 31		
	2021		
By nature	Operating cost	Operating expense	Total
<b>Employee benefits</b>			
Salary	\$ 645,992	\$ 699,059	\$ 1,345,051
Health and labor insurance	61,320	56,614	117,934
Pension	29,387	27,400	56,787
Remuneration of directors	-	34,997	34,997
Others	9,559	12,252	21,811
Depreciation expense	976,784	339,203	1,315,987
Amortization expense	14,169	26,232	40,401

## 42. Other disclosures

### a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the years ended December 31, 2022.

- (a) Please refer to Table 1 for the loans to other parties.
- (b) Please refer to Table 2 for the guarantees and endorsements for other parties.
- (c) Please refer to Table 3 for the securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures).
- (d) The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None
- (e) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- (f) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- (g) Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: None.
- (h) Please refer to Table 4 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.
- (i) Trading in derivative instruments: None.
- (j) Please refer to Table 5 for the business relationships and significant intercompany transactions.

### b. Information on investees

Please refer to Table 6 for the information on investees for the years ended December 31, 2022.

### c. Information on investment in Mainland China

- (a) Please refer to Table 7 for the relevant information such as the name and main business items of the investee company in Mainland China.
- (b) Please refer to Table 7 for the limitation on investment in Mainland China
- (c) Please refer to Table 7 for the significant transactions with investee companies in Mainland China.

### d. Major shareholders

Please refer to Table 8 for the major shareholders for the years ended December 31, 2022.

## 43. Segment information

### a. General Information

The Group's reportable segments are warehousing, trading, media, and tourism. The warehousing segment operates a cargo storage business; the trading segment operates a retail business; the media segment operates a channel agency and advertising business; the tourism segment operates a hotel and catering business.

### b. Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliation

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gain or losses, because taxation, extraordinary activity, and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

Except for the recognition and measurement of pension cost, which is on a cash basis, there was no material inconsistency between the accounting policies of the operating segments and the accounting policies described in Note 4. The intercompany transaction price was the same



as that with other customers, and the price was based on the market value.

The Group's operating segment information and reconciliation are as follows:

	<b>For the year ended December 31, 2022</b>					
	<b>Warehousing</b>	<b>Trading</b>	<b>Media</b>	<b>Tourism</b>	<b>Others</b>	<b>Total</b>
<b>Revenue:</b>						
Revenue from external customers	\$1,479,159	\$2,330,262	\$2,130,925	-	\$ 8,718	\$5,949,064
Interest revenue	-	958	1,137	534	8,418	11,047
Total revenue	<b>\$1,479,159</b>	<b>\$2,331,220</b>	<b>\$2,132,062</b>	<b>\$ 534</b>	<b>\$ 17,136</b>	<b>\$5,960,111</b>
Interest expense	106,047	49,284	41,111	32,222	18,878	247,542
Depreciation and amortization	266,434	274,691	773,517	5,100	43,348	1,363,090
Share of profit of associates and joint ventures accounted for using equity method	-	( 130,333)	-	-	( 74,175)	( 204,508)
Material non-monetary item: Impairment losses	-	367,642	-	175,511	678,957	1,222,110
<b>Reportable segment profit or loss before tax</b>	<b>461,948</b>	<b>( 600,519)</b>	<b>( 53,579)</b>	<b>( 233,397)</b>	<b>( 1,076,675)</b>	<b>( 1,502,222)</b>
	<b>For the year ended December 31, 2021</b>					
	<b>Warehousing</b>	<b>Trading</b>	<b>Media</b>	<b>Tourism</b>	<b>Others</b>	<b>Total</b>
<b>Revenue:</b>						
Revenue from external customers	\$1,369,908	\$2,099,886	\$1,998,101	-	\$ 44,024	\$5,511,919
Interest revenue	-	132	710	25	4,815	5,682
Total revenue	<b>\$1,369,908</b>	<b>\$2,100,018</b>	<b>\$1,998,811</b>	<b>\$ 25</b>	<b>\$ 48,839</b>	<b>\$5,517,601</b>
Interest expense	110,918	39,711	50,547	21,173	1,774	224,123
Depreciation and amortization	245,399	247,224	793,248	53,812	16,705	1,356,388
Share of profit of associates and joint ventures accounted for using equity method	-	460,360	-	-	7,284	467,644
Material non-monetary item: Impairment losses	-	-	10,595	85,104	-	95,699
<b>Reportable segment profit or loss before tax</b>	<b>\$ 364,442</b>	<b>\$ 412,368</b>	<b>\$ 62,433</b>	<b>( \$ 182,630)</b>	<b>\$ 53,539</b>	<b>\$ 710,152</b>

Information on the Group's reportable segment assets and liabilities were not provided to the chief operating decision maker, so the related information is not disclosed.

c. Information about products and services

Information on the Group's reportable segments (excluding discontinued operation amount) is classified by different products and services, and the relevant information is disclosed in the revenue from external customers. Therefore, the Group would not make any additional disclosure regarding the revenue from external customers by products and services.

d. Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

<b>Region</b>	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>External revenue:</b>		
Taiwan	\$ 5,949,064	\$ 5,505,284
China	-	6,635
	<b>\$ 5,949,064</b>	<b>\$ 5,511,919</b>
<b>Non-current assets</b>		
Taiwan	<b>\$ 9,066,621</b>	<b>\$ 8,541,971</b>

Non current assets include property, plant and equipment, intangible assets, right of use assets, and other non current assets, excluding financial instruments, deferred tax assets and pension fund assets.

e. Information about major customers

The Group does not concentrate on a single customer; therefore, there is no need to disclose any information.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Loans to other parties**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

Table 1

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	ET New Media	Other receivables - related parties	Yes	\$ 600,000	\$ 600,000	\$ 260,000	3~3.25	2	-	Operation requirements	-	-	-	\$ 1,413,622 (Note 2)	\$ 2,120,433 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	100,000	100,000	48,000	3.25	2	-	"	-	-	-	1,413,622 (Note 2)	2,120,433 (Note 2)
0	"	ET Pet	"	Yes	100,000	100,000	-	3~3.25	2	-	"	-	-	-	1,413,622 (Note 2)	2,120,433 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	170,000	100,000	3~3.25	2	-	"	-	-	-	195,852 (Note 3)	293,778 (Note 3)
1	"	EHR	"	Yes	50,000	-	-	3~3.25	2	-	"	-	-	-	195,852 (Note 3)	293,778 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	10,000	-	3.25	2	-	"	-	-	-	195,852 (Note 3)	293,778 (Note 3)
2	TKLF	ET New Media	"	Yes	200,000	200,000	200,000	3~3.25	2	-	"	-	-	-	247,694 (Note 4)	371,541 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	-	-	8	2	-	"	-	-	-	30,962 (Note 4)	371,541 (Note 4)
2	"	A li shan dong fang ming shu	"	No	25,000	25,000	25,000	8	2	-	"	-	Longtan land mortgage	25,730	30,962 (Note 4)	371,541 (Note 4)
2	"	Lido International Management	"	No	30,000	30,000	29,400	8.5	2	-	"	-	Shiding land mortgage	31,716	30,962 (Note 4)	371,541 (Note 4)
3	EILF	Sunflower leisure	"	No	20,000	-	-	8.0	2	-	"	-	-	-	27,288 (Note 5)	327,461 (Note 5)
3	"	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-	-	-	218,308 (Note 5)	327,461 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	63,263	63,263	54,232	1	2	-	"	-	-	-	58,419 (Note 6)	116,839 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	58,963	58,963	58,963	1	2	-	"	-	-	-	83,340 (Note 7)	166,679 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,758	45,758	45,758	1	2	-	"	-	-	-	49,551 (Note 8)	99,103 (Note 8)

(to be continued)

(continued)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
7	FESS-Panama	The Company	Other receivables - related parties	Yes	\$ 49,136	\$ 49,136	\$ 17,854	1	2	-	Operation requirements	-		-	\$ 1,326,825 (Note 9)	\$ 2,653,650 (Note 9)

Note 1: Lending of capital has the following two types:

- (1) Those with business dealings.
- (2) The necessity for short-term financing.

Note 2: The Company's total amount available for lending shall not exceed 60% of its net worth. For subsidiaries where the Company holds more than 50% of the shares, the individual amount available for lending shall not exceed 40% of its net worth in the most recent financial statements. For subsidiaries where the Company holds less than 50% of the shares, the individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company, subsidiaries or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements.

Note 4: For TKLF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 5: For EILF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending to other companies short-term financing facility, if necessary, shall not exceed 5% of its net worth in the most recent financial statements.

Note 6: For Grand Richness (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 7: For GRAND SCENE TRADING (HONG KONG), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 8: For Eastern Media Communication (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 9: For FESS-Panama, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 10: Since MTW was not the subsidiary of the Group on May 28, 2021, the individual amount available for lending shall follow the limits of subsidiaries where the Company holds less than 50% of the shares.

Note 11: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Guarantees and endorsements for other parties**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 2**

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	ET New Media	2	\$ 14,136,218 (Note 2)	\$ 553,652	\$ 553,652	\$ 354,000	\$ -	15.67%	\$ 14,136,218 (Note 2)	Y	N	N
0	The Company	EHR	2	14,136,218 (Note 2)	2,112,000	1,312,000	752,000	-	37.12%	14,136,218 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	14,136,218 (Note 2)	5,875,000	5,875,000	718,147	-	166.24%	14,136,218 (Note 2)	Y	N	N
0	The Company	Kaou Sin	2	- (Note 5)	5,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	Pet Kingdom	2	- (Note 5)	15,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	Oscar	2	- (Note 5)	250,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	ET Pet	2	14,136,218 (Note 2)	1,969,163	1,770,563	546,650	15,858	50.10%	14,136,218 (Note 2)	Y	N	N
0	The Company	TKLF	2	14,136,218 (Note 2)	50,000	-	-	-	0.00%	14,136,218 (Note 2)	Y	N	N
0	The Company	EILF	2	14,136,218 (Note 2)	50,000	-	-	-	0.00%	14,136,218 (Note 2)	Y	N	N
1	EIC	ET Pet	4	353,405 (Note 2)	220,000	220,000	131,288	4,418	44.93%	353,405 (Note 2)	N	N	N
2	FESS-Panama	The Company	4	4,389,326 (Note 2)	1,000,000	1,000,000	800,000	1,300,901	75.37%	4,389,326 (Note 2)	N	Y	N

Note 1: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into seven types:

- (1) The intercompany business transaction
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
- (3) Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
- (4) The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
- (5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
- (6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- (7) Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 2: The Company's aggregate amount allows endorsement or guarantee that does not exceed 400% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 400% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount allows an endorsement or guarantee that does not exceed 500% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Company, holding more than 90% of shares of EIC, holds more than 90% of the shares that does not exceed 500% of its total assets or 10% of the Company's net worth in the most recent financial statements. The limit on endorsement or guarantee was determined by 500% of EIC's total assets of 10% of the Company's net worth whichever is lower.

Note 4: FESS-Panama's aggregate amount allows endorsement or guarantee that does not exceed 300% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to the company which holds FESS-Panama more than 50% of the shares that does not exceed 300% of its net worth in the most recent financial statements.

Note 5: Since Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, the amount of guarantees and endorsements was cancelled.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Securities held**

**December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 3**

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of Ownership	Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value		
The Company	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss	6,819,555	\$ 229,478	0.10 %	\$ 229,478	0.10 %	Note
"	Formosa Plastics corporation	-	"	4,670,000	405,356	0.07 %	405,356	0.07 %	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	393,000	176,261	0.00 %	176,261	- %	
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	15.00 %	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	11.43 %	
EILF	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	700,000	60,760	0.01 %	60,760	0.01 %	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	53,820	0.00 %	53,820	- %	Note
"	China Steel Corporation	-	"	150,000	4,470	0.00 %	4,470	- %	
TKLF	Taiwan Cement Co., Ltd.	-	"	769,959	25,908	0.01 %	25,908	0.01 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	35,880	0.00 %	35,880	- %	
"	Formosa Plastics corporation	-	"	200,000	17,360	0.00 %	17,360	- %	
"	China Steel Corporation	-	"	850,000	25,330	0.01 %	25,330	0.01 %	
EIC	TCI CO.,Ltd	-	"	130,000	22,230	0.11 %	22,230	0.11 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37,000	16,595	0.00 %	16,595	- %	
ET Pet	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	- %	

Note: For the details of the financial instruments pledged as collateral of the Group please refer to Note 7 and 37.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Receivables from related parties of at least \$100 million or 20% of the paid-in capital**

**December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 4**

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	ET New Media	Subsidiary	\$ 263,618	Not applicable	\$ -	-	\$ 3,618	\$ -
EIC	ET New Media	Subsidiary	100,267	Not applicable	-	-	267	-
EILF	ET New Media	Subsidiary	150,401	Not applicable	-	-	401	-
TKLF	ET New Media	Subsidiary	200,427	Not applicable	-	-	427	-

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Business relationships and significant intercompany transactions**  
**December 31, 2022**

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

**Table 5**

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	ET New Media	1	Other receivables - related parties	\$ 263,618	Refer to contract terms or market price	1.70%
1	EIC	ET New Media	3	Other receivables - related parties	100,267	Refer to contract terms or market price	0.65%
2	EILF	ET New Media	3	Other receivables - related parties	150,401	Refer to contract terms or market price	0.97%
3	TKLF	ET New Media	3	Other receivables - related parties	200,427	Refer to contract terms or market price	1.29%

Note 1: For the inter-company business relationship and transaction condition in the "Number" column, the labeling method is as follows:

1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2: Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary



**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Information on investees**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 6**

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Ownership	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value				
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 283	100.00%	(\$ 628)	(\$ 628)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,326,825	100.00%	( 840,937)	( 840,937)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	58,419	100.00%	( 3,795)	( 3,795)	Note 1
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	479,348	97.90%	( 152,135)	( 148,939)	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	293,459	53.77%	( 61,248)	( 32,933)	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	332,927	53.76%	( 48,166)	( 25,896)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	16,518	6.51%	( 511,875)	( 33,337)	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	( 581,576)	89.20%	( 259,331)	( 231,335)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	329,731	32,973,086	60.40%	( 87,192)	60.40%	( 218,948)	( 132,245)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	715,000	495,000	71,500,000	55.00%	707,832	55.00%	( 11,238)	( 6,181)	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	416,250	-	41,625,000	59.46%	38,087	59.46%	( 466,375)	( 225,467)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	( 6,818)	1.05%	( 259,331)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	49,095	19.36%	( 511,875)	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	61,924	10.00%	( 48,166)	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	54,577	10.00%	( 61,248)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	13.20%	( 218,948)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	196,477	36.00%	( 61,248)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	13.20%	( 218,948)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	222,925	36.00%	( 48,166)	"	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	13.20%	( 218,948)	"	Subsidiary

(to be continued)

(continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Owner ship	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value				
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	\$ 137,363	\$ 137,363	450,000	100.00%	\$ 85,627	100.00%	(\$ 849)	Exempt from disclosure	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	49,551	100.00%	( 958)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,300,901	30.00%	( 112,270)	"	Associate (Note 2)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	83,340	100.00%	( 550)	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	100	300,000	100.00%	3,052	100.00%	( 148)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	-	100.00%	45	"	Note 3
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	5,000	5,000	500,000	100.00%	3,099	100.00%	( 265)	"	Note 4
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	5,000	1,000	500,000	100.00%	1,794	100.00%	( 3,118)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	26.43%	16,927	92.50%	( 466,375)	"	Subsidiary
ET New Media	Dung sen mu de tech	Taiwan	Marketing, research and data collection	50,000	-	5,000,000	100.00%	50,000	100.00%	-	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	-	334,788	-	0.00%	-	100.00%	( 926)	"	Note 5
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	-	45,997	-	0.00%	-	100.00%	( 8,573)	"	Note 5
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	-	9,916	-	0.00%	-	100.00%	1,829	"	Note 5
ET Pet	Care Pet Bio-Tech	Taiwan	Pet food and supplies and providing pet beauty service	7,000	-	700,000	70.00%	3,915	100.00%	( 4,407)	"	Subsidiary

Note 1: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 2: The amount of accumulated impairment was included in the ending balance of the investment. Please refer to Note 12 for the details.

