



Eastern Media International Corporation

2021 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.

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Contents

I.	Letter to Shareholders	1
II.	Company Profile	10
	2.1 Company Establishment	10
	2.2 Company History	10
III.	Corporate Governance Report	12
	3.1 Organization	12
	3.2 Directors, General Managers, Deputy General Managers, Associate Managers, Directors of Various Departments and Branches	15
	3.3 Remuneration Paid to Directors, General Manager, and Deputy General Manager(s) in the Most Recent Year	34
	3.4 Corporate Governance Status	41
	3.5 Information about CPA Professional Fees	97
	3.6 Changes in Accountant Information	97
	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	97
	3.8 Shareholding changes of directors, managers and major shareholders	98
	3.9 Information about the relationship of the ten largest shareholders	100
	3.10 Comprehensive Shareholding Ratios	102
IV.	Capital Overview	103
	4.1 Capital and Shares	103
	4.2 Handling of corporate bonds	110
	4.3 Disposal of preferred shares	110
	4.4 Circumstances of handling overseas depositary receipts	110
	4.5 Employee stock options and new restricted employee shares	110
	4.6 M&A or transfer of shares of other companies to issue new shares	110
	4.7 Implementation status of fund utilization plan	110
V.	Operational Highlights	111
	5.1 The business content, market, production and sales of the warehousing business	111
	5.2 Media Business: Business content, markets, and production and sales conditions	116
	5.3 The business content, market, production and sales of the trading business	135
	5.4 Employees	141
	5.5 Information on environmental protection expenditures	142
	5.6 Labor Relations	143

5.7	Cyber security management.....	150
5.8	Important contracts	155
VI.	Financial Overview	157
6.1	Concise balance sheet, Comprehensive Income Statement and accountant’s audit opinions for the most recent five years	157
6.2	Financial analysis for the last five years	161
6.3	The Audit Committee review report of the most recent financial report	165
6.4	The most recent annual financial reports	166
6.5	Parent company only financial report of the Company that has been checked by an accountant in the most recent year	166
6.6	Financial difficulties faced by the Company and its affiliated companies	166
VII.	Review of Financial Conditions, Financial Performance, and Risk Management.....	167
7.1	Financial status.....	167
7.2	Financial performance.....	169
7.3	Cash flows.....	171
7.4	The impact of major capital expenditures in recent years on financial operations	172
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	172
7.6	Risk Management	173
7.7	Other important matters	178
VIII.	Special Disclosures	179
8.1.	Related information of affiliated companies.....	179
8.2	Circumstances of private placement of securities.....	192
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	192
8.4	Other necessary supplementary explanations	192

Appendix 1: Consolidated Financial Statements

Appendix 2: Parent Company Only Financial Statements

I. Letter to Shareholders

Looking back to last year (2021), as vaccinations accelerated around the world at the beginning of the year, people's lives gradually returned to normal and the global economy recovered in a clear trend. However, the epidemic spread domestically in late May and triggered public concern, so the government immediately took strict measures to prevent the epidemic, which impacted the economic performance of the domestic market; In terms of export trade, benefiting from the reopening of economic activities in major economies around the world, the economies of the United States, China, and Europe have recovered one after another, and the global reliance on Taiwan's semiconductor industry has increased, Taiwan's export performance was booming so that the economic growth rate climbed to 6.28% in 2021, showing a nearly double growth compared to 3.11% in 2020; Looking ahead to 2022, with the improvement of vaccine coverage, the launch of mass production of oral vaccines, and the governments of various countries adopting a relaxed attitude towards the epidemic and launching several revitalization policies, Taiwan's economic growth is expected to remain robust. However, due to the high base period in 2021, the Taiwan Economic Research Institute (TEI) forecasts that the domestic economy will grow at a rate of 4.10% in 2022, approximately 2.18% less than in 2021.

The performance of the three major businesses- warehousing, trading, and new media of the Eastern Group in the past year (2021): In the warehousing business, despite the operating volume varied yearly due to the COVID-19 epidemic, extreme global weather, and the transportation of large quantities of grain via containers, there was still a steady growth in general. The warehousing business continued to buy new replace equipment in replace of the old ones to improve operational efficiency and service quality, thereby keeping a steady growth in revenue and profit; In the trading business, ET Pet continued to expand its business scale and market share. By the end of 2021, the number of physical stores in Taiwan had reached 119, with a market share of 10% of Taiwan's physical channels. Its revenue also grew 14% from 2020, making it the largest among the pet chains. Going forward, we will continue to pursue diversifying strategies such as M&As, store development, multi-channel sales, building up our private pet brands, healthcare, and aesthetic medicine products, and distribution of international brands to expand our market share, operation scale, and profit channels, and further enhance our operating performance. In the new media business, ET Media continued to work in-depth in large shows and out-of-home advertisements, while grasping the habits of the new generation, launching ETtoday Podcast, developing a live webcast platform, and joining hands with several well-known hairdressing companies to build "AI hairdressing salons" with an innovative magic mirror technology that embedded a screen into a mirror. By making advertisements reach and penetrate consumers' daily life more widely and connecting them with online shopping, we successfully combine with the group's

new retail business to build the development foundation for a unique new economy.

In addition, focusing on the consumption and travel demand of millions of visits yearly in Greater Taipei, Taoyuan living areas, and East Coast, Eastern Group is targeting the world's top business clientele and has partnered with Silk Hotel Group to create a new branding - "Silks X" city resort, which is expected to be located in the headquarters building of the Eastern Group in Linko in 2026; and plans to renovate the "Eastern Hotels & Resorts Yilan" in 2022, entrusting Silk Hotel Group for the planning and operation management under the brand name of "Wellspring by Silks" in order to meet the tourism boom in the post-epidemic era.

The following reports on the operating results of each business in 2021 and the outlook for 2022:

Warehousing business:

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

2021 Business Report:

In 2021, the actual national imported grains were 8.302 million tons, and the bulk/container ratio of imported grains was 76/24. Among them, the silo operating volume was 6.309 million tons, which showed a decrease of 186,000 tons from the 6.495 million tons in 2020 (a decrease of 2.9%); the overall barn operating performance declined slightly in 2021.

2022 Business Plan Summary:

- (1) As for the increase in international grain prices in 2021, soybeans rose by nearly 2%, corn by nearly 25%, and wheat by more than 27%. The prices of grain commodities continue to rise due to China's increase in imports of soybeans, corn and wheat, lower crop yields in Brazil, drought in the main farmland of Argentina, and the world's largest wheat exporter, Russia's consideration of adjusting its export duty. These all put the market at risk in facing the risk of crop supply.
- (2) In 2021, the COVID-19 pandemic trapped the global container ocean shipping market and forced the carriers to cut shifts, reduce cabins or remodel vessels. The market supply suddenly dropped. However, as the epidemic in Asia slowed down in the second half, the US entered into holiday peak season. Following operation chaos and congestion in the ports, the market started to buzz with a raise in price, a lack of ships, containers, labor at the docks, vehicles, container chassis, 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. Domestic grain importers have been increasing the purchase of bulk grains to alleviate the imbalance between demand and supply of the

grains since January 2022. The lack of containers is expected to last to the third quarter of 2022, which will be good for 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 (OIE) as 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's "sentinel pigs" project for lifting classical swine fever vaccination mandate, which started in early 2021 is progressing well and has achieved preliminary results. Some pig farms can be free from the vaccination mandate in June 2022. The domestic animal husbandry is generally still willing to breed currently because of the good margin as well as room for profit. However, due to diseases such as African swine fever and avian influenza, as well as environmental regulations, such as sewage charges, and the high material prices that raising the feeding cost, coupled with the opening of the import of ractopamine-containing pork from January 1, 2021, all will cause hidden worries for the future development of livestock farming industry.
- (4) Due to the impact of Covid-19 pandemic and Russia-Ukraine war, there will be worldwide inflation in 2022. Besides, the other problem that domestic commodity companies worry about is climate change. The greenhouse effect impacts agriculture production and the imbalance between food demand and supply will result in global food price volatility. As the inflation caused by the pandemic may continue in 2022, the costs of raw materials, such as corn and soybeans, and freight shall remain high. However, the import volume of grain commodities in 2022 will likely be the same as in 2021 because the in-country basic demand will not change significantly.
- (5) Due to the impact of the COVID-19 pandemic on the economy this year (2022) remains uncertain, the operating volume of the Warehousing Business Division should be carefully and conservatively assessed. Nationwide annual grain imports are expected at 8.5 million tons this year (2022). Silo estimated operating volume is 6.45 million tons. The bulk/container ratio of imported grain is seen at 76/24, 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 Wen Yun Co., Ltd., Dung Sen Shin Guang Yun Co., Ltd., Dung Sen Dian Jing Yun Co., Ltd. , and Dung Sen Min Diau Yun Co., Ltd. :

2021 Business Report:

According to The Oxford Digital News Report in 2018, 2019, 2020, and 2021 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, ETtoday has won several awards in the latter year. Based on this, ETtoday won the Award of Golden Torch in "Outstanding Business Leaders" and "Customer Satisfaction Awards", "the Super MVP" in the Manger's Magazine, "the Outstanding OOH Agency" in Brain Magazine, and "Consumer Right Report" in 2021.

With the efforts of all our colleagues, revenue has also grown substantially as it increased 39% in 2021 compared to the same period in 2020. Performance growth has been mainly attributable to ETtoday News since its establishment in 2011. Traffic is growing at an exponential rate, with average daily page views in 2021 attaining 17.38 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.

2022 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 17.38 million average daily page views (PV), 15 million monthly active users (MAU), and more than 21 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.
- (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: In order to gain ear economy, actively produce podcast program and develop Unboxing cloud to explore new revenue.

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 2021, Taiwan's five major traditional advertising markets in 2021 is valued around NT\$25.975 billion, which shows a growth of 1% compared to the overall advertising of NT\$25.636 billion in the previous year. Key points are as follows:

- (a) Broadcast media: terrestrial TV NT\$2.685 billion (+3%), cable TV NT\$15.056 billion (+1%), broadcast NT\$1.375 billion (-7%).

(b) Print media: Newspapers: NT\$0.874 billion (-38%), magazines: NT\$1.084 billion (-7%).

(c) Out-of-home media: Out-of-home media NT\$4.901 billion (+23%).

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:

2021 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. In 2021, under the severe impact of Taiwan’s Covid-19 pandemic, we slowed down our steps to open new stores in the first half of the year and focused on strengthening the qualities of stores and products. It was not until the second half of the year that we started to expand again. By opening 11 stores within 6 months and reaching a total of 119 stores by the end of 2021, we kept enlarging our business scale and widening the gap to our competitors.

The Company’s operating revenue in 2021 reached NT\$2,100 million. Out of this, pet product revenue was NT\$1,910 million and accounted for 91% of revenue. Pet grooming revenue was NT\$190 million, accounting for 9%. The overall gross profit margin was approximately 41%.

2022 Business Plan Summary:

According to the Pets Registration Information System, Taiwan’s total registration of dogs and cats were very close to 220,167 in 2021 (an 10% growth compared to 2020), greatly surpasses the number of newborns in Taiwan by 43%. In addition, Taiwan’s pet market is estimated to reach NT\$52billion. The main channels are professional pet shops, online e-commerce and animal hospitals. Among them, there are about 1,400 specialized pet stores.

The total revenue scale is approximately NT\$20.8 billion.

Pet market in Taiwan has experienced rapid growth in the past, and the current market size is no longer in double-digit growth as the same as in the past. However, the industry has gradually upgraded, with continuous improvement of service quality, focusing on consumer experience, and the service content provided is almost the same as the items serving humanity. The industry thus is becoming more and more refined.

The 2022 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 1.77 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: Continue to develop proprietary products in response to market trends, providing consumers with high-CP products and bringing a win-win situation.
- (4) Veterinary services: expand ET Pet veterinary team to provide ET Pet members with dedicated veterinary services. We expect to build an online veterinary consultation platform, whether online or offline, providing a full range of veterinary services for ET Pet members.
- (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.

Online shopping is even more populated under the pandemic in terms of external competition. Virtual channels are particularly competitive in price because they do not have the burden of rental and related costs of physical channels. This even affects the life cycle of some products. The prevalence of virtual channels will inevitably change the business appearance of physical chain channels. If physical distributors fail to adjust their operational efficiency, they will face more severe challenges.

From a regulatory standpoint, the laws and regulations related to the sale of dogs and cats are becoming stricter and will continue to bring additional costs to related sales channels. However, this crisis represents a turning point. Low performance manufacturers will be eliminated as a result. Manufacturers that continue to transform and upgrade will usher in a new round of growth.

In terms of the overall business environment, the global economy will remain facing severe challenges of the COVID-19 pandemic in 2022. Physical channels will continue to face the negative impact of consumers reducing going out for shopping. Meanwhile, ET Pet will actively move towards virtual channels, devote itself to multi-channel, develop such as online e-commerce and complex stores. The 2022 revenue budget will still be growing aggressively compared to 2021.

Future Direction:

Looking forward, Eastern Group will pursue to maximizing shareholders' equity and commit to the responsibility of corporate sustainable operation. In the future, Eastern Group will continue to create long-term values for corporate sustainability and environmental sustainability with the Group's core competencies. We will uphold the spirit of "taking from the community and using it for the community", and send love and care to every corner of the community; we will respond to the United Nations' eco-friendly and community-friendly sustainable development goals with concrete actions, and contribute to environmental conservation and social welfare.

In the warehousing business, Eastern Group will not only keep strengthening its operational efficiency 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 its core competence in bulk grain reserves; in the re-investment business, Eastern Group will 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 create profitable opportunities.

n response to the high-speed communication era of digital convergence, the new media business will not only strive to innovate and develop diversified businesses, but also focus on the younger generation's favorite influencer economy, Podcasts, and offline media to successfully integrate online and offline advertising, so that can it capture the eyeballs of the audience and enable advertisers to pinpoint and reach their targets.

The trade (pet) business remains to have a positive development outlook. There's already a rigid demand in the pet market. By learning from the industry in the United States and Japan, the pet business will upgrade to provide refined pet services in 2022, including pet medical care. 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 consumption. We will also continue to provide consumers with more cost-effective products and services at a lower cost through the economy of scale and strive to build a one-stop service platform for pets across Taiwan.

In the face of the changing global economy, Eastern Group upholds its core principle, "Break the rules and act fast" to keep remarkable performance. 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. Through diversification strategies and resource sharing, we aim to maximize the benefits of our "New Retail" and "New Media" cores to create higher corporate value for the Company. 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

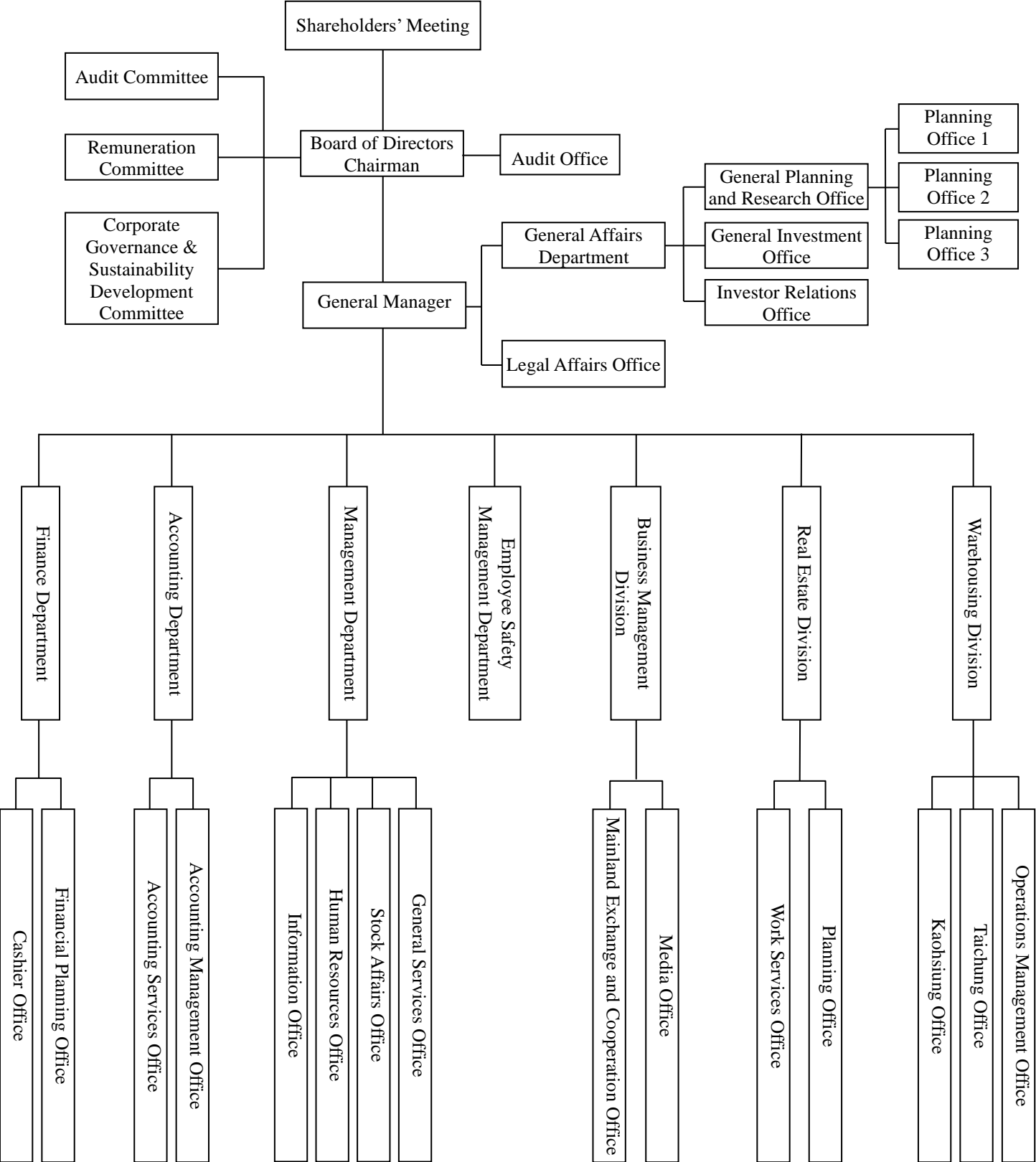
1973-1979 Period of setup and warehouse construction	<p>The Taiwan Grains & Feeds Development Foundation successively promoted the establishment of a Privatization Preparation Silo Planning Team and a Private Kaohsiung Port Bulk Silo Preparatory Committee to be responsible for advancement of warehouse 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>
1980-1994 Period of silo and shipping business operation	<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>
1995-2004 Period of stock listing and of prototype development of business diversification	<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 - present), 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>2005-2013 Period of development for the expansion of three major undertakings in cross-Strait retail, media, and leisure tourism</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>2014-2022 Period of focus on the development of new retail and new media businesses</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&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



3.1.2 Major Corporate Functions

Department	Principal work assignments
General Affairs Department	<ol style="list-style-type: none"> 1. General Planning and Research Office: Related functions such as business performance analysis, strategic planning, economic and market information collection and analysis, project management and knowledge management. 2. General Investment Office: Responsible for the control and management of the reinvestment business and the development and evaluation of various new investment opportunities; business analysis of various industries and operation process establishment management functions. 3. Investor Relations Office: Spokesperson system and operation, investor relations activities and opinion processing, external information disclosure and media release and communication and other related functions.
Audit Office	Audit-related functions such as the establishment, implementation and improvement of the Company's internal control system and internal audit system.
Legal Affairs 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.
Warehousing Division	<ol style="list-style-type: none"> 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. 2. Operations Office: Functions related to port operations of the Taichung and Kaohsiung Operations Offices.
Real Estate Division	<ol style="list-style-type: none"> 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. 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.
Business Management Division	<ol style="list-style-type: none"> 1. Mainland Exchange and Cooperation Office : Coordinate cross-Strait business contacts, exchanges, and promotions. 2. Media Office : Related functions such as audio-visual planning, shooting and production.

Department	Principal work assignments
Employee Safety Management Department	Comprehensively manage various labor safety management functions.
Management Department	<ol style="list-style-type: none"> 1. Human Resources Department: Personnel system, appointment, leave attendance, salary and welfare, assessment, training and other related functions. 2. Stock Affairs Office: Company registration and license management, Board of Directors/shareholders meeting, stock/corporate bond issuance management, dividend distribution and other stock affairs related functions. 3. General Services Office: Seal management, sending and receiving, petty cash, asset management, equipment and supplies procurement, vehicle management, environmental maintenance and other related functions. 4. Information Office: Information related functions such as information system planning and development, computer software and hardware equipment procurement management.
Accounting Department	<ol style="list-style-type: none"> 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. 2. Accounting Management Office: Responsible for related functions such as annual budget preparation, long-term and short-term financial forecasts, tax planning, business analysis, the conversion of the accounting system, and accounting management of overseas subsidiaries.
Finance Department	<ol style="list-style-type: none"> 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. 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.

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

3.2.1 Directors

Director Information (1)

April 15, 2022

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	22,779,378 94,883	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 Shin Wen Yun Co., Ltd. Chairman, Grand Richness Trading (Hong Kong) 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	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. The future response measures will be adjusted in time in line with laws and regulations.

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	
															Holdings Co., Ltd. Director, HER Hotels & Resorts Group Yilan Director, ET Pet Co., Ltd. Director, Oscar Pet Co., Ltd. Director, Pet Kingdom Co., Ltd. Director, Kaou Sin Trading Co., Ltd. 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, Beijing Jiayun Medical Beauty Clinic 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					

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	
																Member, Corporate Governance & Sustainability Development Committee of 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	22,779,378 21,341	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	6,617,870 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	6,617,870 0	1.251 0.000	171	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
Independent Director	Republic of China	Kuen-Chang Lee	Male / 41-50	2020.06.29	3 years	2017.05.11	0	0.000	0	0.000	0	0.000	0	0.000	PhD, Corporate Management Finance 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. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Limited Director, RAY-SEN MEDICAL COSMETICS CO., LTD. Director, KeMeiYan Bio-Technology 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	223	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	Full-time Professor, Department of Marketing and Logistics Management, National Penghu University of Science and Technology 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
Independent Director	Republic of China	Tien-Wei Shih	Male / 61-70	2020.06.29	3 years	2017.05.11	9,692	0.002	9,207	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. 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	29,406,678	5.559			0	0.000						
Total							30,954,399	5.559	29,406,678	5.559	171	0.000	0	0.000						

Table 1: Major shareholders of corporate shareholders

April 15, 2022

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 15, 2022

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 15, 2022

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 15, 2022

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 15, 2022

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"> 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. 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. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 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. 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"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	2

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"> 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. 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. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 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. 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"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	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"> 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. 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. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 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. 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"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	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 current Board of Directors consists of 7 Directors (including 3 Independent Directors); all members possess management professionalism of commerce, finance/accounting or 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 continue the current structure to achieve the specific management objective of diversifying the Company's Board of Directors.

Diversity item Name of the Director	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
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 Representative: Ching-Chi Chen	R.O.C	Male	None	V	V	V		V		V

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										
Kuen-Chang Lee	R.O.C	Male	None		√	√	√	√	√	√
Su-Chang Chen	R.O.C	Male	None			√	√			√
Tien-Wei Shih	R.O.C	Male	None		√	√	√	√		√

(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 15, 2022

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	94,883	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 Shin Wen Yun Co., Ltd. Chairman, Grand Richness Trading (Hong Kong) 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,	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. Future response measures will be adjusted in due course in accordance with laws and regulations.

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	
												ET Pet Co., Ltd. Director, Oscar Pet Co., Ltd. Director, Pet Kingdom Co., Ltd. Director, Kaou Sin Trading Co., Ltd. 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, Beijing Jiayun Medical Beauty Clinic 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 Member, Corporate Governance & Sustainability				

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	
												Development Committee of the Company				
Deputy General Manager, Accounting Department	Republic of China	Ying-Na Cheng	Female	2007.07.01	561	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. 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, Beijing Jiayun Medical Beauty Clinic Co., Ltd. Supervisor, Far Eastern Investment Co, Ltd. Deputy General Manager, Dung Sen Dian Jing Yun Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Shin Wen Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Grand Richness Trading (Hong Kong) Ltd. Deputy General Manager, Grand Scene Trading (Hong	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	
												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	26	0.000	224	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 Affairs Department	Republic of China	Sheng-Chong Hsu	Male	2011.09.01	274	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai University	Director of Dongsen Non-Life Insurance Agent Co. Ltd.	None	None	None	None
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
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
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	Supervisor, Far Eastern Investment Co. Ltd.	None	None	None	None
Deputy General Manager, Finance Department	Republic of China	Cheng-Kuo Lu	Male	2019.12.19	25,915	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 Dian Jing Yun 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 General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Shin Wen Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diao Yun Co., Ltd. Deputy General Manager, Oscar Pet Co., Ltd. Deputy General Manager, Pet Kingdom Co., Ltd. Deputy General Manager, Kaou Sin Trading Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Grand Richness Trading (Hong Kong) 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.				
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	
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance	Republic of China	Hui-Ying Chou	Female	2020.04.01	134	0.0000	6,959	0.008	0	0.000	Law Department, Chinese Cultural University Lawyer, WTW Zhongtian International Law Firm	Deputy General Manager, ET New Media Holdings Co., Ltd. Deputy General Manager, ET Pet Co., Ltd. Deputy General Manager, Dung Sen Dian Jing Yun Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun	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	
Officer											Lawyer, Yang Siqin Law Firm	Co., Ltd Deputy General Manager, Dung Sen Shin Wen Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diao Yun Co., Ltd. Deputy General Manager, Pet Kingdom Co., Ltd. Deputy General Manager, Oscar Pet Co., Ltd. Deputy General Manager, Kaou Sin Trading Co., Ltd. Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Natural Beauty Bio-technology Limited Member, Corporate Governance & Sustainability Development Committee of the Company				
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, Pet Kingdom Co., Ltd. Director, Oscar Pet Co., Ltd. Director, Kaou Sin Trading Co., Ltd.	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	Supervisor, Pet Kingdom Co., Ltd. Supervisor, Oscar Pet Co., Ltd. Supervisor, Kaou Sin Trading Co., Ltd. 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
Associate Manager, Warehousing Division (Retired on December 31, 2021)	Republic of China	Hua-Lou Sun	Male	2017.04.01	0	0.000	0	0.000	0	0.000	Law Department, National Taiwan University	None	None	None	None	
Work Services	Republic of	Feng-Wen Chen	Male	2018.03.22	0	0.000	0	0.000	0	0.000	Mingxin Engineering	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	
Office, Real Estate Division Associate Manager	China										College					
Associate Manager, General Affairs Department	Republic of China	Ping-Yu Su	Female	2019.01.22	0	0.000	3,000	0.001	0	0.000	Department of Sociology, Chung Hsing University Institute of Social Work, Soochow University	None	None	None	None	None
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 Accounting Department	Republic of China	Yao-Tsu Shen	Male	2020.09.24	9,500	0.002	19,000	0.004	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. Associate Manager, ET Pet Co., Ltd. Associate Manager, Pet Kingdom Co., Ltd. Associate Manager, Oscar Pet Co., Ltd. Associate Manager, Kaou Sin Trading Co., Ltd. Associate Manager, Far Eastern Investment Co., Ltd. Associate Manager, Eastern Asset Co., Ltd. Associate Manager, Grand Richness Trading (Hong Kong) Ltd. Associate Manager, Grand Scene Trading (Hong Kong) Ltd. Associate Manager, Eastern Media Communication	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	
												(Hong Kong) Limited Associate Manager, Far Eastern Silo & Shipping International (Bermuda) Limited Associate Manager, Grand Scene Media Co.				
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	
Associate Manager, Audit Office	Republic of China	Hui-Hui Li	Female	2021.09.02	1,900	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai University	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	
Associate Manager of Investment Office, General Administration Department	Republic of China	Wen-Jian Sie	Male	2021.09.02	1,900	0.000	0	0.000	0	0.000	M.S. in Accounting, Fu Jen Catholic University	None	None	None	None	
Associate Manager of the Warehousing Division and Taichung Office Manager	Republic of China	Chang-Yi Huang	Male	2022.01.01	98	0.000	270	0.000	0	0.000	Business School, Ling Tung University	None	None	None	None	
Kaohsiung Office Manager, Warehousing Division	Republic of China	Po-Liang Chen	Male	2016.05.01	415	0.000	0	0.000	0	0.000	Department of Electrical Engineering, Ocean University	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	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in these financial reports	
Far Rich International Corporation Representative:																						
Chairman	Shang-Wen Liao	8	1,108	0	0	0	0	280	465	288 0.04%	1,573 0.21%	3,372	14,680	0	0	120	0	160	0	3,779 0.51%	16,412 2.20%	6,068
Director	Chao-Hsin Chiu	0	0	0	0	0	0	210	260	210 0.03%	260 0.03%	945	2,817	0	0	110	0	110	0	1,264 0.17%	3,186 0.43%	0
Ding-Fong Broadcasting Co., Ltd. Representative:																						
Director	Kao-Ming Tsai	0	4,667	0	0	0	0	210	278	210 0.03%	4,945 0.66%	0	0	0	0	0	0	0	0	210 0.03%	4,945 0.66%	0
Director	Ching-Chi Chen	0	384	0	0	0	0	210	222	210 0.03%	606 0.08%	0	0	0	0	0	0	0	0	210 0.03%	606 0.08%	0
Independent Director	Kuen-Chang Lee	600	600	0	0	0	0	220	220	820 0.11%	820 0.11%	0	0	0	0	0	0	0	0	820 0.11%	820 0.11%	660
Independent Director	Su-Chang Chen	600	600	0	0	0	0	220	220	820 0.11%	820 0.11%	0	0	0	0	0	0	0	0	820 0.11%	820 0.11%	0
Independent Director	Tien-Wei Shih	600	600	0	0	0	0	220	220	820 0.11%	820 0.11%	0	0	0	0	0	0	0	0	820 0.11%	820 0.11%	660

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 38.

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: 0

3. Paid the driver NT\$1,122,959.

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	25,988	31,720	0	0	20,187	32,443	1,491	0	1,634	0	47,666 6.39%	65,797 8.83%	6,251
Deputy General Manager	Ching-Tze He													
Deputy General Manager	Ying-Na Cheng													
Deputy General Manager	Sheng-Chong Hsu													
Deputy General Manager	Hsiang-Jui Wo													
Deputy General Manager	Hsiao-Ching Hu													
Deputy General Manager	Tsong-Yi Lin													
Deputy General Manager	Lan-Ying Feng													
Deputy General Manager	Yung-Jui Ma(Note1)													
Deputy General Manager	Kuang-Wu Chen													
Deputy General Manager	Cheng-Kuo Lu													
Deputy General Manager	Hui-Ying Chou													
Deputy General Manager	Chia-Wei Lin													
Deputy General Manager	Kui-Ting Kao(Note2)													

Note: 1. Deputy General Manager Yung-Jui Ma resigned on January 31, 2021.

2. Deputy General Manager Kui-Ting Kao took office on September 2, 2021.

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	Yung-Jui Ma	Yung-Jui Ma
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	None	None
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Ying-Na Cheng , Sheng-Chong Hsu , Lan-Ying Feng , Cheng-Kuo Lu , Hui-Ying Chou , Kui-Ting Kao	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)	Shang-Wen Liao , Ching-Tze He , Hsiang-Jui Wo , Hsiao-Ching Hu , Tsong-Yi Lin, Chia-Wei Lin	Ying-Na Cheng , Hsiao-Ching Hu , 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\$1,844,942.

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	2,683	2,683	0.36%
	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	Yung-Jui Ma				
	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				
	Associate Manager	Hua-Lou Sun				
	Associate Manager	Feng-Wen Chen				
	Associate Manager	Kun-Yu Chang				
	Associate Manager	Ping-Yu Su				
	Associate Manager	Yao-Tsu Shen				
	Associate Manager	Yu-Ling Ye				
	Associate Manager	Wen-Jian Sie				
	Associate Manager	Sheng-Fen Ou				
Associate Manager	Hui-Hui Li					
Associate Manager	Chang-Yi Huang					
Manager	Po-Liang Chen					

Note: The proposed appropriation amount for 2021 is calculated in proportion to the actual distributed amount for 2020.