Note 3: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 4: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 5: Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, and ET Pet was the surviving company.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**  
**Information on investment in Mainland China**  
**For the year ended December 31, 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**  
**Table 8**

1. Relevant information such as the name and main business items of the investee company in Mainland China:

Name of investee	Main businesses and products	Total amount of paid in capital	Method of investment	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 (losses) of the investee	Percentage of ownership	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business	\$ -	Note 2	\$ 1,004,217	\$ -	\$ -	\$ 1,004,217	\$ -	- %	- %	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	393,165	-	-	393,165	-	- %	- %	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	173,416	-	-	173,416	-	- %	- %	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,105,412	Note 5	1,170,051	-	-	1,170,051	( 790)	100.00 %	100.00 %	( 790)	3,259	-
Nanjing Yun Fu	Wholesale trading	45,794	Note 6	92,130	-	-	92,130	( 204)	100.00 %	100.00 %	( 204)	3,985	-
Jiangsu Sen Fu Da	Research and development of film and television technology	44,080	Note 7	-	-	-	-	-	34.00 %	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	440,443	Note 5	-	-	-	-	21,238	30.00 %	30.00 %	6,371	157,731	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	94,863	Note 5	-	-	-	-	1,296	30.00 %	30.00 %	389	31,583	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,068,808	Note 5	-	-	-	-	1,790	30.00 %	30.00 %	537	321,067	-

(to be continued)

(continued)

Note 1: Except that the investment gain (loss) of RICHNESS TRADING (SHANGHAI) and Nanjing Yun Fu was recognized based on the financial statements audited by the same audit team of the Company, the rest of the investment gain (loss) was recognized based on financial statements audited by other audit teams.

Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.

Note 3: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on September 21, 2018.

Note 4: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on February 21, 2019.

Note 5: The Group indirectly invested through FESS-Panama.

Note 6: The Group indirectly invested through FESS-Panama, and the investment was handling capital reduction and returning shares of CNY \$9,467 on February 1, 2018, the amount of the share is remitted back to the GRAND SCENE TRADING (HONG KONG).

Note 7: The Group indirectly invested through Nanjing Ji Cheng on August 30, 2012.

Note 8: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,832,979	\$ 4,743,706	\$ 2,444,001

Note: The limit on investment was determined by 60% of the individual or consolidated total net worth whichever is higher.

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the years ended December 31, 2022, please refer to "Information on significant transactions" above.

**EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES**

**Major shareholders**

**December 31, 2022**

**(Expressed in Units)**

**Table 8**

Shareholding Shareholders name	Shares	Percentage
Jinxin Trading Co., Ltd.	45,873,612	9.63%

Appendix 2

**EASTERN MEDIA INTERNATIONAL  
CORPORATION**

**Parent Company Only Financial Statements**

**With Independent Auditors' Report**

**For the Years Ended December 31, 2022 and 2021**

**Address: 5F & 8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106,  
Taiwan**

**Telephone: 886-2-27557565**

The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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## Independent Auditors' Report

To the Board of Directors of Eastern Media International Corporation:

### Opinion

We have audited the the parent Company only financial statements of Eastern Media International Corporation ("the Company"), which comprise the parent Company only balance sheets as of December 31, 2022 and 2021, the parent Company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent Company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent Company only financial statements present fairly, in all material respects, the parent Company only financial position of the Company as of December 31, 2022 and 2021, and its parent Company only financial performance and its parent Company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audit of the parent Company only financial statements as of and for the year ended December 31, 2022 and 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

### Other Matter

We did not audit the parent Company only financial statements of partial companies, associates of the Company, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 14.64% and 22.04% of total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituting (14.50)% and 66.77% of total (loss) profit before tax for the years then ended December 31, 2022 and 2021, respectively.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent Company only financial statements of the current period. 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.

#### 1. Warehousing Revenue recognition

Please refer to Note 4n "Revenue recognition" for accounting policy related to revenue recognition, and Note 23 "Revenue from contracts with customers" to the parent Company only financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Company are the services of warehousing amounted to \$1,479,159 thousand, constituting 100.00% of its Company revenue. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: understanding the sales and collection cycle, and sampling to test the effectiveness of manual control and internal control. Additionally, we would perform test of detail on revenue of warehousing; as well as perform sales cut off test on the periods before and after the balance sheet date by inspecting relevant documents of sales transactions to determine whether sales had been appropriately recognized.

## 2.The investments accounted of using equity method impairment

Please refer to Note 4m "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 12 " investments accounted for using equity method " to the parent Company only financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Company constituted 35% of its parent Company only assets. The evaluation of the impairment on December 31 is significant to the parent Company only financial statements. There are risks that the assumption of the financial performance and cash flows related to the Company' s subsidiaries and associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: obtaining the information on which the management relied to make assumptions and evaluations for the report made by external expert; engaging evaluation experts to assess the appropriateness of the evaluation methods and assumptions used by them, including the discount rate and the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management' s estimates.

## **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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the 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 Company' s ability to continue as a going concern, 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 the Audit Committee) are responsible for overseeing the Company' s financial reporting process.

## **Auditors' 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 auditors' 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 the auditing standards generally accepted in 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 auditing standards generally accepted in 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 disclosures, 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 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 the parent Company only financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

The engagement partners on the audit resulting in this independent auditors' report are Shih Chin Chih and Hsin-Ting Huang.

KPMG  
Taipei, Taiwan (Republic of China)  
**March 14, 2023**

#### Notes to Readers

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

The independent auditors' audit report and the accompanying parent company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and parent company only financial statements, the Chinese version shall prevail.

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Balance Sheets**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>December 31, 2022</b>		<b>December 31, 2021</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (Notes 6)	\$ 424,348	5	\$ 633,416	6
1110 Current financial assets at fair value through profit or loss (Notes 7 and 31)	811,095	9	685,939	6
1170 Accounts receivable, net (Notes 9 and 23)	33,675	-	16,065	-
1200 Other receivables, net (Notes 7 and 10)	3,259	-	14,033	-
1210 Other receivables due from related parties (Notes 10 and 30)	315,667	3	410,876	4
130X Inventories (Notes 11)	32,773	-	29,066	-
1410 Prepayments	7,489	-	9,771	-
1476 Other current financial assets (Notes 31)	94	-	1,288	-
1479 Other current assets, others	-	-	196	-
	<u>1,628,400</u>	<u>17</u>	<u>1,800,650</u>	<u>16</u>
<b>Non-current assets:</b>				
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,500	-	7,500	-
1550 Investments accounted for using equity method, net (Notes 12 and 31)	3,253,698	35	4,445,308	41
1600 Property, plant and equipment (Notes 13, 14, 29 and 31)	700,484	8	570,737	5
1755 Right of use assets (Notes 14, 18 and 31)	3,387,080	36	3,496,274	32
1780 Intangible assets (Notes 29)	2,477	-	1,351	-
1840 Deferred tax assets (Note 5 and 20)	187,799	2	431,634	4
1920 Refundable deposits (Note 31)	158,621	2	117,486	1
1980 Other non-current financial assets (Note 31)	4,000	-	-	-
1990 Other non-current assets, others (Notes 32)	2,377	-	60,784	1
	<u>7,704,036</u>	<u>83</u>	<u>9,131,074</u>	<u>84</u>
<b>Total assets</b>	<b><u>\$ 9,332,436</u></b>	<b><u>100</u></b>	<b><u>\$ 10,931,724</u></b>	<b><u>100</u></b>

(Please see accompanying notes to the parent company only financial statements.)

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Balance Sheets (Cotn'd)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
2100 Short-term loans (Notes 15 and 31)	\$ 170,000	2	-	-
2110 Short-term notes and bills payable (Notes 16 and 29)	99,941	1	-	-
2130 Current contract liabilities (Notes 23)	2,145	-	-	-
2150 Notes payable	-	-	38	-
2200 Other payables (Notes 24 and 29)	257,614	3	259,141	2
2220 Other payables due from related parties (Notes 30)	182,976	2	177,233	2
2230 Current tax liabilities	229	-	-	-
2280 Current lease liabilities (Notes 18)	182,964	2	173,939	2
2320 Long-term liabilities, current portion (Notes 17, 29 and 31)	19,668	-	19,574	-
2399 Other current liabilities, others	13,737	-	10,113	-
	<u>929,274</u>	<u>10</u>	<u>640,038</u>	<u>6</u>
<b>Non-current liabilities:</b>				
2540 Long-term loans (Notes 17, 29 and 31)	899,352	10	76,667	1
2570 Deferred tax liabilities (Note 20)	-	-	525	-
2580 Non-current lease liabilities (Notes 18)	3,298,828	35	3,457,183	31
2640 Net defined benefit liability, non-current (Note 19)	1,799	-	17,281	-
2645 Guarantee deposits received	360	-	360	-
2670 Other non-current liabilities, others (Note 12)	668,768	7	495,987	5
	<u>4,869,107</u>	<u>52</u>	<u>4,048,003</u>	<u>37</u>
<b>Total liabilities</b>	<u>5,798,381</u>	<u>62</u>	<u>4,688,041</u>	<u>43</u>
<b>Equity attributable to owners of parent (Note 12 and 21)</b>				
3100 Capital stock	4,760,554	51	5,289,504	48
3200 Capital surplus	15,992	-	16,243	-
3300 Retained earnings	( 1,098,138)	(12)	1,284,545	12
3400 Other equity interest	( 144,353)	( 1)	( 346,609)	( 3)
<b>Total equity</b>	<u>3,534,055</u>	<u>38</u>	<u>6,243,683</u>	<u>57</u>
<b>Total liabilities and equity</b>	<u>\$ 9,332,436</u>	<u>100</u>	<u>\$ 10,931,724</u>	<u>100</u>

(Please see accompanying notes to the parent company only financial statements.)

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Statements of Comprehensive Income**  
**(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)**

	For the years ended December 31			
	2022		2021	
	Amount	%	Amount	%
4000 Operating revenue (Notes 23)	\$ 1,479,159	100	\$ 1,369,908	100
5000 Operating costs (Notes 11, 19, 24 and 30)	654,992	44	641,701	47
<b>Gross profit from operations</b>	<b>824,167</b>	<b>56</b>	<b>728,207</b>	<b>53</b>
6000 Operating expenses (Notes 19, 24 and 30)	317,605	21	337,248	25
<b>Net operating gain</b>	<b>506,562</b>	<b>35</b>	<b>390,959</b>	<b>28</b>
<b>Non-operating income and expenses:</b>				
7100 Interest income (Notes 25 and 30)	14,821	1	19,064	1
7010 Other income (Notes 7, 8, 25 and 30)	92,894	6	38,404	3
7020 Other gains and losses, net (Notes 12, 14, 25 and 30)	( 216,112)	( 15)	7,061	1
7050 Finance costs (Notes 18, 25 and 30)	( 126,585)	( 9)	( 114,337)	( 8)
7060 Share of profit of associates accounted for using equity method (Note 12)	( 1,681,693)	( 114)	359,214	26
7900 <b>(Loss) profit before tax</b>	<b>( 1,410,113)</b>	<b>( 96)</b>	<b>700,365</b>	<b>51</b>
7950 <b>Less: tax expenses (income) (Note 20)</b>	<b>244,989</b>	<b>16</b>	<b>( 45,128)</b>	<b>( 3)</b>
<b>Net (loss) profit</b>	<b>( 1,655,102)</b>	<b>( 112)</b>	<b>745,493</b>	<b>54</b>
8300 <b>Other comprehensive income:</b>				
8310 <b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311 Losses on remeasurements of defined benefit plans	13,465	1	806	-
8330 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	37,173	2	( 181)	-
<b>Total other comprehensive income that will not be reclassified to profit or loss</b>	<b>50,638</b>	<b>3</b>	<b>625</b>	<b>-</b>
8360 <b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361 Exchange differences on translation of foreign financial statements	136,147	9	( 43,961)	( 3)
8380 Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	30,005	2	( 6,659)	-
8399 Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
<b>Total other comprehensive income that will be reclassified to profit or loss</b>	<b>166,152</b>	<b>11</b>	<b>( 50,620)</b>	<b>( 3)</b>
8300 <b>Other comprehensive income, net of tax</b>	<b>216,790</b>	<b>14</b>	<b>( 49,995)</b>	<b>( 3)</b>
<b>Total comprehensive income</b>	<b>( \$ 1,438,312)</b>	<b>( 98)</b>	<b>\$ 695,498</b>	<b>51</b>
<b>(Loss) earnings per share (Unit: NTS) (Note 22)</b>				
9750 <b>Basic (loss) earnings per share</b>	<b>( \$ 3.29)</b>		<b>\$ 1.37</b>	
9850 <b>Diluted (loss) earnings per share</b>	<b>( \$ 3.29)</b>		<b>\$ 1.37</b>	

(Please see accompanying notes to the parent company only financial statements.)

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Statements of Changes in Equity**  
**(In Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings			Total other equity interest		Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	
<b>Balance at January 1, 2021</b>	\$ 5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 571,377	(\$ 292,290)	(\$ 3,666)	\$ 6,276,616
Profit for the year ended December 31, 2021	-	-	-	-	745,493	-	-	745,493
Other comprehensive income, for the year ended December 31, 2021	-	-	-	-	603	( 50,620)	22	( 49,995)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	746,096	( 50,620)	22	695,498
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	54,042	-	( 54,042)	-	-	-
Special reserve appropriated	-	-	-	68,155	( 68,155)	-	-	-
Cash dividends of ordinary share	-	-	-	-	( 445,432)	-	-	( 445,432)
Capital reduction	( 278,395)	-	-	-	-	-	-	( 278,395)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	( 4,526)	-	-	( 78)	-	-	( 4,604)
Loss of control over the subsidiary	-	-	-	-	55	-	( 55)	-
<b>Balance at December 31, 2021</b>	<b>\$ 5,289,504</b>	<b>\$ 16,243</b>	<b>\$ 238,768</b>	<b>\$ 295,956</b>	<b>\$ 749,821</b>	<b>(\$ 342,910)</b>	<b>(\$ 3,699)</b>	<b>\$ 6,243,683</b>

(Please see accompanying notes to the parent company only financial statements.)



**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Statements of Changes in Equity**  
**(In Thousands of New Taiwan Dollars)**

	Share capital		Retained earnings			Total other equity interest				Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income		Revaluation surplus	
<b>Balance at January 1, 2022</b>	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	-	\$ 6,243,683	
Loss for the year ended December 31, 2022	-	-	-	-	( 1,655,102)	-	-	-	( 1,655,102)	
Other comprehensive income, for the year ended December 31, 2022	-	-	-	-	14,534	166,152	4,989	31,115	216,790	
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	( 1,640,568)	166,152	4,989	31,115	( 1,438,312)	
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	74,607	-	( 74,607)	-	-	-	-	
Special reserve appropriated	-	-	-	50,654	( 50,654)	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	( 528,950)	-	-	-	( 528,950)	
Capital reduction	( 528,950)	-	-	-	-	-	-	-	( 528,950)	
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	( 5,664)	-	-	-	( 5,664)	
Changes in subsidiaries	-	388	-	-	-	-	-	-	388	
Changes in investments accounted for using equity method	-	-	-	-	( 207,501)	-	-	-	( 207,501)	
Others	-	( 639)	-	-	-	-	-	-	( 639)	
<b>Balance at December 31, 2022</b>	<b>\$ 4,760,554</b>	<b>\$ 15,992</b>	<b>\$ 313,375</b>	<b>\$ 346,610</b>	<b>(\$ 1,758,123)</b>	<b>(\$ 176,758)</b>	<b>\$ 1,290</b>	<b>\$ 31,115</b>	<b>\$ 3,534,055</b>	

(Please see accompanying notes to the parent company only financial statements.)

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Statements of Cash Flows**  
(Expressed in Thousands of New Taiwan Dollars)

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows (used in) from operating activities:</b>		
<b>(Loss) profit before tax</b>	(\$ 1,410,113)	\$ 700,365
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss)		
Depreciation expense	281,331	258,906
Amortization expense	1,170	609
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	198,332	( 10,516)
Interest expense	126,585	114,337
Interest income	( 14,821)	( 19,064)
Dividend income	( 51,475)	( 21,879)
Share of loss (profit) of associates and joint ventures accounted for using equity method	1,681,693	( 359,214)
Gain on disposal of property, plant and equipment	-	( 193)
Loss on disposal of investments	-	4,327
Amounts from modification of lease contracts	-	( 5)
Total adjustments to reconcile profit	<u>2,222,815</u>	<u>( 32,692)</u>
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets, net:</b>		
Increase in current financial assets at fair value through profit or loss	( 323,488)	( 444,300)
Increase in accounts receivable	( 17,610)	( 4,917)
Decrease in other receivable	2,217	290
Increase in inventories	( 3,247)	( 3,268)
Decrease (increase) in prepayments	2,282	( 1,122)
Decrease in other current assets	196	13,108
Total changes in operating assets, net	<u>( 339,650)</u>	<u>( 440,209)</u>
<b>Changes in operating liabilities, net:</b>		
Increase in current contract liabilities	2,145	-
(Decrease) increase in notes payable	( 38)	38
(Decrease) increase in other payables (including related parties)	( 1,447)	86,665
Increase (decrease) in other current liabilities	3,624	( 887)
Decrease in net defined benefit liability, non-current	( 2,017)	( 3,438)
Total changes in operating liabilities	<u>2,267</u>	<u>82,378</u>
Net changes in operating assets and liabilities	<u>( 337,383)</u>	<u>( 357,831)</u>
Total adjustments	<u>1,885,432</u>	<u>( 390,523)</u>
<b>Cash inflow generated from operations</b>	<u>475,319</u>	<u>309,842</u>
Tax income refunded (paid)	<u>10,573</u>	<u>( 1,851)</u>
<b>Net cash inflow from operating activities</b>	<u>485,892</u>	<u>307,991</u>

(Please see accompanying notes to the parent company only financial statements.)

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Parent Company Only Statements of Cash Flows (Cont'd)**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	( \$ 636,250)	( \$ 120,800)
Proceeds from disposal of subsidiaries	-	35,294
Acquisition of property, plant and equipment	( 125,874)	( 109,713)
Proceeds from disposal of property, plant and equipment	-	193
Increase in refundable deposits	( 41,135)	( 36)
Decrease in other receivables due from related parties	92,000	216,500
Acquisition of intangible assets	( 2,293)	( 995)
Increase in other financial assets	( 2,806)	-
Increase in other non-current assets	( 3,736)	( 43,644)
Interest received	15,005	18,854
Dividends received	359,890	376,307
Net cash flows (used in) from investing activities	<u>( 345,199)</u>	<u>371,960</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	616,000	130,000
Decrease in short-term loans	( 446,000)	( 130,000)
Increase in short-term notes and bills payable	100,000	-
Increase in long-term loans	848,000	100,000
Decrease in long-term loans	( 20,000)	( 3,333)
Decrease in other receivables due from related parties	( 208)	( 24,693)
Payment of lease liabilities	( 257,196)	( 169,947)
Capital reduction	( 528,950)	( 278,395)
Issuance cash dividends	( 528,950)	( 445,432)
Interest paid	( 132,457)	( 113,979)
Net cash flows used in financing activities	<u>( 349,761)</u>	<u>( 935,779)</u>
Net decrease in cash and cash equivalents	( 209,068)	( 255,828)
Cash and cash equivalents at beginning of period	633,416	889,244
Cash and cash equivalents at end of period	<u><b>\$ 424,348</b></u>	<u><b>\$ 633,416</b></u>

(Please see accompanying notes to the parent company only financial statements.)

# EASTERN MEDIA INTERNATIONAL CORPORATION

## Notes To the Parent Company Only Financial Statements

For The Years Ended December 31, 2022 and 2021

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

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### 1. Company history

Eastern Media International Corporation (the “Company”) was established on May 14, 1975 to promote the private port silo business, and its warehouse officially opened in 1980 with the completion of its silo. In order to enhance the operating performance and expand the business scope, the Company merged with Grain Union Transport Ltd. on May 15, 1989. The Company’s shares listed on the Taiwan Stock Exchange, classified in the shipping category, on September 25, 1995. As the proportion of revenue from shipping has declined years by years, and the proportion of revenue from trading has increased to more than 50% of overall revenue, the Company’s stocks have changed classification to the retail sales category. The transfer was approved by the Taiwan Stock Exchange on July 1, 2014. In June 2019, the Company terminated all of the lease contracts of its shipping operations in advance. Since none of the operating segments owns more than 50% of overall revenue, the Company’s stocks have changed classification to other category, which was approved by the Taiwan Stock Exchange on June 1, 2021.

The Company's business development is mainly based on diversification. In addition to land development, grain trading and consumer product development and sales, the Company has diversified into new businesses such as cross-strait trade platform and multimedia shopping through its investment in subsidiaries since 2009.

The main businesses of the Company include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities.

### 2. Approval date and procedures of the financial statements

The financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

### 3. New standards, amendments and interpretations adopted

- a. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

- b. The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”

- Amendments to IAS 8 “Definition of Accounting Estimates”
  - Amendments to IAS 12 “Deferred Tax related to Assets and liabilities arising from a Single Transaction”
- c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Company completes its evaluation.

The Company does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 -Comparative Information”
- Amendments to IFRS 16“Leases Liability in a Sale and leaseback”

#### 4. Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

a. Statement of compliance

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

b. Basis of preparation

(a) Basis of measurement

Except for the following significant accounts, the parent company only financial statements have been prepared on a historical cost basis:

- (a-1) Financial instruments at fair value through profit or loss are measured at fair value;
- (a-2) Financial assets at fair value through other comprehensive income are measured at fair value;
- (a-3) The defined benefit liabilities (assets) are measured at the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4o,

(b) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

c. Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to fair value through other comprehensive income equity investment, which are recognized in other comprehensive income.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future. Exchange differences arising thereon form part of the net investment in the foreign operation and are recognized in other comprehensive income.

d. Classification of current and non current assets and liabilities

An asset is classified as current under one of the following criteria and all other assets are classified as non-current.

- (a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be realized within twelve months after the reporting period; or
- (d) The asset is cash or a 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.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (a) It is expected to be settled in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is due to be settled within twelve months after the reporting period; or
- (d) The Company does not have an unconditional right to defer settlement of 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 issuing equity instruments do not affect its classification.

e. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

f. Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(a) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a-1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(a-2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

(a-3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(a-4) Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through



- the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(a-5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

(a-6) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivable, other receivable, refundable deposits and other financial assets).

The Company measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- debt securities that are determined to have low credit risk at the reporting date;
- and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not

increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade which is considered to be BBB- or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Company in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probabilityweighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial

difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Company recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(a-7) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(b) Financial liabilities and equity instruments

(b-1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(b-2) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or

loss.

(b-3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

g. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories and capitalized borrowing costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

h. Investment in associates

Associates are those entities in which the Company has significant influence, but not control over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The parent company only financial statements include the Company's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Company, from the date on which significant influence commences until the date on which significant influence ceases. The Company recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Company and an associate are recognized only to the extent of unrelated Company's interests in the associate.

When the Company's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest 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.

The Company discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Company accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued.

When the Company subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Company's proportionate interest in the net assets of the associate. The Company records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Company's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities

i. Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

The change in ownership of the subsidiaries not causing losing control, are recognized as equity transaction. The Company recognizes directly in equity any difference between the carrying-amount of the investment and the fair value of the consideration paid or received.

j. Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(b) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(c) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	5 ~ 55 years
Transportation equipment	5 years

Leasehold improvements	1 ~ 20 years
Miscellaneous equipment	3 ~ 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

k. Leases

At inception of a contract, the Company assesses whether a 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.

(a) As a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or

- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID 19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(b) As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

## 1. Intangible assets

### (a) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

### (b) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

### (c) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Computer software	1 ~ 3 years
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Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## m. Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## n. Revenue recognition



Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

The Company is involved in loading and unloading, warehousing, ticket system construction and integration services, and recognizes relevant revenue during the financial reporting period of providing labor services.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

o. Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(b) Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

p. Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses that are related to business combinations or recognized directly in equity or other comprehensive income all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for the following:

- (a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (c) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - (b-1) the same taxable entity; or
  - (b-2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

q. Business combination

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Company measures any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event of liquidation. Other components of non controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

r. Earnings per share

The Company discloses the Company's basic and diluted earnings (loss) per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

s. Operating segments

Please refer to the consolidated financial report of Eastern Media International Corporation for the years ended December 31, 2022 and 2021 for operating segments information.

**5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:**

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is as follows:

- a. Refer to the consolidated financial statement for the years ended December 31, 2022 for judgment regarding control of subsidiaries.
- b. Lease term

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Company considers all relevant facts and circumstances that create an economic incentive for the lessee. The Company reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please

refer to Note 14 and 18.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID 19 pandemic:

a. Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability. Refer to Note 19 for further description of the actuarial assumptions and sensitivity analysis.

b. Recognition of deferred tax assets

As of December 31, 2022 and 2021, the carrying amounts of deferred tax assets in relation to unused tax losses were \$187,799 and \$431,634, respectively. As of December 31, 2022 and 2021, no deferred tax assets have been recognized on tax losses of \$719,427 and \$753,621, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

c. Impairment of goodwill from investments in subsidiaries

Determining whether the goodwill included in the investments in subsidiaries is impaired requires an estimation of the value in use of the cash generating units which are expected to benefit from the synergies of the related combination and to which the goodwill has been allocated since the acquisition date. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The Company's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to the following notes for assumptions used in measuring fair value: Note 26, Financial instruments.

**6. Cash and cash equivalents**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash on hand	\$ 1,582	\$ 1,491

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Cash in banks	262,766	171,807
Cash equivalents	160,000	460,118
	<b>\$ 424,348</b>	<b>\$ 633,416</b>

Please refer to Note 26 for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

**7. Financial assets at fair value through profit or loss**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	<u>\$ 811,095</u>	<u>\$ 685,939</u>

- a. Please refer to Note 25 for the remeasurement of fair value.
- b. For the years ended December 31, 2022 and 2021, the dividends from financial assets designated as at fair value through profit or loss were \$48,667 and \$20,367, respectively.
- c. As of December 31, 2022, the amount of \$1,081 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received respectively by the Company as of the audit date.
- d. Please refer to Note 31 for the details of financial assets pledged as collateral.

**8. Financial assets at fair value through other comprehensive income**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Equity investments at fair value through other comprehensive income:		
Unlisted common shares domestic Company	<u>\$ 7,500</u>	<u>\$ 7,500</u>

- a. Equity investments at fair value through other comprehensive income  
 The Company designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term for strategic purposes. For the years ended December 31, 2022 and 2021, the Company recognized the dividends of \$2,808 and \$1,512 related to equity instruments measured at fair value through other comprehensive income, respectively.
- b. For credit risk and market risk; please refer to Note 26 and 27.
- c. No financial assets mentioned above were pledged as collateral.

**9. Accounts receivable (including related parties)**

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Accounts receivable	<u>\$ 33,675</u>	<u>\$ 16,065</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision in warehousing segment was determined as follows:

	<b>December 31, 2022</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<u>\$ 33,675</u>	-	<u>\$ -</u>

	<b>December 31, 2021</b>		
	<b>Gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	<u>\$ 16,065</u>	-	<u>\$ -</u>

a. As of December 31, 2022 and 2021, there was no allowance for notes and accounts receivable.

b. Please refer to Note 26 and 27 for the Company's accounts receivable exposure to credit risk and currency risk.

**10. Other receivables and other notes receivable (including related parties)**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Other accounts receivable—loans to associates	\$ 308,000	\$ 400,000
Other accounts receivable—others	10,926	24,909
	<u>\$ 318,926</u>	<u>\$ 424,909</u>

a. As of December 31, 2022 and 2021, there were no bills past due but not impaired of other receivables.

b. For credit risk and market risk; please refer to Note 26 and 27.

**11. Inventories**

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Raw materials and others (including fuel)	<u>\$ 32,773</u>	<u>\$ 29,066</u>

a. As of December 31, 2022 and 2021, raw material and others, recognized as cost of sales amounted \$11,159 and \$8,443, respectively.

b. No inventories were pledged as collateral on December 31, 2022 and 2021, respectively.

**12. Investments accounted for using equity method**

The Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Subsidiaries	\$ 2,568,412	\$ 3,822,428
Associates		
Eastern Home Shopping&Leisure Co., Ltd.	16,518	126,893
	2,584,930	3,949,321
Add: credit balance of investments accounted for using equity method transferred to non-current liabilities	668,768	495,987
	<u>\$ 3,253,698</u>	<u>\$ 4,445,308</u>

a. Subsidiaries

Except for the following mentioned, please refer to the consolidated financial statement for the years ended December 31, 2022 and 2021.