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	2020 Proportion of total remuneration to net profit after tax		2021 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)	1.59%	5.12%	1.07%	3.70%
General Manager and deputy general managers(Note)	9.30%	12.64%	6.39%	8.83%
Note: (1) The second section of the remuneration declaration of 2020 is the actual amount of employee bonuses. (2) The first section of the 2021 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	1. Director is not paid. 2. Salaries of independent directors are determined by the Board of Directors with reference to industry standards.
Remuneration standards and packages	1. Directors are only paid the professional practice allowance and attendance fees for attending Board meetings. 2. In addition to a fixed monthly salary, an independent director also receives the professional practice allowance and attendance fees for attending Board meetings.

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

Item	Managers
	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.

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	10	0	100%	
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:

1. 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:
 - (1) 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 48 of the Annual Report.
 - (2) Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: None.
2. 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 42.
3. 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 47.
4. 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 8th session of the 17th term on January 27, 2021 Board of Directors</p>	<p>Discussion 3 Proposal: Providing an endorsement guarantee of NT\$1,925 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary "Eastern Asset 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 director of Eastern Asset Co., Ltd., Mr. Shang-Wen Liao and Mr. Kao-Ming Tsai. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for two directors who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion Item 7 Proposal: Approval of the Company's NT\$2 million donation to the "Taiwan Information and 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 Managing Supervisor of Taiwan 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>March 25, 2021 The 9th session of the 17th term Board of Directors</p>	<p>Discussion 9 Proposal: Submit the proposal to provide an endorsement guarantee of NT\$780 million to subsidiary "ET Pet Co., Ltd." for its application for a credit line of financing from King's Town Bank for approval.</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 rescued, other directors presented passed the proposal without objection.</p> <p>Discussion 10 Proposal: Submit the proposal of providing an endorsement guarantee of NT\$103,062,500 to the subsidiary "ET Pet Co., Ltd." for its application for a credit line of financing from Co-Operative Asset Management Co., Ltd. for approval.</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 11 Proposal: Submit the proposal of providing NT\$60 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for its application for commercial paper guarantee from Mega Bills Finance Corporation Bills Department for approval.</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 rescued, other directors presented passed the proposal without objection.</p>

	<p>Discussion 12</p> <p>Proposal: Submit the proposal of providing NT\$50 million endorsement guarantee to subsidiary “Tung Kai Lease Finance Co., Ltd.” for the application for a credit line of financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch for approval.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse the Director Shang-Wen Liao, the Chairman Kao-Ming Tsai, and Supervisor Chao-Hsin Chiu of Tung Kai Lease Finance Co., Ltd..The proposal was proceeded by Director Ching-Chi Chen 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 13</p> <p>Proposal: Submit the proposal of providing NT\$50 million endorsement guarantee to subsidiary “Eastern International Lease Finance Co., Ltd.” for the application for a credit line of financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch for approval.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse the Director Shang-Wen Liao, the Chairman Kao-Ming Tsai, and Supervisor Chao-Hsin Chiu of Eastern International Lease Finance Co., Ltd.The proposal was proceeded by Director Ching-Chi Chen 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>May 6, 2021</p> <p>The 10th session of the 17th term Board of Directors</p>	<p>Discussion 6</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$77,532,000 to the subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” for its application for a credit line of financing facility from Shinshin Credit Corporation of the Yulon Group for approval.</p> <p>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.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>July 27, 2021</p> <p>The 12th session of the 17th term Board of Directors</p>	<p>Discussion 5</p> <p>Proposal: Submit the proposal of providing a NT\$400 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.” for approval.</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 6</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for the a credit line of financing of subsidiary “Oscar Pet Co., Ltd.” from Bank of Panshin for approval.</p> <p>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</p>

	<p>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 Item 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 SinoPac Leasing Co., Ltd. of subsidiary ET Pet Co., Ltd for approval.</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 8</p> <p>Proposal: Submit the proposal of providing NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for a credit line of financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch for approval.</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 10</p> <p>Proposal: Submit the proposal of the Company’s NT\$1 million donation to the “Chinese Non-store Retailer Association” for approval.</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 Managing Director of Chinese Non-store Retailer 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>August 5, 2021 The 13th session of the 17th term Board of Directors</p>	<p>Discussion 2</p> <p>Proposal: Submit the proposal of providing NT\$200 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.” for approval.</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 NT\$100 million limit for loan to ET Pet Co., Ltd. for approval.</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\$79,260,000 to the subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” for its application for a credit line of financing from Orix Taiwan Corporation for approval.</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>September 2, 2021 The 14th session of the 17th term Board of Directors</p>	<p>Discussion 1</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$199.6 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary “ET Pet Co., Ltd.” for approval.</p> <p>Chairman: 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>November 4, 2021 The 15th session of the 17th term Board of Directors</p>	<p>Discussion 2</p> <p>Proposal: Submit the proposal for the Company's subsidiary, ET Pet Co Ltd., to invest in 20% shares in each of the three companies of Oscar's pet chain, in excess of its investment limit, for approval.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, Director of ET Pet Co., Ltd., Oscar Pet Co., Ltd., Pet Kingdom Co., Ltd., Kaou Sin Trading Co., Ltd. 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 the Company's acquisition of shares of Eastern Hotels & Resorts Yilan Co., Ltd. for approval.</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 & 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 4</p> <p>Proposal: Submit the proposal of providing NT\$108 million endorsement guarantee for the application for financing from Hua Nan International Leasing Co., Ltd. of Company's subsidiary ET Pet Co., Ltd. for approval.</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 establishing the Company’s “Corporate Governance and Sustainable Development Committee” and the appointment of committee members, for approval.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse the members of the Corporate Governance and Sustainable Development Committee, Chairman Shang-Wen Liao; Independent Directors Kun-Chang Li, Su-Chang Chen, and Tien-Wen Shih. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for the four directors who should be recused, other directors presented passed the proposal without objection.</p>
<p>December 23, 2021 The 16th session of the 17th term Board of Directors</p>	<p>Discussion 4</p> <p>Proposal: Approval of providing an endorsement guarantee of NT\$200 million for the application for a credit line of financing from Entie 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 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 for approval.</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 of subsidiary “ET Pet Co., Ltd.” from ChinaTrust Commercial Bank for approval.</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 Item 7</p> <p>Proposal: Approval of providing NT\$30 million endorsement guarantee for the application for a credit line of financing from the Bank SinoPac of Company's subsidiary “Oscar 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 Oscar 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>

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. The Company completed the performance evaluation for functional committees (Audit Committee, and Remuneration Committee) in January 2022, and submitted the results to the Board on March 23, 2022.

Evaluation cycle : Executed once a year

Evaluation period : January 1 to December 31, 2021

Scope of evaluation : Board of Directors, individual Board members and functional committees

Evaluation method : Board of Directors self-evaluation, Board members self-evaluation, peers evaluation.

Evaluation items and results:

- a. The criteria for evaluating the performance of the Board of Directors includes five major aspects: "engagement in business operations", "improvement of the quality of Board decision making", "Board composition and structure", "election and continuing education of directors", and "internal control". The evaluation result was excellent, which indicated that the Company's Board of Directors operated well overall, respected professionalism, and was in compliance with corporate governance.
- b. The criteria for evaluating the performance of individual Board members includes the following six aspects: “alignment of the goals and missions of the company”, ”awareness of the duties of a director”, “participation in the operation of the company”, “management of internal relationship and communication”, “the director's professionalism and continuing education” and ”internal control”. The evaluation result was excellent, which indicated that the Board members of the Company are professional responsible, good at communication, and the meetings run smoothly.
- c. The criteria for evaluating the performance of functional committees includes five aspects: “participation in the operation of the company”, “awareness of the duties of the functional committee”, ”improvement of quality of decisions made by the functional committee”, “makeup of the functional committee and election of its members” and “internal control”. The evaluation result was excellent, which indicated that the functional committee members of the Company are independent and effective in their operations.

3.4.2 The composition, responsibilities and operation of the Audit Committee

1. Information of Remuneration Committee Members

Position Title	Name	Criteria	Professional Qualification and Experience	Independence Status	Number concurrently serving as members of the Audit Committees of other publicly companies
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".	2
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 9 times (A) in the most recent year (2021) 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	9	0	100%	Convener
Independent Director	Su-Chang Chen	9	0	100%	
Independent Director	Tien-Wei Shih	9	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 2021 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.

To ensure the independence of CPA firms, the Audit Committee is based on Article 47 of the Accounting Act and the Content Development Independence Evaluation Form of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10, "Integrity, Objectivity and Independence." Regarding the accountants' independence, professionalism and competency assessment, it evaluates whether the firm is a related person, business, or party to a financial interest relationship with the Company. The 8th session of the second Audit Committee on March 25, 2021 and the 9th session of the 17th Board of Directors on March 25, 2021 reviewed and approved CPA Shin-Chin Chih and CPA Hsin-Ting Huang, both of KPMG Taiwan, as meeting the independence assessment standards. This is sufficient for them to serve as the Company's financial and tax certified public accountants.

■ 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 7th session of the 2nd term of Audit Committee	2021.01.27	Proposal of to providing an endorsement guarantee of NT\$1,925 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary Eastern Asset Co., Ltd.	Approved as proposed	Approved by the BOD
The 8th session of the 2nd term of Audit Committee	2021.03.25	1. Proposal of the employees' remuneration appropriation for year 2020. 2. Proposal of the Company's 2020 business report and financial statements. 3. Proposal of the Company's 2020 earnings distribution.	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>4. Proposal of the Company's cash capital reduction.</p> <p>5. Proposal of changing the CPA for the Company's financial report.</p> <p>6. Proposal for Company's regular assessment of the independence of certified public accountant in 2021.</p> <p>7. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to attest the 2021 financial and tax statements of the Company.</p> <p>8. Propose to provide an endorsement guarantee of NT\$780 million to subsidiary "ET Pet Co., Ltd." for its application for a credit line of financing from King's Town Bank.</p> <p>9. Proposal to provide an endorsement guarantee of NT\$103,062,500 to subsidiary "ET Pet Co., Ltd". for its application for a credit line of financing from Co-Operative Asset Management Co., Ltd.</p> <p>10. Proposal to provide NT\$60 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>11. Proposal to provide NT\$50 million endorsement guarantee to subsidiary "Tung Kai Lease Finance Co., Ltd." for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>12. Proposal to provide NT\$50 million endorsement guarantee to subsidiary "Eastern International Lease Finance Co., Ltd." for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>13. Proposal for the issuance of the Company's 2020 "Internal Control System Statement".</p>		
The 9th session of the 2nd term of Audit Committee	2021.05.06	<p>1. Adoption of the Company's consolidated financial report for January-March 2021.</p> <p>2. Proposal of disposing the Company's shareholding in Mohist</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>Web Technology Co., Ltd.</p> <p>3. Proposal of providing an endorsement guarantee of NT\$77,532,000 to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." for its application for a credit line of financing facility from Shinshin Credit Corporation of the Yulon Group.</p>		
The 11th session of the 2nd term of Audit Committee	2021.07.27	<p>1. Proposal of providing NT\$400 million limit for loan to ET New Media (ETtoday) Holdings Co., Ltd.</p> <p>2. Proposal of providing an endorsement guarantee of NT\$50 million for the application for the a credit line of financing of subsidiary "Oscar Pet Co., Ltd." from Bank of Panshin for approval.</p> <p>3. Proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing from SinoPac Leasing Co., Ltd. of subsidiary ET Pet Co., Ltd. for approval.</p> <p>4. Proposal of providing NT\$50 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for the application for a credit line of financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>5. Proposal of amending the Company's "Internal Control System".</p>	Approved as proposed	Approved by the BOD
The 12th session of the 2nd term of Audit Committee	2021.08.05	<p>1. Adoption of the Company's consolidated financial report for January-June 2021.</p> <p>2. Proposal of providing NT\$200 million limit for loan to ET New Media (ETtoday) Holdings Co., Ltd.</p> <p>3. Proposal of providing NT\$100 million limit for loan to ET Pet Co., Ltd.</p> <p>4. Proposal of providing an endorsement guarantee of NT\$79,260,000 to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." for its application for a credit line of</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
		financing from Orix Taiwan Corporation.		
The 13th session of the 2nd term of Audit Committee	2021.09.02	Proposal of providing an endorsement guarantee of NT\$199.6 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary "ET Pet Co., Ltd.".	Approved as proposed	Approved by the BOD
The 14th session of the 2nd term of Audit Committee	2021.11.04	<ol style="list-style-type: none"> 1. Adoption of the Company's consolidated financial report for January-September 2021. 2. Submit the proposal for the Company's subsidiary, ET Pet Co., Ltd. to invest in 20% shares in each of the three companies of Oscar's pet chain, in excess of its investment limit, for approval. 3. Proposal of the Company's acquisition of shares of Eastern Hotels & Resorts Yilan Co., Ltd. 4. Proposal of providing NT\$108 million endorsement guarantee for the application for financing from Hua Nan International Leasing Co., Ltd. of Company's subsidiary "ET Pet Co., Ltd." for approval. 	Approved as proposed	Approved by the BOD
The 15th session of the 2nd term of Audit Committee	2021.12.23	<ol style="list-style-type: none"> 1. Proposal for Company's regular assessment of the independence of certified public accountant in 2022. 2. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to attest the 2022 financial and tax statements of the Company. 3. Proposal of providing an endorsement guarantee of NT\$200 million for the application for a credit line of financing from Entie Commercial Bank of subsidiary "ET Pet Co., Ltd.". 4. 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. 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 Chinatrust Commercial Bank. 	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
		6. Proposal of providing NT\$30 million endorsement guarantee for the application for a credit line of financing from the Bank SinoPac of Company's subsidiary "Oscar Pet Co., Ltd.".		

(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	
2021/12/23 Audit Committee	Report of the improvement of audit findings for subsidiary, ETtoday Co., Ltd.
2021/01/27	November 2020 Internal Audit Implementation Report

Meeting name and date of convening	Internal audit communication matters and communication results
2021/03/25	1. December 2020 Internal Audit Implementation Report 2. 2020 “Statement of Internal Control System”
2021/05/06	January-June 2020 Internal Audit Deficiency Improvement Report
2021/06/03	July-December 2020 Internal Audit Deficiency Improvement Report
2021/07/27	January 2021 Internal Audit Implementation Report
2021/08/05	February-March 2021 Internal Audit Implementation Report
2021/09/02	March-April 2021 Internal Audit Implementation Report
2021/11/04	April-May 2021 Internal Audit Implementation Report
2021/12/23	June-July 2021 Internal Audit Implementation Report
2021/01/18	August-September 2021 Internal Audit Implementation Report
2021/03/23	October-December 2021 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	
2021/08/05	1. Discussion the financial analysis and operating performance for the first half year of 2021. 2. Explanation recent concerning issues of the authorities, such as impairment of assets, reinforcing audit matters, preparing financial statements, etc. 3. Reviewing regulatory developments. 4. Discussion and communication of questions raised by accountants for the attention of meeting participants.
2022/03/23	1. Reviewing any audit problems or difficulties and management’s response in connection with 2021 annual financial statements. 2. Reviewing regulatory developments.
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: After consultation.	

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 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 1 times (A) in the most recent year (2021) 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	1	1	0	100%	Convener
Independent Director	Su-Chang Chen	1	1	0	100%	
Independent	Kuen-Chang	1	1	0	100%	

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Director	Lee					
Chairman	Shang-Wen Liao	1	1	0	100%	
Deputy General Manager of Accounting Department and the Spokesperson	Ying-Na Cheng	1	1	0	100%	
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Hui-Ying Chou	1	1	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 1st session of the 1st term	2021/12/23	<p>Announcements:</p> <ol style="list-style-type: none"> 1. The status of implementation of the Company's Corporate Governance Evaluation improvement plan for the current year (2021). 2. The performance of the Sustainability Implementation Team under the Committee for this year (2021) and the work plan for the next two years (2022-2023). <p>Discussions: Proposal of adopting of the Company's "Risk Management Policies and Procedures".</p>	<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 for consideration.</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 has not formulated a code of practice for corporate governance.	The Company effectively operates corporate governance in accordance with current relevant laws and regulations
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 stock affairs 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 management, control and prevention	⊙		(3) The Company has established relevant mechanisms in the internal control system in adherence with the law. The management of assets and	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
mechanisms for affiliated companies? (4) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	⊙		finances is clearly divided according to internal control rights and responsibilities; risk items are regularly evaluated by the investment department. (4) The Company has set up procedures for handling material inside information . Company insiders are prohibited from buying and selling securities using undisclosed information on the market.	None
3. Composition and Duties of the Board of Directors (1) Does the Board of Directors establish <u>diversification policies and specific management targets, and carries them out?</u> (2) Does the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law? (3) Has the Company formulated the Board's performance evaluation method and evaluation method, conducted performance evaluation annually	⊙ ⊙ ⊙		(1) The Company currently has 7 Board members possessing have knowledge, skills and accomplishments necessary for business, finance, or business in different professional functions. (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. (3) The Company passed the Board of Directors Performance Evaluation Measures in December 2019, carrying out performance evaluations according to the law.	None None None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
<p>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"> 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. b. The same certified public accountant has not been appointed for seven consecutive years. c. The accountant has issued a statement of independence. d. No major lawsuits or cases corrected by the competent authority. e. The scale and reputation 	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
			<p>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 December 23, 2021 and submitted to the Board of Directors for approval on December 23, 2021.</p>	
<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>	◎		<p>(1) On March 25, 2021, the Board of Directors approved the appointment of Chou,Hui-Ying, Vice President of Legal Affairs, as the Head of Corporate Governance, and the establishment of the Stock Affairs 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 (page66).</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		
(2) corporate governance? 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)?	◎		(2) The information disclosure methods on the left are all adopted by the Company.	None
(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?		◎	(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 2021- Table 1

Job Title	Name	Training hours	Organizer	Training date	Course title
Director	Kao-Ming Tsai	3	Taiwan Corporate Governance Association	07.26	Discussion on the Operation Practice of Taiwan's Holding Companies and the Issues Faced
		3	Taiwan Corporate Governance Association	07.26	Key financial and tax issues in 2021.
Director	Ching-Chi Chen	3	Financial Supervisory Commission, R.O.C.	09.01	The 13th Taipei Corporate Governance Forum
Independent Director	Kuen-Chang Lee	3	Financial Supervisory Commission, R.O.C.	09.01	The 13th Taipei Corporate Governance Forum
		3	Securities & Futures Institute	10.15	2021 Legal Compliance Briefing for Insider Equity Transactions
		6	Taiwan Stock Exchange Corporation & Taipei Exchange	12.07	2021 Cathay Sustainable Finance and Climate Change Summit
Independent Director	Su-Chang Chen	3	Financial Supervisory Commission, R.O.C.	09.01	The 13th Taipei Corporate Governance Forum
		3	Securities & Futures Institute	10.22	2021 Legal Compliance Briefing for Insider Equity Transactions
		3	Securities & Futures Institute	11.05	2021 Briefing for Insider Trading Prevention
Independent Director	Tien-Wei Shih	3	Securities & Futures Institute	11.03	2021 Briefing for Insider Trading Prevention
		3	Taiwan Academy of Banking and Finance	12.07	Family Holding Company Structure and Succession from a Corporate Governance Perspective

(7) Managers' participation in corporate governance training in 2021- Table 2

Job Title	Name	Training hours	Organizer	Training date	Course title
Accounting Department Deputy General Manager	Ying-Na Cheng	16	Accounting Research and Development Foundation	11.29-11.30	Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges
Audit Office Manager	Hui-Hui Li	6	Internal Audit Association of the Republic of China	11.09	Knowledge of labor laws and regulations required for executives at all levels: recruitment interviews, general and special management of employees on the job, and performance appraisal
		6	Internal Audit Association of the Republic of China	12.02	Risk-oriented Internal Audit Measures and Practices
Corporate Governance Officer	Hui-Ying Chou	3	Securities and Futures Institute	08.11	Advanced seminar for (independent) directors, supervisors and corporate governance executives' practices - relevant regulations and operational practices of Audit Committee
		3	Financial Supervisory Commission, R.O.C.	09.01	The 13th Taipei Corporate Governance Forum
		3	Securities and Futures Institute	10.15	2021 Legal Compliance Briefing for Insider Equity Transactions
		3	Securities and Futures Institute	12.17	For Listed Companies - Seminar on How to Hedge with Futures and Corporate Sustainable Operation

(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) :

(1) Current improvements

- i. The Company has gradually improved its Corporate Governance Evaluation result. The Company has established the "Corporate Governance Best Practice Principles" and amended the "Rules for Performance Evaluation of Board of Directors" and resolved by the Board of Directors. It has also stipulated that an external evaluation must be conducted once per three years.
- ii. Financial reports shall be approved by the Board of Directors 7 days before the publication deadline and published within one day after the approval.
- iii. Established non-statutory functional committees of which the number of committee members are less than three, half of the members are Independent Directors, and the convener are all Independent Directors.
- iv. Stipulates relevant rules such as the "Administration Rules Governing the Supplier Corporate Social Responsibility", "Administration Rules Governing the Water Resources", "Administration Rules Governing the Wastes" and "Green Administration Measures - Energy Saving and Carbon Reduction".

(2) Projects will be prioritized

- i. To strengthen the structure and operation of the Board of Directors, we established succession plans for Board members and key management.
- ii. The Company has gradually introduced ISO50001 Energy Management System, ISO14001 Environmental Management System, and performs ISO 14064 Greenhouse Gas Emission certification each year.
- iii. Deepen the promotion plan and implementation performance of sustainable development (ESG).

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".	2
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 (2021) 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 3rd session of the 4th term	2021/01/27	<ol style="list-style-type: none"> 1. Distribution of the Company's 2020 year-end bonus. 2. The Company's managers appointments. 	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 4th session of the 4th term	2021/03/25	Employees' remuneration appropriation for 2020.	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 5th session of the 4th term	2021/09/02	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 6th session of the 4th term	2021/12/23	<ol style="list-style-type: none"> 1. The Company's managers appointments after retirement. 2. The Company's 2021 year-end bonus distribution. 	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 and the reasons thereof</u>
	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"> 1. <u>Specify the governance structure of the Company promoting sustainable development.</u> 2. <u>Specify the implementation status of each organization, including but not limited to:</u> <ol style="list-style-type: none"> (1) <u>Dedicated (concurrent) unit promoting sustainable development, date of its establishment and the delegation from the Board of Directors.</u> (2) <u>The composition, operation and implementation status of current year of the promoting unit (for example: work plan and job description).</u> (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> 3. <u>Specify the supervision of the Board of Directors on</u> 	<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. It held one meeting in 2021, of which the motion includes (1) track and improve the corporate governance evaluation indicators; (2) plan future work plans for sustainability-related issues; and (3) monitor the implementation of sustainable management issues and evaluate the implementation status.</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							
			<u>sustainable development, including by not limited to: the formulation of management guidelines, strategies and targets, reviewing measures, etc.</u>	<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 annually 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 or strategies?</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 assessment standards, procedures, and results to identify significant environmental, social and corporate governance issues, and risk management policies or strategies.</u></p>	<p>1. The risk assessment is basically bounded to the Company; data disclosure covers from January to December in 2021.</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> <table border="1"> <thead> <tr> <th>Material Issue</th> <th>Risk assessment item</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and its management</td> <td> <p>1. The Company introduced ISO50001 Energy Management System at the end of 2021, completed the certification in the first quarter of 2022, and will obtain certifications periodically going forward; it also plans to implement ISO 14046 greenhouse gas quantification and introduce ISO 14001 Environmental Management Certification in 2022.</p> <p>2. In 2021, the Company stipulates relevant rules such as the “Green Administration</p> </td> </tr> </tbody> </table>	Material Issue	Risk assessment item	Description	Environment	Environmental impact and its management	<p>1. The Company introduced ISO50001 Energy Management System at the end of 2021, completed the certification in the first quarter of 2022, and will obtain certifications periodically going forward; it also plans to implement ISO 14046 greenhouse gas quantification and introduce ISO 14001 Environmental Management Certification in 2022.</p> <p>2. In 2021, the Company stipulates relevant rules such as the “Green Administration</p>
Material Issue	Risk assessment item	Description								
Environment	Environmental impact and its management	<p>1. The Company introduced ISO50001 Energy Management System at the end of 2021, completed the certification in the first quarter of 2022, and will obtain certifications periodically going forward; it also plans to implement ISO 14046 greenhouse gas quantification and introduce ISO 14001 Environmental Management Certification in 2022.</p> <p>2. In 2021, the Company stipulates relevant rules such as the “Green Administration</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			
						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.
				Social	Occupational safety	<ol style="list-style-type: none"> 1. Conduct fire drill and occupational safety training annually to build up employees' contingency and self-safety management capabilities. 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. 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.
				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"> 1. Provide the Directors with the most updated laws and regulations, system development, and policies annually. 2. Take out the Directors' Liability Insurance to protect them from lawsuits or claims.

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof	
	Yes	No	Summary		
				Communication with related parties	<ol style="list-style-type: none"> 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. Build up various communication channels; communicate progressively to reduce confrontation and 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?		◎	<ol style="list-style-type: none"> <u>Specify how to implement an effective environmental management system and the laws and regulations it is based on.</u> <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> 		The Company plans to perform GHG quantification under ISO14064 in 2022 to track the effectiveness of reducing emissions and establish ISO 14001 Environmental Management System by 2023.
(II)Is the Company committed to improve the <u>energy utilization efficiency</u> and use the renewable materials that have a low impact on the environmental load?		◎	<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>The Company promotes various energy reduction measures actively:</p> <ol style="list-style-type: none"> Use equipment with high energy-efficiency and energy-saving design to reduce energy consumption. Take the impact on the environment into consideration in new real property investments and use eco-friendly green building materials and renewable energy devices. In response to the government's energy-saving and carbon reduction policy, recycle all

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>recyclable resources and purchase energy label products.</p> <p>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 deal with climate-related issues?	◎		<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 with.</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>															
(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</u></p>	<p>There is neither industrial waste nor industrial water demand and wastewater discharge in the industry to which the Company belongs, and for the gas emissions (per tons of emissions) in the past two years, please refer to the following table; the Company tracks emissions and water consumption annually and use 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>GHG emissions in most recent two years:</p> <p style="text-align: right;">Unit: ton CO2e</p> <table border="1"> <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>2020</td> <td>35.53</td> <td>11,560.96</td> <td>11,596.49</td> <td>2.45</td> </tr> <tr> <td>2021</td> <td>38.38</td> <td>11,678.79</td> <td>11,717.17</td> <td>2.13</td> </tr> </tbody> </table> <p>In 2021, GHG emission of scope 1 and 2 reached 11,717.17 ton CO2e in total, which mainly came from the electricity emission of scope 2 that accounted for 99.7% of total emission. For detailed</p>	Year	Scope 1	Scope 2	Total emission	Intensity of emission (total emission/ per million revenue)	2020	35.53	11,560.96	11,596.49	2.45	2021	38.38	11,678.79	11,717.17	2.13
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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										
			<p><u>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 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</u></p>	<p>description, please refer to the Company's 2021 Sustainability Report (csr.emic.com.tw). 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>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 discharge. Please refer to the “Water Management Regulations” on the Company's website for related management methods (emic.com.tw).</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;">2020</td> <td style="text-align: center;">20,413</td> <td style="text-align: center;">15.26</td> </tr> <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> </tbody> </table> <p>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 2021 was 17,518 metric tons, a decrease of 2,895 metric tons (or 14.18%), compared to the year 2020.</p> <p>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). 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</p>	Year	Total water consumption	Intensity of water consumption (Total water consumption/ per million revenue)	2020	20,413	15.26	2021	17,518	12.79
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	
			<p><u>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 verification status (which are still valid as of the date of the annual report printed) and their coverage.</u></p>	<p>organic compost after cleaning.</p> <p>General waste: Starting from 2022, the Company will sort, recycle and weigh the general waste for management.</p>
<p>IV. Social issues</p> <p>(I) Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?</p>	◎		<p><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>	<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> <p>1. Diversifying inclusion and equal employment principles</p> <p>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</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>that is dignified, equal, and free from discrimination and harassment.</p> <p>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 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. 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</p>

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	
				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.
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	◎		<ol style="list-style-type: none"> <u>The employee benefits 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> <u>Specify the policies reflecting the business performance or results in employee compensation and how they are implemented.</u> 	<ol style="list-style-type: none"> The Company has working rules and related 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 143. 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.
(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?	◎		<ol style="list-style-type: none"> <u>Specify the measures to maintain a safe and healthy work environment for employees, employee education policies, and implementation.</u> <u>Specify relevant validations the Company has obtained (which are still valid as</u> 	<u>Occupational safety and health policies</u> <ol style="list-style-type: none"> 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

<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><u>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 employee occupational accidents in the current year, and the relevant improvement measures.</u></p>	<p>consultation services to protect employees' living; set up breastfeeding rooms to create a friendly breastfeeding environment in the workplace, so that female employees can breastfeed and work without worries.</p> <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.</p> <p>4. Proactively create a smoke-free workplace and promote workplace tobacco prevention to improve health. In 2021, 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>

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										
				<p>5. There was not any occupational disaster in 2021.</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>2020</td> <td>473</td> <td>3,548</td> </tr> <tr> <td>2021</td> <td>503</td> <td>2,518</td> </tr> </tbody> </table>	Year	Educational training participants	Educational training hours	2020	473	3,548	2021	503	2,518
Year	Educational training participants	Educational training hours											
2020	473	3,548											
2021	503	2,518											
(IV) Has the Company provided effective training in career planning for employees?	◎		<p><u>Describe the training (for example: new employee 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></p>	<p>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. 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. Each department has compiled an annual education and training budget, in addition to participating in 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	
				Company's own training, employees are also encouraged to participate in more field training and self-study to increase competitiveness. In 2021, there were 2,955 career training participants, with a total of 12,381 training hours and a total training cost of NT\$2,392,922.
(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 policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?</u>	◎		1. <u>Specify the supplier management policies and the relevant 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>	The Company establishes a "Supplier Corporate Social Responsibility Management Rules" and requires key suppliers to sign the "Supplier Code of 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. Moving forward, 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.

<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	
			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>	
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 preliminary report obtain the confidence or assurance opinion of the third-party verification unit?	◎		<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 organizations, the validated items or scopes, and the standards they followed.</u></p>	The Company prepared the "2021 Sustainability Report" in accordance with the GRI Standards, SASB Standards and has obtained limited independent assurance from Ernst & 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).
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 for TWSE/GTSM Listed Companies</u> . 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 : https://csr.emic.com.tw/ °				

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” 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
(2) 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) 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.	None
(3) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent	◎		(3) The Company’s “Ethical Management Principles” and “Procedures for Ethical Management and	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?			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.	
2. Implementation of Ethical Corporate Management (1) Does the Company assess a trading counterpart’s ethical management record and expressly state the ethical management clause in the contract to be signed with the trading counterpart?	◎		(1) The Company has a rigorous audit system and process. Regarding transaction behavior and transaction contracts with customers, it has complete inspection and supervision to implement the principles of ethical management. All of the contracts the Company enters into	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(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>with counterparties contain an express provision for ethic conduct.</p> <p>(2) The Company has established the “Ethical Management Principles”; 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; designate the Ethical Management Team 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</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?	◎		implementation results. (3) The Company has stipulated the preventive policy against conflicts of interest in the Ethical Management Principles. If any breach is found, it may be reported to the Audit Committee, the manager, or the internal audit supervisor.	None
(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?	◎		(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. 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.	None
(5) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?	◎		(5) The Company adheres to a business philosophy of ethical management. The education and training organized by the Company are all based on the Company's mission, vision, and values to implement the consistency of the staff code of conduct and the	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
			Company's business philosophy.	
<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" has been disclosed on the Company's corporate website. Relevant regulations and ethical</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	
			management regulations can be found by inquiring at the Company's website (http://www.emic.com.tw).	
<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 23, 2022

For the Company's Internal Control System of 2021, 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, 2021 (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 23, 2022. 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
2021	07/07	<ol style="list-style-type: none">1. Acknowledge the Company's 2020 business report and financial statements.2. Recognition of the Company's 2020 earnings distribution proposal.3. Company's cash capital reduction proposal.	<p>Approved the Company's 2020 business report and financial statements.</p> <p>Approved the recognition of the Company's 2020 earnings distribution proposal. (The cash dividend was NT\$0.8 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 July 23 2021 TWSE-Listed-I Letter No. 1100012876). The paid-in capital after the capital reduction is NT\$5,289,503,950. The refund of the capital reduction was completed on September 15, 2021.</p>

B. Board resolutions in 2021 and through March 23, 2022

Meeting term and session	Meeting time	Important resolutions
The 8th session meeting of the 17th term of the Board of Directors	2021/01/27	<ol style="list-style-type: none"> 1. Approved the Company's 2021 financial forecast. 2. Approved to apply for credit line financing from Bank of Panshin. 3. Approved to provide an endorsement guarantee of NT\$1,925 million for the application for financing from Mega Commercial Bank of subsidiary Eastern Asset Co., Ltd. 4. Approved the Company's manager appointment proposal. 5. Approved the meeting minutes and resolutions of the 3rd meeting of the 4th Remuneration Committee of the Company. 6. Approved the Company's consultant appointment proposal. 7. Approved the proposal of the Company's donation of NT\$ 2 million to the Taiwan Information Communication Association.
The 9th session meeting of the 17th term of the Board of Directors	2021/03/25	<ol style="list-style-type: none"> 1. Approved the Company's 2020 business report and financial statements. 2. Approved the distribution proposal for 2020 employee remuneration. 3. Approved the Company's 2020 earnings distribution proposal. 4. Approved the Company's cash capital reduction proposal. 5. Approved the change of the CPA for the Company's financial report. 6. Approved the Company's regular assessment of the independence of the CPA in 2021. 7. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to audit the 2021 financial and tax statements of the Company. 8. Approved to apply for a credit facility from International Bills Finance Corporation. 9. Approved to provide an endorsement guarantee of NT\$780 million to subsidiary "ET Pet Co., Ltd." for its application for credit line of financing from King's Town Bank. 10. Approved to provide an endorsement guarantee of NT\$103,062,500 to subsidiary "ET Pet Co., Ltd." for its application for credit line of financing from Co-Operative Asset Management Co., Ltd. 11. Approved to provide NT\$60 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for the application for commercial paper guarantee from Mega Bills Finance Corporation Bills Department. 12. Approved to provide NT\$50 million endorsement guarantee to subsidiary "Tung Kai Lease Finance Co., Ltd." for the application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch. 13. Approved to provide NT\$50 million endorsement guarantee to subsidiary "Eastern International Lease Finance Co., Ltd." for the

		<p>application for financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>14. Approved the convening the Company's 2021 General Meeting of Shareholders.</p> <p>15. Approved relevant operations for accepting shareholder proposals through the Company's 2021 General Meeting of Shareholders.</p> <p>16. Approved to set up the Company's first Chief Corporate Governance Officer.</p> <p>17. Approved issuance of the Company's 2020 "Internal Control System Statement".</p> <p>18. Approved consultant appointment proposal for the Company.</p>
The 10th session meeting of the 17th term of the Board of Directors	2021/05/06	<p>1. Approved the Company's business report and consolidated financial statements for January-March 2021.</p> <p>2. Approved the proposal of disposing the Company's shareholding in Mohist Web Technology Co., Ltd.</p> <p>3. Approved the application for a credit line of financing from Huanan Commercial Bank Hsinwei Branch.</p> <p>4. Approved the application for a credit line of financing from Taichung Commercial Bank Songshan Branch.</p> <p>5. Approved the application for a credit line of financing from the Taiwan Business Bank Fusing Branch.</p> <p>6. Approved the proposal of providing an endorsement guarantee of NT\$77,532,000 to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." for its application for a financing facility from the Shinshin Credit Corporation of the Yulon Group.</p> <p>7. Approved the Company's consultant appointment proposal.</p>
The 11th session meeting of the 17th term of the Board of Directors	2021/06/03	Approved postponing the Company's 2021 annual shareholders' meeting and changing the meeting date and venue.
The 1st interim session of the 17th Board of Directors	2021/06/25	1. Approved changing the venue of Company's 2021 general shareholders' meeting.
The 12th session meeting of the 17th term of the Board of Directors	2021/07/27	<p>1. Approved setting the base date of the Company's 2021 capital reduction.</p> <p>2. Approved the application for a credit line of financing from CTBC Bank.</p> <p>3. Approved to apply for credit line of financing from Entie Commercial Bank.</p> <p>4. Approved the application for a credit line of financing from the Taiwan Business Bank Fusing Branch.</p> <p>5. Approved to provide NT\$400 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.".</p> <p>6. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for the a credit line of financing of subsidiary "Oscar Pet Co., Ltd." from Bank of Panshin for approval.</p> <p>7. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing</p>

		<p>from SinoPac Leasing Co., Ltd. of subsidiary “ET Pet Co., Ltd.” for approval.</p> <p>8. Approved the proposal of providing NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for a credit line of financing from the Taiwan Small and Medium Enterprise Bank Fu Hsin Branch.</p> <p>9. Approved the proposal of amending the Company’s “Internal Control System”.</p> <p>10. Approved the proposal of the Company’s NT\$1 million donation to the “Chinese Non-store Retailer Association” for approval.</p> <p>11. Approved the Company’s consultant appointment proposal.</p>
The 13th session meeting of the 17th term of the Board of Directors	2021/08/05	<p>1. Approved the Company’s January-June 2021 business report and consolidated financial statements.</p> <p>2. Approved to provide NT\$200 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”.</p> <p>3. Approved to provide NT\$100 million limit for loan to “ET Pet Co., Ltd.”.</p> <p>4. Approved the proposal of providing an endorsement guarantee of NT\$79,260,000 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>5. Approved the Company’s consultant appointment proposal.</p> <p>6. Approved the renewal of the liability insurance for directors and managers of the Company.</p>
The 14th session meeting of the 17th term of the Board of Directors	2021/09/02	<p>1. Approved the proposal of providing an endorsement guarantee of NT\$199.6 million for the application for a credit line of financing from Mega Commercial Bank of subsidiary “ET Pet Co., Ltd.”.</p> <p>2. Approved the meeting minutes and resolutions of the 5th meeting of the 4th Remuneration Committee of the Company.</p> <p>3. Approved the promotion of managers of the Company.</p>
The 15th session meeting of the 17th term of the Board of Directors	2021/11/04	<p>1. Approved the Company’s business report and consolidated financial statements for January-September 2021.</p> <p>2. Approved the proposal for the Company’s subsidiary, ET Pet Co., Ltd. to invest in 20% shares in each of the three companies of Oscar’s pet chain, in excess of its investment limit.</p> <p>3. Approved the proposal of the Company’s acquisition of shares of Eastern Hotels & Resorts Yilan Co., Ltd.</p> <p>4. Approved the proposal of providing NT\$108 million endorsement guarantee for the application for financing from Hua Nan International Leasing Co., Ltd. of Company’s subsidiary “ET Pet Co., Ltd.” for approval.</p> <p>5. Approved to establish the Company’s “Corporate Governance and Sustainable Development Committee” and the appointment of its members.</p> <p>6. Approved the amendment of the Company’s “Board of Directors Performance Evaluation Measures”.</p> <p>7. Approved the amendment of the Company’s “Standard of</p>

		Operating Procedures for Handling Directors' Requests”.
The 16th session meeting of the 17th term of the Board of Directors	2021/12/23	<ol style="list-style-type: none"> 1. Approved the Company’s 2022 financial forecast. 2. Approved the Company's regular assessment of the independence of the CPA in 2022. 3. 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. 4. 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. 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. 6. 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 Chinatrust Commercial Bank. 7. Approved the proposal of providing an endorsement guarantee of NT\$30 million for the application for a credit line of financing of Company's subsidiary “Oscar Pet Co., Ltd.” from the Bank SinoPac. 8. Approved the adoption of the Company's “Internal Audit Plan” for year 2022. 9. Approved the adoption of the Company’s “Corporate Governance Best Practice Principles”. 10. Approved the adoption of the Company’s “Risk Management Policies and Procedures”. 11. Approved the meeting minutes and resolutions of the 6th meeting of the 4th Remuneration Committee of the Company. 12. Approved consultant appointment proposal for the Company.
The 17th session of the 17th Board of Directors	2022/01/18	<ol style="list-style-type: none"> 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. 2. Approved the application for a credit line of financing from Taiwan Cooperative Bank Fusing Branch. 3. Approved the Company's donation of NT\$ 1 million to the “Dongsen Charity Foundation”. 4. Approved the promotion of managers of the Company.
The 18th session of the 17th Board of Directors	2022/03/23	<ol style="list-style-type: none"> 1. Approved employee remuneration plan for 2021. 2. Approved the 2021 business report and financial statements of the Company. 3. Approved the Company's 2021 earnings distribution proposal. 4. Approved the Company’s intended cash capital reduction proposal. 5. Approved the application for a credit line of financing from King’s Town Bank Songshan Branch . 6. Approved to apply for credit line of financing from Entie Commercial Bank. 7. Approved the proposal of providing an endorsement guarantee of

		<p>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>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.</p> <p>9. Approved amendment to the Company's Articles of Incorporation.</p> <p>10. Approved the amendments to the Company's “Procedures for Acquiring or Disposing of Assets”.</p> <p>11. Approved the amendments to the title and part of the provisions of the Company’s “Internal Material Information Handling Procedures”.</p> <p>12. Approved the formulation of the Company’s “Ethical Corporate Management Best Practice Principles”.</p> <p>13. Approved the formulation of the Company’s “Procedures for Ethical Management and Guidelines for Conduct”.</p> <p>14. Approved the convening the Company's 2022 General Meeting of Shareholders.</p> <p>15. Approved relevant operations for accepting shareholder proposals through the Company's 2022 General Meeting of Shareholders.</p> <p>16. Approved the Company's 2021 Internal Control System Statement.</p> <p>17. Approved the meeting minutes and resolutions of the 8th meeting of the 4th Remuneration Committee of the Company.</p> <p>18. Approved consultant appointment proposal for the Company.</p>
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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	2021.01.01 2021.12.31	6,310				120	120	6,430	
	Hsin-Ting Huang									
KPMG Taiwan				140				140	140	
EY Taiwan					1,585			1,585	1,585	
JYH Her						25		25	25	

Note: The components were the services for submitting applications of capital reduction to TWSE.

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	2021		The year ending on April 15	
		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	(1,198,915)	0	0	0
Chairman and General Manager	Shang-Wen Liao	(4,994)	0	0	0
Director	Chao-Hsin Chiu	(1,224)	0	0	0
Director	Ding Fong Broadcasting Co., Ltd.	(348,309)	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	(12)	0	0	0
Independent Director	Tien-Wei Shih	(485)	0	0	0
Deputy General Manager	Ying-Na Cheng	(30)	0	0	0
Deputy General Manager	Ching-Tze He	(2)	0	0	0
Deputy General Manager	Sheng-Chong Hsu	(15)	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	(1,364)	0	0	0
Deputy General Manager	Kuang-Wu Chen	0	0	0	0
Deputy General Manager	Hui-Ying Chou	(8)	0	0	0
Deputy General Manager	Chia-Wei Lin	0	0	0	0
Deputy General Manager	Kui-Ting Kao (Took office on September 2, 2021)	0	0	0	0
Associate Manager	Hua-Lou Sun (Retired on December 31, 2021)	0	0	0	0
Associate Manager	Feng-Wen Chen	0	0	0	0

Job Title	Name	2021		The year ending on April 15	
		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	Ping-Yu Su	0	0	0	0
Associate Manager	Kun-Yu Chang	0	0	0	0
Associate Manager	Yao-Tsu Shen	(500)	(500)	(500)	(500)
Associate Manager	Yu-Ling Ye	0	0	0	0
Associate Manager	Hui-Hui Li (Promoted on September 2, 2021)	(100)	(100)	(100)	(100)
Associate Manager	Sheng-fen Ou (Promoted on September 2, 2021)	0	0	0	0
Associate Manager	Wen-chien Hsieh (Promoted on September 2, 2021)	0	0	0	0
Associate Manager & Taichung Office Manager	Chang-Yi Huang (Promoted on January 1, 2022)	(6)	(6)	(6)	(6)
Kaohsiung Office Manager	Po-Liang Chen	(22)	(22)	(22)	(22)
Major shareholders of 10% or above	None	0	0	0	0

Note: The number of shares held decreased in 2021 because of the 5% 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 15, 2022

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.	50,970,680	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.	23,676,250	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	22,779,378	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.	18,736,996	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.	17,242,867	3.259	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.	6,617,870	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)		
Wushun Investment Co., Ltd.	2,553,600	0.482	NA	NA	Data not available				None	
Representative: Wang Rong-Ruo	Data not available								None	
Pai Yao-Chia	2,246,750	0.424	Data not available							None
DFA multiple emerging investment accounts in custody of Citibank (Taiwan)	2,216,435	0.419	NA	NA	Data not available				None	
Huang Guo-Jie	2,038,000	0.385	Data not available							None

3.10 Comprehensive Shareholding Ratios

December 31, 2021

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	32,973,086	60.40	21,618,114	39.60	54,591,200	100.00
Trading (Hong Kong) 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.	49,500,000	55.00	0	0	49,500,000	55.00

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.

Unit: Thousand shares

Shares Type	Approved share capital			Note
	Outstanding shares (Note)	Unissued shares	Total	
Listed common stock	528,950	971,050	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 15, 2022

Shareholder structure	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreign individuals	Total
Quantity						
Number of individuals	0	0	288	102,072	131	102,491
Number of shares held	0	0	147,258,290	372,034,665	9,657,440	528,950,395
Shareholding ratio	0.000	0.000	27.840	70.334	1.826	100.000

4.1.3 Distribution of Shareholding

April 15, 2022

Shareholding class	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	47,020	14,713,349	2.782
1,000 to 5,000	42,695	92,809,204	17.546
5,001 - 10,000	6,850	54,045,919	10.218
10,001 - 15,000	1,947	24,582,812	4.647
15,001 - 20,000	1,382	25,350,658	4.793
20,001 - 30,000	1,037	26,589,639	5.027
30,001 - 40,000	422	15,009,820	2.838
40,001 - 50,000	315	14,573,497	2.755
50,001 - 100,000	511	36,743,957	6.947
100,001 - 200,000	188	26,517,853	5.013
200,001 - 400,000	75	20,148,698	3.809
400,001 - 600,000	17	8,546,275	1.616
600,001 - 800,000	9	5,954,011	1.126
800,001 to 1,000,000	8	7,000,792	1.324
1,000,001 or more	15	156,363,911	29.561
Total	102,491	528,950,395	100.000

Note: The Company has not issued preferred shares.

4.1.4 List of major shareholders

April 15, 2022

Name of major shareholder	Shares	Number of shares held	Shareholding ratio %
1. Jinxin Trading Co., Ltd.		50,970,680	9.636
2. Dongsen Personal Insurance Agent Co., Ltd.		23,676,250	4.476
3. Far Rich International Corporation		22,779,378	4.306
4. Sen Feng International Co., Ltd.		18,736,996	3.542
5. E-Happy Travel Co., Ltd.		17,242,867	3.259
6. Ding Fong Broadcasting Co., Ltd.		6,617,870	1.251
7. Wushun Investment Co., Ltd.		2,553,600	0.482
8. Pai Yao-Chia		2,246,750	0.424
9. DFA multiple emerging investment accounts in custody of Citibank (Taiwan)		2,216,435	0.419
10. Huang Guo-Jie		2,038,000	0.385

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	2021	2020
Per share Market price (Note1)	Highest		71.3	19.1
	Lowest		14.4	9.18
	Average		28.48	14.77
Net value per share	Before distribution		11.8	11.27
	After distribution (Note5)		10.8	10.47
Earnings per share	Weighted average number of shares (Net of treasury shares)		544,815,093	556,789,889
	Earnings per share		1.37	0.94
Per share Dividends	Cash dividends		1.0	0.8
	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)		20.79	15.71
	Price to dividend ratio (Note3)		28.48	18.46
	Cash dividend yield (Note4、5)		3.51%	5.42%

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: The dividend distribution for 2021 was authorized by the Board of Directors on March 23, 2022. The distribution date will be at April 29, 2022.

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

The total cash dividends to be distributed to shareholders this year amount to NT\$528,950,395. Ordinary shareholders intend to hold shares in accordance with the shareholders' register on the ex-dividend base date, A cash dividend of NT\$1 per share will be distributed.

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 (2022).

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: Employee bonuses in 2021 were approved by the Board of Directors on March 23, 2022 to be paid in cash. There is no difference in conformity with the estimates.

Unit: New Taiwan Dollars

Item	Amount
Net profit before tax-before deduction of employee bonuses	\$ 725,767,092
Provision ratio	3.5%
Employee bonuses for the period	\$ 25,401,848

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 2021 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 2021 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.

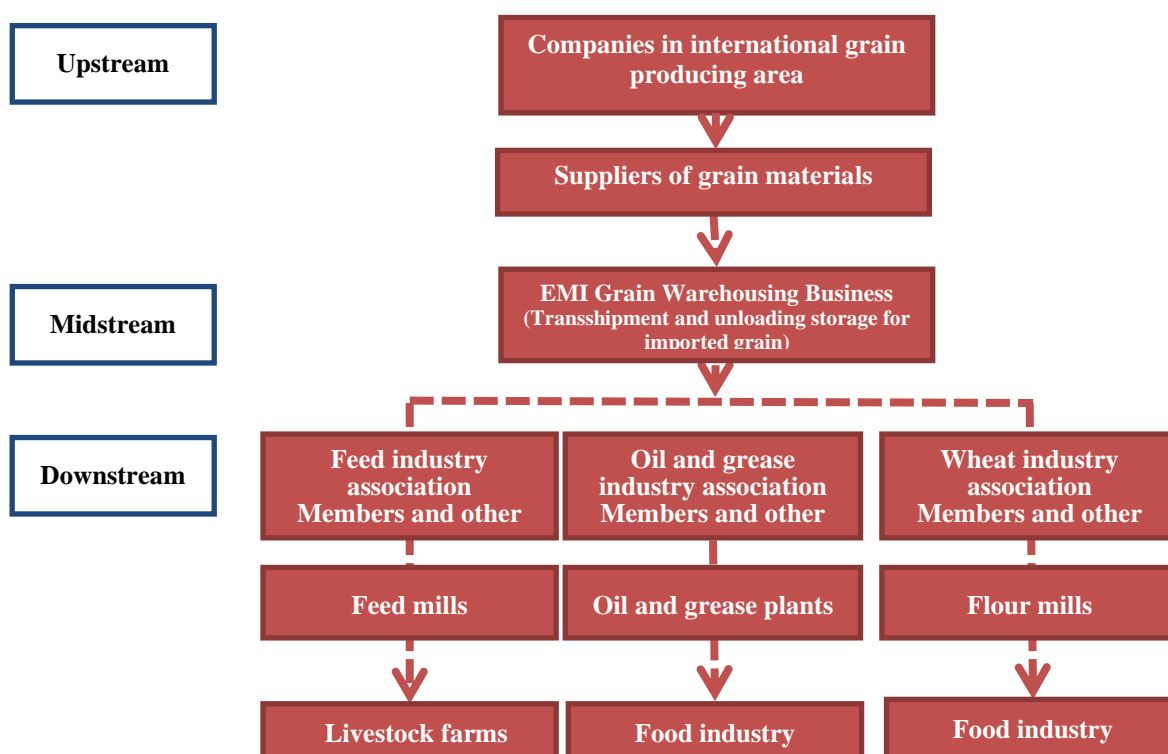
2. Market share

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
2019	221.5	163.8	159.5	143.8	688.6	688.6	100.0%	893.8	77.0%
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%

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 started the “sentinel pigs” project for lifting the classical swine fever vaccination mandate in early 2021 and has been progressed smoothly. The plan has achieved preliminary results that some pig farms are expected to be free from vaccination mandates in June 2022. Once the vaccination mandate lifted, it will be an important milestone for Taiwan’s pig industry to reopen the export market.

(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

2020				2021			
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	153,512	11.5%	None	2	144,788	10.6%	None
Others	1,184,492	88.5%	None	Others	1,225,120	89.4%	None
Warehousing Net income	1,338,004	100.0%		Warehousing Net income	1,369,908	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	2020		2021	
	Quantity (ten thousand metric tons)	Amount (NTD thousand)	Quantity (ten thousand metric tons)	Amount (NTD thousand)
Grain	649.5	1,338,004	630.9	1,369,908

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 21 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 33% (including apps) by the end of 2021. 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 and 2021. 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.

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: The top five news media outlets as currently ranked by Alexa (ETtoday, UDN, Apple Daily, Liberty Times, China Times) with each company actively developing real-time news. At present, the main competitors of ETtoday News are UDN and Apple Daily, and these two competitors are supported by their parent newspaper companies (Apple Daily announced closed its print newspapers and its funds had burned out in 2021, May and December, respectively.). Recently, all news websites are geared towards directional developments including youth, liveliness, high-click news content, and so on. With print newspapers turning to real-time online news, competition in the online media market has gradually intensified. 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 2021, the total number of fans on Facebook has exceeded 20 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 membership achievement system with personalized layouts and recommendations plus accumulated points, such as Dung Sen token and gifts in order to better meet the needs of readers. Since app users are relatively loyal readers, they easily turn into frequent users once they get used to an app. This in turn can increase ETtoday’s autonomous traffic. Therefore, ETtoday News will continue to optimize the mobile web for more readers to use. By the end of 2021, the app’s own traffic accounted for 33% 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 in 2021, Taiwan's five major traditional advertising markets in 2021 is valued around NT\$25.975 billion, which shows a growth of 1% compared to the overall advertising of NT\$25.636 billion in the previous year. Key points are as follows:
 - i. Broadcast media: terrestrial TV NT\$2.685 billion (+3%), cable TV NT\$15.056 billion (+1%), broadcast NT\$1.375 billion (-7%).
 - ii. Print media: Newspapers: NT\$0.874 billion (-38%), magazines: NT\$1.084 billion (-7%).
 - iii. Out-of-home media: Out-of-home media NT\$4.901 billion (+23%).
 - b. Taipei Metro advertising: The pandemic has greatly declined 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’s MRT, and causing a drop in out-of-home advertising. With the worsen of COVID -19, the number of people in Taipei MRT dropped by 80% and hit the lowest record in 2021, May. However, OOH department of ETtoday overcame the tough situation via creative planning and its advertising revenue exceeds its previous performance.

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 17.38 million in 2021, compared to the average daily page views of 17.01 million in 2020, the growth rate reached 2%. At the same time, every time there is a major event, through real-time news reports, it creates high traffic. For example: In the Taroko train accident, the network traffic was 19 million and the outbreak of covid-19 in 2021, May, the network traffic was 25 million. While the Tokyo Olympic gained the whole world's attention, ETtoday network traffic reached 19 million in 2021, July. In December, the famous singer, Lee-hom Wang, divorced also make the network traffic hit 22 million.

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 subscripsts 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. 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, with the cooperation with ASUS, 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 department to seize the opportunities in the emerging podcast craze at the end of 2020. Our podcast has been ranked in the top 100 global podcast and aroused much discussion among netizens. The market response suggests there exist considerable potential for advertising purpose. The key programs and its category are listed as follow:

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
4	Ishan tell the truth	Real Estate
5	Z Generation	Society and culture
6	The Pet world	Pet
7	The Alien Language	Language Study
8	No more pain	Health
9	Social Media Curator is on duty	News
10	My husband is Chef	Cooking & Gourmet
11	Wow! hustle and bustle world	International News

(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) 2022 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 20 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. 4-in-one AD Platform: Regarding the deficiency of attention, ET New Media combine digital, outdoor, Focus Media and Solmate into an integrated advertising platform. In other words, this platform provides digital banner, outdoor advertising, community and business building elevator advertising, and movie theater and hair salon monitor advertising. The total number reach is up to 10 million.

4-in-one AD platform is the most influential advertising mechanism in Taiwan.

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. Furthermore, in terms of content focus, we can also create a win-win cooperation situation through cross-industry or peer-industry alliances. At the same time, we will also cooperate with the entity channels of affiliated companies (including Focus and Solmate) to boost the influence of 4-in-one AD platform. Besides, ETtoday 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 ETtoday Cloud’s advertising services.

- (6) Seeking new business models:
- a. Poll Cloud: Poll Cloud own about 1.75 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 1.77 million 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 2024.

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 48.256 billion in 2020, compared with 45.8 billion in 2019, a growth rate of 5.4%, this is the first time it lower than two digits in recent 10 years. Amongst them, the total amount of social media platforms is NT\$ 18.207 billion, a 7.9% growth; in terms of advertising categories, the display advertising remains the top volume, with a total amount of NT\$17.007 billion. However, what worth to be noted is that display advertising in general media have shown a decline while that in social media platform have been growing, increased by 10.4%.

Taiwan Digital Advertising Type and Platform Statistics in 2020

(in NTD 100mn)

Media Type		Traditional Media (in NTD100mn)		Social Media (in NTD100mn)			
		Mobile Device	PC	Mobile Device	PC	Category Total	Category Ratio
Display advertising		34.67	12.36	108.99	14.06	170.07	35.24%
Keyword advertising		65.69	52.81	0	0	118.39	24.53%
Multimedia	outstream	10.05	5.04	0.91	0	16	3.21%
	intstream	55.27	26.42	21.41	2.55	105.66	21.90%
Word-of-Mouth	Placement advertising	16.06	4.82	7.19	1.25	29.31	6.07%
	Celebrity Livestreaming	9.42	2.24	22.31	1.05	35.02	7.26%
	Word-of-Mouth Marketing	1.91	2.11	2.01	0.35	6.37	1.32%
others		1.53	0.21	0	0	1.74	0.36%
total		194.49	106	162.82	19.26	482.56	100.00%

- (3) Traditional Media advertising market: According to the data released by Nielsen in 2021, Taiwan's five major traditional advertising markets in

2021 is valued around NT\$25.975 billion, which shows a growth of 1% compared to the overall advertising of NT\$25.636 billion in the previous year. Key points are as follows:

- a. Broadcast media: terrestrial TV \$2.685 billion (+3%), cable TV \$15.056 billion (+1%), broadcast \$1.375 billion (-7%).
- b. Print media: Newspapers: \$0.874 billion (-38%), magazines: \$1.084 billion (-7%).
- c. Out-of-home media: Out-of-home media 4.901 billion (+23%).

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 2020 was NT\$1,434.82 million. Operating income in 2021 was NT\$1,998.10 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 119 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 Council of Agriculture, there are more than 2.1 million dogs and cats in Taiwan. Combining with the custom import and export statistics for pet products, the market size of pet industry is estimated as NT\$52 billion. According to consumer surveys and internal estimates of ETtoday Poll Cloud, Taiwan's pet market scale of 52 billion encompasses channels distributed as shown in the following table:

No.	Channel type	Percentage	Market size (NTD 100 million)	Estimated number of channels
1	Professional pet shops	40%	208	1,400
2	Professional pet grooming shops	6%	31	1,000
3	Animal hospitals	24%	125	1,850
4	Online shopping	10%	52	NA
5	Supermarkets/hypermarkets	20%	104	NA
6	Total	100%	520	

(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	119	High brand awareness Wide distribution of stores
2	Pet parks	72	Uniform decoration style High proportion of proprietary products
3	Petsmall	35	Large store Highly professional aquariums
4	Cat and dog kennels	32	Rapid expansion of low-price promotions
5	Jinjingli	20	Traditional business model going deep into the community

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

Cooperate with animal hospital chains in-depth to expand the business scale of animal hospitals. At the same time, accumulate the big data of pet veterinary, which used to be the base of developing the pet preventative healthcare system. Cooperate with faculty of veterinary of renowned universities to establish animal teaching hospitals to promote the knowledge exchange among vets and advance the technologies.

(4) Develop the pet nutraceuticals

Understand the diseases pets are prone to under different species, ages or environments via the big data analysis of pet veterinary, and develop suitable nutraceuticals for pets to delay or reduce the chance of the occurrence of the diseases.

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 1,400 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 1.77 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 1.77 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

2020		2021	
Sales volume (Items)	Amount (NTD thousand)	Sales volume (Items)	Amount (NTD thousand)
18,583,414	1,839,727	20,787,815	2,099,886

G. Industry-specific key performance indicators (KPIs)

None.

5.4 Employees

5.4.1 The Company:

March 31, 2022

Unit: Number of people

Year		2020	2021	March 31, 2022
Personnel Number	Management personnel	160	159	153
	Technical personnel	102	98	98
	Total	262	257	251
Average age		45.4	45.6	45.80
Average years of service		10.1	15.5	15.20
Educational distribution proportion	Ph.D.	1	1	1
	Master's degree	31	33	33
	Junior college	169	165	162
	High school	55	52	49
	Below high school	6	6	6

5.4.2 Related companies:

March 31, 2022

Unit: Number of people

Year		2020	2021	March 31, 2022
Personnel Number	Management personnel	130	130	133
	Technical personnel	902	909	875
	Total	1,032	1,039	1,008
Average age		33.47	34.35	34.40
Average years of service		3.12	3.94	3.99
Educational distribution proportion	Ph.D.	3	4	3
	Master's degree	73	79	68
	Junior college	791	783	765
	High school	133	163	163
	Below high school	32	10	9

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_{2.5}), the Environmental Protection Administration of the Executive Yuan will levy air pollution fees including those for PM_{2.5} 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) 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.
- (6) 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.
- (7) 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 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. 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 2021 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 2021 education and training related statistics are as follows:
 - 1. Total attendance reached of training: 2,955 attendance reached
 - 2. Total training hours: 12,381.0H
 - 3. Total cost of education and training: NT\$2,392,922

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 Happy Company - Livelihood Service Industry.

5.6.13 Awarded Badge for the Accredited Healthy Workplace for Smoke-free and Health Activation by the Health Promotion Administration, Ministry of Health and Welfare in 2022 to 2024.

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
American accountant	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

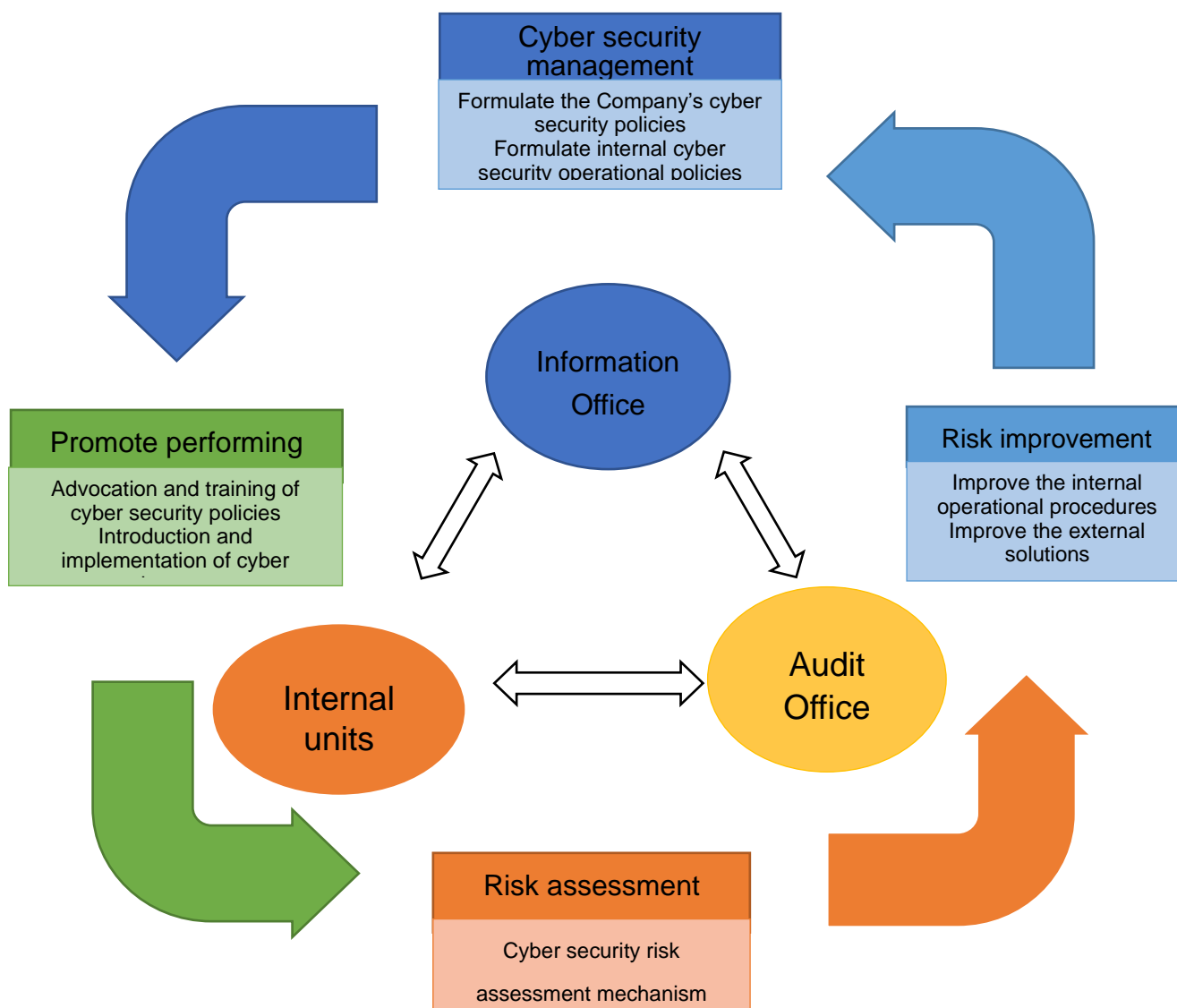
5.7.1 Specify the cyber security risk management structure, cyber security policies, specific administration program and resources invested in cyber security management, etc.