- (a) On December 31, 2022 and 2021, wherein the Company invested at an amount proportionate to subsidiaries' previous shareholding, credit balance of investments accounted for using equity method carrying amounts of \$668,768 and \$495,987, respectively, the credit balance of investments accounted for using equity method has been transferred to non current liabilities.
- (b) On December 16, 2020, a resolution was passed in the Far Eastern Silo & Shipping International (Bermuda) Ltd.'s board meeting for the capital reduction with the amount of USD\$400 (approximately NTD\$11,230), and the transaction was approved by the Investment Commission, MOEA on January 27, 2021.
- (c) The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, Mohsit Web Technology Co., Ltd. Their share transfer resgistration procedures were finished on May 28, 2021.
- (d) On November 4, 2021, the Company's Board of Directors resolved to invest \$120,800 in subsidiary, EHR Hotels & Resorts Group Yilan in proportion to the shareholding ratio.
- (e) The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The procedures of liquidation were finished on January 13, 2023.
- (f) On September 5, 2022, the board of directors of the subsidiary, Eastern Asset, resolved a capital injection by cash with an investment amount of \$400,000, and the reference date would be on October 7, 2022. The Company participated in the cash capital increase with \$220,000 according to its original shareholding proportion. The registration was completed on November 1, 2022.
- (g) On December 6, 2022, the board of directors of the subsidiary, ET Pet, resolved a capital injection by cash with an investment amount of \$500,000, and the reference date would be on December 26, 2022. The Company participated in the cash capital injection by \$416,250, and would obtain shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.

b. Associates

Affiliates which are material to the Company consisted of the following:

Affiliate Name	Within the Company Nature of Relationship	Main operating location	Proportion of shareholding and voting rights	
			December 31, 2022	December 31, 2021
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	6.51%	6.51%

Eastern Home Shopping & Leisure Co., Ltd.

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:



	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current assets	\$ 4,774,859	\$ 4,572,514
Non-current assets	6,196,361	7,635,401
Liabilities	( 10,709,994)	( 9,944,589)
Net assets	<b>\$ 261,226</b>	<b>\$ 2,263,326</b>
Non-controlling interests, attributable to investee	<b>\$ 7,584</b>	<b>\$ 314,919</b>
Net assets attributable to investee	<b>\$ 253,642</b>	<b>\$ 1,948,407</b>
	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Operating revenue	<b>\$ 24,656,410</b>	<b>\$ 27,200,172</b>
Net income	( 528,777)	1,843,015
Other comprehensive loss	141,635	( 34,712)
Total comprehensive income	<b>( \$ 387,142)</b>	<b>\$ 1,808,303</b>
Comprehensive income (loss), attributable to non-controlling interests	<b>( \$ 16,903)</b>	<b>\$ 26,269</b>
Comprehensive income attributable to investee	<b>( \$ 370,239)</b>	<b>\$ 1,782,034</b>
Share of net assets attributable to the Group of beginning balance	\$ 126,893	\$ 123,672
Comprehensive income attributable to the Group	( 24,112)	116,059
Dividends received from associates	( 33,188)	( 112,838)
Changes in investments accounted for using equity method	( 53,075)	-
Share of net assets attributable to the Group of ending balance	<b>\$ 16,518</b>	<b>\$ 126,893</b>

- c. The Company resolved on May 6, 2021 to dispose of the entire equity in the subsidiary, MWT with the price \$35,400. After deducting relevant fees \$106, the net price was fully received on May 10, 2021. The share transfer registration procedures were finished on May 28, 2021, and lost control over MWT since then. The loss on disposal of the investment was amounted to \$4,327. The unrealized losses on financial assets measured at fair value through other comprehensive income relating to MWT amounted to \$55 were also reclassified to retained earnings.

The carrying amount of assets and liabilities of MWT on May 28, 2021, was as follows:

Cash and cash equivalents	\$ 7,028
Inventories	22,733
Accounts receivable and other accounts receivable	12,783
Other current assets	20,962
Property, plant and equipment	1,082
Right-of-uses assets	1,893
Other non-current assets	3,459
Short term loans	( 20,000)
Accounts payable and other accounts payable	( 5,664)
Current lease liabilities	( 645)
Other current liabilities	( 27,145)
Non-current lease liabilities	( 1,235)
Other non-current liabilities	( 149)
Carrying amount of net assets	<u>\$ 15,102</u>

- d. The Company has processed an impairment test for investment using the equity method, please refer to Note 12 of the consolidated financial statements for the year ended December 31, 2022.
- e. Please refer to Note 31 for the details of the investments accounted for using equity method pledged as collateral.

### 13. Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
<b>Cost or deemed cost:</b>								
Balance on January 1, 2022	\$ 151,147	\$ 60,798	\$ -	\$ 8,972	\$ 423,195	\$ -	\$ 27,538	\$ 671,650
Additions	29,236	88	-	-	90,453	5,722	7,760	133,259
Transfers	-	-	-	-	61,683	-	-	61,683
Disposals / Written-off	-	-	-	( 6,652)	( 12,038)	-	( 3,921)	( 22,611)
Balance on December 31, 2022	<u>\$ 180,383</u>	<u>\$ 60,886</u>	<u>\$ -</u>	<u>\$ 2,320</u>	<u>\$ 563,293</u>	<u>\$ 5,722</u>	<u>\$ 31,377</u>	<u>\$ 843,981</u>
Balance on January 1, 2021	\$ 151,147	\$ 61,016	\$ 3,674	\$ 25,755	\$ 224,490	\$ -	\$ 36,312	\$ 502,394
Additions	-	678	-	-	99,342	-	13,992	114,012
Transfers	-	-	-	-	114,061	-	-	114,061
Disposals / Written-off	-	( 896)	( 3,674)	( 16,783)	( 14,698)	-	( 22,766)	( 58,817)
Balance on December 31, 2021	<u>\$ 151,147</u>	<u>\$ 60,798</u>	<u>\$ -</u>	<u>\$ 8,972</u>	<u>\$ 423,195</u>	<u>\$ -</u>	<u>\$ 27,538</u>	<u>\$ 671,650</u>
<b>Depreciation and impairment loss:</b>								
Balance on January 1, 2022	\$ -	\$ 26,312	\$ -	\$ 7,355	\$ 59,467	\$ -	\$ 7,779	\$ 100,913
Depreciation	-	1,720	-	640	56,333	-	6,502	65,195
Disposals / Written-off	-	-	-	( 6,652)	( 12,038)	-	( 3,921)	( 22,611)
Balance on December 31	<u>\$ -</u>	<u>\$ 28,032</u>	<u>\$ -</u>	<u>\$ 1,343</u>	<u>\$ 103,762</u>	<u>\$ -</u>	<u>\$ 10,360</u>	<u>\$ 143,497</u>
Balance on January 1, 2021	\$ -	\$ 25,561	\$ 3,674	\$ 22,343	\$ 36,514	\$ -	\$ 27,045	\$ 115,137
Depreciation	-	1,647	-	1,795	37,651	-	3,500	44,593
Disposals	-	( 896)	( 3,674)	( 16,783)	( 14,698)	-	( 22,766)	( 58,817)
Balance on December 31	<u>\$ -</u>	<u>\$ 26,312</u>	<u>\$ -</u>	<u>\$ 7,355</u>	<u>\$ 59,467</u>	<u>\$ -</u>	<u>\$ 7,779</u>	<u>\$ 100,913</u>
<b>Carrying amounts:</b>								
December 31, 2022	<u>\$ 180,383</u>	<u>\$ 32,854</u>	<u>\$ -</u>	<u>\$ 977</u>	<u>\$ 459,531</u>	<u>\$ 5,722</u>	<u>\$ 21,017</u>	<u>\$ 700,484</u>
January 1, 2021	<u>\$ 151,147</u>	<u>\$ 35,455</u>	<u>\$ -</u>	<u>\$ 3,412</u>	<u>\$ 187,976</u>	<u>\$ -</u>	<u>\$ 9,267</u>	<u>\$ 387,257</u>
December 31, 2021	<u>\$ 151,147</u>	<u>\$ 34,486</u>	<u>\$ -</u>	<u>\$ 1,617</u>	<u>\$ 363,728</u>	<u>\$ -</u>	<u>\$ 19,759</u>	<u>\$ 570,737</u>

- a. The land rights obtained by the Company are expected to be used to build nearby areas of the headquarters of the Eastern Media Group, and the interest expenses of loans during the planning and construction period will be capitalized. The interest rates were at 2.87%~3.13%. Details are as follows:

**For the years ended December 31**

	2022	2021
Interest expense on loans	<b>\$ 686</b>	<b>\$ -</b>

b. Please refer to Note 31 for the details of the property, plant and equipment pledged as collateral.

**14. Right-of-use assets**

The cost, depreciation, and impairment loss of the land and equipment, buildings, media exhibition boards and transportation equipment of the Company were as follows:

	Land and equipment	Buildings	Transportation equipment	Total
<b>Right of use asset costs:</b>				
<b>Balance on January 1, 2022</b>	\$ 4,105,077	\$ 44,253	\$ 1,471	\$ 4,150,801
Additions	97,027	5,572	630	103,229
Write off - lease modification	( 59)	4,696	-	4,637
Write off - lease ending	-	( 5,926)	-	( 5,926)
<b>Balance on December 31, 2022</b>	<b>\$ 4,202,045</b>	<b>\$ 48,595</b>	<b>\$ 2,101</b>	<b>\$ 4,252,741</b>
<b>Balance on January 1, 2021</b>	\$ 4,105,077	\$ 44,685	\$ -	\$ 4,149,762
Additions	-	-	1,471	1,471
Write off - lease modification	-	( 432)	-	( 432)
<b>Balance on December 31, 2021</b>	<b>\$ 4,105,077</b>	<b>\$ 44,253</b>	<b>\$ 1,471</b>	<b>\$ 4,150,801</b>
<b>Accumulated depreciation and impairment losses:</b>				
<b>Balance on January 1, 2022</b>	\$ 629,064	\$ 25,136	\$ 327	\$ 654,527
Depreciation	205,396	10,999	665	217,060
Write off - lease ending	-	( 5,926)	-	( 5,926)
<b>Balance on December 31, 2022</b>	<b>\$ 834,460</b>	<b>\$ 30,209</b>	<b>\$ 992</b>	<b>\$ 865,661</b>
<b>Balance on January 1, 2021</b>	\$ 424,593	\$ 15,957	\$ -	\$ 440,550
Depreciation	204,471	9,515	327	214,313
Write off - lease modification	-	( 336)	-	( 336)
<b>Balance on December 31, 2021</b>	<b>\$ 629,064</b>	<b>\$ 25,136</b>	<b>\$ 327</b>	<b>\$ 654,527</b>
<b>Carrying amounts:</b>				
<b>December 31, 2022</b>	<b>\$ 3,367,585</b>	<b>\$ 18,386</b>	<b>\$ 1,109</b>	<b>\$ 3,387,080</b>
<b>January 1, 2021</b>	<b>\$ 3,680,484</b>	<b>\$ 28,728</b>	<b>\$ -</b>	<b>\$ 3,709,212</b>
<b>December 31, 2021</b>	<b>\$ 3,476,013</b>	<b>\$ 19,117</b>	<b>\$ 1,144</b>	<b>\$ 3,496,274</b>

- a. In October 2021, some lease contracts were not renewed in consideration of its operating conditions by the Company, and the right of use assets of \$96 and lease liabilities of \$101 were wrote off. The Company recognized \$5 in lease modification benefits.
- b. In May 2022, the Company signed a contract with the North District Office of the State-owned Property Administration to establish land usage rights. The duration of the land usage rights is 70 years from the date of registration, and the land usage was set up on May 3, 2022. In the duration of the contract, the Company shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price. While constructing the areas, the cost would be listed under property, plant and equipment. Please refer to Note 13 for the details.
- c. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the depreciation expenses of the right-of-use assets and the interest expenses of lease liabilities during the planning and construction period will be capitalized. The interest

rates were at 3.25%. Details are as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Right-of-use assets depreciation expense	<b>\$ 924</b>	<b>\$ -</b>
Interest expense on lease liabilities	<b>\$ 662</b>	<b>\$ -</b>

The above accounts are listed under property, plant and equipment. Please refer to Note 13 for the details

d. Please refer to Note 31 for the details of the right-of-use assets pledged as collateral.

#### 15. Short-term loans

Details, conditions, and terms of short-term loan of the Company were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Secured bank loans	<b>\$ 170,000</b>	<b>\$ -</b>
Interest rates	<b>1.78%~1.90%</b>	<b>-</b>
Unused credit lines	<b>\$ 1,203,000</b>	<b>\$ 1,563,016</b>

Please refer to Note 31 for the details of the related assets pledged as collateral.

#### 16. Short-term notes and bills

Details of short-term notes and bills of the Company were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
No guarantees to pay commercial promissory notes	<b>\$ 100,000</b>	<b>\$ -</b>
Less: discount amount	<b>( 59)</b>	<b>-</b>
Carrying amount	<b>\$ 99,941</b>	<b>\$ -</b>
Interest rates	<b>2.14%</b>	<b>-</b>
Unused credit lines	<b>\$ 300,000</b>	<b>\$ 300,000</b>

#### 17. Long-term loans

Details, conditions, and terms of long-term loans of the Company were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Secured bank loans	<b>\$ 924,667</b>	<b>\$ 96,667</b>
Less: Current portion	<b>( 19,668)</b>	<b>( 19,574)</b>
Fees	<b>( 5,647)</b>	<b>( 426)</b>
Total	<b>\$ 899,352</b>	<b>\$ 76,667</b>
Duration years	<b>115-119</b>	<b>111~115</b>
Interest rates	<b>2.43%-3.13%</b>	<b>1.90%</b>
Unused credit lines	<b>\$ 332,000</b>	<b>\$ -</b>

Please refer to Note 31 for the details of the related assets pledged as collateral.

## 18. Lease liabilities

Book value of the Company's lease liabilities were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Current	<b>\$ 182,964</b>	<b>\$ 173,939</b>
Non-current	<b>\$ 3,298,828</b>	<b>\$ 3,457,183</b>

For the maturity analysis, please refer to Note 26.

For the years ended December 31, 2022 and 2021, newly added lease liabilities amounted to \$103,229 and \$1,471 respectively, and the interest rates was 3%~3.25%. Lease period ending dates extend from May, 2024 to May, 2092. However, for the years ended December 31, 2022 and 2021, the Company negotiated modifications to its contracts in consideration of its operating conditions, thereby increasing (reducing) lease liabilities by \$4,637 and \$(101) respectively. The information on modifications of the Company's lease contracts, please refer to Note 14 and 25.

Lease amounts recognized as profit or loss were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest on lease liabilities	<b>\$ 106,752</b>	<b>\$ 111,671</b>
Interest capitalized on lease liabilities	<b>\$ 662</b>	<b>\$ -</b>
Variable lease payments not included in the measurement of lease liabilities	<b>\$ 33,254</b>	<b>\$ 31,681</b>
Expenses relating to short term leases	<b>\$ 1,300</b>	<b>\$ 1,297</b>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	<b>\$ 713</b>	<b>\$ 595</b>

Lease amounts recognized in the Statements of Cash Flows were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Total cash outflow for leases	<b>\$ 399,877</b>	<b>\$ 315,191</b>

### a. Leases of land and equipment, and buildings

As of December 31, 2022 and 2021, the Company leased land, buildings for its warehousing operations and office spaces and land rights. The leases of warehousing operations typically run for a period of 20 years, office spaces for 3~5 years, and land rights for 70 years. Some leases included an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases of office buildings contained extension options exercisable by the Company up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

### b. Other leases

The Company leases transportation equipment with lease terms of three years. In some

cases, the Company has options to extend lease terms at the end of the contract term.

The Company also leases IT equipment and machinery with contract terms of one to three years. These leases are short-term or leases of low value items. The Company has elected not to recognize right of use assets and lease liabilities for these leases.