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	2021.9.1 ~ 2022.8.31 (Lease period: 1 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.HER Hotels & Resorts Group Yilan 2.King's Town Bank	2017-2022	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\$1000 million.	None

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"> 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. After formal operation, the Company has to pay additional operating royalty for about 2% of net operating revenue each year. 	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				
		2021	2020	2019	2018	2017
Item						
Current assets		3,906,853	3,280,987	3,208,576	7,493,535	8,342,682
Property, plant and equipment		1,764,631	1,669,684	1,439,296	2,436,902	2,443,910
Right of use assets		6,303,591	7,210,677	6,762,163	0	0
Intangible assets		405,966	467,334	490,834	3,949,728	3,632,439
Other assets		3,538,766	3,594,792	3,004,918	2,811,171	683,805
Total assets		15,919,807	16,223,474	14,905,787	16,691,336	15,102,836
Current liabilities:	Before distribution	3,545,961	2,581,251	2,204,163	5,499,967	4,997,177
	After distribution	4,074,911(Note)	3,026,683	2,760,953	6,056,757	4,997,177
Non-current liabilities:		5,713,741	6,896,700	6,251,445	2,978,133	1,849,969
Total liabilities	Before distribution	9,259,702	9,477,951	8,455,608	8,478,100	6,847,146
	After distribution	9,788,652(Note)	9,923,383	9,012,398	9,034,890	6,847,146
Attributable to parent company Owners' equity		6,243,683	6,276,616	6,361,140	6,572,662	7,052,056
Share capital		5,289,504	5,567,899	5,567,899	5,567,899	6,959,874
Capital surplus		16,243	20,769	20,769	5,165	5,165
Retained Earnings	Before distribution	1,284,545	983,904	1,000,273	1,182,831	126,338
	After distribution	755,595(Note)	538,472	443,483	626,041	126,338
Other equity interest		(346,609)	(295,956)	(227,801)	(183,222)	(39,310)
Treasury shares		0	0	0	(11)	(11)
Non-controlling interests		416,422	468,907	89,039	1,640,574	1,203,634
Equity Total amount	Before distribution	6,660,105	6,745,523	6,450,179	8,213,236	8,255,690
	After distribution	6,131,155(Note)	6,300,091	5,893,389	7,656,446	8,255,690

Note: The dividend distribution for 2021 was authorized by the Board of Directors on March 23, 2022. The distribution date will be at April 29, 2022.

Condensed Comprehensive Income Statement-Consolidated

Unit: NTD Thousand
Earnings per share unit: NTD

Item \ Year	Financial information				
	2021	2020	2019	2018	2017
Operating income	5,511,919	4,728,014	3,129,360	18,617,973	14,210,657
Operating margin	1,668,261	1,444,933	942,657	5,583,200	3,494,946
Operating profit and loss	157,122	(10,155)	(23,227)	394,444	(342,270)
Non-operating income and expenses	553,030	319,874	383,947	2,288,287	3,210,927
Net profit before tax	710,152	309,719	360,720	2,682,731	2,868,657
Continuing operations Profit after tax for the current period	749,290	493,106	544,725	2,294,673	2,673,984
Profit or loss from discontinued operations	0	0	(168,130)	(785,541)	0
Profit (loss) for the period	749,290	493,106	376,595	1,509,132	2,673,984
Other comprehensive income, net of tax, for the period (Net of tax)	(50,136)	(48,743)	(60,899)	(135,820)	(36,742)
Total comprehensive income for the period	699,154	444,363	315,696	1,373,312	2,637,242
Net profit attributable to Owners of parent	745,493	520,859	390,531	1,070,989	2,528,545
Net profit attributable to non-controlling interest	3,797	(27,753)	(13,936)	483,143	145,439
Total comprehensive income Attributable to owner of the parent company	695,498	472,266	329,653	912,603	2,495,325
Total comprehensive profit and loss attributable to non-controlling interests	3,656	(27,903)	(13,957)	460,709	141,917
Earnings per share	1.37	0.94	0.70	1.74	3.63

Concise balance sheet-parent company only

Unit: NTD Thousand

Year		Financial information				
		2021	2020	2019	2018	2017
Item						
Current assets		1,800,650	1,813,349	2,229,749	2,453,126	4,108,712
Property, plant and equipment		570,737	387,257	285,395	147,442	200,623
Right of use assets		3,496,274	3,709,212	3,925,459	0	0
Intangible assets		1,351	817	538	1,915	725
Other assets		5,062,712	5,051,122	4,205,078	4,459,174	3,648,889
Total assets		10,931,724	10,961,757	10,646,219	7,061,657	7,958,949
Current liabilities:	Before distribution	640,038	554,574	343,995	362,804	693,090
	After distribution	1,168,988(Note)	1,000,006	900,785	919,594	693,090
Non-current liabilities:		4,048,003	4,130,567	3,941,084	126,191	213,803
Total liabilities	Before distribution	4,688,041	4,685,141	4,285,079	488,995	906,893
	After distribution	5,216,991(Note)	5,130,573	4,841,869	1,045,785	906,893
Attributable to parent company Owners' equity						
Share capital		6,243,683	6,276,616	6,361,140	6,572,662	7,052,056
Capital surplus		5,289,504	5,567,899	5,567,899	5,567,899	6,959,874
Retained Earnings		16,243	20,769	20,769	5,165	5,165
Before distribution		1,284,545	983,904	1,000,273	1,182,831	126,338
	After distribution	755,595(Note)	538,472	443,483	626,041	126,338
Other equity interest		(346,609)	(295,956)	(227,801)	(183,222)	(39,310)
Treasury shares		0	0	0	(11)	(11)
Non-controlling interests		0	0	0	0	0
Equity total amount	Before distribution	6,243,683	6,276,616	6,361,140	6,572,662	7,052,056
	After distribution	5,714,733(Note)	5,831,184	5,804,350	6,015,872	7,052,056

Note: The dividend distribution for 2021 was authorized by the Board of Directors on March 23, 2022. The distribution date will be at April 29, 2022.

Concise comprehensive income statement-parent company only

Unit: NTD Thousand
Earnings per share unit: NTD

Item \ Year	Financial information				
	2021	2020	2019	2018	2017
Operating income	1,369,908	1,338,004	1,282,112	1,004,574	1,190,417
Operating margin	728,207	728,733	665,722	330,297	482,099
Operating profit and loss	390,959	428,709	430,177	(70,729)	72,184
Non-operating income and expenses	309,406	(107,857)	(236,499)	1,221,463	2,612,866
Net profit before tax	700,365	320,852	193,678	1,150,734	2,685,050
Continuing operations Profit after tax for the current period	745,493	520,859	390,531	1,070,989	2,528,545
Profit or loss from discontinued operations	0	0	0	0	0
Profit (loss) for the period	745,493	520,859	390,531	1,070,989	2,528,545
Other comprehensive income, net of tax, for the period (Net of tax)	(49,995)	(48,593)	(60,878)	(158,386)	(33,220)
Total comprehensive income for the period	695,498	472,266	329,653	912,603	2,495,325
Net profit attributable to Owners of parent	745,493	520,859	390,531	1,070,989	2,528,545
Net profit attributable to non-controlling interest	0	0	0	0	0
Total comprehensive income Attributable to owner of the parent company	695,498	472,266	329,653	912,603	2,495,325
Total comprehensive profit and loss attributable to non-controlling interests	0	0	0	0	0
Earnings per share	1.37	0.94	0.70	1.74	3.63

6.1.2 CPA audit opinion

Year	Certified public accountant	Audit opinion
2017	Shih-Chin Chih, Shu-Ling Lien	Unqualified 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

6.2 Financial analysis for the last five years

Financial Analysis-International Financial Reporting Standards Consolidated

Analysis item		Year	Financial analysis				
		2021	2020	2019	2018	2017	
Finance Structure (%)	Debt to asset ratio	58.16	58.42	56.73	50.79	45.34	
	Ratio of long-term funds to property, plant, and equipment	701.21	817.05	882.49	459.25	413.50	
Debt service ability %	Current ratio	110.18	127.11	145.57	136.25	166.95	
	Quick ratio	95.00	108.45	120.43	96.02	120.93	
	Interest coverage ratio	416.86	237.19	346.93	4,331.24	2,560.06	
Operating ability	Accounts receivable turnover (times)	10.54	10.64	5.52	33.14	34.83	
	Average cash collection days	34.62	34.30	66.12	11.01	10.47	
	Inventory turnover (times)	3.34	3.75	0.49	12.98	80.59	
	Payables turnover (times)	9.80	11.66	1.71	6.88	8.25	
	Average sales days	109.28	97.33	744.89	28.12	4.53	
	Property, plant, and equipment turnover rate (times)	3.21	3.04	1.61	7.63	6.46	
	Total asset turnover (times)	0.34	0.30	0.20	1.17	1.16	
Profit ability	Return on assets (%)	5.78	4.33	3.12	9.81	22.69	
	Return on equity (%)	11.18	7.47	5.14	18.33	40.23	
	Net profit before tax to paid-in capital ratio (%)	13.43	5.56	6.48	48.18	41.21	
	Net profit rate (%)	13.59	10.43	12.03	8.11	18.81	
	Earnings per share (NTD)	1.37	0.94	0.70	1.74	3.63	
Cash on hand Flow	Cash flow adequacy ratio (%)	27.69	36.39	58.83	1.70	(43.92)	
	Cash flow ratio (%)	98.13	293.20	357.31	351.34	143.85	
	Cash reinvestment ratio (%)	7.68	5.41	11.78	0	(27.40)	
Leverage	Operating leverage	21.85	(279.14)	(89.57)	16.34	(14.69)	
	Financial leverage	(2.35)	0.04	0.14	1.19	0.75	

Changes in financial ratios of up to 20% in the last two years are explained as follows:

- (1) Interest coverage ratio was increased by 75.76%. This was due to the net income of the Group grew this year.
- (2) All profitability showed an upward trend. Except for the growth of overall net income, the net income of EHS also surged this year. Therefore, the share of profit of associates accounted for using equity method increased as well, leading the increase of net income of the Company, and resulting the growth of all profitability.
- (3) All cash flow adequacy ratio items exhibited a downward trend. This was due to net cash inflow from operating activities was reduced and current liabilities were increased. In the aspect of net cash inflow, the Group purchased more financial instruments than last year. Besides, the balance of accounts receivable was also higher than last year which meant billings remained unreceived at that time. In the aspect of current liabilities, trading segment expanded its business continually, causing net cash outflow of financing activities.
- (4) Operating leverage showed an upward trend. This was due to the growth of overall net income, making net loss turn into net income.
- (5) Financial leverage showed a downward trend. This is because although the operating net profit has turned from loss to profit this year, it is still a negative after deducting financial costs.

Parent company only

Analysis item		Year	Financial analysis				
		2021	2020	2019	2018	2017	
Finance structure (%)	Debt to asset ratio	42.88	42.74	40.25	6.92	11.39	
	Ratio of long-term funds to property, plant, and equipment	2,026.97	2,687.41	3,609.81	4,543.38	3,261.65	
Debt service ability (%)	Current ratio	281.33	326.98	648.19	676.16	592.81	
	Quick ratio	275.04	317.73	608.83	609.03	551.01	
	Interest coverage ratio	712.54	371.52	307.53	196,470.99	8,467.24	
Operating ability	Accounts receivable turnover (times)	100.68	107.64	90.60	52.17	64.74	
	Average cash collection days	3.63	3.39	4.03	7.00	5.64	
	Inventory turnover (times)	0	0	0	0	1.94	
	Payables turnover (times)	33,773.74	1,978.15	474.88	135.74	73.60	
	Average sales days	0	0	0	0	188	
	Property, plant, and equipment turnover rate (times)	3.06	3.98	5.92	5.77	5.22	
	Total asset turnover (times)	0.13	0.12	0.14	0.13	0.17	
Profit ability	Return on assets (%)	7.65	5.70	5.25	14.27	35.84	
	Return on equity (%)	11.91	8.24	6.04	15.72	42.26	
	Percent age of paid-in capital (%)	Operating profit	7.39	7.70	7.73	(1.27)	1.04
		Net profit before tax	13.24	5.76	3.48	20.67	38.58
	Net profit rate (%)	54.42	38.93	30.46	106.61	212.41	
	Earnings per share (NTD)	1.37	0.94	0.70	1.74	3.63	
Cash on hand Flow	Cash flow adequacy ratio (%)	48.12	137.85	344.16	0	18.94	
	Cash flow ratio (%)	124.70	149.70	151.50	42.63	(639.44)	
	Cash reinvestment ratio (%)	0	3.05	9.70	0	1.74	
Leverage	Operating leverage	2.69	2.48	2.37	(9.53)	11.27	
	Financial leverage	1.41	1.38	1.28	0.99	1.80	

	<p>Changes in financial ratios of up to 20% in the last two years are explained as follows:</p> <ol style="list-style-type: none"> (1) The ratio of long-term funds to property, plant, and equipment decreased by 24.58% and the turnover ratio decreased by 23.12%. This was due to the increase of silo equipment in the storage division this year. (2) Interest coverage ratio was increased by 91.79%. This was due to a rise in net income this year. (3) The turnover rate of payables increased by 1,607.34%. Relating to the business model of the Company, accounts payable generated rarely. Therefore, as the amount of accounts payable changed, there would be a tremendous change in the ratio. (4) Except for the slight decrease in operating profit to the paid-in capital ratio, all other profitability showed an upward trend. The main reason is that the reinvestment income increased significantly due to the excellent operation of the reinvestment company- Eastern Home Shopping & Leisure Co., Ltd., which in turn led to an increase in the overall net profit, and an increase in various profitability indicators. (5) All cash flow ratios showed a downward trend, which was due to the increase in cash outflows for the acquisition of financial assets measured at fair value through profit or loss this year, which resulted in a significant increase in net cash outflows from operating activities.
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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) Net profit rate = after-tax profit and loss/net sales.
- (4) 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 23, 2022

The Board of Directors has prepared EMI's 2021 Business Report, Financial Statements, and proposal for allocation of earnings. 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 earnings allocation 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.

2022 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	2021	2020	Difference	
			Amount	%
Current assets	3,906,853	3,280,987	625,866	19.08
Property, plant and equipment	1,764,631	1,669,684	94,947	5.69
Right of use assets	6,303,591	7,210,677	(907,086)	(12.58)
Intangible assets	405,966	467,334	(61,368)	(13.13)
Other assets	3,538,766	3,594,792	(56,026)	(1.56)
Total assets	15,919,807	16,223,474	(303,667)	(1.87)
Current liabilities:	3,545,961	2,581,251	964,710	37.37
Non-current liabilities:	5,713,741	6,896,700	(1,182,959)	(17.15)
Total liabilities	9,259,702	9,477,951	(218,249)	(2.30)
Capital stock	5,289,504	5,567,899	(278,395)	(5.00)
Capital surplus	16,243	20,769	(4,526)	(21.79)
Retained earnings	1,284,545	983,904	300,641	30.56
Other equity interest	(346,609)	(295,956)	(50,653)	17.12
Equity attributable to the parent company	6,243,683	6,276,616	(32,933)	(0.52)
Total equity	6,660,105	6,745,523	(85,418)	(1.27)

Analysis and explanation of increases and decreases in ratios:

1. The increase of current liabilities was due to the additional loans of NT\$232,193 thousand of the Group. Also, current portion of long-term liabilities disclosed in current liabilities were increased at the amount of NT\$776,258 thousand.
2. The decrease in capital reserve in the current period was because of the adjustment of the difference between the actual price of acquiring the subsidiary's equity and the book value.
3. Retained earnings increased this year. This was due to the increase of income of the year. Please refer to financial performance for the details.

Review and analysis of parent company only financial status

Unit: NTD Thousand

Item \ Year	2021	2020	Difference	
			Amount	%
Current assets	1,800,650	1,813,349	(12,699)	(0.70)
Property, plant and equipment	570,737	387,257	183,480	47.38
Right of use assets	3,496,274	3,709,212	(212,938)	(5.74)
Intangible assets	1,351	817	534	65.36
Other assets	5,062,712	5,051,122	11,590	0.23
Total assets	10,931,724	10,961,757	(30,033)	(0.27)
Current liabilities:	640,038	554,574	85,464	15.41
Non-current liabilities:	4,048,003	4,130,567	(82,564)	(2.00)
Total liabilities	4,688,041	4,685,141	2,900	0.06
Capital stock	5,289,504	5,567,899	(278,395)	(5.00)
Capital surplus	16,243	20,769	(4,526)	(21.79)
Retained earnings	1,284,545	983,904	300,641	30.56
Other equity interest	(346,609)	(295,956)	(50,653)	17.12
Total equity	6,243,683	6,276,616	(32,933)	(0.52)

Analysis and explanation of increases and decreases in ratios:

1. Property, plant, and equipment increased this year. This was due to the increase of silo equipment in the Warehousing Division this year.
2. The increase in intangible assets this year was due to the increase in purchasing computer software.
3. The decrease in capital reserve in the current period was due to the adjustment of the difference between the actual price of acquiring the subsidiary's equity and the book value.
4. The increase in retained earnings for this period was due to an increase in net income for the year. Please refer to the description of financial performance for the reasons of the increase.

7.2 Financial performance

Review and analysis table of consolidated financial performance

Unit: NTD Thousand
Earnings per share unit: NTD

Item	Year				
		2021	2020	Increase (decrease) amount	Change Percent %
Operating income		5,511,919	4,728,014	783,905	16.58
Operating costs		3,843,658	3,283,081	560,577	17.07
General and administrative expense		1,511,139	1,455,088	56,051	3.85
Non-operating income and expenses		553,030	319,874	233,156	72.89
Net profit before tax		710,152	309,719	400,433	129.29
Profit for the period		749,290	493,106	256,184	51.95
Other comprehensive income, net of tax, for the period (Net of tax)		(50,136)	(48,743)	(1,393)	(2.86)
Total comprehensive income for the period		699,154	444,363	254,791	57.34
Net profit attributable to Owners of parent		745,493	520,859	224,634	43.13
Total comprehensive income Attributable to owner of the parent company		695,498	472,266	223,232	47.27
Earnings per share		1.37	0.94	0.43	45.74

Analysis and explanation of increases and decreases in ratios:

1. This non-business income and expenses and net profit before tax increased this year. In addition to the great operating conditions of various business divisions this year, the operating profit increased by NT\$167,277 thousand, compared to the same period last year. Also, the subsidy income brought by the rent reduction increased by NT\$73,871 thousand, the dividend income from investing the stocks increased by NT\$23,643 thousand, the reinvestment of Eastern Home Shopping & Leisure Co., Ltd. and Natural Beauty Bio-Technology Co., Ltd. resulted in an increase in investment income of NT\$117,869 thousand due to good operation.
2. This year's consolidated net profit was attributed to the parent company's net profit and attributed to the parent company's comprehensive profit and loss increase. In addition to the above-mentioned reasons of the change in net profit before tax, the profit situation continued to improve this year, and led to the reversal of the recognition of the unrecognized losses in previous years to deduct deferred income tax benefits.

Review and analysis table of financial performance of parent company only

Unit: NTD Thousand
Earnings per share unit: NTD

Year Item	2021	2020	Increase (decrease) amount	Change Percent %
Operating income	1,369,908	1,338,004	31,904	2.38
Operating costs	641,701	609,271	32,430	5.32
General and administrative expense	337,248	300,024	37,224	12.41
Non-operating income and expenses	309,406	(107,857)	417,263	(386.87)
Net profit before tax	700,365	320,852	379,513	118.28
Profit for the period	745,493	520,859	224,634	43.13
Other comprehensive income, net of tax, for the period (Net of tax)	(49,995)	(48,593)	(1,402)	2.89
Total comprehensive income for the period	695,498	472,266	223,232	47.27
Earnings per share	1.37	0.94	0.43	45.74

Analysis and explanation of increases and decreases in ratios:

1. The non-operating income and expenses and net profit before tax increased this year was mainly due to the investment income increased by NT\$ 430,232 thousand, from the excellent operation of reinvestment in Eastern Home Shopping & Leisure Co., Ltd. and other companies.
2. The net profit and comprehensive profit and loss increased this year. The above-mentioned changes in net profit before tax is also because of the continuous improvement in profit this year, which resulted in the reversal of the recognition of unrecognized losses in previous years to deduct deferred income tax benefits.

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	2021 Cash increase (decrease)	2020 Cash increase (decrease)	Change in increase (decrease)	
			Amount	%
Operating activity	981,947	1,169,417	(187,470)	(16.03)
Investment activity	147,706	(207,835)	355,541	(171.07)
Financing activity	(1,216,427)	(930,937)	(285,490)	30.67

Analysis and explanation of increases and decreases in ratios:

(1) Increase in net cash outflow from investing activities: This is mainly due to the increase in dividend income from EHS and stock investment of NT\$212,378 thousand and the decrease in capital expenditure of NT\$140,637 thousand in 2021.

(2) Increase in net cash outflow from financing activities: This is mainly due to the refund of NT\$278,395 thousand for the cash capital reduction in 2021.

Item \ Year	2021	2020	Ratio of increase (decrease) (%)
Cash Flow Adequacy Ratio (%)	98.13	293.20	(66.53)
Cash Reinvestment Ratio (%)	7.68	5.41	41.96

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
633,416	819,203	1,354,341	98,278	0	0

Note:

(1) The estimated net cash inflow of the year from operating activities is NT\$819,203 thousand: It includes net

cash inflow from warehousing business of NT\$728,305 thousand and other income of NT\$486,006 thousand, and should be sufficient to cover the expenses of NT\$395,108 thousand, such as management fee, etc.

- (2) he estimated annual cash outflow is NT\$1,354,341 thousand (cash outflow generated from non-operating activities): It includes capital expenditure of NT\$76,441 thousand, cash dividends of NT\$528,950 thousand and cash capital reduction of NT\$528,950 thousand and long-term investments increase of NT\$220,000 thousand.

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 profit was mainly due to its business growth in Taiwan and China and the decrease in non-operating expenses for the year.	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.
Eastern Home Shopping & Leisure Co., Ltd.(EHS)	325,772	Long-term investments	The profit is mainly due to its multi-channel operation. Multi-channel balanced development from TV, MOD, Internet, telephone marketing to catalogues, especially with proprietary products and the Internet market's outstanding performance and actively expanding overseas markets,	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.

Item	Description	Investment amount	Policy	Profit or loss Primary reasons	Improvement program	Other future items Investment plan
				and competitive price, reflecting the stable development of the scale of operations.		

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, 2021 totaling NT\$1,761,806 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\$17,618 thousand. As for the borrowing rate, the Group's account has a loan amount of NT\$1,641,118 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\$16,411 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\$ 111 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, 2021, the balance approved by the Board of Directors of the Group's capital loans to others is NT\$1,575,698 thousand, and the actual amount of expenditure is NT\$1,137,015 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, 2021, the Group's approved balance of the Board of Directors endorsed by others is NT\$9,292,455 thousand, and the actual amount of expenditure is NT\$1,674,569 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

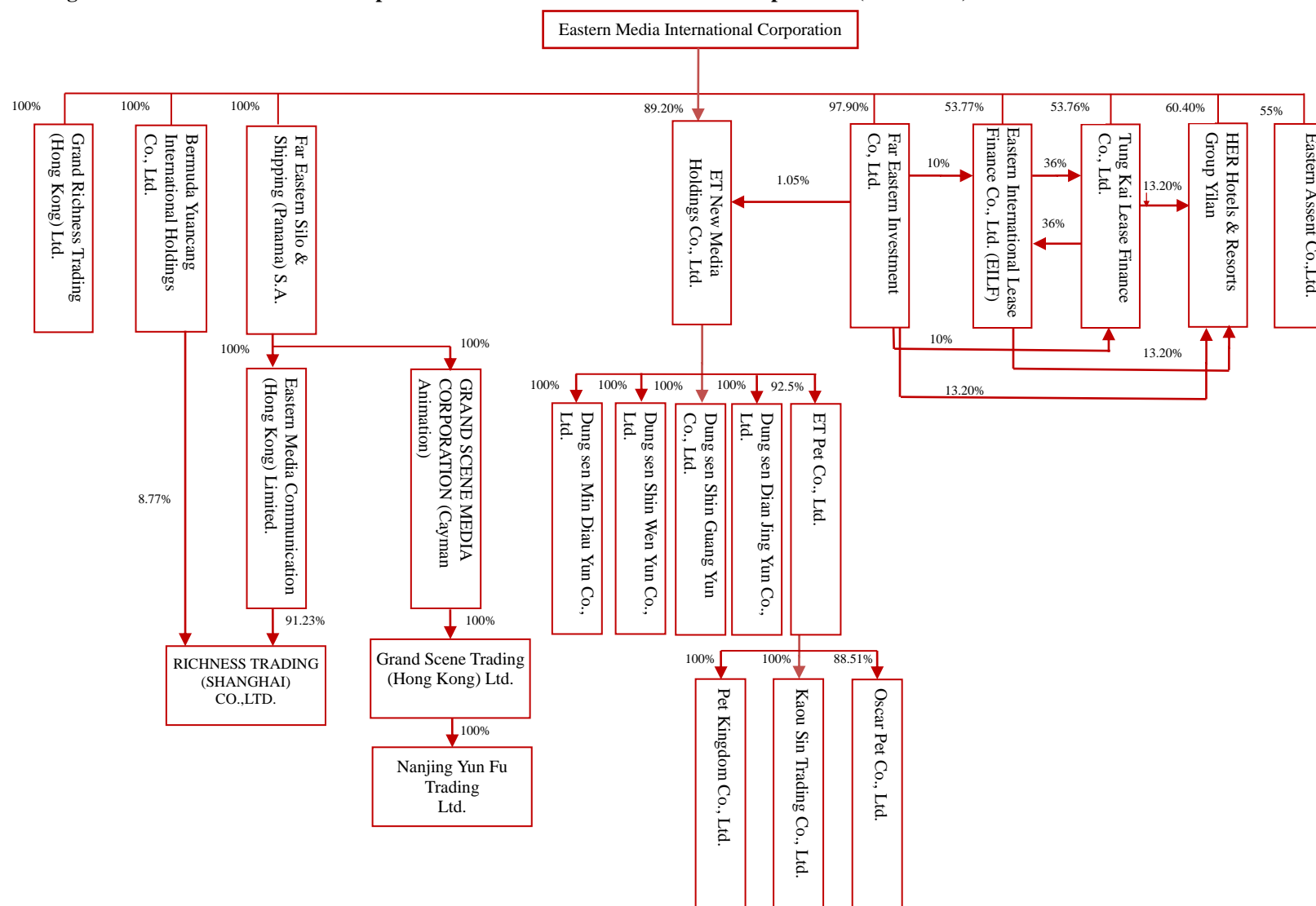
None.

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 (2021.12.31)



B. Basic information of each affiliated company

December 31, 2021

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

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
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

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
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	100	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

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
Ltd.		Taipei City 115023, Taiwan		
Dung Sen Min Diao Yun Co., Ltd.	2020.09	No. 72, Chongyang Rd., Nangang Dist., Taipei City 115023, Taiwan	1,000	Management consultant, market research and public opinion polling
ET Pet Co., Ltd.	2019.01	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	200,000	Pet food and supplies and providing pet beauty service
Oscar Pet Co., Ltd.	2007.12	425 Lanchang Road, Nanzi District, Kaohsiung City	60,915	Pet food and supplies and providing pet beauty service
Pet Kingdom Co., Ltd.	2007.10	870-1, Gaonan Highway, Nanzi District, Kaohsiung City	43,000	Pet food and supplies and providing pet beauty service
Kaou Sin Trading Co., Ltd.	2008.05	1st Floor, No. 811, Houchang Road, Nanzi District, Kaohsiung City	1,000	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	900,000	Real estate leasing

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

December 31, 2021

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, 2021

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: 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: Pei-Lin Chiu	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shih-Jhih Chen	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	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%
	Director &	Eastern Media	Representative:	71,700	100.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Treasurer	International Corporation	Kao-Ming Tsai		
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 Corporation	Representative: Chao-Hsin Chiu	3,198,000	100.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
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	10,000	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 Diau Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: Guo-Jyun Chen	100,000	100.00%
ET Pet Co., Ltd.	Chairman & General Manager	ET New Media Holdings Co., Ltd.	Representative: Shi-Heng Zhao	18,500,000	92.50%
	Director	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	18,500,000	92.50%
	Director	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	18,500,000	92.50%
	Supervisor	Far Rich International Corporation	Representative: Ying-Na Cheng	1,272,000	6.36%
Oscar Pet Co., Ltd.	Chairman	ET Pet Co., Ltd.	Representative: An-Hsiang Chen	5,391,500	88.51%
	Vice Chairman & General Manager	Fangcheng Su		700,000	11.49%
	Director	ET Pet Co., Ltd.	Representative: Shang-Wen Liao	5,391,500	88.51%
	Director	ET Pet Co., Ltd.	Representative: Chia-Wei Lin	5,391,500	88.51%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Director	ET Pet Co., Ltd.	Representative: Pu-Chih Wang	5,391,500	88.51%
	Supervisor	Kui-Ting Kao		0	0
Pet Kingdom Co., Ltd.	Chairman	ET Pet Co., Ltd.	Representative: An-Hsiang Chen	4,300,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Shang-Wen Liao	4,300,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Chia-Wei Lin	4,300,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Pu-Chih Wang	4,300,000	100.00%
	Director	Vacancy		0	0
	Supervisor	ET Pet Co., Ltd.	Representative: Kui-Ting Kao	4,300,000	100.00%
Kaou Sin Trading Co., Ltd.	Chairman	ET Pet Co., Ltd.	Representative: An-Hsiang Chen	100,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Shang-Wen Liao	100,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Chia-Wei Lin	100,000	100.00%
	Director	ET Pet Co., Ltd.	Representative: Pu-Chih Wang	100,000	100.00%
	Director	Vacancy		0	0
	Supervisor	ET Pet Co., Ltd.	Representative: Kui-Ting Kao	100,000	100.00%
Eastern Asset Co., Ltd.	Chairman	Eastern Media International Corporation	Representative: Shang-Wen Liao	49,500,000	55.00%
	Director	Eastern Media International Corporation	Representative: Shih-Jhih Chen	49,500,000	55.00%
	Director	Eastern Media International Corporation	Representative: Kao-Ming Tsai	49,500,000	55.00%
	Supervisor	Ying-Na Cheng		0	0

F. Overview of operations of each affiliated company

December 31, 2021

Unit: NTD Thousand

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Profit and loss after tax for the current period	Earnings per share (NTD) (after tax)
FESS—Bermuda	16,608	916	50	866	0	(676)	(742)	(0.74)
FESS—Panama	1,984,656	2,068,528	61,958	2,006,570	0	(21,420)	64,016	955.46
Grand Scene Trading (Hong Kong) Ltd.	113,497	76,016	50	75,966	0	(104)	1,811	0.57
Nanjing Yun Fu Trading Ltd.	45,129	4,128	0	4,128	0	(110)	(57)	NA
Grand Scene Media Corporation (Cayman Anime)	124,560	78,356	50	78,306	0	(372)	1,445	3.21
Eastern Media Communication (Hong Kong) Ltd.	1,013,941	46,010	174	45,836	0	(262)	(70)	NA
RICHNESS TRADING (SHANGHAI) CO.,LTD.	1,089,345	8,220	4,233	3,987	0	(896)	(728)	NA
Shanghai Rich Industry Ltd.(Note1)	0	0	0	0	0	(27)	(22)	NA
GRAND RICHNESS TRADING (HONG KONG) LIMITED	575,457	57,437	1,249	56,188	0	(4,307)	(3,469)	(0.21)
Far Eastern Investment Co., Ltd.	690,924	1,074,111	21,496	1,052,615	0	(20,416)	313,665	4.54
Eastern International Lease Finance Co., Ltd.	756,750	609,727	2,711	607,016	5,231	(13,813)	(13,060)	(0.17)
Tung Kai Lease Finance Co., Ltd.	759,750	669,023	1,621	667,402	3,946	(1,961)	(5,404)	(0.07)

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit	Profit and loss after tax for the current period	Earnings per share (NTD) (after tax)
ET New Media Holdings Co., Ltd.	600,000	1,920,759	2,476,773	(556,014)	1,988,159	(158,611)	(14,245)	(0.24)
Mohist Web Technology Co., Ltd. (Note2)	0	0	0	0	35,151	4,282	3,562	3.56
Dung Sen Shin Guang Yun Co., Ltd.	100	2,927	2,626	301	12,220	(140)	(141)	(14.10)
Dung Sen dian jing Yun Co., Ltd.	100	60	105	(45)	114	(2)	(2)	(0.20)
Dung Sen shin wen Yun Co., Ltd.	5,000	3,473	110	3,363	0	(945)	(944)	(1.89)
ET Pet Co., Ltd.	200,000	2,039,128	1,963,342	75,786	952,317	(56,051)	(51,968)	(2.60)
Oscar Pet Co., Ltd.	69,915	749,999	710,071	39,928	860,812	20,471	4,884	0.70
Pet Kingdom Co., Ltd.	43,000	155,823	105,269	50,554	215,531	11,923	8,660	2.01
Kaou Sin Trading Co., Ltd.	1,000	48,615	43,452	5,163	83,085	5,015	3,421	34.21
HER Hotels & Resorts Group Yilan (HER)	545,912	834,691	760,101	74,590	0	(59,322)	(171,987)	(3.15)
Eastern Asset Co., Ltd.	900,000	1,796,300	898,095	898,205	0	(6,777)	(1,366)	(0.02)
Dung Sen Min Diao Yun Co., Ltd.	1,000	5,217	4,305	912	4,036	(74)	(74)	(0.74)

Note 1: Shanghai Rich Industry Ltd. was liquidated on March 24, 2021. Therefore, the duration of income statements was from January 1, 2021 to March 24, 2021.