## 19. Employee benefits

### a. Defined benefit plans

The Company determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Present value of defined benefit obligations	\$ 131,378	\$ 139,545
Fair value of plan asset	( 129,579)	( 122,264)
Net defined benefit liabilities	<b>\$ 1,799</b>	<b>\$ 17,281</b>

The Company makes defined benefit plans contributions to the pension fund account with Bank of Taiwan that provide pension benefits for employees upon retirement. Plans (covered by the Labor Standard Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

### (a) Composition of plan assets

The Company allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$129,579 as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

### (b) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Defined benefit obligations on January 1	\$ 139,545	\$ 143,876
Current service cost and interest	2,275	1,720
Remeasurements of the net defined benefit liability:		
—Actuarial (losses) gains due to experience adjustments	( 3,948)	1,173
Benefits paid by the plan	( 6,494)	( 7,224)
Defined benefit obligations on December 31	<b>\$ 131,378</b>	<b>\$ 139,545</b>

### (c) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years

ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Fair value of plan assets on January 1	\$ 122,264	\$ 122,351
Interest revenue	783	233
Remeasurements of the net defined liability:		
—Return on plan assets (excluding interest for the period)	9,517	1,979
Contributions made from employer	3,509	4,925
Benefits paid by the plan	( 6,494)	( 7,224)
Fair value of plan assets on December 31	<b>\$ 129,579</b>	<b>\$ 122,264</b>

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	<b>For the years ended December 31</b>
	<b>2022</b>	<b>2021</b>
Service cost of the period	\$ 1,382	\$ 1,446
Net interest on net defined benefit liability	110	41
	<b>\$ 1,492</b>	<b>\$ 1,487</b>
Operating cost	\$ 1,095	\$ 1,011
General and administrative expense	397	476
	<b>\$ 1,492</b>	<b>\$ 1,487</b>

(e) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Discount rate	1.09%	0.64%
Future salary increase	1%	1%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$2,657.

The weighted-average lifetime of the defined benefits plans is 2 years.

(f) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Company uses judgments and estimations to determine the actuarial assumptions, including employee turnover rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2022 and 2021, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	<b>Impact on present value of defined benefit obligations</b>	
	<b>Increase</b>	<b>Decrease</b>
December 31, 2022		
Discount of 0.50%	( \$ 1,112)	\$ 1,679
Future salary change of 0.50%	1,658	( 1,118)
December 31, 2021		
Discount of 0.50%	( \$ 1,592)	\$ 6,960
Future salary change of 0.50%	6,897	( 1,594)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variable may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

b. Defined contribution plans

The Company contributed 6% of the employees' monthly wages to the Labor Pension personal accounts at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Company contributed a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

For the years ended December 31, 2022 and 2021, the Company contributed \$10,076 and \$10,440, respectively, under the pension plan to the Bureau of Labor Insurance.

**20. Income taxes**

a. The components of income tax for the years ended December 31, 2022 and 2021 were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Current income tax expense		
Current period	\$ -	( \$ 9,091)
Undistributed earnings additional tax	1,679	-
Adjustment for prior periods	-	( 4,745)
	<u>1,679</u>	<u>( 13,836)</u>
Deferred tax expense		
Origination and reversal of temporary differences	243,310	( 31,292)
Income tax expense (profit)	<u>\$ 244,989</u>	<u>( \$ 45,128)</u>



The reconciliation of income tax and (loss) profit before tax was as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
(Loss) profit before tax	( \$ 1,410,113)	\$ 700,365
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	( 282,023)	140,073
Investment gain or loss from domestic investment accounted for using equity method	336,339	( 71,843)
Other adjustments in accordance with tax laws	( 54,316)	( 77,321)
Prior years' adjustment	-	( 4,745)
Undistributed earnings additional tax	1,679	-
Deferred income taxes	243,310	( 31,292)
<b>Total</b>	<b>\$ 244,989</b>	<b>( \$ 45,128)</b>

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Tax effect of deductible temporary differences	\$ 336,858	\$ 197,642
Investment tax credits	719,427	753,621
	<b>\$ 1,056,285</b>	<b>\$ 951,263</b>

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

As of December 31, 2022, the information of the Company's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

Year of Occurrence	Remaining Creditable Amount	Year of Expiration
2013	\$ 1,290,044	2023
2014	1,262,903	2024
2015	1,044,186	2025
	<b>\$ 3,597,133</b>	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021, were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred Tax Assets:		
Balance, January 1	\$ 431,634	\$ 399,839
Recognized in profit or loss	( 243,835)	31,795
Balance, December 31	<b>\$ 187,799</b>	<b>\$ 431,634</b>

For the years ended December 31, 2021, previously unrecognized tax losses of \$31,795 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Deferred Tax Liabilities:		
Balance, January 1	\$ 525	\$ 22
Recognized in profit or loss	( 525)	503
Balance, December 31	<b>\$ -</b>	<b>\$ 525</b>

- c. The Company's tax returns for the years through 2020 were examined and approved by the tax authority.

## 21. Capital and other equity

### a. Ordinary shares

As of December 31, 2022 and 2021, the total value of nominal ordinary shares amounted to \$15,000,000 with a par value of \$10 (dollars) per share. The total number of shares was 476,055 and 528,950 thousand shares, respectively.

For increasing the return on equity, on March 23, 2022 and March 25, 2021, a resolution was passed in the Boardmeeting for the capital reduction with \$1(NT\$) and \$0.5(NT\$) per share, amounting to \$528,950 and \$278,395, cancelling 52,895 and 27,840 thousand ordinary shares, and passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction in 2022 was approved by the Taiwan Stock Exchange on June 30, 2022. On July 4, 2022, the Company's board of directors approved the reference date for capital reduction would be on July 5, 2022. The registration procedures were finished on July 14, 2022. The capital reduction in 2021 was approved by the Taiwan Stock Exchange on July 23, 2021. On July 27, 2021, the Company's board of directors approved the reference date for capital reduction would be on July 28, 2021. The registration procedures were finished on August 6, 2021. However, the Company resolved to make a capital reduction by \$1,758,123 with the ratio 36.93105921% on March 14, 2023. The resolution would be passed in the Boardmeeting on May 30, 2023. For further information, please refer to the Market Observation Post System.

b. Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Changes in equity of associates and subsidiaries accounted for using equity method	\$ -	\$ 639
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,992	15,604
	<b><u>\$ 15,992</u></b>	<b><u>\$ 16,243</u></b>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

c. Retained earnings

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

By choosing to apply exemptions granted under IFRS 1 First time Adoption of International Financial Reporting Standards during the Company's first-time adoption of the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission, unrealized revaluation gains recognized under shareholders' equity and cumulative translation adjustments (gains) shall be reclassified as investment property at the adoption date. In accordance with permit as issued by the Financial Supervisory Commission, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as a special earnings reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately.

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes in other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(c) Earnings distribution

The dividend policy of the Company takes into consideration the expenditures for its business expansion, investment, and improvement of its financial structure. Dividend

distributions should not be less than 15% of distributable earnings. The Company distributes dividends of at least 10% of the aggregated dividends, if the distributions include cash dividends. However, the Company may be exempt from dividend distribution if distributable profits per share is less than NT\$0.1. The policy requires that all after-tax earnings shall first offset any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the amount of issued share capital. Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve. If there is still surplus, and the undistributed surplus at the beginning of the same period (including adjustment of the amount of undistributed surplus), its distribution shall be prepared by the board of directors and approved by the shareholders' meeting.

If the profit, legal reserve, and capital surplus in the preceding paragraph are issued incash, they shall be authorized for distribution by resolution of board of directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting. When issuing new shares, this shall be handled by a resolution of the shareholders meeting in accordance with the regulations.

The appropriations of 2021 and 2020 earnings concerning cash dividends have been approved by the Company's board of directors on March 23, 2022 and March 25, 2021. The rest appropriations of 2021 and 2020 earnings were resolved by the shareholder's meeting on June 13, 2022 and July 7, 2021, respectively. The appropriations were as follows:

	Amount		Dividend per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 74,607	\$ 54,042	\$ -	\$ -
Special reserve	50,654	68,155	-	-
Cash dividends	528,950	445,432	1.0	0.8

On March 14, 2023, the Company's Board of Directors resolved to make a capital reduction, and would not distribute dividends this year for there was net loss in 2022. The capital reduction for 2022 would be passed in the Board meeting on May 30, 2023 (expected). For further information, please refer to the Market Observation Post System.

- (d) As the Company disposed its subsidiary—Mohist Web Technology Co., Ltd. on May 28, 2021, the unrealized losses on financial assets measured at fair value through other comprehensive income relating to Mohist Web Technology Co., Ltd. amounted to \$55 were also reclassified to retained earnings.
- (e) In 2022 and 2021, the Company's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$5,664 and \$4,604, respectively. In 2021, this transaction reduced capital surplus, difference between consideration and carrying-amount of subsidiaries acquired or disposed from \$4,526 to nil, and retained earnings of \$78. In 2022, it reduced retained earnings of \$5,664 directly. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$207,501. Please refer to Note 12 in the consolidated financial statement for the years ended December 31, 2022.
- (f) In 2022, as the Company did not increase the capital of subsidiaries in proportion to the shareholding ratio, making differences between consideration and carrying-amount of subsidiaries. This incident increased (decreased) capital surplus by \$388 and \$(639), respectively.

d. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2022	(\$ 342,910)	(\$ 3,699)	\$ -	(\$ 346,609)
Exchange differences on foreign operation	136,147	-	-	136,147
Change in other comprehensive income of associates accounted for using equity method	30,005	4,989	31,115	66,109
Balance on December 31, 2022	<u>(\$ 176,758)</u>	<u>\$ 1,290</u>	<u>\$ 31,115</u>	<u>(\$ 144,353)</u>
Balance on January 1, 2021	(\$ 292,290)	(\$ 3,666)	\$ -	(\$ 295,956)
Exchange differences on foreign operation	( 43,961)	-	-	( 43,961)
Change in other comprehensive income of associates accounted for using equity method	( 6,659)	22	-	( 6,637)
Loss of control of the subsidiary	-	( 55)	-	( 55)
Balance on December 31, 2021	<u>(\$ 342,910)</u>	<u>(\$ 3,699)</u>	<u>\$ -</u>	<u>(\$ 346,609)</u>

22. (Losses) earnings per share

The basic (losses) earnings per share and diluted (losses) earnings per shares were calculated as follows:

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
<b>Basic (loss) earnings per share</b>		
(Loss) profit attributable to ordinary shareholders of the Company	<u>(\$ 1,655,102)</u>	<u>\$ 745,493</u>
The weighted average number of ordinary shares outstanding (thousand shares)	<u>502,865</u>	<u>544,815</u>
	<u>(\$ 3.29)</u>	<u>\$ 1.37</u>
<b>Diluted (loss) earnings per share</b>		
(Loss) profit attributable to ordinary shareholders of the Company	<u>(\$ 1,655,102)</u>	<u>\$ 745,493</u>
The weighted average number of ordinary shares outstanding (thousand shares)	502,865	544,815
Effect of dilutive potential ordinary shares:		
Employee stock bonus	178	925
Loss attributable to ordinary shareholders of the Company (weighted average number of ordinary shares (diluted) on December 31)	503,043	545,740
	<u>(\$ 3.29)</u>	<u>\$ 1.37</u>

23. Revenue from contracts with customers

a. Details of revenue

	<u>For the years ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Main services:		
Loading and storage revenue	<u>\$ 1,479,159</u>	<u>\$ 1,369,908</u>

b. Contract balances

	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>January 1, 2021</b>
Accounts receivable	<u>\$ 33,675</u>	<u>\$ 16,065</u>	<u>\$ 11,148</u>
Current contract liabilities	<u>\$ 2,145</u>	<u>\$ -</u>	<u>\$ -</u>

Please refer to Note 9 for the details of accounts receivable and its impairment.

**24. Remuneration of employees**

If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee compensation), then after deducting any accumulated loss, 3.5% of the balance shall be allocated as employee compensation and the amount allocated shall be used as the current year's expense. Employees' remuneration is based on stocks or cash, subject to a special resolution of the board of directors and reporting to the regular shareholders meeting.

Since there was net loss in 2022, no remuneration should be calculated.

The Company's employee compensation for the years ended December 31, 2021 was \$25,402. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, multiplied by the percentage of remuneration to employees. These remunerations were expensed under operating costs or expenses during those periods. The differences between the actual distributed amounts, as determined by the board of directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

The amounts of employees' and directors' remuneration, as stated in the parent company only financial statements, were identical to the actual distributions amounts for the years 2021 and 2020. For further information, please refer to the Market Observation Post System.

**25. Non-operating income and expenses**

a. Interest income

The details of interest income of the Company were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest income from bank deposits	\$ 1,810	\$ 999
Interest income from financial assets measured at amortized cost	221	183
Other interest income	12,790	17,882
	<u>\$ 14,821</u>	<u>\$ 19,064</u>

b. Other income

The details of other revenue of the Company were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Rental income	\$ 26,910	\$ 3,135
Dividend income	51,475	21,879
Other revenue	14,509	13,390
	<b>\$ 92,894</b>	<b>\$ 38,404</b>

c. Other gains and losses

The details of other gains and losses were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Gain on disposal of property, plant, and equipment	\$ -	\$ 193
Lease modification benefits	-	5
Foreign exchange (loss) gain	( 17,742)	750
Net (loss) gain on evaluation of financial assets at fair value through profit or loss	( 198,332)	10,516
Loss on disposal of investments	-	( 4,327)
Other loss	( 38)	( 76)
	<b>( \$ 216,112)</b>	<b>( \$ 7,061)</b>

d. Finance costs

The Company's finance costs were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Interest expenses – lease liabilities	\$ 106,752	\$ 111,671
Interest expenses – bank loans	14,087	2,378
Finance expense	5,746	288
	<b>\$ 126,585</b>	<b>\$ 114,337</b>

## 26. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2022 and 2021, the maximum credit exposure for the Company originates from possible non-fulfillment of obligations by counterparties and from financial losses arising from financial guarantees provided by the Company, mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Company providing financial guarantees to its customers was \$2,370,797 and \$1,612,251.

(b) Concentration of credit risk

For the years ended December 31, 2022 and 2021, the Company's revenue come from sales to a single customer were 11.79% and 10.57%, respectively.

For credit risk exposure of notes and accounts receivable, please refer to Note 9.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4f.