Note 2: The Company disposed the entire equity interests in Mohist Web Technology Co., Ltd. on May 28, 2021 and it was not a subsidiary of the Company since that day. Therefore, the duration of income statements was from January 1, 2021 to May 28, 2021.

Note 3:

- (1) Foreign currency exchange rates are as follows: US Dollar/New Taiwan Dollar=1/27.68 (Balance Sheet) US Dollar/New Taiwan Dollar=1/28.0088 (Comprehensive income statement)
- (2) Foreign currency exchange rates are as follows: Hong Kong dollar/New Taiwan dollar=1/3.549 (Balance Sheet) Hong Kong dollar/New Taiwan dollar=1/3.6031 (Comprehensive income statement)
- (3) Foreign currency exchange rates are as follows: USD/HKD=1/7.7994 (Balance Sheet) USD/HKD=1/7.7735 (Comprehensive income statement)
- (4) Foreign currency exchange rates are as follows: HKD/RMB=1/0.8170 (Balance Sheet) HKD/RMB=1/0.8300 (Comprehensive income statement)
- (5) Foreign currency exchange rates are as follows: USD/RMB=1/6.3720 (Balance Sheet) USD/RMB=1/6.4517 (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 AND SUBSIDIARIES**
Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2021 and 2020

**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.

Table of Contents

Contents	Page	Note
1. Cover Page	1	
2. Table of Contents	2	
3. Representation Letter	3	
4. Independent Auditors' Report	4~7	
5. Consolidated Balance Sheet	8~9	
6. Consolidated Statements of Comprehensive Income	10~11	
7. Consolidated Statements of Changes in Equity	12	
8. Consolidated Statements of Cash Flows	13~14	
9. Notes to the Consolidated Financial Statements		
I. Company history	15	1
II. Approval date and procedures of the consolidated financial statements	15	2
III. New standards, amendments and interpretations adopted	15~16	3
IV. Summary of significant accounting policies	16~36	4
V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty	36~39	5
VI. Explanation of significant accounts	39~76	6~36
VII. Related party transactions	76~80	37
VIII. Pledged assets	80~81	38
IX. Significant commitments and contingencies	81~82	39
X. Losses due to major disasters	82	40
XI. Subsequent Events	82	41
XII. Other	82	42
XIII. Other disclosures		43
(I) Information on significant transactions	82~83, 86~91	43
(II) Information on investees	82~83, 92~93	43
(III) Information on investment in Mainland China	82~83, 94~95	43
(IV) Major shareholders	82~83, 96	43
XIV. Segment information	83~85	44

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, 2021 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 23, 2022

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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020 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 15.14% and 12.03% of consolidated total assets at December 31, 2021 and 2020, respectively, and the related share of profit of associates accounted for using the equity method constituting 65.85% and (7.26)% of consolidated total profit before tax for the years then ended, respectively.

Eastern Media International Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2021 and 2020, 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 4r "Revenue recognition" for accounting policy related to revenue recognition, and Note 30 "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 4o "Leases " and Note 4q "Impairment of non-financial assets" for accounting policy related to right-of-use assets impairment, and Note 18 " Right-of-use assets" to the consolidated financial statements.

Description of key audit matter:

The right-of-use assets of the Group constituted 39.60% 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; verifying the assumptions made by the management according to (i) external information, (ii) understanding of the Group, and (iii) relative business information; evaluating the ratios such as the growth rate, discount rate, gross profit rate, etc. to determine whether they were adopted properly.

3. The investments accounted of using equity method impairment

Please refer to Note 4m " Investment in associates " and Note 4q "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 13 " 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 \$2,409,481 thousand, constituting 15.14% 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 23, 2022

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)

	December 31, 2021		December 31, 2020		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6 and 16)	\$ 1,761,806	11	\$ 1,855,653	11
1110	Current financial assets at fair value through profit or loss (Note 7)	961,420	6	381,611	2
1151	Notes receivable (Notes 9 and 30)	49,092	-	63,006	-
1160	Notes receivable due from related parties, net (Notes 9, 30 and 37)	76,382	1	54,568	-
1170	Accounts receivable, net (Notes 9, 16 and 30)	417,572	3	333,369	2
1180	Accounts receivable due from related parties, net (Notes 9, 30 and 37)	29,065	-	22,573	-
1200	Other receivables, net (Notes 7, 10 and 16)	85,626	1	93,616	1
1210	Other receivables due from related parties, net (Notes 10 and 37)	9,118	-	7,392	-
130X	Inventories (Note 11 and 16)	381,297	2	346,909	2
1400	Current biological assets, net	21,386	-	12,405	-
1410	Prepayments (Note 37)	61,316	-	65,036	1
1476	Other current financial assets (Notes 6, 38 and 39)	52,440	-	43,934	1
1479	Other current assets, others (Note 16)	333	-	915	-
		<u>3,906,853</u>	<u>24</u>	<u>3,280,987</u>	<u>20</u>
Non-current assets:					
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	7,510	-	8,104	-
1550	Investments accounted for using equity method, net (Note 13 and 38)	2,409,481	15	2,443,035	15
1600	Property, plant and equipment (Notes 16, 17, 37 and 38)	1,764,631	11	1,669,684	10
1755	Right of use assets (Note 16 and 18)	6,303,591	40	7,210,677	45
1780	Intangible assets (Notes 16, 19 and 37)	405,966	3	467,334	3
1840	Deferred tax assets (Note 27)	446,453	3	414,169	3
1920	Refundable deposits (Notes 18 and 38)	582,267	4	562,689	3
1980	Other non-current financial assets (Note 38)	25,272	-	33,760	-
1990	Other non-current assets, others (Note 16 and 39)	67,783	-	133,035	1
		<u>12,012,954</u>	<u>76</u>	<u>12,942,487</u>	<u>80</u>
	Total assets	<u>\$ 15,919,807</u>	<u>100</u>	<u>\$ 16,223,474</u>	<u>100</u>

(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, 2021		December 31, 2020	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (Notes 16, 20, 36 and 38)	\$ 93,445	1	\$ 62,295	1
2110	Short-term notes and bills payable (Notes 21 and 36)	79,848	1	-	-
2130	Current contract liabilities (Notes 30 and 37)	32,238	-	37,439	-
2150	Notes payable (Note 22 and 36)	190,461	1	94,604	1
2170	Accounts payable (Note 16)	274,282	2	204,805	1
2180	Accounts payable due from related parties, net (Notes 37)	9,097	-	11,483	-
2200	Other payables (Notes 16 and 36)	662,071	4	623,289	4
2220	Other payables due from related parties, net (Notes 37)	32,124	-	16,660	-
2230	Current tax liabilities	2,412	-	14,111	-
2280	Current lease liabilities (Note 16 and 25)	1,066,678	7	1,174,478	7
2310	Advance receipts (Note 37)	6,891	-	23,125	-
2320	Long-term liabilities, current portion (Notes 23, 24, 36 and 38)	1,066,787	7	290,529	2
2399	Other current liabilities, others (Note 16)	29,627	-	28,433	-
		<u>3,545,961</u>	<u>23</u>	<u>2,581,251</u>	<u>16</u>
Non-current liabilities:					
2540	Long-term borrowings (Notes 23, 36 and 38)	331,125	2	637,986	4
2570	Deferred tax liabilities (Note 27)	525	-	48	-
2580	Non-current lease liabilities (Note 16 and 25)	5,320,955	33	6,167,307	38
2610	Long-term notes payable (Notes 24)	35,843	-	60,886	-
2640	Non-current net defined benefit liability (Note 26)	20,976	-	25,717	-
2645	Guarantee deposits received (Note 16)	4,317	-	4,756	-
		<u>5,713,741</u>	<u>35</u>	<u>6,896,700</u>	<u>42</u>
	Total liabilities	<u>9,259,702</u>	<u>58</u>	<u>9,477,951</u>	<u>58</u>
Equity attributable to owners of parent (Note 14 and 28)					
3100	Capital stock	5,289,504	33	5,567,899	35
3200	Capital surplus	16,243	-	20,769	-
3300	Retained earnings	1,284,545	8	983,904	6
3400	Other equity interest	(346,609)	(2)	(295,956)	(2)
	Total equity attributable to owners of parent	<u>6,243,683</u>	<u>39</u>	<u>6,276,616</u>	<u>39</u>
36XX	Non-controlling interests ((Note 14 and 15)	416,422	3	468,907	3
	Total equity	<u>6,660,105</u>	<u>42</u>	<u>6,745,523</u>	<u>42</u>
	Total liabilities and equity	<u>\$15,919,807</u>	<u>100</u>	<u>\$16,223,474</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 Common Share)

		For the years ended December 31			
		2021		2020	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 30 and 37)	\$ 5,511,919	100	\$ 4,728,014	100
5000	Operating costs (Note 11, 26, 31 and 37)	<u>3,843,658</u>	<u>70</u>	<u>3,283,081</u>	<u>69</u>
	Gross profit from operations	<u>1,668,261</u>	<u>30</u>	<u>1,444,933</u>	<u>31</u>
6000	Operating expenses (Note 26, 31 and 37)	1,497,702	27	1,444,426	31
6450	Impairment loss determined in accordance with IFRS 9 (Note 9)	<u>13,437</u>	<u>-</u>	<u>10,662</u>	<u>-</u>
	Net operating income (loss)	<u>157,122</u>	<u>3</u>	<u>(10,155)</u>	<u>(-)</u>
	Non-operating income and expenses:				
7100	Interest income (Note 32 and 37)	5,682	-	14,953	-
7010	Other income (Note 7, 8, 25, 32 and 37)	346,482	6	224,352	5
7020	Other gains and losses, net (Note 13, 16, 17, 18, 19, 32 and 37)	(42,655)	(1)	(43,461)	(1)
7050	Finance costs, net (Note 25, 32 and 37)	(224,123)	(4)	(225,745)	(5)
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 13)	<u>467,644</u>	<u>9</u>	<u>349,775</u>	<u>7</u>
7900	Profit before tax	710,152	13	309,719	6
7950	Less: tax income (Note 27)	<u>(39,138)</u>	<u>(1)</u>	<u>(183,387)</u>	<u>(4)</u>
	Net profit	<u>749,290</u>	<u>14</u>	<u>493,106</u>	<u>10</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	655	-	997	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	14	-	19,488	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(78)	-	(935)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total number of items not reclassified to profit or loss	<u>591</u>	<u>-</u>	<u>19,550</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(4,268)	-	680	-
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	(46,459)	(1)	(68,973)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Components of other comprehensive income that will be reclassified to profit or loss	<u>(50,727)</u>	<u>(1)</u>	<u>(68,293)</u>	<u>(1)</u>
8300	Other comprehensive income, net of tax	<u>(50,136)</u>	<u>(1)</u>	<u>(48,743)</u>	<u>(1)</u>
	Total comprehensive income	<u>\$ 699,154</u>	<u>13</u>	<u>\$ 444,363</u>	<u>9</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income (Cotn'd)

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the years ended December 31			
		2021		2020	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Profit attributable to:					
8610	Owners of parent	\$ 745,493	14	\$ 520,859	11
8620	Non-controlling interests	<u>3,797</u>	<u>-</u>	<u>(27,753)</u>	<u>(1)</u>
		<u>\$ 749,290</u>	<u>14</u>	<u>\$ 493,106</u>	<u>10</u>
Comprehensive income attributable to:					
	Owners of parent	\$ 695,498	13	\$ 472,266	10
	Non-controlling interests	<u>3,656</u>	<u>-</u>	<u>(27,903)</u>	<u>(1)</u>
		<u>\$ 699,154</u>	<u>13</u>	<u>\$ 444,363</u>	<u>9</u>
Earnings per share (Unit: NT\$)(Note 29)					
9750	Basic earnings per share	<u>\$ 1.37</u>		<u>\$ 0.94</u>	
9850	Diluted earnings per share (Unit: NT\$)	<u>\$ 1.37</u>		<u>\$ 0.94</u>	

(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				
	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	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	\$ 5,567,899	\$ 20,769	\$ 147,303	\$ 183,222	\$ 669,748	(\$ 224,130)	(\$ 3,671)	\$ 6,361,140	\$ 89,039	\$ 6,450,179
Profit (loss) for the year ended December 31, 2020	-	-	-	-	520,859	-	-	520,859	(27,753)	493,106
Other comprehensive income, for the year ended December 31, 2020	-	-	-	-	70	(68,160)	19,497	(48,593)	(150)	(48,743)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	520,929	(68,160)	19,497	472,266	(27,903)	444,363
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	37,423	-	(37,423)	-	-	-	-	-
Special reserve appropriated	-	-	-	44,579	(44,579)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	(556,790)	-	(556,790)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	19,492	-	(19,492)	-	418	418
Changes in non-controlling interests	-	-	-	-	-	-	-	-	413,265	413,265
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	(5,912)	(5,912)
Balance at December 31, 2020	\$ 5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 571,377	(\$ 292,290)	\$ (3,666)	\$ 6,276,616	\$ 468,907	\$ 6,745,523
Balance at January 1, 2021	\$ 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 the 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)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	746,096	(50,620)	22	695,498	3,656	48,509
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)	(40,188)	(44,722)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	(8,623)	(8,623)
Loss of control over the subsidiary	-	-	-	-	55	-	(55)	-	(7,400)	(7,400)
Balance at December 31, 2021	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	\$ 6,243,683	\$ 416,422	\$ 6,660,105

(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)

	For the years ended December 31	
	2021	2020
Cash flows (used in) from operating activities:		
Profit before tax	\$ 710,152	\$ 309,719
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,315,987	1,237,463
Amortization expense	40,401	34,016
Net gain on financial assets or liabilities at fair value through profit or loss	(40,997)	(68,993)
Interest expense	224,123	225,745
Interest income	(5,682)	(14,953)
Dividend income	(28,408)	(4,765)
Share of profit of associates and joint ventures accounted for using equity method	(467,644)	(349,775)
Loss on disposal of property, plant and equipment	4,722	3,669
Loss on disposal of investments	4,327	4,809
Expected credit gain	13,765	10,662
Impairment loss on non-financial assets	95,699	156,336
Rent reductions listed as other income	(248,391)	(174,520)
Gain from lease modification	(474)	(732)
Total adjustments to reconcile profit	<u>907,428</u>	<u>1,058,962</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Increase in current financial assets at fair value through profit or loss	(538,812)	(76,707)
Increase in notes receivable	(8,000)	(54,326)
Increase in accounts receivable	(104,477)	(13,970)
Increase in accounts receivable due from related parties	(10,581)	(774)
Decrease (increase) in other receivable	13,702	(33,969)
Increase in inventories	(59,321)	(73,092)
Increase in biological assets	(8,982)	(4,024)
Decrease in prepayments	595	11,735
Decrease (increase) in other current assets	458	(561)
Decrease in other operating assets	<u>2,358</u>	<u>10,588</u>
Total changes in operating assets, net	<u>(713,060)</u>	<u>(235,100)</u>
Changes in operating liabilities, net:		
(Decrease) increase in contract liabilities	(2,405)	12,526
Decrease in notes payable	(34,394)	(16,847)
Increase in accounts payable	67,104	8,954
Increase in other payable	60,498	52,996
Increase in receipts in advance	716	8,416
Increase (decrease) in other current liabilities	6,001	(564)
Decrease in non-current net defined benefit liability	(4,087)	(4,835)
Total changes in operating liabilities	<u>93,433</u>	<u>60,646</u>
Net changes in operating assets and liabilities	<u>(619,627)</u>	<u>(174,454)</u>
Total adjustments	<u>287,801</u>	<u>884,508</u>
Cash inflow generated from operations	997,953	1,194,227
Income taxes paid	(16,006)	(24,810)
Net cash inflow from operating activities	<u>981,947</u>	<u>1,169,417</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)

	For the years ended December 31	
	2021	2020
Cash flows from (used in) investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	\$ -	\$ 24,925
Proceeds from disposal of investments accounted for using equity method	-	24,473
Net cash flow from acquisition of subsidiaries	(44,722)	16,235
Proceeds from disposal of subsidiaries	28,266	734
Acquisition of property, plant and equipment	(230,410)	(371,047)
Proceeds from disposal of property, plant and equipment	1,655	1,310
Increase in refundable deposits	(21,925)	(281,016)
Decrease in other receivables	-	100,000
Acquisition of intangible assets	(11,026)	(18,294)
Increase in other financial assets	(15,744)	107,387
Increase in other non-current assets	(46,726)	(97,897)
Interest received	5,708	15,103
Dividends received	482,630	270,252
Net cash flows from (used in) investing activities	147,706	(207,835)
Cash flows from (used in) financing activities:		
Increase in short-term loans	51,150	4,295
Increase (decrease) in short-term notes and bills payable	80,000	(20,000)
Increase in long-term debt	432,033	404,522
Increase in notes payable	121,195	63,715
Decrease in guarantee deposits received	(289)	(2,432)
Decrease in other payables due from related parties	-	(180,000)
Payment of lease liabilities	(943,703)	(979,074)
Increase in long-term notes payable	26,470	176,890
Capital reduction	(278,395)	-
Issuance cash dividends	(454,055)	(562,702)
Interest paid	(250,833)	(241,151)
Change in non-controlling interests	-	405,000
Net cash flows used in financing activities	(1,216,427)	(930,937)
Effect of exchange rate changes on cash and cash equivalents	(7,073)	(4,570)
Net (decrease) increase in cash and cash equivalents	(93,847)	26,075
Cash and cash equivalents at beginning of period	1,855,653	1,829,578
Cash and cash equivalents at end of period	\$ 1,761,806	\$ 1,855,653

(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, 2021 And 2020

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

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 23, 2022.

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 details of impact on the Group’s adoption of the new amendments beginning January 1, 2021 are as follows :

- (a) Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

A one-year extension to the practical expedient is available to lessees when accounting for COVID-19-related rent concessions reduce the lease payments originally due on or before June 30, 2022. The related accounting policy is explained in Note 4o.

The Group has elected to apply the amendments beginning January 1, 2021, with early adoption. No adjustment was made upon the initial application of the amendments. The amounts recognized in profit or loss for the year ended December

31, 2021 was \$248,391.

(b) Other amendments

The following new amendments, effective January 1, 2021, do not have a significant impact on the Group's consolidated financial statements:

- Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"

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, 2022, would not have a significant impact on its consolidated financial statements:

- 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"

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 "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"

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, 2021	December 31, 2020	
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
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
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	- %	51.00%	Note A (Note 7)
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	Note A (Note 2)
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	- %	100.00%	Note C (Note 4)
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	92.50%	92.50%	Note C
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
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	Note C

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2021	December 31, 2020	
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	Consulting management, market research and opinion poll	100.00%	100.00 %	Note C (Note 6)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	88.51%	80.00%	Note C (Note 8)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	100.00%	80.00%	Note C (Note 8)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	100.00%	80.00%	Note C (Note 8)
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	- %	100.00%	Note C (Note 3)
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
GRAND SCENE TRADING (HONG KONG)	Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai)) Ltd. (Eastern Biotechnology (Shanghai))	Selling agricultural products, packaged food	- %	- %	Note C (Note 1)
GRAND SCENE TRADING (HONG KONG)	Eastern Enterprise Shanghai Logistics Ltd.	Container transport, domestic road freight agent	- %	- %	Note C (Note 5)

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: GRAND SCENE TRADING (HONG KONG) disposed all of its shares of Eastern En and Eastern Biotechnology (Shanghai), with the completion of their share transfer registration procedures on January 20, 2020.

Note 2: On January 2, 2020, the Company's Board of Directors resolved to invest \$ 100,000 in Eastern Asset Co., Ltd., with a 100% shareholding, which was registered on February 24, 2020. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an investment amount of \$ 230,000, thereby reducing its shareholding to 55%. All registration procedures had been completed on April 6, 2020. The latter transaction increased its capital by \$ 165,000, and all registration procedures had been completed on July 27, 2020.

Note 3: Shanghai Rich was liquidated on March 24, 2021.

Note 4: Show off was dissolved on July 30, 2020. The processure of liquidation was finished on July 9, 2021.

Note 5: Enterprise Shanghai Logistics Ltd. has finished liquidation on July 20, 2020.

Note 6: Dung sen min diau yun was established on September 24, 2020.

Note 7: The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, MWT. The share transfer resgistration procedures were finished on May 28, 2021.

Note 8: 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.

(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 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 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 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 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.

l. Non-current assets held for sale & Discontinued operations

(a) Non-current assets held for sale

Non-current assets or disposal groups comprising assets and liabilities that are highly probable to be recovered primarily through sale rather than through continuing use are reclassified as held for sale. Immediately before classification as held for sale, the assets, or components of a disposal group are re-measured in accordance with the Group's accounting policies. Thereafter, generally the assets or disposal group are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment loss on a disposal group is first allocated to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated assets not within the scope of IAS 36 – Impairment of Assets. Such assets will continue to be measured in accordance with the Group's accounting policies.

Impairment losses on assets initially classified as held for sale and any subsequent gains or losses on re-measurement are recognized in profit or loss. Gains are not recognized in excess of the cumulative impairment loss that has been recognized.

Once classified as held for sale, intangible assets and property, plant and equipment, are no longer amortized or depreciated, and any equity accounted investee is no longer equity accounted.

(b) Discontinued operations

A discontinued operation is a component of the Group's business that either has been disposed, or is classified as held for sale, and

- (b-1) represents a separate major line of business or geographic area of operations;
- (b-2) is part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations; or
- (b-3) is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held for sale.

m. 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.

n. 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	1~55 years
Machinery and equipment	2~7 years
Transportation equipment	3~20 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.

o. 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.

p. 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
Patents	3 years
Client rights and Supplier contract	10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

q. 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.

r. 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) Rendering 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.

(f) Receivables transfer

The Group also operates the business of accounts receivable financing. Transfers of receivables should be considered as collateral for loans except for those conforming to all the following conditions as purchase of receivables.

(f-1) A transfer of financial assets or a portion of a financial asset in which the transferor surrenders control over those financial assets is regarded as a sale to the extent that consideration other than beneficial interests in the transferred assets is received in exchange.

(f-2) The rights to accounts receivable are derecognized after deducting the estimated charges or losses in a commercial dispute when all of the following conditions are met.

(f-2-1) The rights to accounts receivable have been isolated from the transferor as they are put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership.

(f-2-2) Each transferee has the right to pledge or exchange the rights to the accounts receivable, and no condition prevents the transferee (or holder) from taking advantage of its right to pledge or exchange and provides more than a trivial benefit to the transferor.

(f-2-3) The transferor does not maintain effective control over the rights to the accounts receivable claims through either:

- An agreement that both entitles and obligates the transferor to repurchase or redeem them before their maturity, or
- The ability to unilaterally cause the holder to return specific rights to the accounts receivable.

s. 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.

t. Government subsidies

The Group recognizes an unconditional government grant in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

u. 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.

v. 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.

w. 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.

x. 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.

y. 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 13 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 Note13 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 excute 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 18 and 25.

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 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 17 and 18 for further description of the key assumptions used to determine the recoverable amount.

d. 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 19 for further description of the impairment of goodwill.

e. 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 26 for further description of the actuarial assumptions and sensitivity analysis.

f. 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.

g. Recognition of deferred tax assets

As of December 31, 2021 and 2020, the carrying amounts of deferred tax assets in relation to unused tax losses were \$445,416 and \$408,009, respectively. As of December 31, 2021 and 2020, no deferred tax assets have been recognized on tax losses of \$1,292,410 and \$1,663,653, 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 17, Property, plant and equipment.
- (b) Note 33, Financial instruments.

6. Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash on hand	\$ 15,410	11,835
Cash in banks	979,918	1,267,588
Cash equivalents	<u>766,478</u>	<u>576,230</u>
	<u>\$ 1,761,806</u>	<u>1,855,653</u>

- a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$17,715, and \$2,278 which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for December 31, 2021 and 2020, respectively.
- b. Please refer to Note 33 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, 2021</u>	<u>December 31, 2020</u>
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	<u>\$ 961,420</u>	<u>\$ 381,611</u>

- a. Please refer to Note 32 for the remeasurement of fair value.
- b. For the years ended December 31, 2021 and 2020, the dividends from financial assets designated as at fair value through profit or loss were \$26,895 and \$4,167, respectively.
- c. As of December 31, 2021, the amount of \$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. As of December 31, 2020, the amount of \$6,628 outstanding for the disposal of financial assets at fair value through profit or loss had been fully received.
- e. No financial assets were pledged as collateral on December 31, 2021 and 2020, respectively.

8. Financial assets at fair value through other comprehensive income

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Equity investments at fair value through other comprehensive income:		
Unlisted common shares domestic Company	<u>\$ 7,510</u>	<u>\$ 8,104</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, 2021 and 2020, the Group recognized the dividends of \$1,513 and \$598 related to equity instruments measured at fair value through other comprehensive income, respectively.

On December 25, 2020, the consolidated subsidiary- EIC has sold all of its shares held in Skyasia Media Inc., at fair value of \$24,925. The Group realized a gain of \$19,910, which was recognized as other comprehensive income, and thereafter, was reclassified to retained earnings with the company equity ownership.

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, 2021.

b. For credit risk and market risk; please refer to Note 33 and 34.

c. No financial assets mentioned above were pledged as collateral.

9. Notes and accounts receivable (including related parties)

	December 31, 2021	December 31, 2020
Notes receivable	\$ 5,785	\$ 4,406
Installment notes receivable	131,397	121,735
Accounts receivable	497,999	395,034
Less: Allowance for doubtful accounts	(52,019)	(39,803)
Unrealized interest revenue	(11,051)	(7,856)
	<u>\$ 572,111</u>	<u>\$ 473,516</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:

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 16,065</u>	-%	<u>\$ -</u>
	December 31, 2020		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 11,148</u>	-%	<u>\$ -</u>

The loss allowance provision in trading segment was determined as follows:

December 31, 2021			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 20,328	-	\$ -
More than 91 days past due	782	100.00 %	782
	<u>\$ 21,110</u>		<u>\$ 782</u>
December 31, 2020			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 8,693	-	\$ -
More than 91 days past due	438	100.00 %	438
	<u>\$ 9,131</u>		<u>\$ 438</u>

The loss allowance provision in media segment was determined as follows:

December 31, 2021			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 408,469	0.00~0.21 %	\$ 855
1 to 30 days past due	10,071	0.00~11.39 %	1,145
31 to 60 days past due	374	0.00~26.54 %	99
61 to 90 days past due	36	0.00~78.62 %	28
More than 91 days past due	1,745	100.00 %	1,745
	<u>\$ 420,695</u>		<u>\$ 3,872</u>
December 31, 2020			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 306,160	0.00~0.24 %	\$ 747
1 to 30 days past due	4,290	0.00~12.08 %	518
31 to 60 days past due	2,715	0.00~32.34 %	878
61 to 90 days past due	-	0.00~78.62 %	-
More than 91 days past due	1,393	100.00 %	1,393
	<u>\$ 314,558</u>		<u>\$ 3,536</u>

The loss allowance provision in other segments was determined as follows:

December 31, 2021			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 120,537	0.00~ 1.25%	\$ 537
1 to 30 days past due	-	5.00~26.27%	-
31 to 60 days past due	-	5.00~28.33%	-
61 to 90 days past due	-	5.00~30.00%	-
More than 91 days past due	3	100.00 %	3
	<u>\$ 120,540</u>		<u>\$ 540</u>

	December 31, 2020		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 144,836	0.03~1.25%	\$ 867
1 to 30 days past due	85	5.00~26.27%	9
31 to 60 days past due	136	5.00~34.89%	48
61 to 90 days past due	135	5.00~75.26%	102
More than 91 days past due	446	100.00%	446
	<u>\$ 145,638</u>		<u>\$ 1,472</u>

Note: As of December 31, 2021 and 2020, the receivables amounted to \$45,720 and \$32,844 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:

	For the years ended December 31	
	2021	2020
Balance on January 1	\$ 39,803	\$ 29,563
Recognition of impairment losses	13,437	10,662
Amounts written off	(53)	(422)
Loss of control of the subsidiary	(1,168)	-
Balance on December 31	<u>\$ 52,019</u>	<u>\$ 39,803</u>

No financial assets mentioned above were pledged as collateral.

10. Other receivables and other notes receivable (including related parties)

	December 31, 2021	December 31, 2020
Other accounts receivable—loans to other parties	\$ 30,000	\$ 30,000
Other accounts receivable—others	66,561	72,705
Less: Loss allowance	(1,817)	(1,697)
	<u>\$ 94,744</u>	<u>\$ 101,008</u>

As of December 31, 2021 and 2020, the aging analysis of other receivables, which were past due but not impaired, was as follows:

	December 31, 2021	December 31, 2020
Past due more than 365 days	<u>\$ -</u>	<u>\$ 120</u>

For credit risk and market risk; please refer to Note 33 and 34.