As of December 31, 2022 and 2021, there was no allowance for notes and accounts receivable.

b. Liquidity risk

The following are the contractual maturities of financial liabilities of the Company, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	More than 5 years
<b>December 31, 2022</b>						
Non derivative financial liabilities						
Loans	\$ 1,089,020	\$ 1,365,971	\$ 212,756	\$ 193,683	\$ 238,891	\$ 720,641
Short term notes and bills payable	99,941	100,000	100,000	-	-	-
Payables (including related parties)	440,590	440,590	440,590	-	-	-
Lease liabilities (current and non-current)	3,481,792	4,404,505	284,954	550,804	543,957	3,024,790
Guarantee deposits received	360	360	-	360	-	-
	<b>\$ 5,111,703</b>	<b>\$ 6,311,426</b>	<b>\$ 1,038,300</b>	<b>\$ 744,847</b>	<b>\$ 782,848</b>	<b>\$ 3,745,431</b>
<b>December 31, 2021</b>						
Non derivative financial liabilities						
Loans	\$ 96,241	\$ 101,181	\$ 21,662	\$ 42,185	\$ 37,334	\$ -
Payables (including related parties)	436,412	436,412	436,412	-	-	-
Lease liabilities (current and non-current)	3,631,122	4,635,098	280,465	554,532	542,367	3,257,734
Guarantee deposits received	360	360	-	360	-	-
	<b>\$ 4,164,135</b>	<b>\$ 5,173,051</b>	<b>\$ 738,539</b>	<b>\$ 597,077</b>	<b>\$ 579,701</b>	<b>\$ 3,257,734</b>

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

c. Exchange rate risk

(a) Exposure to exchange rate risk

The Company's financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
<b>Financial assets</b>						
<b>Monetary items</b>						
USD:TWD	\$ 46	30.712	\$ 1,399	\$ 23	27.680	\$ 642
EUR:TWD	9	32.720	288	234	31.320	7,333
<b>Non-monetary items</b>						
USD:TWD	43,214	30.712	1,327,108	72,523	27.680	2,007,438
HKD:TWD	14,835	3.938	58,419	15,832	3.550	56,187
<b>Financial liabilities</b>						
<b>Monetary items</b>						
USD:TWD	\$ 5,757	30.712	\$ 176,807	\$ 6,395	27.680	\$ 177,015

(b) Sensitivity analysis

The Company's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net (loss) profit before tax would have respectively increased or decreased by \$1,751 and \$1,690 for the years ended December 31, 2022 and 2021, respectively. The analysis is performed



on the same basis for both periods.

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the the years ended December 31, 2022 and 2021, foreign currency exchange (losses) gains (including realized and unrealized) amounted \$(17,742) and 750, respectively.

d. Interest rate analysis

The interest risk exposure of the Company's financial assets and liabilities is described in the note on market risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities on the reporting date have been outstanding for the whole year. The Company's internal management reported the increases/decreases in interest rates, and changes in interest rates of one basis point are considered by management to be reasonably possible.

If the interest rate had increased or decreased by 1% and assuming all other variable factors remained constant, the Company's net (loss) profit after tax would have respectively increased or decreased by \$(6,577) and \$615 for the the years ended December 31, 2022 and 2021.

e. Other market price risk

Sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Price of securities at reporting date	For the years ended December 31			
	2022		2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	24,333	\$ 225	20,578
Decreasing 3%	(\$ 225)	( 24,333)	(\$ 225)	( 20,578)

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

December 31, 2022	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 811,095	\$ 811,095	\$ -	\$ -	\$ 811,095
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortized cost					
Cash and cash equivalents	424,348				

December 31, 2022	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Accounts receivable (including related parties)	\$ 33,675				
Other receivables (including related parties)	318,926				
Other current financial assets	94				
Refundable deposits	158,621				
Other non-current financial assets	4,000				
Financial liabilities measured at amortized cost					
Short-term loans	170,000				
Short term notes and bills payable	99,941				
Other payables (including related parties)	440,590				
Long-term loans (including current portion of long-term loans)	919,020				
Lease liabilities (current and non-current)	3,481,792				
Guarantee deposits received	360				

December 31, 2021	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss					
Accounts receivable (including related parties)	\$ 685,939	\$ 685,939	\$ -	\$ -	\$ 685,939
Other receivables (including related parties)	7,500	-	-	7,500	7,500
Financial assets measured at amortized cost					
Cash and cash equivalents	633,416				
Accounts receivable (including related parties)	16,065				
Other receivables (including related parties)	424,909				
Other current financial assets	1,288				
Refundable deposits	117,486				
Financial liabilities measured at amortized cost					
Notes and accounts payable (including related parties)	38				
Other payables (including related parties)	436,374				
Long-term loans (including current portion of long-term loans)	96,241				
Lease liabilities (current and non-current)	3,631,122				
Guarantee deposits received	360				

(b) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(b-1) Financial assets measured at amortized cost and financial liabilities

measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, estimates shall be used. The estimates and assumptions used in the evaluation method shall be the discounted value of cash flows to estimate the fair value.

(c) Valuation techniques for financial instruments measured at fair value

(c-1) Non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The fair value of listed (over-the-counter) equity instruments and debt instruments with quoted prices in active markets are based on quoted market prices on major exchanges and over-the-counter (OTC) central government bond marketplaces, which are judged to be popular securities.

A financial instrument is publicly quoted in an active market if quoted prices are readily and consistently available from exchanges, brokers, underwriters, industry associations, pricing services authorities, or regulatory authorities, and if those prices represent prices that are representative of actual and regularly occurring fair market activity. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, significant increases in bid-ask spreads, or low trading volume are indicators of an inactive market.

The fair values of the Company's financial assets and liabilities, such as shares, funds and bonds of listed companies, with standard terms and conditions and traded in active markets, are determined by reference to quoted market prices, respectively.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques or quoted prices with reference to counterparties.

(c-2) Derivative financial instruments

Derivative financial instruments are valued based on widely accepted valuation models, such as discounted and option pricing models. Structured interest rate derivative financial instruments are valued using an appropriate option pricing model (e.g., Black-Scholes model) or other valuation techniques, such as Monte Carlo simulation.

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(e) Reconciliation of Level 3 fair values

There was no change in fair value through other comprehensive income recognized for the years ended December 31, 2022 and 2021.

(f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value are "Financial assets at fair value through other comprehensive income."

Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> <li>• Price to book ratio multiple (1.29 and 1.97 as of December 31, 2022 and 2021, respectively)</li> <li>• Discount for lack of marketability (20%)</li> </ul>	<ul style="list-style-type: none"> <li>• The higher the multiple, the higher the fair value</li> <li>• The higher the discount, the lower the fair value</li> </ul>
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	<ul style="list-style-type: none"> <li>• Net Asset Value</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

- (g) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	<u>Inputs</u>	<u>Rate increasing or decreasing</u>	<u>Other comprehensive income</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
<b>December 31, 2022</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 124	(\$ 124)
Equity investments without an active market	Discount for lack of marketability	1%	124	( 124)
<b>December 31, 2021</b>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 191	(\$ 191)
Equity investments without an active market	Discount for lack of marketability	1%	191	( 191)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

## 27. Financial risk management

### a. Overview

The Company is exposed to the following risks due to usage of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note describes the Company's information concerning risk exposure and the Company's targets, policies and procedures to measure and manage the risks. For more quantitative information about the financial instruments, please refer to related notes to the financial statements.

### b. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized the management of core business departments to develop and monitor the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

### c. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from the Company's receivables from customers and financial instruments.

#### (a) Accounts receivable and other receivables

The exposure of the credit risk depends on each customer of the sales of loading storage and lease. The Company assesses the customers' credit risk based on their basic information, which comprises of the default risk in their industry and country. The Company continuously monitors the exposure to credit risk and counterparty credit ratings, the Company does not require any collateral for trade and other receivables.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount with requiring approval from the Risk Management Committee; these limits are reviewed periodically. The Company would not trade with clients who cannot meet the basic credit rating requirement through regular review.

The Company monitored customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Company's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

The Company has set up an allowance for impairment to reflect the estimate of

incurred losses with respect to trade receivables. The collectible status of the allowance for doubtful accounts is divided into five stages: normal, noticeable, recoverable, recoverable with difficulty, and uncollectible. The Company recognizes the balance of the accounts receivable as impairment loss.

(b) Investment

The credit risk exposure of the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the General Manager's office. The Company only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

(c) Guarantee

The Company's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2022 and 2021, no other guarantees were outstanding.

d. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2022 and 2021, the Company had unused bank credit lines for short term borrowings amounting to \$1,835,000 and \$1,863,016, respectively. According to the Company's evaluation, the working funds of the Company are sufficient to meet its entire contractual obligations and non hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. The Company intends to strengthen the activation and utilization plan of real estate and investment, which is expected to be sufficient to cope with liquidity risk.

e. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities, primarily the New Taiwan Dollar (TWD). The currencies used in these transactions are the TWD, EUR, and USD.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Company ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term imbalances.

(b) Interest rate risk

The Company's interest rate risk is managed by maintaining an appropriate combination of fixed and floating interest rates. The Company periodically evaluates the hedging activities and makes the interest rate and risk preference consistent, so

that the hedging strategies are most cost effective.

(c) Other market price risk

The Company is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Company does not actively trade in these investments since the management of the Company monitors and manages the equity investments by holding different investment portfolios. The Company's management will adjust the investment portfolios of stocks and bonds based on the market price. The significant components of the investment portfolios are individually managed.

**28. Capital management**

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As at December 31, 2022, the Company's capital management strategy is consistent with the prior year as at December 31, 2021, ensure financing at a reasonable cost. The Company's debt-to-equity ratios at the balance sheet dates were as follows:

	<b>December 31, 2022</b>	<b>December 31, 2021</b>
Total liabilities	\$ 5,798,381	\$ 4,688,041
Less: cash and cash equivalents	( 424,348)	( 633,416)
Net debt	5,374,033	4,054,625
Total Equity	3,534,055	6,243,683
Total capital	<b>\$ 8,908,088</b>	<b>\$ 10,298,308</b>
Net Debt-to-equity ratio	<b>60.33%</b>	<b>39.37%</b>

As of December 31, 2022, the increase in the debt-to-equity ratio was due to the increase in loans.

**29. Investing and financing activities not affecting current cash flow**

The Company's investing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of property, plant and equipment	\$ 133,259	\$ 114,012
Add: Other payables January 1	19,871	15,572
Less: Interest and depreciation capitalization	( 2,272)	-
Other payables December 31	( 24,984)	( 19,871)
Cash paid in this period	<b>\$ 125,874</b>	<b>\$ 109,713</b>

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Acquisition of intangible assets	\$ 2,296	\$ 1,143
Add: Other payables January 1	148	-
Other payables December 31	( 151)	( 148)
Cash paid in this period	<b>\$ 2,293</b>	<b>\$ 995</b>

The Company's financing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	January 1, 2022	Cash flows	Non-cash changes			December 31, 2022
			Discount	Loss of control	Amortization of financing use commitment fees	
Short term notes and bills payable	\$ -	\$ 100,000	(\$ 59)	\$ -	\$ -	\$ 99,941
Long-term loans	96,241	828,000	-	-	( 5,221)	919,020
Total	<b>\$ 96,241</b>	<b>\$ 928,000</b>	<b>(\$ 59)</b>	<b>\$ -</b>	<b>(\$ 5,221)</b>	<b>\$ 1,018,961</b>

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Discount	Loss of control	Amortization of financing use commitment fees	
Long-term loans	\$ -	\$ 96,667	\$ -	\$ -	( \$ 426)	\$ 96,241

### 30. Related party transactions

#### a. Names and relationship with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated financial statements:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Far Eastern Silo & Shipping (Panama) S.A (FESS-Panama)	The Company's subsidiary
Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	The Company's subsidiary
Grand Scene Media Corporation (GSMC-Cayman)	The Company's subsidiary
Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication (Hong Kong))	The Company's subsidiary
RICHNESS TRADING (SHANGHAI) CO., LTD. (RICHNESS TRADING (SHANGHAI))	The Company's subsidiary
Shanghai Rich Industry Ltd. (Shanghai Rich)	The Company's subsidiary (Note 2)
GRAND SCENE TRADING (HONG KONG) LIMITED (GRAND SCENE TRADING (HONG KONG))	The Company's subsidiary
Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	The Company's subsidiary
Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	The Company's subsidiary (Note 6)
Far Eastern Investment Co., Ltd. (EIC)	The Company's subsidiary
Tung Kai Lease Finance Co., Ltd. (TKLF)	The Company's subsidiary
Eastern International Lease Finance Co., Ltd. (EILF)	The Company's subsidiary
ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	The Company's subsidiary
EHR Hotels & Resorts Group Yilan (EHR)	The Company's subsidiary
Mohist Web Technology Co., Ltd. (MWT)	The Company's subsidiary (Note 4)



Name of related party	Relationship with the Company
Eastern Asset Co., Ltd. (Eastern Asset)	The Company's subsidiary
Show Off Co., Ltd. (Show Off)	The Company's subsidiary (Note 1)
ET Pet Co., Ltd (ET Pet)	The Company's subsidiary (Note 10)
Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	The Company's subsidiary (Note 7)
Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	The Company's subsidiary
Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	The Company's subsidiary (Note 8)
Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	The Company's subsidiary
MOOD Internet Corporation Limited (MOOD)	The Company's subsidiary (Note 11)
Oscar Pet Co., Ltd. (Oscar)	The Company's subsidiary (Note 3)
Pet Kingdom Co., Ltd. (Pet Kingdom)	The Company's subsidiary (Note 3)
Kaou Sin Trading Co., Ltd. (Kaou Sin)	The Company's subsidiary (Note 3)
Care Pet Bio-Tech Company (Care Pet Bio-Tech)	The Company's subsidiary (Note 5)
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate
Strawberry Cosmetics Holdings Limited	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Happy Shopping CO., LTD.	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties (Note 9)
Eastern Realty Co., Ltd.	Other related parties
Dongsen Health Biotechnology Co., Ltd. (Dongsen Health Biotechnology)	Other related parties
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Taiwan Information and Communication Association	Other related parties
Dongsen Social Welfare Foundation (Dongsen Social Welfare)	Other related parties
All Directors, Supervisors, general manager and vice personnel general of the Company	Key management personnel

Note 1: Show off was dissolved on July 30, 2020. The procedure of liquidation was finished on July 9, 2021.

Note 2: Shanghai Rich was liquidated on March 24, 2021.

Note 3: ET Pet resolved on November 4, 2021 to acquire the rest interests of 20% in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082. Additionally, the interests in Oscar were acquired partially. The company acquired 8.51% and 11.49% of the interests in December, 2021 and January, 2022, respectively. ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet would be the surviving company. The reference date of merger would be on November 1, 2022.

Note 4: Since May 28, 2021, due to the loss of control over MWT, it was not a related party.

Note 5: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 6: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 7: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 8: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 9: Since August 6, 2021, due to the liquidation of Taiwan Gift Card Co. Ltd., it was not a related party.

Note 10: The Company participated in the cash capital increase of ET Pet, and would obtain shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly.

Note 11: On December 13, 2022, the ET New Media's Board of Directors resolved to invest \$50,000 in Dung sen mu de tech with a 100% shareholding, which was registered on December 27, 2022.

b. Significant transactions with related parties

(a) Receivables

Accounts	Related parties	December 31, 2022	December 31, 2021
Other receivables	Associates	\$ 1,733	\$ 4,146
Other receivables	Other related parties	35	545
Other receivables	Subsidiaries	4,714	4,922
		<b>\$ 6,482</b>	<b>\$ 9,613</b>

(b) Payables

Accounts	Related parties	December 31, 2022	December 31, 2021
Other payables	Associates	\$ 6,003	\$ 157
Other payables	Other related parties	12	26
		<b>\$ 6,015</b>	<b>\$ 183</b>

(c) Loans to related parties

	December 31, 2022	December 31, 2021
ET New Media	\$ 260,000	\$ 400,000
Care Pet Bio-Tech	48,000	-
	<b>\$ 308,000</b>	<b>\$ 400,000</b>

Interest revenue:

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
ET New Media	\$ 12,248	\$ 10,356
ET Pet	30	1,918
Care Pet Bio-Tech	487	-
MWT	-	27
EHR	-	5,556
	<b>\$ 12,765</b>	<b>\$ 17,857</b>

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's short-term borrowings. All loans were unsecured and no need to recognized impairment. Interest receivables of the Company as of December 31, 2022 and 2021 were \$793 and \$986, respectively

(d) Borrowings from related parties

	<b>December 31,</b>	<b>December 31,</b>
	<b>2022</b>	<b>2021</b>
FESS-Panama	\$ 17,854	\$ 29,745
GRAND SCENE TRADING (HONG KONG)	58,963	53,146
Eastern Media Communication (Hong Kong)	45,758	41,243
Grand Richness (Hong Kong)	54,232	52,881
	<b>\$ 176,807</b>	<b>\$ 177,015</b>

Interest expenses:

Interest which results from the unsecured borrowings by the Company from related parties would be calculated based on the average rates in the current year obtained from financial institutions. For the years ended December 31, 2022 and 2021, the interest expenses paid to the related party were \$1,761 and \$1,843, respectively

(e) Rendering services

For the years ended December 31, 2022 and 2021, consulting services provided to the subsidiaries were nil and \$135, respectively.

(f) Endorsement / Guarantee provided

(f-1) For the years ended December 31, 2022 and 2021, the Company had provided a guarantee for loans taken out by related parties. The credit limits of the guarantee were \$9,511,215, and \$9,072,455, respectively, and the remuneration charged from related parties for using guarantees on the loans taken out (recognized as other income) was \$1,266 and \$865, respectively. As of December 31, 2022 and 2021, the receivables of guarantee provided were \$392 and 277, respectively.

(f-2) For the years ended December 31, 2022 and 2021, the related parties provided a guarantee for loans taken out by the Company. The credit limits of the guarantee were \$530,000, and \$689,029, respectively, and the remuneration paid to related parties for providing guarantees on the loans taken out by the Company (recognized as finance expense) was \$511 and \$43, respectively. As of December 31, 2022 and 2021, the Company's remuneration payable was amounted to \$154 and \$35, respectively

(g) Leases

(g-1) The Company rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the years ended December 31, 2022 and 2021 were amounted to \$1,140 and \$1,021, respectively.

(g-2) As the Company applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the years ended December 31, 2022 and 2021 were amounted to \$782 and \$586, respectively.

(g-3) Transaction terms for the above are the same as those for ordinary transactions.

(h) Other

(h-1) For the years ended December 31, 2022 and 2021, the Company paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$18,520 and \$4,685, respectively.

(h-2) For the years ended December 31, 2022 and 2021, the Company charged management fees and miscellaneous income from related parties amounted to \$483 and \$974, respectively.

(h-3) For the years ended December 31, 2022 and 2021, related parties paid the remuneration of directors to the Company was \$8,928 and \$7,899, respectively.

(h-4) In order to follow its operating plan, the Company donated \$5,700 and \$3,000 to related parties in related industries for the years ended December 31, 2022 and 2021, respectively.

(h-5) In May 2021, the Company sold the shares of MWT at the net price \$35,294 and recognized loss on disposal of the investment amounted to \$4,327.

(h-6) The Company invested \$120,800 in EHR in proportion to the shareholding ratio.

(h-7) The Company invested \$220,000 in Eastern Asset in proportion to the shareholding ratio.

(h-8) The Company participated in the capital increase of ET Pet by \$416,250 on December 26, 2022.

(h-9) As of December 31, 2022 and 2021, the Company pledged stocks of subsidiaries and associates as collateral.

c. Key management personnel compensation

	<b>For the years ended December 31</b>	
	<b>2022</b>	<b>2021</b>
Short-term employee benefits	<b>\$ 47,121</b>	<b>\$ 47,666</b>

### 31. Pledged assets

Pledged assets of the Company were as follows:

<u>Assets</u>	<u>Purpose of pledge</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Property, plant and equipment	Short-term and long-term loans	\$ 324,049	\$ 335,125
Investments accounted for using equity method	Long-term loans	15,858	166,450
Other current financial assets- demand deposits	Reserve and its interest	94	90
Other current financial assets- demand deposits	Letter of credit	-	1,198
Refundable deposits	Bid bonds, performance bonds and security deposits	153,989	112,855
Other non-current financial assets - reserve account	Deposit in long-term loans	4,000	-
Current financial assets at fair value through profit or loss	Short-term loans	453,412	-
Right-of-use asstes	Long-term loans	96,044	-
		<u>\$ 1,047,446</u>	<u>\$ 615,718</u>

### 32. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Unused standby letters of credit	<u>\$ -</u>	<u>\$ 5,990</u>

(b) The Company had signed contracts relating to manage resorts in Linkuo, and also had signed services agreements relating to the hotel's business and authorization with Formosa international hotels corporation. The Company should pay expenses proportionally while the services provided by Formosa international hotels corporation achieve the standards as the contracts recorded.

(c) Unrecognized contractual commitments:

The Company's unrecognized contractual commitments are as follows:

	<u>December 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Total contract prices	<u>\$ 8,500</u>	<u>\$ 141,461</u>
Payout amount	<u>\$ 3,450</u>	<u>\$ 132,350</u>

b. Contingent liabilities were as follows:

(a) On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. (both are subsidiaries of the Company). The SFIPC also demanded the compensation of \$41,038. The Taipei District Court ruled that the Company violated the Commercial Company Act. However, both the ex-chairman and the general manager were acquitted, and not only did the Company did not bear any losses from the said transaction above, but on the contrary, it gained a profit amounting to \$6,894, plus an additional 5% interest arising from the delayed payment amounting to \$6,884 with a total amount around \$13,000. In other words, the transaction did not do any damage to the Company and its shareholders. As a result, the appeal filed against the Company was denied by the Taipei District Court on December 5, 2012. However, the SFIPC was not satisfied with the decision made by the court. Therefore, it filed another appeal, this time with the Taiwan High Court, demanding compensation amounting to \$22,664. The appeal was denied on December 3, 2013. Nevertheless, the SFIPC filed an appeal once more with the Taiwan High Court on December 24, 2013. The case was transferred from the Supreme Court to the High Court on April 23, 2015, for further investigation. On May 10, 2017, the Taiwan High Court ruled against SFIPC. Therefore, SFIPC filed an appeal to the Supreme Court on June 6, 2017. On February 23, 2021, the Taiwan High Court still ruled against SFIPC. However, SFIPC filed an appeal and the Supreme Court retimed to the High Court for a third trial. Currently, the arbitration process is still in progress and the results have yet to be determined.

(b) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2022 and 2021, all unsettled lawsuits had no impact on its financial and business operation.

**33. Losses Due to Major Disasters: None.**

**34. Subsequent Events:**

On March 14, 2023, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 21 for the details.

35. **Other**

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the years ended December 31		
	2022		
By nature	Operating cost	Operating expense	Total
<b>Employee benefits</b>			
Salary	\$ 135,686	\$ 174,175	\$ 309,861
Health and labor insurance	12,257	10,836	23,093
Pension	5,517	6,051	11,568
Remuneration of directors	-	7,553	7,553
Others	7,399	2,748	10,147
Depreciation expense	266,434	14,897	281,331
Amortization expense	75	1,095	1,170

By function	For the years ended December 31		
	2021		
By nature	Operating cost	Operating expense	Total
<b>Employee benefits</b>			
Salary	\$ 161,106	\$ 172,519	\$ 333,625
Health and labor insurance	12,598	11,023	23,621
Pension	5,714	6,213	11,927
Remuneration of directors	-	7,923	7,923
Others	6,538	2,277	8,815
Depreciation expense	245,399	13,507	258,906
Amortization expense	-	609	609

Note: Some of the remuneration received by human support is not excluded from the above employee welfare expenses.

For the years ended December 31, 2022 and 2021, the information on the number of employees and employee benefit expense of the Company is as follows:

	For the years ended December 31	
	2022	2021
Number of employees	<u>257</u>	<u>262</u>
Number of directors (non-employee)	<u>5</u>	<u>5</u>
Average employee benefit expense	<u>\$ 1,407</u>	<u>\$ 1,471</u>
Average employee salary expense	<u>\$ 1,230</u>	<u>\$ 1,298</u>
Percentage of average employee salary expense	<u>(5%)</u>	<u>9%</u>
Remuneration for supervisors	<u>\$ -</u>	<u>\$ -</u>

Compensation policies are as follows:

- The remuneration for directors in the Article 18th of the Company's Articles of Incorporation, is determined based on their involvement in the Company's operations, contributions to the Company, and the general pay levels in the industry. Monthly fixed remuneration and

transportation allowances paid are based on attendance in board meetings. According to the Company's Articles of Incorporation, there is no remuneration of directors.

- b. The Company has established the Board Performance Assessment Regulations. The Board performance evaluation is carried out every year in accordance with the evaluation procedures and evaluation indicators of the regulations. The assessment may be performed by an external independent professional institution or a panel of external experts and scholars every three years. An implementation of the evaluation report from the external independent professional institution, submit it to the Board of directors for review, and serve as a reference for selecting or nominating directors.
- c. Managers' remuneration is based on the company's "Salary Management Regulations" and the responsibilities, positions, seniority, personal abilities, and experience that they are concurrently responsible for, as well as the pay level as the basis for salary evaluation. Remuneration mainly includes three parts: fixed monthly salary, bonus and employee remuneration; remuneration at the time of appointment and salary adjustments after appointment are submitted for approval in accordance with the internal audit authority, and also refer to personal performance evaluation and contribution to the Company. The reports of related performance evaluation and reasonableness of remuneration are reviewed by the Compensation Committee, and then are submitted to the Board of directors for resolution.
- d. The Company's year end bonus is issued to reflect the Company's operating performance and profit and loss in the previous year, taking into account a number of internal and external factors, and weighting individual performance appraisal, Then the proposal of year end bonus is recommended by the general manager, and is reported to the chairman for approval.
- e. The estimated employee's compensation of the Company is set at the rates of 3.5% of profit before income tax; and after approval by the board of directors, the employee's compensation distributed is determined based on their salaries, contributions to the Company in the previous year, the proportion of service days for the Company and performance for individuals.
- f. In order to maintain the competitiveness of compensation, the Company evaluates the pay level in the labor market by conducting salary surveys every year. Operational performance and future development are also taken into consideration when determining the compensation policy. Compensation and performance bonuses of employees differ based on the performance of each employee in order to reward the outstanding employees for their contributions to the Company.

### **36. Other disclosures**

- a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Company for the years ended December 31, 2022.

- (a) Please refer to Table 1 for the loans to other parties.
- (b) Please refer to Table 2 for the guarantees and endorsements for other parties.
- (c) Please refer to Table 3 for the securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures).
- (d) The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None.
- (e) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- (f) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- (g) Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: None.



(h) Please refer to Table 4 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.

(i) Trading in derivative instruments: None.

b. Information on investees

Please refer to Table 5 for the information on investees for the years ended December 31, 2022.

c. Information on investment in Mainland China

(a) Please refer to Table 6 for the relevant information such as the name and main business items of the investee company in Mainland China.

(b) Please refer to Table 6 for the limitation on investment in Mainland China

(c) Please refer to Table 6 for the significant transactions with investee companies in Mainland China.

d. Major shareholders

Please refer to Table 7 for the major shareholders for the years ended December 31, 2022.

**37. Segment information**

Please refer to the consolidated financial statements for the year ended December 31, 2022.

**Eastern Media International Corporation**

**Statement of cash and cash equivalents**

**December 31, 2022**

**(Expressed in thousands of New Taiwan Dollars)**

<b>Item</b>	<b>Description</b>	<b>Amount</b>	<b>Note</b>
Cash	Cash on hand	<u>\$ 1,582</u>	
Bank			
Demand deposits		261,741	
Checking accounts			
deposits		581	
Foreign currency	Mainly consisted of USD\$14;		
deposits	with rate 30.712	<u>444</u>	
		<u>262,766</u>	
Cash equivalents			
Repurchase agreement	Due date: January 9, 2023;		
	with rate 1.00%	<u>160,000</u>	
		<u><b>\$ 424,348</b></u>	

**Statement of current financial assets at fair value through profit or loss**  
**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

<b>Name of security</b>	<b>Category of security</b>	<b>Shares/ Units</b>	<b>Par value (NT\$)</b>	<b>Amount</b>	<b>Rate</b>	<b>Acquisition cost</b>	<b>Fair value</b>		<b>Movement of fair value attribute</b>	<b>Note</b>
							<b>Price (NT\$)</b>	<b>Amount</b>		
Taiwan Cement Co., Ltd.	Domestic stock	6,819,555	\$ 10	\$ 68,196	-%	\$ 320,550	\$ 33.65	\$ 229,478	-	Note
Formosa Plastics corporation	Domestic stock	4,670,000	10	46,700	-%	494,296	86.80	405,356	-	Note
Taiwan Semiconductor Manufacturing Co., Ltd.	Domestic stock	393,000	10	3,930	-%	225,810	448.50	<u>176,261</u>	-	-
								<u><b>\$ 811,095</b></u>		

Note: For the details of the financial instruments pledged as collateral of the Company please refer to Note 7 and 31.

**Eastern Media International Corporation**  
**Statement of changes in investments accounted for using the equity method**  
**For the year ended December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

Name of investee	Beginning Balance		Addition		Decrease		Capital surplus	Retained earnings	Remeasur- ement of defined benefit plans	Investment Income or loss	Translation adjustment	Unrealized gain or loss of financial assets at fair value through other Comprehensive income		Ending Balance		Net Assets Value	Collateral
	Shares	Amount	Shares	Amount	Shares	Amount						Revaluatoin surplus	Percentage of ownership	Shares	Amount		
FESS-Bermuda	600,000	\$ 867	-	\$ -	\$ -	\$ -	\$ -	\$ -	(\$ 628)	\$ 44	\$ -	\$ -	600,000	100.00	\$ 283	\$ 283	None
FESS-Panama	71,700	2,006,571	-	-	-	-	-	-	( 840,937)	130,076	-	31,115	71,700	100.00	1,326,825	1,326,825	"
Grand Richness (Hong Kong)	16,214,616	56,187	-	-	-	-	-	-	( 3,795)	6,027	-	-	16,214,616	100.00	58,419	58,419	"
EIC	67,641,445	1,030,509	-	-	( 276,308)	1,738	( 154,490)	795	( 148,939)	22,330	3,713	-	67,641,445	97.90	479,348	479,348	"
EILF	40,690,330	326,392	-	-	-	-	-	-	( 32,933)	-	-	-	40,690,330	53.77	293,459	293,459	"
TKLF	40,847,294	358,823	-	-	-	-	-	-	( 25,896)	-	-	-	40,847,294	53.76	332,927	332,927	"
EHS	6,637,500	126,893	-	-	( 33,188)	-	( 53,075)	274	( 33,337)	7,675	1,276	-	6,637,500	6.51	16,518	16,518	Long term loans
ET New Media	53,522,508	( 495,987)	-	-	-	151,346	( 5,600)	-	( 231,335)	-	-	-	53,522,508	89.20	( 581,576)	( 581,576)	None
ET Pet	-	-	41,625,000	416,250	-	( 152,696)	-	-	( 225,467)	-	-	-	41,625,000	59.46	38,087	38,087	"
EHR	32,973,086	45,053	-	-	-	-	-	-	( 132,245)	-	-	-	32,973,086	60.40	( 87,192)	( 87,192)	Long term loans
Eastern Asset	49,500,000	494,013	22,000,000	220,000	-	-	-	-	( 6,181)	-	-	-	71,500,000	55.00	707,832	707,832	None
		<u>\$ 3,949,321</u>		<u>\$ 636,250</u>		<u>(\$309,496)</u>	<u>\$ 388</u>	<u>(\$ 213,165)</u>	<u>\$ 1,069</u>	<u>(\$1,681,693)</u>	<u>\$ 166,152</u>	<u>\$ 4,989</u>	<u>\$ 31,115</u>		<u>\$ 2,584,930</u>		
Add: Classified as other liabilities		495,987													668,768		
		<u>\$ 4,445,308</u>													<u>\$ 3,253,698</u>		

Note: The increase in investments resulted from acquire subsidiaries amounted to \$636,250. The decrease in investments resulted from receiving dividends of investees amounting to \$309,496.