11. Inventories

	December 31, 2021	December 31, 2020
Goods held for sale	\$ 329,335	\$ 313,012
Spare programs	15,264	5,851
Programs in progress	7,632	-
Raw materials and others (including fuel)	29,066	28,046
	<u>\$ 381,297</u>	<u>\$ 346,909</u>

a. For the years ended December 31, 2021 and 2020, due to the decrease in the net realizable value of inventories, the loss on inventory valuation the Group recognized

was \$471 and \$231.

- b. No inventories were pledged as collateral on December 31, 2021 and 2020, respectively.

12. Non-current assets held for sale (or discontinued operations)

- a. Within a year's time, the Group expected to dispose all of its shares in its fully owned subsidiaries, Eastern Biotechnology (Shanghai), wherein the disposal is to be recognized as non-current assets held for sale (or discontinued operation). The disposal of Eastern Biotechnology (Shanghai) has been completed on January 20, 2020.
- b. No non-current assets held for sale were pledged as collateral.
- c. For the registration of share transfer; please refer to Note 16.

13. 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:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,905,459	\$ 1,951,807
Eastern Home Shopping & Leisure Co., Ltd (EHS)	504,022	491,228
EHK E&S Co., Ltd.	-	-
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-
	<u>\$ 2,409,481</u>	<u>\$ 2,443,035</u>

- b. Affiliates which are material to the Group consisted of the following:

<u>Affiliate Name</u>	<u>Within the Group Nature of Relationship</u>	<u>Main operating location</u>	<u>Proportion of shareholding and voting rights</u>	
			<u>December 31, 2021</u>	<u>December 31, 2020</u>
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:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fair value	<u>\$ 1,215,030</u>	<u>\$ 1,433,971</u>

The Audit Committee of Natural Beauty received a letter from its CPA in March, 2020, requesting it to hire an independent forensic accounting firm to investigate some items such as sales revenue and account receivables collection in the 2019 financial statements. Due to the wide-ranging content of the investigation, Natural Beauty applied for a temporary suspension of trading on the Hong Kong Exchange starting at 9 am on March 25, 2020. Natural Beauty

fulfilled all the resumption conditions instructed by the Hong Kong Exchange on February 10, 2021, and resumed trading on February 11, 2021. The fair value of Natural Beauty on December 31, 2020 is calculated based on the suspension price on March 25, 2020.

Moreover, the forensic report of the forensic accounting firm was sent to the Audit Committee of Natural Beauty for confirmation on July 6, 2020. The Audit Committee believed that the forensic accountant had completed all the work required by the CPA and stated that there was no irregularity in the accounting of Natural Beauty. However, the CPA was not completely satisfied with the conclusion of the forensic accountant and requested further investigation. However, after the Natural Beauty Audit Committee and the Board of Directors reviewed the investigation report of the forensic accountants, they found its conclusions to be quite complete and there is no need for further investigation. The response to the CPA opinion was announced on July 27, 2020. The appointment of the CPA was to be terminated on July 31, 2020. On August 14, 2020, Natural Beauty had completed the appointment of a successor CPA, the appointment of a successor CPA issued 2019 financial statements on November 20, 2020.

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2021	December 31, 2020
Current assets	\$ 1,598,223	\$ 1,470,963
Non-current assets	1,703,915	1,584,864
Liabilities	(967,194)	(810,784)
Net assets	<u>\$ 2,334,944</u>	<u>\$ 2,245,043</u>
Net assets attributable to investee	<u>\$ 2,334,944</u>	<u>\$ 2,245,043</u>
	For the Years Ended December 31	
	2021	2020
Operating revenue	<u>\$ 1,757,635</u>	<u>\$ 1,564,377</u>
Net income	\$ 127,059	\$ 29,431
Other comprehensive income	62,804	136,036
Total comprehensive income	<u>\$ 189,863</u>	<u>\$ 165,467</u>
Comprehensive income (loss) attributable to investee	<u>\$ 189,863</u>	<u>\$ 165,467</u>

	For the Years Ended December 31	
	<u>2021</u>	<u>2020</u>
Share of net assets attributable to the Group on January 1	\$ 673,513	\$ 674,957
Comprehensive income (loss) attributable to the Group	56,959	49,640
Dividends received from associates	(6,471)	-
Effect of exchange rate fluctuations	(23,518)	(51,084)
Share of net assets attributable to the Group on December 31	700,483	673,513
Add: Goodwill	305,240	314,062
Trademark	275,864	283,837
Property, plant and equipment	465,145	493,441
Other intangible assets in useful life (ie. Membership and patent etc.)	169,415	197,293
Effect of exchange rate changes	(706)	(69)
Less: adjustment for inventories	(9,982)	(10,270)
Book value of net assets attributable to the Group on December 31	<u>\$ 1,905,459</u>	<u>\$ 1,951,807</u>

(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:

	December 31, 2021	December 31, 2020
Current assets	\$ 4,572,514	\$ 5,459,802
Non-current assets	7,635,401	6,614,712
Liabilities	(9,944,589)	(9,882,194)
Net assets	<u>\$ 2,263,326</u>	<u>\$ 2,192,320</u>
Non-controlling interests, attributable to investee	<u>\$ 314,919</u>	<u>\$ 293,369</u>
Net assets attributable to investee	<u>\$ 1,948,407</u>	<u>\$ 1,898,951</u>

	For the Years Ended December 31	
	2021	2020
Operating revenue	<u>\$ 27,200,172</u>	<u>\$ 23,709,345</u>
Net income	\$ 1,843,015	\$ 1,454,098
Other comprehensive income	(34,712)	(46,847)
Total comprehensive income	<u>\$ 1,808,303</u>	<u>\$ 1,407,251</u>
Comprehensive income (loss) attributable to non controlling interests	<u>\$ 26,269</u>	<u>\$ 5,356</u>
Comprehensive income (loss) attributable to non controlling investee	<u>\$ 1,782,034</u>	<u>\$ 1,401,895</u>
Share of net assets attributable to the Group on January 1	\$ 491,228	\$ 394,067
Comprehensive income attributable to the Group	460,985	362,648
Dividends received from associates	(448,191)	(265,487)
Share of net assets attributable to the Group on December 31	<u>\$ 504,022</u>	<u>\$ 491,228</u>

- c. The Group's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	For the Year Ended December 31	
	2020	
Attributable to the Group:		
Profit from continuing operations	\$	182
Other comprehensive loss	(1,821)
Total comprehensive loss	<u>(\$</u>	<u>1,639)</u>

- d. The liquidation of the Group's affiliate EHK E&S Co., Ltd. was completed on June 18, 2020, and all remaining invested funds of \$24,473 were recovered as of June 30, 2020, incurring an investment loss of \$3,806. The investment loss of this disposal includes the amount previously recognized in other comprehensive income that may be reclassified to profit or loss.
- e. The Group recognized impairment losses of \$5,933 related to individually insignificant associates on December 31, 2020.
- f. Please refer to Note 38 for the details of the investments accounted for using equity method pledged as collateral.

14. Acquire a subsidiary

- a. On January 2, 2020, the Company's Board of Directors resolved to invest \$100,000 in Eastern Asset, with a 100% shareholding, which was registered on February 24, 2020. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an

investment amount of \$230,000, thereby reducing its shareholding to 55%. All registration procedures had been completed on April 6, 2020. The latter transaction increased its capital by \$165,000, and all registration procedures had been completed on July 27, 2020.

- b. The consolidated subsidiary – ET New Media has decided to establish Dung sen min diau yun Co., Ltd. on June 10, 2019 after obtaining the approval from the board of directors. Dung sen min diau yun Co., Ltd. has completed the registration on September 24, 2020 with the capital of \$1,000 which was 100% held by ET New Media.
- c. 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>	-	- %
	<u>\$ 44,722</u>			<u>\$ 45,360</u>		

There was no change of the shareholdings in the subsidiary in 2020.

The influence on equity attributable to owners of parent was as follow:

	For the Year Ended December 31, 2021
Non-controlling interests carrying amount	\$ 39,205
Investment amount	(<u>44,722</u>)
Subtotal	(5,517)
Less: Changes in non-controlling interests	(<u>913</u>)
	(\$ <u>4,604</u>)

Please refer to Note 28 for the details.

- d. 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.

15. 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, 2021	December 31, 2020
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, 2021	December 31, 2020
Current assets	\$ 253,631	\$ 316,719
Non-current assets	1,542,669	1,493,971
Current liabilities	(5,390)	(9,195)
Non-current liabilities	(892,705)	(901,924)
Net assets	<u>\$ 898,205</u>	<u>\$ 899,571</u>
	For the Years Ended December 31	
	2021	2020
Operating revenue	<u>\$ -</u>	<u>\$ -</u>
Net loss	(\$ 1,366)	(\$ 429)
Other comprehensive loss	-	-
Total comprehensive loss	<u>(\$ 1,366)</u>	<u>(\$ 429)</u>
Net cash flows from operating activities	(\$ 7,477)	(\$ 10,387)
Net cash flows from investing activities	(16,151)	(349,560)
Net cash flows from financing activities	(40,062)	670,137
Net (decrease) increase in cash and cash equivalents	<u>(\$ 63,690)</u>	<u>\$ 310,190</u>

16. Loss of control of subsidiaries

- a. The Group resolved in February 2019 to dispose of all shares in the subsidiaries, Eastern Biotechnology (Shanghai); the disposal has been completed on January 20, 2020. The Group lost control over Eastern Biotechnology (Shanghai) due to the disposal. The disposition price was \$734 (CNY \$200). The gains on disposal of the investment were amounted to \$81.
- b. The Group had lost the control over its liquidated subsidiary, Eastern Enterprise Shanghai Logistics Ltd., on July 20, 2020, resulting in a loss on liquidation amounting to \$1,084.
- c. The Group liquidated its subsidiaries, Shanghai Rich on March 24, 2021, and lost control over Shanghai Rich due to the disposal.
- d. 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 19 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	<u>\$ 15,102</u>

e. The Group liquidated its subsidiary, Show off on July 9, 2021, and lost control over it due to the liquidation.

17. 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
Cost or deemed cost:								
Balance on January 1, 2021	\$ 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)
Balance on December 31, 2021	<u>\$ 596,742</u>	<u>\$ 1,024,259</u>	<u>\$ -</u>	<u>\$ 24,969</u>	<u>\$ 724,603</u>	<u>\$ 235,243</u>	<u>\$ 372,189</u>	<u>\$ 2,978,005</u>
Balance on January 1, 2020	\$ 508,791	\$ 1,015,005	\$ 3,674	\$ 34,957	\$ 425,579	\$ 400	\$ 285,974	\$ 2,274,380
Additions	87,951	9,472	-	7,345	88,656	163,580	6,3675	420,679
Transfers	-	-	-	-	(1)	(266)	267	-
Disposals	-	-	-	(976)	(11,971)	-	(2,535)	(15,482)
Balance on December 31, 2020	<u>\$ 596,742</u>	<u>\$ 1,024,477</u>	<u>\$ 3,674</u>	<u>\$ 41,326</u>	<u>\$ 502,263</u>	<u>\$ 163,714</u>	<u>\$ 347,381</u>	<u>\$ 2,679,577</u>
Depreciation and impairment loss:								
Balance on January 1, 2021	\$ 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)
Impairment (reversals) losses	(5,740)	90,813	-	-	-	-	-	85,073
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 801,196</u>	<u>\$ -</u>	<u>\$ 14,618</u>	<u>\$ 171,867</u>	<u>\$ -</u>	<u>\$ 225,693</u>	<u>\$ 1,213,374</u>
Balance on January 1, 2020	\$ 5,740	\$ 590,188	\$ 3,674	\$ 23,928	\$ 52,811	\$ -	\$ 158,743	\$ 835,084
Depreciation	-	64,110	-	4,211	61,167	-	55,824	185,312
Disposals	-	-	-	(759)	(8,399)	-	(1,345)	(10,503)
Balance on December 31, 2020	<u>\$ 5,740</u>	<u>\$ 654,298</u>	<u>\$ 3,674</u>	<u>\$ 27,380</u>	<u>\$ 105,579</u>	<u>\$ -</u>	<u>\$ 213,222</u>	<u>\$ 1,009,893</u>
Carrying amounts:								
December 31, 2021	<u>\$ 596,472</u>	<u>\$ 223,063</u>	<u>\$ -</u>	<u>\$ 10,351</u>	<u>\$ 552,736</u>	<u>\$ 235,243</u>	<u>\$ 146,496</u>	<u>\$ 1,764,631</u>
January 1, 2020	<u>\$ 503,051</u>	<u>\$ 424,817</u>	<u>\$ -</u>	<u>\$ 11,029</u>	<u>\$ 372,768</u>	<u>\$ 400</u>	<u>\$ 127,231</u>	<u>\$ 1,439,296</u>
December 31, 2020	<u>\$ 591,002</u>	<u>\$ 370,179</u>	<u>\$ -</u>	<u>\$ 13,946</u>	<u>\$ 396,684</u>	<u>\$ 163,714</u>	<u>\$ 134,159</u>	<u>\$ 1,669,684</u>

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 16.

- 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 18 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 losses of \$85,073 due to the reconstruction in 2021. Please refer to Note 32 for the details.
- e. The fair values of parts of the Group's land, and buildings on December 31, 2021 and 2020 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.
- f. Please refer to Note 38 for the details of the property, plant and equipment pledged as collateral.

18. 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
Right of use asset costs:					
Balance on January 1, 2021	\$ 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)
Balance on December 31, 2021	<u>\$ 5,233,448</u>	<u>\$ 1,244,454</u>	<u>\$ 2,800,267</u>	<u>\$ 5,632</u>	<u>\$ 9,283,801</u>
Balance on January 1, 2020	\$ 4,109,171	\$ 882,233	\$ 2,453,661	\$ -	\$ 7,445,065
Additions	1,126,492	260,787	309,877	4,732	1,701,888
Write off - lease modification	(2,218)	(38,194)	(205)	-	(40,617)
Write off - lease ending	-	(19,067)	-	-	(19,067)
Balance on December 31, 2020	<u>\$ 5,233,445</u>	<u>\$ 1,085,759</u>	<u>\$ 2,763,333</u>	<u>\$ 4,732</u>	<u>\$ 9,087,269</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2021	\$ 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)
Balance on December 31, 2021	<u>\$ 668,692</u>	<u>\$ 462,664</u>	<u>\$ 1,847,056</u>	<u>\$ 1,798</u>	<u>\$ 2,980,210</u>
Balance on January 1, 2020	\$ 220,259	\$ 130,528	\$ 332,115	\$ -	\$ 682,902
Depreciation	221,056	192,511	654,175	598	1,068,340
Impairment losses	-	-	150,403	-	150,403
Write off lease modification	-	(5,986)	-	-	(5,986)
Write off - lease ending	-	(19,067)	-	-	(19,067)
Balance on December 31, 2020	<u>\$ 441,315</u>	<u>\$ 297,986</u>	<u>\$ 1,136,693</u>	<u>\$ 598</u>	<u>\$ 1,876,592</u>
Carrying amounts:					
December 31, 2021	<u>\$ 4,564,756</u>	<u>\$ 781,790</u>	<u>\$ 953,211</u>	<u>\$ 3,834</u>	<u>\$ 6,303,591</u>
January 1, 2020	<u>\$ 3,888,912</u>	<u>\$ 751,705</u>	<u>\$ 2,121,546</u>	<u>\$ -</u>	<u>\$ 6,762,163</u>
December 31, 2020	<u>\$ 4,792,130</u>	<u>\$ 787,773</u>	<u>\$ 1,626,640</u>	<u>\$ 4,134</u>	<u>\$ 7,210,677</u>

- 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).
- c. The land rights obtained by Eastern Asset are expected to be used to build the headquarters of the Eastern Media Group, 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 rate was at 2.75%. Details are as follows:

	For the Years Ended December 31	
	2021	2020
Right-of-use assets depreciation expense	\$ <u>22,530</u>	\$ <u>16,189</u>
Interest expense on lease liability	\$ <u>24,009</u>	\$ <u>17,650</u>

The above accounts are listed under property, plant and equipment. Please refer to Note 17 for details.

d. 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 and 2020, the impairment losses recognized were \$10,595 and \$150,403, respectively. The impairment loss has been included in the other gains and losses net of the consolidated comprehensive income statement; please refer to Note 32.

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 rates used to estimate the value in use are 7.02% and 7.6482%, respectively. 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.

19. Intangible assets

- a. The cost, depreciation, and impairment loss of the Intangible assets of the Group were as follows:

	<u>Goodwill</u>	<u>Trademark</u>	<u>Client rights</u>	<u>Computer software</u>	<u>Other intangible assets</u>	<u>Total</u>
Cost:						
Balance on January 1, 2021	\$ 111,084	\$ 271,695	\$ 73,169	\$ 53,856	\$ 19,290	\$ 529,094
Additions	-	255	-	9,562	1,166	10,983
Disposals	-	-	-	(809)	(867)	(1,676)
Loss of control of the subsidiary	(31,919)	-	-	-	-	(31,919)
Balance on December 31, 2021	<u>\$ 79,165</u>	<u>\$ 271,950</u>	<u>\$ 73,169</u>	<u>\$ 62,609</u>	<u>\$ 19,589</u>	<u>\$ 506,482</u>
Balance on January 1, 2020	\$ 160,379	\$ 233,229	\$ 69,909	\$ 42,053	\$ 13,008	\$ 518,578
Additions	-	401	-	11,803	6,282	18,486
Acquisition through business combinations	(33,060)	38,065	3,260	-	-	8,265
Transfers	(16,235)	-	-	-	-	(16,235)
Balance on December 31, 2020	<u>\$ 111,084</u>	<u>\$ 271,695</u>	<u>\$ 73,169</u>	<u>\$ 53,856</u>	<u>\$ 19,290</u>	<u>\$ 529,094</u>
Amortization and impairment loss:						
Balance on January 1, 2021	\$ -	\$ 16,518	\$ 9,146	\$ 27,551	\$ 8,545	\$ 61,760
Amortization	-	15,177	7,317	12,223	5,684	40,401
Disposal	-	-	-	(809)	(867)	(1,676)
Impairment loss	-	-	-	31	-	31
Balance on December 31, 2021	<u>\$ -</u>	<u>\$ 31,695</u>	<u>\$ 16,463</u>	<u>\$ 38,996</u>	<u>\$ 13,362</u>	<u>\$ 100,516</u>
Balance on January 1, 2020	\$ -	\$ 2,085	\$ 4,254	\$ 17,803	\$ 3,602	\$ 27,744
Amortization	-	14,433	4,892	9,748	4,943	34,016
Balance on December 31, 2020	<u>\$ -</u>	<u>\$ 16,518</u>	<u>\$ 9,146</u>	<u>\$ 27,551</u>	<u>\$ 8,545</u>	<u>\$ 61,760</u>
Carrying amounts:						
December 31 31, 2021	<u>\$ 79,165</u>	<u>\$ 240,255</u>	<u>\$ 56,706</u>	<u>\$ 23,613</u>	<u>\$ 6,227</u>	<u>\$ 405,966</u>
January 1, 2020	<u>\$ 160,379</u>	<u>\$ 231,144</u>	<u>\$ 65,655</u>	<u>\$ 24,250</u>	<u>\$ 9,406</u>	<u>\$ 490,834</u>
December 31 31, 2020	<u>\$ 111,084</u>	<u>\$ 255,177</u>	<u>\$ 64,023</u>	<u>\$ 26,305</u>	<u>\$ 10,745</u>	<u>\$ 467,334</u>

- 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 16 for the details.

- c. The allocation of goodwill was as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Retail business	\$ 79,165	\$ 79,165
E ticket business	-	31,919
Total	<u>\$ 79,165</u>	<u>\$ 111,084</u>

- 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 recoverable amount measured by gross profit ratio, growth rate and discount rate exceeded the carrying amount, thus, impairment loss did not occur.

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 years ended December 31, 2021 and 2020, respectively.

20. Short-term loans

Details of short-term loans of the Group were as follows:

	December 31, 2021	December 31, 2020
Unsecured bank loans	\$ 49,500	\$ 12,295
Secured bank loans	<u>43,945</u>	<u>50,000</u>
Total	<u>\$ 93,445</u>	<u>\$ 62,295</u>
Unused credit lines	<u>\$ 1,666,607</u>	<u>\$ 1,005,800</u>

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 16.

b. Please refer to Note 38 for the details of the related assets pledged as collateral.

c. Please refer to Note 22 for the details of the interest rates.

21. Short-term notes and bills

Details of short-term notes and bills of the Group were as follows:

	December 31, 2021	December 31, 2020
No guarantees to pay commercial promissory notes	\$ 80,000	\$ -
Less: discount amount	(152)	-
Carrying amount	<u>\$ 79,848</u>	<u>\$ -</u>
Unused credit lines	<u>\$ 330,000</u>	<u>\$ -</u>

Please refer to Note 22 for the details of the interest rates.

22. Notes payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Generated from operation	\$ 4,539	\$ 29,877
Non-generated from operation		
Financing	<u>185,922</u>	<u>64,727</u>
	<u>\$ 190,461</u>	<u>\$ 94,604</u>

- 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 2.00%~3.00% and 1.955%~3.04% on December 31, 2021 and 2020, respectively.

23. Long-term loans

Details, conditions, and terms of long-term loans of the Group were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unsecured loans	\$ 99,948	\$ 136,500
Secured bank loans	1,148,385	679,800
Less: Current portion	(910,549)	(174,525)
Fees	(6,659)	(3,789)
Total	<u>\$ 331,125</u>	<u>\$ 637,986</u>
Duration year	<u>111~118</u>	<u>110~112</u>
Interest rates	<u>1.80%~3.94%</u>	<u>2.01%~3.05%</u>
Unused credit lines	<u>\$ 4,453,609</u>	<u>\$ 371,500</u>

Please refer to Note 38 for the details of the related assets pledged as collateral.

24. Long term notes and accounts payable

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Generated from operation	\$ 192,081	\$ 176,890
Less: Current portion	(156,238)	(116,004)
	<u>\$ 35,843</u>	<u>\$ 60,886</u>

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.

25. Lease liabilities

Book value of the Group's lease liabilities were as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current	<u>\$ 1,066,678</u>	<u>\$ 1,174,478</u>
Non-current	<u>\$ 5,320,955</u>	<u>\$ 6,167,307</u>

For the maturity analysis, please refer to Note 33.

Lease amounts recognized as profit or loss were as follows:

	For the Years Ended December 31	
	2021	2020
Interests on lease liabilities	<u>\$ 178,621</u>	<u>\$ 214,902</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 31,681</u>	<u>\$ 29,996</u>
Expenses relating to short-term leases	<u>\$ 295,301</u>	<u>\$ 80,264</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 1,347</u>	<u>\$ 1,814</u>
Covid-19 related rent concessions recognized as other income	<u>(\$ 248,391)</u>	<u>(\$ 174,520)</u>

Lease amounts recognized in the Statements of Cash Flows were as follows:

	For the Years Ended December 31	
	2021	2020
Total cash outflow for leases	<u>\$ 1,450,653</u>	<u>\$ 1,306,050</u>

- 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 16.
- b. For the years ended December 31, 2021 and 2020, newly added lease liabilities amounted to \$264,411 and \$1,701,888, respectively, and the interest rates were 2.75%~3%. Lease period ending dates extend from February 2022 to April 2070. However, for the years ended December 31, 2021 and 2020, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$24,589 and \$35,363 respectively. The information on modifications of the Group' s lease contracts, please refer to Note 18 and 32.
- c. Leases of land and equipment, and buildings

As of December 31, 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 3 to 10 years, and land usage rights for 50 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 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.

26. 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:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	\$ <u>143,259</u>	\$ <u>148,076</u>
Fair value of plan asset	(<u>122,283</u>)	(<u>122,359</u>)
Net defined benefit liabilities	<u>\$ 20,976</u>	<u>\$ 25,717</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 \$122,283 as of December 31, 2021. 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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Defined benefit obligations at January 1	\$ 148,076	\$ 147,710
Current service cost and interest	1,903	2,412
Remeasurements of the net defined benefit liability (asset):		
— Actuarial (losses) gains due to experience adjustments	1,324	2,986
Benefits paid by the plan	(8,044)	(5,032)
Defined benefit obligations at December 31	<u>\$ 143,259</u>	<u>\$ 148,076</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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Fair value of plan assets at January 1	\$ 122,359	\$ 116,161
Interest revenue	232	720
Remeasurements of the net defined liability (asset):		
— Return on plan assets (excluding interest for the period)	1,979	3,983
Contributions made from employer	5,757	6,527
Benefits paid by the plan	(8,044)	(5,032)
Fair value of plan assets at December 31	<u>\$ 122,283</u>	<u>\$ 122,359</u>

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Service cost of the period	\$ 1,617	\$ 1,522
Net interest on net defined benefit liability	286	890
Curtailment or settlement losses	(232)	(720)
	<u>\$ 1,671</u>	<u>\$ 1,692</u>
Operating cost	\$ 1,011	\$ 1,086
General and administrative expense	660	606
	<u>\$ 1,671</u>	<u>\$ 1,692</u>

(e) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	December 31,	December 31,
	2021	2020
Discount rate	0.61%~0.64%	0.19%~0.36%
Future salary increase	0.50%~1.00%	0.50%

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 \$2,935.

The weighted-average lifetime of the defined benefits plans is 6~13 years.

(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, 2021 and 2020, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2021		
Discount of 0.50%	(\$ 1,813)	7,206
Future salary change of 0.50%	7,142	(1,773)
December 31, 2020		
Discount of 0.50%	(\$ 1,881)	4,812
Future salary change of 0.50%	4,748	(1,520)

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, 2021 and 2020, the Group contributed \$55,116 and \$51,494, respectively, under the pension plan to the Bureau of Labor Insurance.

27. **Income taxes**

a. The components of income tax for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Current income tax expense		
Current period	(\$ 1,660)	\$ 15,537
Undistributed earnings additional tax	-	5
Adjustment for prior periods	(5,166)	337
	(\$ 6,826)	(\$ 15,879)
Deferred tax expense		
Origination and reversal of temporary differences	(32,312)	(199,266)
Income tax benefit	<u>(\$ 39,138)</u>	<u>(\$ 183,387)</u>

The reconciliation of income tax and profit before tax was as follows:

	For the Years Ended December 31	
	2021	2020
Profit before tax	\$ 710,152	\$ 309,719
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	142,030	61,944
Differences of income tax rate in foreign countries	11,621	400
Investment gain or loss from domestic investment accounted for using equity method	93,529	69,955
Other adjustments in accordance with tax laws	(292,004)	(232,056)
Prior years' adjustment	(5,166)	337
Undistributed earnings additional tax	-	5
Income basic tax	-	3,400
Deferred income taxes	10,852	(87,372)
Total	(\$ 39,138)	(\$ 183,387)

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	\$ 3,570	\$ 4,716
The carryforward of unused tax losses	1,292,410	1,663,653
Investment tax credits	-	1,331
	<u>\$ 1,295,980</u>	<u>\$ 1,669,700</u>

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, 2021, the information of the Group'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
2012	\$ 1,554,318	2022
2013	1,158,292	2023
2014	1,091,940	2024
2015	841,860	2025
2016	273,378	2026
2017	233,461	2027
2018	271,495	2028
2019	369,556	2029
2020	427,135	2030
2021	240,616	2031
	<u>\$ 6,462,051</u>	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2021 and 2020, were as follows:

	For the Years Ended December 31	
	2021	2020
Deferred Tax Assets:		
Balance, January 1	\$ 414,169	\$ 214,855
Loss control of its subsidiary	(505)	-
Recognized in profit or loss	32,789	199,314
Balance, December 31	<u>\$ 446,453</u>	<u>\$ 414,169</u>
Deferred Tax Liabilities:		
Balance, January 1	\$ 48	\$ -
Recognized in profit or loss	477	48
Balance, December 31	<u>\$ 525</u>	<u>\$ 48</u>

For the years ended December 31, 2021 and 2020, previously unrecognized tax losses of \$31,795 and \$199,920 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

- c. The Company's tax returns for the years through 2019 were examined and approved by the tax authority.

28. Capital and other equity

a. Ordinary shares

As of December 31, 2021 and 2020, 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 528,950 and 556,790 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 ordinary thousand shares, and would be passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction was approved by the Taiwan Stock Exchange on July 23, 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.

b. Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Changes in equity of associates and subsidiaries accounted for using equity method	\$ 639	\$ 639
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,604	15,604
Changes in equity of subsidiaries	-	4,526
	<u>\$ 16,243</u>	<u>\$ 20,769</u>

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 Ruling No. 1010012865 issued by the Financial Supervisory Commission on April 6 2012, 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 Company held a shareholder's meeting on June 29, 2020 to pass a resolution to amend the Company's Articles of Incorporation to state that if profit distribution is to be paid in cash, it may be approved by the Board of Directors and reported to the Shareholders in its meeting.

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. 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 the approved by the board of directors.

The appropriations of 2020 earnings concerning cash dividends have been approved by the Company's board of directors on March 25, 2021. The rest appropriations of 2020 earnings and 2019 earnings would be resolved by the shareholder's meeting on

July 7, 2021 and June 29, 2020, respectively. The appropriations were as follows:

	Amount		Dividend per share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 54,042	\$ 37,423	\$ -	\$ -
Special reserve	68,155	44,579	-	-
Cash dividends	445,432	556,790	0.8	1.0

On March 23, 2022, the Company's Board of Directors resolved to appropriate the 2021 earnings, as follows:

	Earnings distributions	Dividend per share
Legal reserve	\$ 74,607	-
Special reserve	50,654	-
Cash dividends	528,950	1.0

The earnings for 2021 is to be presented for approval in the Company's Board of Shareholders to be held on June 13, 2022 (expected). For further information, please refer to the Market Observation Post System.

- (d) In 2020, as disposing financial assets at fair value through other comprehensive income, the gain on disposal amounted to \$19,492, were transferred from other equity to retained earnings.
- (e) 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.
- (f) In 2021, the Group acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$4,604. This transtracion reduced capital surplus, difference between consideration and carrying-amount of subsidiaries acquired or disposed from \$4,526 to nil, and retained earning of \$78. Please refer to Note 14 for the details.

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	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 (loss) 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	(\$ 342,910)	(\$ 3,699)	(\$ 346,609)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2020	(\$ 224,130)	(\$ 3,671)	(\$ 227,801)
Exchange differences on foreign operation	680	-	680
Change in other comprehensive income (loss) of associates accounted for using equity method	(68,840)	6	(68,834)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	19,491	19,491
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(19,492)	(19,492)
Balance on December 31, 2020	(\$ 292,290)	(\$ 3,666)	(\$ 295,956)

29. Earnings per share

The basic earnings per share and diluted earnings per shares were calculated as follows:

	For the year Ended December 31	
	2021	2020
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders	<u>\$ 745,493</u>	<u>\$ 520,859</u>
The weighted average number of ordinary shares outstanding (thousand shares)	<u>544,815</u>	<u>556,790</u>
Earnings per share (NT\$)	<u>\$ 1.37</u>	<u>\$ 0.94</u>
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders	<u>\$ 745,493</u>	<u>\$ 520,859</u>
The weighted average number of ordinary shares outstanding (thousand shares)	544,815	556,790
Effect of dilutive potential ordinary shares:		
Employee stock bonus	925	843
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) at 31 December)	<u>545,740</u>	<u>557,633</u>
Earnings per share (NT\$)	<u>\$ 1.37</u>	<u>\$ 0.93</u>

30. Revenue from contracts with customers

a. Details of revenue

	For the year 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
Others revenue	-	189,525	106,855	25,862	322,242
	<u>\$1,369,908</u>	<u>\$ 2,099,886</u>	<u>\$1,998,101</u>	<u>\$ 44,024</u>	<u>\$ 5,511,919</u>
	For the year ended December 31, 2020				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$1,654,518	\$ 26,282	\$ 72,776	\$ 1,753,576
Media revenue	-	-	1,352,291	-	1,352,291
Loading and storage revenue	1,338,004	-	-	-	1,338,004
Others revenue	-	185,209	56,246	42,688	284,143
	<u>\$1,338,004</u>	<u>\$1,839,727</u>	<u>\$1,434,819</u>	<u>\$ 115,464</u>	<u>\$ 4,728,014</u>

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Notes receivable	\$ 5,785	\$ 4,406	\$ 4,264
Installment notes receivable	131,397	121,735	62,065
Accounts receivable	497,999	395,034	380,995
Less: Allowance for doubtful accounts	(52,019)	(39,803)	(29,563)
Unrealized interest revenue	(11,051)	(7,856)	(2,254)
Total	<u>\$ 572,111</u>	<u>\$ 473,516</u>	<u>\$ 415,507</u>
Contract liability-advertising services	\$ 26,134	\$ 32,912	\$ 16,729
Contract liability-others	6,104	4,527	8,184
Total	<u>\$ 32,238</u>	<u>\$ 37,439</u>	<u>\$ 24,913</u>

- (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.