**Eastern Media International Corporation**  
**Statement of changes in Property, plant and equipment**  
**For the year ended December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

Please refer to Note 13 for the details.

**Statement of changes in right-of-use assets**

Please refer to Note 14 for the details.

**Statement of long-term loans**  
**December 31, 2022**

<b>Bank</b>	<b>Category of loans</b>	<b>Amount</b>	<b>Duration</b>	<b>Rate</b>	<b>Collateral</b>	<b>Note</b>
Mega Bank	Secured loans	\$ 48,000	2022.07~ 2029.07	2.43%~ 3.13%	Property, plant and equipment, right-of-use assets and investments accounted for using equity method obtained by the subsidiary	
TBB	"	76,667	2021.10~ 2026.10	"	"	
KTC	"	800,000	2022.06~ 2030.04	"	"	
Less: Current portion		( 19,668)				
Fees		( 5,647)				
		<b>\$ 899,352</b>				

**Statement of lease liabilities**

<b>Item (subject)</b>	<b>Lease term</b>	<b>Discount rate</b>	<b>Ending Balance Amount</b>
Land and equipment	2019.01~2092.05	3%~3.25%	\$ 3,461,596
Buildings	2019.06~2025.04	3%~3.25%	19,064
Transportation equipment	2020.05~2025.03	3%~3.25%	1,132
			<b>\$ 3,481,792</b>

**Eastern Media International Corporation**  
**Statement of other non-current liabilities, others**  
**December 31, 2022**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Credit balance of investments accounted for using equity method transferred to non-current liabilities		<u>\$ 668,768</u>	

**Statement of operating revenue**  
**For the year ended December 31, 2022**  
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Loading and storage revenue			
Loading and unloading revenue		\$ 1,089,132	
Storage revenue		382,632	
Other revenue		<u>7,395</u>	
Subtotal		1,479,159	
Less: Sales return		<u>-</u>	
		<u>\$ 1,479,159</u>	

**Statement of operating costs**

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Storage costs		
Port charges	\$ 33,254	
Commercial cost	579,884	
Maintenance cost	<u>41,854</u>	
Operating cost	<u>\$ 654,992</u>	

**Eastern Media International Corporation**  
**Statement of operating expenses**  
**For the year ended December 31, 2022**  
**(Expressed in thousands of New Taiwan Dollars)**

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary and wages expenses		\$ 152,496	
Insurance expense		11,935	
Entertainment expense		31,069	
Depreciation expense		14,897	
Professional service fees		11,633	
Other expenses		95,575	Less than 5% of the total account balance
		<u>\$ 317,605</u>	

**Statement of the net amount of other non operating income and expenses**

Please refer to Note 25 for the details.

**Statement of finance costs**

Please refer to Note 25 for the details.

**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Loans to other parties**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

Table 1

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	ET New Media	Other receivables - related parties	Yes	\$ 600,000	\$ 600,000	\$ 260,000	3~3.25	2	-	Operation requirements	-		\$ -	\$ 1,413,622 (Note 2)	\$ 2,120,433 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	100,000	100,000	48,000	3.25	2	-	"	-		-	1,413,622 (Note 2)	2,120,433 (Note 2)
0	"	ET Pet	"	Yes	100,000	100,000	-	3~3.25	2	-	"	-		-	1,413,622 (Note 2)	2,120,433 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	170,000	100,000	3~3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
1	"	EHR	"	Yes	50,000	-	-	3~3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	10,000	-	3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
2	TKLF	ET New Media	"	Yes	200,000	200,000	200,000	3~3.25	2	-	"	-		-	247,694 (Note 4)	371,541 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	-	-	8	2	-	"	-		-	30,962 (Note 4)	371,541 (Note 4)
2	"	A li shan dong fang ming shu	"	No	25,000	25,000	25,000	8	2	-	"	-	Longtan land mortgage	25,730	30,962 (Note 4)	371,541 (Note 4)
2	"	Lido International Management	"	No	30,000	30,000	29,400	8.5	2	-	"	-	Shiding land mortgage	31,716	30,962 (Note 4)	371,541 (Note 4)
3	EILF	Sunflower leisure	"	No	20,000	-	-	8.0	2	-	"	-		-	27,288 (Note 5)	327,461 (Note 5)
3	"	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-		-	218,308 (Note 5)	327,461 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	63,263	63,263	54,232	1	2	-	"	-		-	58,419 (Note 6)	116,839 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	58,963	58,963	58,963	1	2	-	"	-		-	83,340 (Note 7)	166,679 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,758	45,758	45,758	1	2	-	"	-		-	49,551 (Note 8)	99,103 (Note 8)

(to be continued)

(continued)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
7	FESS-Panama	The Company	Other receivables - related parties	Yes	\$ 49,136	\$ 49,136	\$ 17,854	1	2	-	Operation requirements	-		\$ -	\$ 1,326,825 (Note 9)	\$ 2,653,650 (Note 9)

Note 1: Lending of capital has the following two types:

- (1) Those with business dealings.
- (2) The necessity for short-term financing.

Note 2: The Company's total amount available for lending shall not exceed 60% of its net worth. For subsidiaries where the Company holds more than 50% of the shares, the individual amount available for lending shall not exceed 40% of its net worth in the most recent financial statements. For subsidiaries where the Company holds less than 50% of the shares, the individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company, subsidiaries or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements.

Note 4: For TKLF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 5: For EILF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company's subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending to other companies short-term financing facility, if necessary, shall not exceed 5% of its net worth in the most recent financial statements.

Note 6: For Grand Richness (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 7: For GRAND SCENE TRADING (HONG KONG), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 8: For Eastern Media Communication (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 9: For FESS-Panama, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 10: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.



**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Guarantees and endorsements for other parties**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 2**

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note I)										
0	The Company	ET New Media	2	\$ 14,136,218 (Note 2)	\$ 553,652	\$ 553,652	\$ 354,000	\$ -	15.67%	\$ 14,136,218 (Note 2)	Y	N	N
0	The Company	EHR	2	14,136,218 (Note 2)	2,112,000	1,312,000	752,000	-	37.12%	14,136,218 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	14,136,218 (Note 2)	5,875,000	5,875,000	718,147	-	166.24%	14,136,218 (Note 2)	Y	N	N
0	The Company	Kaou Sin	2	- (Note 5)	5,000	-	-	-	- %	- (Note 5)	Y	N	N
0	The Company	Pet Kingdom	2	- (Note 5)	15,000	-	-	-	- %	- (Note 5)	Y	N	N
0	The Company	Oscar	2	- (Note 5)	250,000	-	-	-	- %	- (Note 5)	Y	N	N
0	The Company	ET Pet	2	14,136,218 (Note 2)	1,969,163	1,770,563	546,650	15,858	50.10%	14,136,218 (Note 2)	Y	N	N
0	The Company	TKLF	2	14,136,218 (Note 2)	50,000	-	-	-	- %	14,136,218 (Note 2)	Y	N	N
0	The Company	EILF	2	14,136,218 (Note 2)	50,000	-	-	-	- %	14,136,218 (Note 2)	Y	N	N
1	EIC	ET Pet	4	353,405 (Note 2)	220,000	220,000	131,288	4,418	44.93%	353,405 (Note 2)	N	N	N
2	FESS-Panama	The Company	4	4,389,326 (Note 2)	1,000,000	1,000,000	800,000	1,300,901	75.37%	4,389,326 (Note 2)	N	Y	N

Note 1: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into seven types:

- (1) The intercompany business transaction
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
- (3) Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
- (4) The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
- (5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
- (6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- (7) Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 2: The Company's aggregate amount allows endorsement or guarantee that does not exceed 400% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 400% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount allows an endorsement or guarantee that does not exceed 500% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Company, holding more than 90% of shares of EIC, holds more than 90% of the shares that does not exceed 500% of its total assets or 10% of the Company's net worth in the most recent financial statements. The limit on endorsement or guarantee was determined by 500% of EIC's total assets of 10% of the Company's net worth whichever is lower.

Note 4: FESS-Panama's aggregate amount allows endorsement or guarantee that does not exceed 300% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to the company which holds FESS-Panama more than 50% of the shares that does not exceed 300% of its net worth in the most recent financial statements.

Note 5: Since Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, the amount of guarantees and endorsements was cancelled.

**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Securities held**

**December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 3**

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value	
The Company	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss	6,819,555	\$ 229,478	0.10 %	\$ 229,478	Note
"	Formosa Plastics corporation	-	"	4,670,000	405,356	0.07 %	405,356	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	393,000	176,261	- %	176,261	
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	
EILF	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	700,000	60,760	0.01 %	60,760	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	53,820	- %	53,820	Note
"	China Steel Corporation	-	"	150,000	4,470	- %	4,470	
TKLF	Taiwan Cement Co., Ltd.	-	"	769,959	25,908	0.01 %	25,908	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	35,880	- %	35,880	
"	Formosa Plastics corporation	-	"	200,000	17,360	- %	17,360	
"	China Steel Corporation	-	"	850,000	25,330	0.01 %	25,330	
EIC	TCI CO.,Ltd	-	"	130,000	22,230	0.11 %	22,230	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37,000	16,595	- %	16,595	
ET Pet	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	

Note: For the details of the financial instruments pledged as collateral of the Company please refer to Note 7 and 31. As for other companies, please refer to the consolidated financial statements of 2022.

**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Receivables from related parties of at least \$100 million or 20% of the paid-in capital**

**December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 4**

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	ET New Media	Subsidiary	\$ 263,618	Not applicable	\$ -	-	\$ 3,618	\$ -
EIC	ET New Media	Subsidiary	100,267	Not applicable	-	-	267	-
EILF	ET New Media	Subsidiary	150,401	Not applicable	-	-	401	-
TKLF	ET New Media	Subsidiary	200,427	Not applicable	-	-	427	-

**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Information on investees**

**For the year ended December 31, 2022**

**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**

**Table 5**

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 283	(\$ 628)	(\$ 628)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,326,825	( 840,937)	( 840,937)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	58,419	( 3,795)	( 3,795)	Note 1
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	479,348	( 152,135)	( 148,939)	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	293,459	( 61,248)	( 32,933)	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	332,927	( 48,166)	( 25,896)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	16,518	( 511,875)	( 33,337)	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	( 581,576)	( 259,331)	( 231,335)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	329,731	32,973,086	60.40%	( 87,192)	( 218,948)	( 132,245)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	715,000	495,000	71,500,000	55.00%	707,832	( 11,238)	( 6,181)	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	416,250	-	41,625,000	59.46%	38,087	( 466,375)	( 225,467)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	( 6,818)	( 259,331)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	49,095	( 511,875)	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	61,924	( 48,166)	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	54,577	( 61,248)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	( 218,948)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	196,477	( 61,248)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	( 218,948)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	222,925	( 48,166)	"	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	( 19,055)	( 218,948)	"	Subsidiary

(to be continued)

(continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value			
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	\$ 137,363	\$ 137,363	450,000	100.00%	\$ 85,627	(\$ 849)	Exempt from disclosure	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	49,551	( 958)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,300,901	( 112,270)	"	Associate (Note 2)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	83,340	( 550)	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	100	300,000	100.00%	3,052	( 148)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	-	45	"	Note 3
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	5,000	5,000	500,000	100.00%	3,099	( 265)	"	Note 4
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	5,000	1,000	500,000	100.00%	1,794	( 3,118)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	26.43%	16,927	( 466,375)	"	Subsidiary
ET New Media	Dung sen mu de tech	Taiwan	Marketing, research and data collection	50,000	-	5,000,000	100.00%	50,000	-	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	-	334,788	-	- %	-	( 926)	"	Note 5
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	-	45,997	-	- %	-	( 8,573)	"	Note 5
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	-	9,916	-	- %	-	1,829	"	Note 5
ET Pet	Care Pet Bio-Tech	Taiwan	Pet food and supplies and providing pet beauty service	7,000	-	700,000	70.00%	3,915	( 4,407)	"	Subsidiary

Note 1: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 2: The amount of accumulated impairment was included in the ending balance of the investment. Please refer to Note 12 of the consolidated financial statements for the year ended December 31, 2022.

Note 3: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 4: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 5: Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, and ET Pet was the surviving company.

**EASTERN MEDIA INTERNATIONAL CORPORATION**  
**Information on investment in Mainland China**  
**For the year ended December 31, 2022**  
**(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)**  
**Table 6**

1. Relevant information such as the name and main business items of the investee company in Mainland China:

Name of investee	Main businesses and products	Total amount of paid in capital	Method of investment	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 (losses) of the investee	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business	\$ -	Note 2	\$ 1,004,217	\$ -	\$ -	\$ 1,004,217	\$ -	- %	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	393,165	-	-	393,165	-	- %	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	173,416	-	-	173,416	-	- %	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,105,412	Note 5	1,170,051	-	-	1,170,051	( 790)	100.00 %	( 790)	3,259	-
Nanjing Yun Fu	Wholesale trading	45,794	Note 6	92,130	-	-	92,130	( 204)	100.00 %	( 204)	3,985	-
Jiangsu Sen Fu Da	Research and development of film and television technology	44,080	Note 7	-	-	-	-	-	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	440,443	Note 5	-	-	-	-	21,238	30.00 %	6,371	157,731	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	94,863	Note 5	-	-	-	-	1,296	30.00 %	389	31,583	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,068,808	Note 5	-	-	-	-	1,790	30.00 %	537	321,067	-

(to be continued)

(continued)

Note 1: Except that the investment gain (loss) of RICHNESS TRADING (SHANGHAI) and Nanjing Yun Fu was recognized based on the financial statements audited by the same audit team of the Company, the rest of the investment gain (loss) was recognized based on financial statements audited by other audit teams.

Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.

Note 3: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on September 21, 2018.

Note 4: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on February 21, 2019.

Note 5: The Group indirectly invested through FESS-Panama.

Note 6: The Group indirectly invested through FESS-Panama, and the investment was handling capital reduction and returning shares of CNY \$9,467 on February 1, 2018, the amount of the share is remitted back to the GRAND SCENE TRADING (HONG KONG).

Note 7: The Group indirectly invested t through Nanjing Ji Cheng on August 30, 2012.

Note 8: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,832,979	\$ 4,743,706	\$ 2,444,001

Note: The limit on investment was determined by 60% of the individual or consolidated total net worth whichever is higher.

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the years ended December 31, 2022, please refer to "Information on significant transactions" above.

**EASTERN MEDIA INTERNATIONAL CORPORATION**

**Major shareholders**

**December 31, 2022**

**(Expressed in Units)**

**Table 7**

Shareholding Shareholders name	Shares	Percentage
Jinxin Trading Co., Ltd.	45,873,612	9.63%