31. 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.

The company's employee compensation for the years ended December 31, 2021 and 2020 are respectively \$25,402 and \$11,637. 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, 2020 and 2019, the Company estimated its employee remuneration amounting to \$11,637 and \$7,025, 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 2020 and 2019. For further information, please refer to the Market Observation Post System.

32. Non-operating income and expenses

a. Interest income

The details of interest income of the Group were as follows:

	For the Years Ended December 31	
	2021	2020
Interest income from bank deposits	\$ 5,474	\$ 14,643
Interest income from financial assets measured at amortized cost	183	276
Other interest income	25	34
	<u>\$ 5,682</u>	<u>\$ 14,953</u>

b. Other income

The details of other revenue of the Group were as follows:

	For the Years Ended December 31	
	2021	2020
Dividend income	\$ 28,408	\$ 4,765
Rental income	32,922	27,855
Liquidated damages	6,762	-
Other income (note)	278,390	191,732
	<u>\$ 346,482</u>	<u>\$ 224,352</u>

Note: Other income includes rent reductions of the Group due to the Covid-19 pandemic. For the years ended December 31, 2021 and 2020, the amount was \$248,391 and \$174,520, respectively. Please refer to Note 25 for details.

c. Other gains and losses

The details of other gains and losses were as follows:

	For the Years Ended December 31	
	2021	2020
Loss on disposal of property, plant, and equipment	(\$ 4,722)	(\$ 3,669)
Impairment loss on right of use assets	(10,595)	(150,403)
Impairment loss on investments accounted for using equity method	-	(5,933)
Loss on disposal of investments assets	(4,327)	(4,809)
Net gains on evaluation of financial assets at fair value through profit or loss	40,997	68,993
Foreign exchange gain (loss)	3,149	(2,621)
Expected credit loss	(328)	-
Impairment loss on property, plant, and equipment	(85,073)	-
Impairment loss on intangible assets	(31)	-
Lease modification benefits	474	732
Other income (losses)	17,801	54,249
	<u>(\$ 42,655)</u>	<u>(\$ 43,461)</u>

d. Finance costs

The Group's finance costs were as follows:

	For the Years Ended December 31	
	2021	2020
Interest expenses – lease liabilities	\$ 178,621	\$ 197,252
Interest expenses – bank loans	41,031	25,864
Finance expense	4,471	2,629
	<u>\$ 224,123</u>	<u>\$ 225,745</u>

33. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2021 and 2020, 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 \$1,674,569 and \$1,120,682.

(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, 2021 and 2020 were determined as follows:

	For the Years Ended December 31	
	2021	2020
<u>Other receivables</u>		
Balance on January 1	\$ 1,697	\$ 28,982
Amounts written off	(208)	(27,285)
Impairment losses recognized	328	-
Balance on December 31	<u>\$ 1,817</u>	<u>\$ 1,697</u>

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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
December 31, 2021						
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	-	-
Guarantee deposits received	4,317	4,317	-	4,317	-	-
Lease liabilities (current and non-current)	<u>6,387,633</u>	<u>8,183,871</u>	<u>1,239,320</u>	<u>1,298,719</u>	<u>780,626</u>	<u>4,865,206</u>
	<u>\$ 9,167,033</u>	<u>\$ 10,998,933</u>	<u>\$ 3,675,505</u>	<u>\$ 1,555,542</u>	<u>\$ 876,777</u>	<u>\$ 4,891,109</u>
December 31, 2020						
Non-derivative financial liabilities						
Loans	\$ 874,806	\$ 914,127	\$ 257,570	\$ 656,557	\$ -	\$ -
Payables (current and non-current)	1,127,731	1,133,384	1,071,850	61,534	-	-
Guarantee deposits received	4,756	4,756	-	4,756	-	-
Lease liabilities (current and non-current)	<u>7,341,785</u>	<u>9,310,283</u>	<u>1,374,452</u>	<u>1,999,507</u>	<u>805,839</u>	<u>5,130,485</u>
	<u>\$ 9,349,078</u>	<u>\$ 11,362,550</u>	<u>\$ 2,703,872</u>	<u>\$ 2,722,354</u>	<u>\$ 805,839</u>	<u>\$ 5,130,485</u>

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, 2021			December 31, 2020		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>						
<u>Moneytary items</u>						
USD:TWD	\$ 293	27.68	\$ 8,105	\$ 212	28.48	\$ 6,050
USD:HKD	5,419	7.799	149,998	5,538	7.754	157,706
EUR:TWD	234	31.32	7,333	2,885	35.02	101,025
CNY:HKD	4,107	1.224	17,843	4,005	1.192	17,487
USD:CNY	42	6.372	1,187	42	6.507	1,196
EUR:HKD	117	8.825	3,674	117	9.534	4,098
<u>Non-moneytary items</u>						
USD:TWD	72,523	27.68	2,007,438	69,737	28.48	1,986,095
HKD:TWD	15,832	3.549	56,187	16,795	3.673	61,686
CNY:HKD	1,787	1.224	7,765	1,953	1.192	8,551
HKD:USD	557,569	0.128	1,981,425	553,362	0.129	2,028,468
<u>Financial liabilities</u>						
<u>Moneytary items</u>						
USD:TWD	\$ 6,395	27.68	\$ 177,015	\$ 7,071	28.48	\$ 201,392

(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 profit before tax would have respectively increased or decreased by \$111 and \$862 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, foreign currency exchange gains (losses) (including realized and unrealized) amounted \$3,149 and (\$2,621), 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 profit after tax would have respectively increased or decreased by \$5,386 and \$1,664 for the the years ended December 31, 2021 and 2020. 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:

Price of securities at reporting date	For the years ended December 31, 2021		For the years ended December 31, 2020	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	\$ 28,843	\$ 243	\$ 11,448
Decreasing 3%	(\$ 225)	(\$ 28,843)	(\$ (243)	(\$ 11,448)

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:

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 amortised 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 amortised cost					
Short-term borrowings	93,445				
Short term borrowings bills payable	79,848				
Notes and accounts payable (including related parties)	473,840				
Other payables (including related parties)	694,195				
Long-term borrowings (including current portion of long-term borrowings)	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				

December 31, 2020	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	\$ 381,611	\$ 381,611	\$ -	\$ -	\$ 381,611
Financial assets at fair value through other comprehensive income	8,104	594	-	7,510	8,104
Financial assets measured at amortised cost					
Cash and cash equivalents	1,855,653				
Notes and accounts receivable (including related parties)	473,516				
Other receivables (including related parties)	101,008				
Other current financial assets	43,934				
Refundable deposits	562,689				
Other non-current financial assets	33,760				
Financial liabilities measured at amortised cost					
Short-term borrowings	62,295				
Notes and accounts payable (including related parties)	310,892				
Other payables (including related parties)	639,949				
Long-term borrowings (including current portion of long-term borrowings)	812,511				
Lease liabilities (current and non-current)	7,341,785				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	176,890				
Guarantee deposits received	4,756				

(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, 2021 and 2020.

(e) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income	
	Equity investment without an active market	
	For the years ended December 31	
	2021	2020
Opening balance, January 1	\$ 7,510	\$ 12,525
Total gains and losses recognized:		
In other comprehensive income	-	19,910
Disposal	-	(24,925)
Ending balance, December 31	<u>\$ 7,510</u>	<u>\$ 7,510</u>

(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"> • Price to book ratio multiple (1.97 and 1.58 as of December 31, 2021 and 2020, respectively) • Discount for lack of marketability (20%) 	<ul style="list-style-type: none"> • The higher the multiple, the higher the fair value • The higher the discount, the lower the fair value
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"> • Net Asset Value 	<ul style="list-style-type: none"> • Not applicable

- (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>Inputs</u>	<u>Rate increasing or decreasing</u>		<u>Other comprehensive income</u>	
		<u>Favourable</u>	<u>Unfavourable</u>	<u>Favourable</u>	<u>Unfavourable</u>
December 31, 2021					
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)
December 31, 2020					
Financial assets at fair value through other comprehensive income					
Equity investments without an active market	Price to book ratio multiple	1%	\$	133	(\$ 133)
Equity investments without an active market	Discount for lack of marketability	1%		133	(133)

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.

34. 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, 2021, 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, 2021, and 2020, 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, 2021 and 2020, the Group had unused bank credit lines for short term borrowings amounting to \$6,450,216 and \$1,377,300, 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.

35. 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, 2021, the Group's capital management strategy is consistent with the prior year as at December 31, 2020, ensure financing at a reasonable cost. The Group's debt to equity ratios at the balance sheet dates were as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 9,259,702	\$ 9,477,951
Less: cash and cash equivalents	(1,761,806)	(1,855,653)
Net debt	7,497,896	7,622,298
Total Equity	<u>6,660,105</u>	<u>6,745,523</u>
Total capital	<u>\$ 14,158,001</u>	<u>\$ 14,367,821</u>
Net Debt-to-equity ratio	<u>52.96%</u>	<u>53.05%</u>

36. 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, 2021 and 2020, were as follows:

	For the years ended December 31	
	2021	2020
Acquisition of property, plant and equipment	\$ 276,998	\$ 420,679
Add: Notes payable January 1	2,752	-
Other payables January 1	36,489	23,448
Less: Interest and depreciation capitalization	(46,539)	(33,839)
Notes payable December 31	(706)	(2,752)
Other payables December 31	(38,584)	(36,489)
Cash paid in this period	<u>\$ 230,410</u>	<u>\$ 371,047</u>
Acquisition of intangible assets	\$ 10,983	\$ 18,486
Add: Notes payable January 1	178	-
Other payables January 1	14	-
Less: Notes payable December 31	-	(178)
Other payables December 31	(149)	(14)
Cash paid in this period	<u>\$ 11,026</u>	<u>\$ 18,294</u>

The Group's financing activities which did not affect the current cash flow for the years ended December 31, 2021 and 2020, were as follows:

	Non cash changes					
	January 1, 2021	Cash flows	Loss of control of a subsidiary	Discount	Amortization of financing use commitment fees	December 31, 2021
Long-term borrowings	\$ 812,511	\$ 432,033	\$ -	\$ -	(\$ 2,870)	\$1,241,674
Short-term borrowings	62,295	51,150	(20,000)	-	-	93,445
Short term borrowings bills payable	-	80,000	-	(152)	-	79,848
Total	<u>\$ 874,806</u>	<u>\$ 563,183</u>	<u>(\$ 20,000)</u>	<u>(\$ 152)</u>	<u>(\$ 2,870)</u>	<u>\$1,414,967</u>

	Non cash changes			
	January 1, 2020	Cash flows	Amortization of financing use commitment fees	December 31, 2020
Long-term borrowings	<u>\$ 405,789</u>	<u>\$ 404,522</u>	<u>\$ 2,200</u>	<u>\$ 812,511</u>

37. 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:

Name of related party	Relationship with the Group
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Dongsen D'Amour SPA (Dongsen D'Amour)	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Mori International Co., Ltd. (Mori Internation)	Other related parties
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties
Enlighten Innovative Transformation Co., Ltd	Other related parties
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Dongsen Health Biomedical Co., Ltd. (Dongsen Health Biomedical)	Other related parties
Eastern Realty Co., Ltd.	Other related parties
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
Hong Yang Foundation (Hong Yang)	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties
Xu Bon Development Co., Ltd. (Xu Bon)	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 1: Since May 28, 2021, due to the loss of control over MWT, 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>2021</u>	<u>2020</u>
Associates	\$ 71,554	\$ 45,039
Key management personnel	2,286	-
Other related parties	64,148	26,569
	<u>\$ 137,988</u>	<u>\$ 71,608</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:

	<u>For the years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Associates	\$ 22,935	\$ 15,836
Other related parties	91,804	58,383
	<u>\$ 114,739</u>	<u>\$ 74,219</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	
	2021	2020
Associates	\$ 2,533	\$ 1,440
Key management	2,667	-
Other related parties	105,776	58,134
	<u>\$ 110,976</u>	<u>\$ 59,574</u>

Transaction terms for the above are the same as those for ordinary transactions.

(c) Receivables

Accounts	Related parties	December 31, 2021	December 31, 2020
Notes receivable	EIP	\$ 76,382	\$ 54,568
Accounts receivable	Associates	57	2
Accounts receivable	EHS	13,669	13,802
Accounts receivable	Natural Beauty	3,449	1,209
Accounts receivable	Key management	2,400	-
Accounts receivable	Other related parties	2,333	1,847
Accounts receivable	Eastern		
	E-Commerce	7,157	5,713
Other receivables	Other related parties	254	182
Other receivables	Eastern		
	E-Commerce	321	1,734
Other receivables	Key management	400	-
Other receivables	Associates	-	47
Other receivables	Natural Beauty	1,804	1,547
Other receivables	EHS	6,339	3,882
		<u>\$ 114,565</u>	<u>\$ 84,533</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 \$3,139 and \$683 for the years ended December 31, 2021 and 2020, respectively.

(d) Payables

Accounts	Related parties	December 31, 2021	December 31, 2020
Accounts payable	EHS	\$ 613	\$ 4,084
Accounts payable	Quantum		
	Entertainment	86	1,977
Accounts payable	Huangjue	5,275	5,148
Accounts payable	Other related parties	323	274
Accounts payable	FAR RICH	2,800	-
Other payables	Key management		
	personnel	-	26
Other payables	Other related parties	3,954	322
Other payables	EIP	269	6,377
Other payables	Xu Bon	25,174	-
Other payables	Xing Kai Media	-	2,756
Other payables	Associates	5	32
Other payables	EHS	2,539	7,049
		<u>\$ 41,038</u>	<u>\$ 28,045</u>

(e) Prepayments, advance receipts and contract liabilities

Details of advance receipts / prepayments from related parties to the Group were as follows:

<u>Accounts</u>	<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Prepayments	Other related parties	\$ 180	\$ 140
Prepayments	Associates	255	15
		<u>\$ 435</u>	<u>\$ 155</u>
Advance receipts	Quantum Entertainment	\$ 4,114	\$ 4,114
Contract liabilities	Other related parties	2,401	-
Contract liabilities	Associates	-	16
		<u>\$ 6,515</u>	<u>\$ 4,130</u>

(f) Borrowings from related parties

The amount of borrowing from related parties as of December 31, 2021 and 2020 was nil.

Interest expenses:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Fangcheng Su	\$ -	\$ 1,582
EHS	2,975	5,387
	<u>\$ 2,975</u>	<u>\$ 6,969</u>

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, 2021 and 2020, the Group's interest payables were all nil, respectively.

(g) Endorsement / Guarantee provided

For the years ended December 31, 2021 and 2020 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$531 and \$284, respectively. As of December 31, 2021 and 2020, the Group's remuneration payable was amounted to \$183 and \$98, 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, 2021 and 2020 were amounted to \$711 and \$368, 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, 2021 and 2020 were amounted to \$1,970 and \$744, respectively.

(h-3)Transaction terms for the above are the same as those for ordinary transactions.

(i) Acquisition of property, plant and equipment

	<u>For the Years Ended December 31</u>	
<u>Related parties</u>	<u>2021</u>	<u>2020</u>
Other related parties	<u>\$ 267</u>	<u>\$ 2,075</u>

(j) Acquisition of intangible assets

<u>Related parties</u>	<u>For the Years Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Associates	<u>\$ 919</u>	<u>\$ 901</u>

(k) Other

(k-1) For the years ended December 31, 2021 and 2020, the Group paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$8,312 and \$15,063, respectively.

(k-2) In order to follow its operating plan, the Group donated \$3,000 and \$3,500 to related parties in related industries for the years ended December 31, 2021 and 2020, respectively.

(k-3) For the years ended December 31, 2021 and 2020, the Group received non-operating revenue from related parties amounted to \$5,228 and \$3,050, respectively.

(k-4) For the years ended December 31, 2021 and 2020, the Group paid non-operating expenses to related parties amounted \$52 and \$464, respectively.

(k-5) In January 2020, the Group sold the shares of Eastern Biotechnology (Shanghai) to EHS at the amount of \$734 (CNY \$200) and recognized gain on disposal of \$81. The transaction price has been fully received.

(k-6) 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-7) In December 2021, the Group acquired the shares of Oscar, Pet kingdom and Kaou Sin at the price \$44,722. The transaction price has been fully paid.

c. Key management personnel compensation

	<u>For the years Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Short-term employee benefits	<u>\$ 107,045</u>	<u>\$ 101,840</u>

38. Pledged assets

Pledged assets of the Group were as follows:

<u>Assets</u>	<u>Purpose of pledge</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property, plant and equipment	Short-term and long-term loans	\$ 968,538	\$ 937,374
Investments accounted for using equity method	Long-term loans	155,809	-
Other current financial assets-demand deposits	Reserve and its interest	31,285	14,169
"	Letter of credit	1,198	14,503
"	Security for issuance of travel vouchers at travel fair	2,242	12,984
Refundable deposits	Bid bonds, performance bonds and security deposits	530,026	491,006
Other non-current financial assets—reserve account	Deposit in long-term loan	25,272	33,760
Investments accounted for using equity method for subsidiary's stocks (Note)	Long-term loan	45,053	28,133
		<u>\$ 1,759,423</u>	<u>\$ 1,531,929</u>

Note: The investments accounted for using equity method for subsidiary's stocks have been written off in the preparation of consolidated financial statement.

39. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unused standby letters of credit	<u>\$ 8,954</u>	<u>\$ 101,604</u>

(b) The subsidiary-EIC had signed a contract with Sunny Bank Co., Ltd., and the bank provided guarantee with sufficient performance guarantee according to the contract. As of December 31, 2021, the unused e-voucher guaranteed by the bank was \$2,242.

(c) The subsidiary-EHR had signed contracts relating to manage resorts in Yilan and also had signed services agreements relating to the hotel's business and authorization with Formosa international hotels corporation. EHR should pay expenses proportionally while the services provided by Formosa international hotels corporation achieve the standards as the contracts recorded.

(d) Unrecognized contractual commitments:

The Group's unrecognized contractual commitments are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total contract price	<u>\$ 616,332</u>	<u>\$ 712,178</u>
Payout amount	<u>\$ 340,053</u>	<u>\$ 237,869</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, 2021 and 2020, all unsettled lawsuits had no impact on its financial and business operation.

40. Losses Due to Major Disasters: None.

41. Subsequent Events:

- a. The consolidated subsidiary, ET Pet would acquire the rest 11.49% interests in Oscar. Please refer to Note 14 for the details.
- b. On March 23, 2022, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 28 for the details.

42. Other

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the years ended December 31					
	2021			2020		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
By nature						
Employee benefits						
Salary	\$ 645,992	\$ 699,059	\$ 1,345,051	\$ 582,239	\$ 621,248	\$ 1,203,487
Health and labor insurance	61,320	56,614	117,934	50,704	51,372	102,076
Pension	29,387	27,400	56,787	26,213	26,973	53,186
Remuneration of directors	-	34,997	34,997	-	30,812	30,812
Others	9,559	12,252	21,811	19,789	40,080	59,869
Depreciation expense	976,784	339,203	1,315,987	917,876	319,587	1,237,463
Amortization expense	14,169	26,232	40,401	12,918	21,098	34,016

43. 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, 2021.

- (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, 2021 (excluding investment in subsidiaries, associates and joint ventures).
- (d) Please refer to Table 4 for the individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital.
- (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 5 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 6 for the business relationships and significant intercompany transactions.
- b. Information on investees
Please refer to Table 7 for the information on investees for the years ended December 31, 2021.
- c. Information on investment in Mainland China
 - (a) Please refer to Table 8 for the relevant information such as the name and main business items of the investee company in Mainland China.
 - (b) Please refer to Table 8 for the limitation on investment in Mainland China
 - (c) Please refer to Table 8 for the significant transactions with investee companies in Mainland China.
- d. Major shareholders
Please refer to Table 9 for the major shareholders for the years ended December 31, 2021.

44. 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:

	For the year ended December 31, 2021					
	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Tourism</u>	<u>Others</u>	<u>Total</u>
Revenue						
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	<u>\$ 1,369,908</u>	<u>\$2,100,018</u>	<u>\$1,998,811</u>	<u>\$ 25</u>	<u>\$ 48,839</u>	<u>\$5,517,601</u>
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
Reportable segment profit or loss before tax	<u>\$ 364,442</u>	<u>\$ 412,368</u>	<u>\$ 62,433</u>	<u>(\$182,630)</u>	<u>\$53,539</u>	<u>\$ 710,152</u>

	For the year ended December 31, 2020					
	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Tourism</u>	<u>Others</u>	<u>Total</u>
Revenue						
Revenue from external customers	\$ 1,338,004	\$1,839,727	\$1,434,819	\$ -	\$115,464	\$4,728,014
Interest revenue	-	693	801	2	13,457	14,953
Total revenue	<u>\$ 1,338,004</u>	<u>\$1,840,420</u>	<u>\$1,435,620</u>	<u>\$ 2</u>	<u>\$128,921</u>	<u>\$4,742,967</u>
Interest expense	\$ 115,658	\$ 33,968	\$ 65,808	\$ 7,560	\$ 2,751	\$ 225,745
Depreciation and amortization	243,153	220,830	741,469	61,993	4,034	1,271,479
Share of profit of associates and joint ventures accounted for using equity method	-	366,418	-	-	(16,643)	349,775
Material non-monetary item: impairment losses	5,933	-	150,403	-	-	156,336
Reportable segment profit or loss before tax	<u>\$ 498,574</u>	<u>\$ 345,745</u>	<u>(\$365,908)</u>	<u>(\$95,969)</u>	<u>(\$72,723)</u>	<u>\$ 309,719</u>

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.

<u>Region</u>	<u>For the years ended December 31</u>	
	<u>2021</u>	<u>2020</u>
External revenue:		
Taiwan	\$ 5,505,284	\$ 4,728,014
China	6,635	-
	<u>\$ 5,511,919</u>	<u>\$ 4,728,014</u>
Non-current assets		
Taiwan	<u>\$ 8,541,971</u>	<u>\$ 9,480,730</u>

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 years ended December 31, 2021

(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	\$ 700,000	\$ 600,000	\$ 400,000	3	2	-	Operation requirements	-		\$ -	\$2,497,473 (Note 2)	\$3,746,209 (Note 2)
0	"	EHR	"	Yes	400,000	-	-	3	2	-	"	-		-	2,497,473 (Note 2)	3,746,209 (Note 2)
0	"	MWT	Other receivables	No	50,000	-	-	4	2	-	"	-		-	312,184 (Note 10)	3,746,209 (Note 10)
0	"	ET Pet	Other receivables - related parties	Yes	200,000	100,000	-	3	2	-	"	-		-	2,497,473 (Note 2)	3,746,209 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	300,000	230,000	3	2	-	"	-		-	421,046 (Note 3)	631,569 (Note 3)
1	"	EHR	"	Yes	50,000	50,000	-	3	2	-	"	-		-	421,046 (Note 3)	631,569 (Note 3)
2	TKLF	ET New Media	"	Yes	150,000	150,000	150,000	3	2	-	"	-		-	266,961 (Note 4)	400,441 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	30,000	30,000	8	2	-	"	-	Tucheng land mortgage	52,323	33,370 (Note 4)	400,441 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3	2	-	"	-		-	242,807 (Note 5)	364,210 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	57,021	57,021	52,881	1	2	-	"	-		-	56,188 (Note 6)	112,376 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	53,146	53,146	53,146	1	2	-	"	-		-	75,966 (Note 7)	151,932 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	41,243	41,243	41,243	1	2	-	"	-		-	45,836 (Note 8)	91,672 (Note 8)
7	FESS- Panama	The Company	"	Yes	44,288	44,288	29,745	1	2	-	"	-		-	2,006,571 (Note 9)	4,013,142 (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 years ended December 31, 2021

(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	\$ 24,974,728 (Note 2)	\$ 306,792	\$ 156,792	\$ 119,431	\$ -	2.51%	\$ 24,974,728 (Note 2)	Y	N	N
0	The Company	EHR	2	24,974,728 (Note 2)	800,000	800,000	760,000	45,053	12.81%	24,974,728 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	24,974,728 (Note 2)	5,875,000	5,875,000	-	-	94.10%	24,974,728 (Note 2)	Y	N	N
0	The Company	Kaou Sin	2	24,974,728 (Note 2)	5,000	5,000	3,750	-	0.08%	24,974,728 (Note 2)	Y	N	N
0	The Company	Pet Kingdom	2	24,974,728 (Note 2)	15,000	15,000	8,625	-	0.24%	24,974,728 (Note 2)	Y	N	N
0	The Company	Oscar	2	24,974,728 (Note 2)	250,000	250,000	157,000	-	4.00%	24,974,728 (Note 2)	Y	N	N
0	The Company	ET Pet	2	24,974,728 (Note 2)	1,870,663	1,870,663	563,445	121,397	29.96%	24,974,728 (Note 2)	Y	N	N
0	The Company	TKLF	2	24,974,728 (Note 2)	50,000	50,000	-	-	0.80%	24,974,728 (Note 2)	Y	N	N
0	The Company	EILF	2	24,974,728 (Note 2)	50,000	50,000	-	-	0.80%	24,974,728 (Note 2)	Y	N	N
0	The Company	MWT	1	- (Note 6)	30,000	-	-	-	- %	24,974,728 (Note 2)	N	N	N
1	ET New Media	ET Pet	2	5,762,276 (Note 3)	400,000	-	-	-	- %	5,762,276 (Note 3)	N	N	N
2	ET Pet	ET New Media	3	3,563,884 (Note 4)	400,000	-	-	-	- %	3,563,884 (Note 4)	N	N	N
3	EIC	ET Pet	4	624,368 (Note 5)	220,000	220,000	62,318	34,412	20.90%	624,368 (Note 5)	N	N	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 ET New Media, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets 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 300% of its total assets in the most recent financial statements.

Note 4: For ET Pet, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets 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 300% of its total assets in the most recent financial statements.

Note 5: 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 6: Since MWT was not the subsidiary of the Group on May 28, 2021, the amount of guarantees and endorsements was cancelled.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Securities held

December 31, 2021

(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 Owner ship	Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value		
The Company	China Development Financial Holdings	-	Financial assets at fair value through profit or loss	1	\$ -	- %	\$ -	- %	
"	Phoenix New Media Co., Ltd	-	"	2,000	3	- %	3	- %	
"	Taiwan Cement Co., Ltd.	-	"	6,200,000	297,600	0.10 %	297,600	0.10 %	
"	Formosa Plastics corporation	-	"	3,734,000	388,336	0.06 %	388,336	0.06 %	
"	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	72,800	0.01 %	72,800	0.01 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	73,800	- %	73,800	- %	
"	China Steel Corporation	-	"	150,000	5,303	- %	5,303	- %	
TKLF	Taiwan Cement Co., Ltd.	-	"	1,150,009	55,200	0.02 %	55,200	0.02 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	40,000	24,600	- %	24,600	- %	
"	Formosa Plastics corporation	-	"	200,000	20,800	- %	20,800	- %	
"	China Steel Corporation	-	"	650,000	22,978	- %	22,978	- %	
Oscar	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	- %	

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital

For the years ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 4

Name of the company	Category and name of security	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales			Ending balance		
					Shares/Units	Amount (Note 1)	Shares/Units	Amount	Shares/Units	Price	Cost (Note 1)	Gain (loss) on disposal	Shares/Units	Amount (Note 1)
The Company	Taiwan Cement Co., Ltd.	Financial assets at fair value through profit or loss	-	-	5,350,000	\$ 231,120	6,550,000	\$ 335,564	5,700,000	\$ 259,457	\$ 259,457	\$ -	6,200,000	\$ 297,600
"	Formosa Plastics corporation	"	-	-	-	-	6,554,000	679,258	2,820,000	295,829	295,829	-	3,734,000	388,336

Note 1: Including exchange differences on financial assets designated at fair value, investments accounted for using equity method, and translation.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Receivables from related parties of at least \$100 million or 20% of the paid-in capital

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 5

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	\$ 404,814	Not applicable	\$ -	-	\$ 4,814	\$ -
EIC	ET New Media	Subsidiary	230,567	Not applicable	-	-	567	-
EILF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-
TKLF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Business relationships and significant intercompany transactions

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 6

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ET New Media	1	Other receivables - related parties	\$ 404,814	Refer to contract terms or market price	2.54%
1	EIC	ET New Media	3	Other receivables - related parties	230,567	Refer to contract terms or market price	1.45%
2	EILF	ET New Media	3	Other receivables - related parties	150,370	Refer to contract terms or market price	0.94%
3	TKLF	ET New Media	3	Other receivables - related parties	150,370	Refer to contract terms or market price	0.94%

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 years ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 7

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, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value				
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 867	100.00%	(\$ 742)	(\$ 742)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	2,006,571	100.00%	64,016	64,016	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	56,187	100.00%	(3,469)	(3,469)	Subsidiary
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	1,030,509	97.90%	313,665	307,078	Subsidiary
The Company	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,195	391,195	40,690,330	53.77%	326,392	53.77%	(13,060)	(7,022)	Subsidiary
The Company	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,613	391,613	40,847,294	53.76%	358,823	53.76%	(5,405)	(2,906)	Subsidiary
The Company	MWT	Taiwan	Application Service	-	35,400	-	-%	-	51.00%	3,562	1,816	Note 2
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	126,893	6.51%	1,808,488	117,781	Associates
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(495,987)	89.20%	(14,245)	(12,707)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	208,931	32,973,086	60.40%	45,053	60.40%	(171,987)	(103,880)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	495,000	495,000	49,500,000	55.00%	494,013	55.00%	(1,366)	(751)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(5,815)	1.05%	(14,245)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	377,129	19.36%	1,808,488	"	Associates
EIC	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	77,115	77,115	7,597,500	10.00%	66,740	10.00%	(5,405)	"	Subsidiary
EIC	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	74,464	74,464	7,567,500	10.00%	60,702	10.00%	(13,060)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	13.20%	(171,987)	"	Subsidiary
TKLF	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	269,766	269,766	27,243,000	36.00%	218,526	36.00%	(13,060)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	13.20%	(171,987)	"	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, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value				
EILF	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	\$ 278,342	\$ 278,342	27,351,000	36.00%	\$ 240,265	36.00%	(\$ 5,405)	Exempt from disclosure	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	13.20%	(171,987)	"	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	78,306	100.00%	1,445	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	45,836	100.00%	(70)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Investing activities	2,060,871	2,060,871	600,630,280	30.00%	1,905,459	30.00%	127,059	"	Associates
GSMC-cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Investing activities	125,153	125,153	3,198,000	100.00%	75,966	100.00%	1,811	"	Subsidiary
ET New Media	Show off	Taiwan	Video advertising service	-	100,000	-	-%	-	-%	-	"	Note 1
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	100	100	10,000	100.00%	301	100.00%	(141)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	(45)	100.00%	(2)	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	3,364	100.00%	(944)	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	1,000	1,000	100,000	100.00%	912	100.00%	(74)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	92.50%	34,420	92.50%	(51,968)	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	334,788	301,202	5,391,500	88.51%	360,043	88.51%	4,884	"	Subsidiary
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	45,997	36,836	4,300,000	100.00%	60,929	100.00%	8,660	"	Subsidiary
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	9,916	7,941	100,000	100.00%	11,109	100.00%	3,421	"	Subsidiary

Note 1: Show off was dissolved on July 30, 2020. The procedure of liquidation was finished on July 9, 2021.

Note 2: The Company resolved on May 6, 2021 to dispose of the entire equity interests in the subsidiary, MWT. The share transfer registration procedures were finished on May 28, 2021.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investment in Mainland China

For the years ended December 31, 2021

(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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	Net income (losses) of the investee	Percentage of ownership	Highest percentage of Owner ship	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	\$ 905,136	-	-	\$ 905,136	\$ -	-%	-%	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	354,373	-	-	354,373	-	-%	-%	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	165,996	-	-	165,996	-	-%	-%	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, food goods, medicines, cosmetics and cleaning products, etc.	1,089,345	Note 5	1,054,608	-	-	1,054,608	(728)	100.00%	100.00%	(728)	3,987	-
Nanjing Yun Fu	Wholesale trading	45,129	Note 6	83,040	-	-	83,040	(57)	100.00%	100.00%	(57)	4,128	-
Jiangsu Sen Fu Da	Research and development of film and television technology; research and development and sales of toys, clothing; planning and implementation of cultural and artistic exchange activities	43,439	Note 7	-	-	-	-	-	34.00%	34.00%	-	-	-
Shanghai Rich	Producing TV programs, wholesale	-	Note 8	-	-	-	-	(22)	-%	100.00%	(22)	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	434,041	Note 5	-	-	-	-	11,394	30.00%	30.00%	3,418	146,880	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	93,484	Note 5	-	-	-	-	(1,368)	30.00%	30.00%	(410)	30,742	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,053,273	Note 5	-	-	-	-	7,673	30.00%	30.00%	2,302	309,405	-

Note 1: The investment gain (loss) was recognized based on the investees' audited financial statements.

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 Group indirectly invested through RICHNESS TRADING (SHANGHAI) on March 16, 2015. Shanghai Rich was liquidated on March 24, 2021.

Note 9: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

(to be continued)

(continued)

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,563,153	\$ 4,275,669	\$ 3,996,063

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, 2021, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders

December 31, 2021

(Expressed in Units)

Table 8

Shareholders name	Shareholding	Shares	Percentage
Jinxin Trading Co., Ltd.		50,970,680	9.63%

**EASTERN MEDIA INTERNATIONAL
CORPORATION**

Parent Company Only Financial Statements

With Independent Auditors' Report

For the Years Ended December 31, 2021 and 2020

**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.

Table of Contents

Contents	Page	Note
1. Cover Page	1	
2. Table of Contents	2	
3. Independent Auditors' Report	3~6	
4. Consolidated Balance Sheet	7~8	
5. Consolidated Statements of Comprehensive Income	9	
6. Consolidated Statements of Changes in Equity	10	
7. Consolidated Statements of Cash Flows	11~12	
8. Notes to the Consolidated Financial Statements		
I. Company history	13	1
II. Approval date and procedures of the consolidated financial statements	13	2
III. New standards, amendments and interpretations adopted	13~14	3
IV. Summary of significant accounting policies	14~28	4
V. Significant accounting assumptions and judgments, and major sources of estimation uncertainty	28~30	5
VI. Explanation of significant accounts	30~55	6~27
VII. Related party transactions	55~59	28
VIII. Pledged assets	59	29
IX. Significant commitments and contingencies	59~60	30
X. Losses due to major disasters	60	31
XI. Subsequent Events	60	32
XII. Other	61~62	33
XIII. Other disclosures		34
(I) Information on significant transactions	62, 68~72	34
(II) Information on investees	62, 73~74	34
(III) Information on investment in Mainland China	62, 75~76	34
(IV) Major shareholders	62, 77	34
XIV. Segment information	62	35
XV. List of major account titles	63~67	

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, 2021 and 2020, 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, 2021 and 2020, 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, 2021 and 2020 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 22.04% and 17.81% of total assets at December 31, 2021 and 2020, respectively, and the related share of profit of associates accounted for using the equity method constituting 66.77% and (7.01)% of total profit before tax for the years then ended, 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 21 "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 \$1,369,908 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 41% 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 23, 2022

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

Balance Sheets

(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2021		December 31, 2020		
	Amount	%	Amount	%	
Assets					
Current assets:					
1100	Cash and cash equivalents (Note 6)	\$ 633,416	6	\$ 889,244	8
1110	Current financial assets at fair value through profit or loss (Note 7)	685,939	6	231,123	2
1170	Accounts receivable, net (Notes 9 and 21)	16,065	-	11,148	-
1200	Other receivables, net (Notes 10)	14,033	-	3,009	-
1210	Other receivables due from related parties, net (Notes 10 and 28)	410,876	4	627,539	6
130X	Inventories (Note 11)	29,066	-	28,046	-
1410	Prepayments	9,771	-	8,648	-
1476	Other current financial assets (Notes 29)	1,288	-	14,592	-
1479	Other current assets, others	196	-	-	-
		<u>1,800,650</u>	<u>16</u>	<u>1,813,349</u>	<u>16</u>
Non-current assets:					
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 (Note 12 and 29)	4,445,308	41	4,397,379	40
1600	Property, plant and equipment (Notes 13 and 29)	570,737	5	387,257	4
1755	Right of use assets (Note 14)	3,496,274	32	3,709,212	34
1780	Intangible assets	1,351	-	817	-
1840	Deferred tax assets (Note 18)	431,634	4	399,839	4
1920	Refundable deposits (Notes 29)	117,486	1	117,450	1
1990	Other non-current assets, others (Note 30)	60,784	1	128,954	1
		<u>9,131,074</u>	<u>84</u>	<u>9,148,408</u>	<u>84</u>
	Total assets	<u>\$ 10,931,724</u>	<u>100</u>	<u>\$ 10,961,757</u>	<u>100</u>

(Please see accompanying notes to the parent company only financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION

Balance Sheets (Cotn'd)

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2150	Notes payable	\$ 38	-	\$ -	-
2200	Other payables (Notes 22 and 27)	259,141	2	167,000	2
2220	Other payables due from related parties, net (Notes 28)	177,233	2	202,172	2
2230	Current tax liabilities	-	-	4,745	-
2280	Current lease liabilities (Note 16)	173,939	2	169,657	2
2320	Long-term liabilities, current portion (Notes 15)	19,574	-	-	-
2399	Other current liabilities, others	10,113	-	11,000	-
		<u>640,038</u>	<u>6</u>	<u>554,574</u>	<u>6</u>
Non-current liabilities:					
2540	Long-term borrowings (Notes 15)	76,667	1	-	-
2570	Deferred tax liabilities (Note 18)	525	-	22	-
2580	Non-current lease liabilities (Note 16)	3,457,183	31	3,630,042	33
2640	Non-current net defined benefit liability (Note 17)	17,281	-	21,525	-
2645	Guarantee deposits received	360	-	360	-
2670	Non-current liabilities, others (Note 12)	495,987	5	478,618	4
		<u>4,048,003</u>	<u>37</u>	<u>4,130,567</u>	<u>37</u>
	Total liabilities	<u>4,688,041</u>	<u>43</u>	<u>4,685,141</u>	<u>43</u>
Equity attributable to owners of parent (Note 19)					
3100	Capital stock	5,289,504	48	5,567,899	51
3200	Capital surplus	16,243	-	20,769	-
3300	Retained earnings	1,284,545	12	983,904	9
3400	Other equity interest	(346,609)	(3)	(295,956)	(3)
	Total equity	<u>6,243,683</u>	<u>57</u>	<u>6,276,616</u>	<u>57</u>
	Total liabilities and equity	<u>\$10,931,724</u>	<u>100</u>	<u>\$10,961,757</u>	<u>100</u>

(Please see accompanying notes to the parent company only financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION

Statements of Comprehensive Income

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Common Share)

		For the years ended December 31			
		2021		2020	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenue (Note 21)	\$ 1,369,908	100	\$ 1,338,004	100
5000	Operating costs (Note 11, 17 and 28)	<u>641,701</u>	<u>47</u>	<u>609,271</u>	<u>46</u>
	Gross profit from operations	728,207	53	728,733	54
6000	Operating expenses (Note 17 and 28)	<u>337,248</u>	<u>25</u>	<u>300,024</u>	<u>22</u>
	Net operating income (loss)	<u>390,959</u>	<u>28</u>	<u>428,709</u>	<u>32</u>
	Non-operating income and expenses:				
7100	Interest income (Note 23 and 28)	19,064	1	28,690	2
7010	Other income (Note 7, 8, 23 and 28)	38,404	3	10,727	1
7020	Other gains and losses, net (Note 12, 14, 23 and 28)	7,061	1	41,915	3
7050	Finance costs, net (Note 16, 23 and 28)	(114,337)	(8)	(118,171)	(9)
7060	Share of profit of associates and joint ventures accounted for using equity method (Note 12)	<u>359,214</u>	<u>26</u>	<u>(71,018)</u>	<u>(5)</u>
7900	Profit before tax	700,365	51	320,852	24
7950	Less: tax income (Note 18)	<u>(45,128)</u>	<u>(3)</u>	<u>(200,007)</u>	<u>(15)</u>
	Net profit	<u>745,493</u>	<u>54</u>	<u>520,859</u>	<u>39</u>
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on remeasurements of defined benefit plans	806	-	997	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method	<u>(181)</u>	<u>-</u>	<u>18,570</u>	<u>1</u>
	Total number of items not reclassified to profit or loss	<u>625</u>	<u>-</u>	<u>19,567</u>	<u>1</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(43,961)	(3)	(59,795)	(4)
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	(6,659)	-	(8,365)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(50,620)</u>	<u>(3)</u>	<u>(68,160)</u>	<u>(5)</u>
8300	Other comprehensive income, net of tax	<u>(49,995)</u>	<u>(3)</u>	<u>(48,593)</u>	<u>(4)</u>
	Total comprehensive income	<u>\$ 695,498</u>	<u>51</u>	<u>\$ 472,266</u>	<u>35</u>
	Earnings per share (Unit: NTS)(Note 20)				
9750	Basic earnings per share	<u>\$ 1.37</u>		<u>\$ 0.94</u>	
9850	Diluted earnings per share (Unit: NTS)	<u>\$ 1.37</u>		<u>\$ 0.94</u>	

(Please see accompanying notes to the parent company only financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION
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	
	Balance at January 1, 2020	<u>\$ 5,567,899</u>	<u>\$ 20,769</u>	<u>\$ 147,303</u>	<u>\$ 183,222</u>	<u>\$ 669,748</u>	<u>(\$ 224,130)</u>	
Profit for the year ended December 31, 2020	-	-	-	-	520,859	-	-	520,859
Other comprehensive income, for the year ended December 31, 2020	-	-	-	-	70	(68,160)	19,497	(48,593)
Total comprehensive income for the year ended December 31, 2020	-	-	-	-	520,929	(68,160)	19,497	472,266
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	37,423	-	(37,423)	-	-	-
Special reserve appropriated	-	-	-	44,579	(44,579)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(556,790)	-	-	(556,790)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	19,492	-	(19,492)	-
Balance at December 31, 2020	<u>\$ 5,567,899</u>	<u>\$ 20,769</u>	<u>\$ 184,726</u>	<u>\$ 227,801</u>	<u>\$ 571,377</u>	<u>(\$ 292,290)</u>	<u>(\$ 3,666)</u>	<u>\$ 6,276,616</u>
Balance at January 1, 2021	\$ 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)	-
Balance at December 31, 2021	<u>\$ 5,289,504</u>	<u>\$ 16,243</u>	<u>\$ 238,768</u>	<u>\$ 295,956</u>	<u>\$ 749,821</u>	<u>(\$ 342,910)</u>	<u>(\$ 3,699)</u>	<u>\$ 6,243,683</u>

(Please see accompanying notes to the parent company only financial statements)

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

	For the years ended December 31	
	2021	2020
Cash flows (used in) from operating activities:		
Profit before tax	\$ 700,365	\$ 320,852
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	258,906	242,734
Amortization expense	609	419
Net gain on financial assets or liabilities at fair value through profit or loss	(10,516)	(49,151)
Interest expense	114,337	118,171
Interest income	(19,064)	(28,690)
Dividend income	(21,879)	(1,874)
Share of (profit) loss of subsidiaries associates and joint ventures accounted for using equity method	(359,214)	71,018
Gain on disposal of property, plant and equipment	(193)	(53)
Loss on disposal of investments	4,327	3,806
Gain from lease modification	(5)	-
Total adjustments to reconcile profit	<u>(32,692)</u>	<u>356,380</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
(Increase) decrease in current financial assets at fair value through profit or loss	(444,300)	60,567
(Increase) decrease in accounts receivable	(4,917)	2,564
Decrease in other receivable	290	6,364
Increase in inventories	(3,268)	(1,976)
(Increase) decrease in prepayments	(1,122)	10,977
Decrease in other current assets	13,108	15,461
Total changes in operating assets, net	<u>(440,209)</u>	<u>93,957</u>
Changes in operating liabilities, net:		
Increase (decrease) in notes payable	38	(616)
Increase in other payable	86,665	8,380
Decrease in receipts in advance	-	(1)
Decrease in other current liabilities	(887)	(505)
Decrease in non-current net defined benefit liability	(3,438)	(4,827)
Total changes in operating liabilities	<u>82,378</u>	<u>2,431</u>
Net changes in operating assets and liabilities	<u>(357,831)</u>	<u>96,388</u>
Total adjustments	<u>(390,523)</u>	<u>452,768</u>
Cash inflow generated from operations	309,842	773,620
Income taxes paid	(1,851)	(9,166)
Net cash inflow from operating activities	<u>307,991</u>	<u>764,454</u>

(Please see accompanying notes to the parent company only financial statements)

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

	For the years ended December 31	
	2021	2020
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(\$ 120,800)	(\$ 495,000)
Proceeds from capital reduction of investments accounted for using equity method	-	11,230
Proceeds from disposal of investments accounted for using equity method	35,294	24,473
Acquisition of property, plant and equipment	(109,713)	127,332
Proceeds from disposal of property, plant and equipment	193	53
Increase in refundable deposits	(36)	(67)
Decrease in other receivables due from related parties	216,500	368,000
Acquisition of intangible assets	(995)	(698)
Decrease in other financial assets	-	59,666
Increase in other non-current assets	(43,644)	(100,896)
Interest received	18,854	28,823
Dividends received	<u>376,307</u>	<u>158,155</u>
Net cash flows from (used in) investing activities	<u>371,960</u>	<u>(73,593)</u>
Cash flows from (used in) financing activities:		
Increase in long-term debt	96,667	-
Decrease in other payables due from related parties	(24,693)	201,708
Payment of lease liabilities	(169,947)	(164,736)
Decrease in guarantee deposits received	-	360
Capital reduction	(278,395)	-
Issuance cash dividends	(445,432)	(556,790)
Interest paid	<u>(113,979)</u>	<u>(118,132)</u>
Net cash flows used in financing activities	<u>(935,779)</u>	<u>(637,590)</u>
Net (decrease) increase in cash and cash equivalents	(255,828)	53,271
Cash and cash equivalents at beginning of period	<u>889,244</u>	<u>835,973</u>
Cash and cash equivalents at end of period	<u>\$ 633,416</u>	<u>\$ 889,244</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, 2021 And 2020

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

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 23, 2022.

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, 2021:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”
- Amendments to IFRS 16 “Covid-19-Related Rent Concessions beyond June 30, 2021”

- 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, 2022, would not have a significant impact on its consolidated financial statements:

- 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”
- 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 “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”

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

aforsaid 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	1 ~ 55 years
Machinery and equipment	2 ~ 7 years
Transportation equipment	5 ~ 20 years
Leasehold improvements	2 ~ 20 years
Miscellaneous equipment	2 ~ 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	3~4 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, 2021 and 2020 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, 2021 and 2020 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 16.

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 17 for further description of the actuarial assumptions and sensitivity analysis.

b. Recognition of deferred tax assets

As of December 31, 2021 and 2020, the carrying amounts of deferred tax assets in relation to unused tax losses were \$431,634 and \$399,839, respectively. As of December 31, 2021 and 2020, no deferred tax assets have been recognized on tax losses of \$753,621 and \$1,123,969, 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 24, Financial instruments.

6. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	\$ 1,491	1,725
Cash in banks	171,807	527,481
Cash equivalents	460,118	360,038
	<u>\$ 633,416</u>	<u>889,244</u>

Please refer to Note 24 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, 2021</u>	<u>December 31, 2020</u>
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ <u>685,939</u>	\$ <u>231,123</u>

- a. Please refer to Note 23 for the remeasurement of fair value.
b. For the years ended December 31, 2021 and 2020, the dividends from financial assets designated as at fair value through profit or loss were \$20,367 and \$1,287, respectively.
c. No financial assets were pledged as collateral on December 31, 2021 and 2020, respectively.

8. **Financial assets at fair value through other comprehensive income**

	<u>December 31, 2021</u>	<u>December 31, 2020</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, 2021 and 2020, the Company recognized the dividends of \$1,512 and \$587 related to equity instruments measured at fair value through other comprehensive income, respectively.
b. For credit risk and market risk; please refer to Note 24 and 25.
c. No financial assets mentioned above were pledged as collateral.

9. **Notes and accounts receivable (including related parties)**

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Accounts receivable	\$ <u>16,065</u>	\$ <u>11,148</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:

	<u>December 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	\$ <u>16,065</u>	-%	\$ <u>-</u>
	<u>December 31, 2020</u>		

	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 11,148</u>	-%	<u>\$ -</u>

- a. As of December 31, 2021 and 2020, there was no allowance for notes and accounts receivable.
- b. Please refer to Note 24 and 25 for the Company's accounts receivable exposure to credit risk and currency risk.

10. Other receivables and other notes receivable (including related parties)

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other accounts receivable—loans to associates	\$ 400,000	\$ 616,500
Other accounts receivable—others	24,909	14,048
	<u>\$ 424,909</u>	<u>\$ 630,548</u>

- a. As of December 31, 2021 and 2020, there were no bills past due but not impaired of other receivables.
- b. For credit risk and market risk; please refer to Note 24 and 25.

11. Inventories

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Raw materials and others (including fuel)	<u>\$ 29,066</u>	<u>\$ 28,046</u>

- a. As of December 31, 2021 and 2020, raw material and others, recognized as cost of sales amounted \$8,443 and \$7,365, respectively.
- b. No inventories were pledged as collateral on December 31, 2021 and 2020, 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:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Subsidiaries	\$ 3,822,428	\$ 3,795,089
Associates		
Eastern Home Shopping&Leisure Co., Ltd.	126,893	123,672
	3,949,321	3,918,761
Add: credit balance of investments accounted for using equity method transferred to non-current liabilities	495,987	478,618
	<u>\$ 4,445,308</u>	<u>\$ 4,397,379</u>

a. Subsidiaries

Expect for the following mentioned, please refer to the consolidated financial statement for the years ended December 31, 2021 and 2020.

- (a) On December 31, 2021 and 2020, wherein the Company invested at an amount proportionate to subsidiaries' previous shareholding, credit balance of investments accounted for using equity method carrying amounts of \$495,987 and \$478,618, respectively, the credit balance of investments accounted for using equity method has been transferred to non current liabilities.
- (b) On January 2, 2020, the Company's Board of Directors resolved to invest \$100,000 in Eastern Asset Co., Ltd. with a 100% shareholding, which was registered on

February 24, 2020. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an investment amount of \$230,000, thereby reducing its shareholding to 55%. All registration procedures had been completed on April 6, 2020. The latter transaction increased its capital by \$165,000, and all registration procedures had been completed on July 27, 2020.

- (c) On December 16, 2020, a resolution was passed in the Far Eastern Silo & Shipping International (Bermuda) Ltd. 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.
- (d) The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, Mohsit Web Technology Co., Ltd.. Ther share transfer resgistriation procedures were finished on May 28, 2021.
- (e) 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.

b. Associates

(a) Associates 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, 2021	December 31, 2020
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:

	December 31, 2021	December 31, 2020
Current assets	\$ 4,572,514	\$ 5,459,802
Non-current assets	7,635,401	6,614,712
Liabilities	(9,944,589)	(9,882,194)
Net assets	<u>\$ 2,263,326</u>	<u>\$ 2,192,320</u>
Non-controlling interests, attributable to investee	<u>\$ 314,919</u>	<u>\$ 293,369</u>
Net assets attributable to investee	<u>\$ 1,948,407</u>	<u>\$ 1,898,951</u>
	For the Years Ended December 31	
	2021	2020
Operating revenue	<u>\$ 27,200,172</u>	<u>\$ 23,709,345</u>
Net income	\$ 1,843,015	\$ 1,454,098
Other comprehensive income	(34,712)	(46,847)
Total comprehensive income	<u>\$ 1,808,303</u>	<u>\$ 1,407,251</u>
Comprehensive income (loss) attributable to non controlling interests	<u>\$ 26,269</u>	<u>\$ 5,356</u>
Comprehensive income (loss) attributable to non controlling investee	<u>\$ 1,782,034</u>	<u>\$ 1,401,895</u>
Share of net assets attributable to the Company on January 1	\$ 123,672	\$ 99,211
Comprehensive income attributable to the Company	116,059	91,301
Dividends received from associates	(112,838)	(66,840)
Share of net assets attributable to the Company on December 31	<u>\$ 126,893</u>	<u>\$ 123,672</u>

- c. The Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	December 31,
	2020
Carrying amount of individually insignificant associates' equity	<u><u>\$ -</u></u>

	For the Year Ended December 31
	2020
Attributable to the Company:	
Profit from continuing operations	\$ 182
Other comprehensive loss	(1,790)
Total comprehensive loss	<u><u>(\$ 1,608)</u></u>

- d. The liquidation of the Company's affiliate EHK E&S Co., Ltd. was completed on June 18, 2020, and all remaining invested funds of \$24,473 were recovered as of June 30, 2020, incurring an investment loss of \$3,806. The investment loss of this disposal includes the amount previously recognized in other comprehensive income that may be reclassified to profit or loss.
- e. 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)
Guarantee deposits received	(149)
Carrying amount of net assets	<u><u>\$ 15,102</u></u>

- f. The Company has processed an impairment test for investment using the equity method, please refer to Note 13 of the consolidated financial statements for the year ended December 31, 2021 and 2020.
- g. Please refer to Note 29 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	Other equipment	Total
Cost or deemed cost:							
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	-	(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>\$ 27,538</u>	<u>\$ 671,650</u>
Balance on January 1, 2020	\$ 63,196	\$ 51,544	\$ 3,674	\$ 25,010	\$ 203,076	\$ 32,631	\$ 379,131
Additions	87,951	9,472	-	1,055	27,687	4,402	130,567
Disposals	-	-	-	(310)	(6,273)	(721)	(7,304)
Balance on December 31, 2020	<u>\$ 151,147</u>	<u>\$ 61,016</u>	<u>\$ 3,674</u>	<u>\$ 25,755</u>	<u>\$ 224,490</u>	<u>\$ 36,312</u>	<u>\$ 502,394</u>
Depreciation and impairment loss:							
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, 2021	<u>\$ -</u>	<u>\$ 26,312</u>	<u>\$ -</u>	<u>\$ 7,355</u>	<u>\$ 59,467</u>	<u>\$ 7,779</u>	<u>\$ 100,913</u>
Balance on January 1, 2020	\$ -	\$ 23,912	\$ 3,674	\$ 20,977	\$ 19,924	\$ 25,249	\$ 93,736
Depreciation	-	1,649	-	1,676	22,863	2,517	28,705
Disposals	-	-	-	(310)	(6,273)	(721)	(7,304)
Balance on December 31, 2020	<u>\$ -</u>	<u>\$ 25,561</u>	<u>\$ 3,674</u>	<u>\$ 22,343</u>	<u>\$ 36,514</u>	<u>\$ 27,045</u>	<u>\$ 115,137</u>
Carrying amounts:							
December 31, 2021	<u>\$ 151,147</u>	<u>\$ 34,486</u>	<u>\$ -</u>	<u>\$ 1,617</u>	<u>\$ 363,728</u>	<u>\$ 19,759</u>	<u>\$ 570,737</u>
January 1, 2020	<u>\$ 63,196</u>	<u>\$ 27,632</u>	<u>\$ -</u>	<u>\$ 4,033</u>	<u>\$ 183,152</u>	<u>\$ 7,382</u>	<u>\$ 285,395</u>
December 31, 2020	<u>\$ 151,147</u>	<u>\$ 35,455</u>	<u>\$ -</u>	<u>\$ 3,412</u>	<u>\$ 187,976</u>	<u>\$ 9,267</u>	<u>\$ 387,257</u>

Please refer to Note 29 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
Right of use asset costs:				
Balance on January 1, 2021	\$ 4,105,077	\$ 44,685	\$ -	\$ 4,149,762
Additions	-	-	1,471	1,471
Write off - lease modification	-	(432)	-	(432)
Balance on December 31, 2021	<u>\$ 4,105,077</u>	<u>\$ 44,253</u>	<u>\$ 1,471</u>	<u>\$ 4,150,801</u>
Balance on January 1, 2020	\$ 4,107,295	\$ 44,685	\$ -	\$ 4,151,980
Write off - lease modification	(2,218)	-	-	(2,218)
Balance on December 31, 2020	<u>\$ 4,105,077</u>	<u>\$ 44,685</u>	<u>\$ -</u>	<u>\$ 4,149,762</u>
Accumulated depreciation and impairment losses:				
Balance on January 1, 2021	\$ 424,593	\$ 15,957	\$ -	\$ 440,550
Depreciation	204,471	9,515	327	214,313
Write off - lease modification	-	(336)	-	(336)
Balance on December 31, 2021	<u>\$ 629,064</u>	<u>\$ 25,136</u>	<u>\$ 327</u>	<u>\$ 654,527</u>
Balance on January 1, 2020	\$ 220,103	\$ 6,418	\$ -	\$ 226,521
Depreciation	204,490	9,539	-	214,029
Balance on December 31, 2020	<u>\$ 424,593</u>	<u>\$ 15,957</u>	<u>\$ -</u>	<u>\$ 440,550</u>
Carrying amounts:				
December 31, 2021	<u>\$ 3,476,013</u>	<u>\$ 19,117</u>	<u>\$ 1,144</u>	<u>\$ 3,496,274</u>
January 1, 2020	<u>\$ 3,887,192</u>	<u>\$ 38,267</u>	<u>\$ -</u>	<u>\$ 3,925,459</u>
December 31, 2020	<u>\$ 3,680,484</u>	<u>\$ 28,728</u>	<u>\$ -</u>	<u>\$ 3,709,212</u>

- a. In February 2020, due to modifications of warehousing lease contract, some lease contracts were terminated by the Company, and the right of use assets and the lease liabilities amounted to \$2,218 and \$2,218 were wrote off.
- b. 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.

10. Long-term loans

Details, conditions, and terms of long-term loan of the Company were as follows:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Secured bank loans	\$ 96,667	\$ -
Less: Current portion	(19,574)	-
Fees	(426)	-
Total	<u>\$ 76,667</u>	<u>\$ -</u>
Duration year	<u>111~115</u>	<u>-</u>
Interest rates	<u>1.90%</u>	<u>-</u>
Unused credit lines	<u>\$ -</u>	<u>\$ -</u>

Please refer to Note 29 for the details of the related assets pledged as collateral.

11. Lease liabilities

Book value of the Company' s lease liabilities were as follows:

	<u>December 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Current	<u>\$ 173,939</u>	<u>\$ 169,657</u>
Non-current	<u>\$ 3,457,183</u>	<u>\$ 3,630,042</u>

For the maturity analysis, please refer to Note 24.

For the years ended December 31, 2021 and 2020, newly added lease liabilities amounted to \$1,471 and \$0 respectively, and the interest rates was 3%. Lease period ending dates extend from April 2022 to December 2038. However, for the years ended December 31, 2021 and 2020, the Company negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$101 and \$2,218 respectively. The information on modifications of the Company' s lease contracts, please refer to Note 14 and 23.

Lease amounts recognized as profit or loss were as follows:

	<u>For the Years Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Interests on lease liabilities	<u>\$ 111,671</u>	<u>\$ 116,666</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 31,681</u>	<u>\$ 29,995</u>
Expenses relating to short-term leases	<u>\$ 1,297</u>	<u>\$ 1,892</u>
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	<u>\$ 595</u>	<u>\$ 214</u>

Lease amounts recognized in the Statements of Cash Flows were as follows:

	<u>For the Years Ended December 31</u>	
	<u>2021</u>	<u>2020</u>
Total cash outflow for leases	<u>\$ 315,191</u>	<u>\$ 313,503</u>

- a. Leases of land and equipment, and buildings

As of December 31, 2021, the Company leased land and buildings for its warehousing operations and office space. The leases of office space typically run for a period of 20 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.

17. 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:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	\$ 139,545	\$ 143,876
Fair value of plan asset	(122,264)	(122,351)
Net defined benefit liabilities	<u>\$ 17,281</u>	<u>\$ 21,525</u>

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 \$122,264 as of December 31, 2021. 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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Defined benefit obligations at January 1	\$ 143,876	\$ 143,510
Current service cost and interest	1,720	2,349
Remeasurements of the net defined benefit liability:		
– Actuarial losses due to experience adjustments	1,173	2,986
Benefits paid by the plan	(7,224)	(4,969)
Defined benefit obligations at December 31	<u>\$ 139,545</u>	<u>\$ 143,876</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, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Fair value of plan assets at January 1	\$ 122,351	\$ 116,161
Interest revenue	233	720
Remeasurements of the net defined liability:		
– Return on plan assets (excluding interest for the period)	1,979	3,983
Contributions made from employer	4,925	6,456
Benefits paid by the plan	(7,224)	(4,969)
Fair value of plan assets at December 31	<u>\$ 122,264</u>	<u>\$ 122,351</u>

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Service cost of the period	\$ 1,446	\$ 1,460
Net interest on net defined benefit liability	274	889
Curtailment or settlement losses	(233)	(720)
	<u>\$ 1,487</u>	<u>\$ 1,629</u>
Operating cost	\$ 1,011	\$ 1,086
General and administrative expense	476	543
	<u>\$ 1,487</u>	<u>\$ 1,629</u>

(e) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	December 31,	December 31,
	2021	2020
Discount rate	0.64%	0.19%
Future salary increase	1.00%	0.50%

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 \$2,923.

The weighted-average lifetime of the defined benefits plans is 6 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, 2021 and 2020, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2021		
Discount of 0.50%	(\$ 1,592)	6,960
Future salary change of 0.50%	6,897	(1,594)
December 31, 2020		
Discount of 0.50%	(\$ 1,670)	4,574
Future salary change of 0.50%	4,512	(1,349)

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, 2021 and 2020, the Company contributed \$10,440 and \$10,339, respectively, under the pension plan to the Bureau of Labor Insurance.

18. Income taxes

a. The components of income tax for the years ended December 31, 2021 and 2020 were as follows:

	For the Years Ended December 31	
	2021	2020
Current income tax expense		
Current period	(\$ 9,091)	\$ -
Adjustment for prior periods	(4,745)	(109)
	(\$ 13,836)	(\$ 109)
Deferred tax expense		
Origination and reversal of temporary differences	(31,292)	(199,898)
Income tax benefit	(\$ 45,128)	(\$ 200,007)

The reconciliation of income tax and profit before tax was as follows:

	For the Years Ended December 31	
	2021	2020
Profit before tax	\$ 700,365	\$ 320,852
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	140,073	64,170
Investment gain or loss from domestic investment accounted for using equity method	(71,843)	14,204
Prior years' adjustment	(4,745)	(109)
Other adjustments in accordance with tax laws	(77,321)	(78,374)
Deferred income taxes	(31,292)	(199,898)
Total	<u>(\$ 45,128)</u>	<u>(\$ 200,007)</u>

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2021	December 31, 2020
Tax effect of deductible temporary differences	\$ 2,161	\$ 2,849
The carryforward of unused tax losses	753,621	1,123,969
	<u>\$ 755,782</u>	<u>\$ 1,126,818</u>

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, 2021, 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
2012	\$ 1,357,284	2022
2013	897,577	2023
2014	867,481	2024
2015	645,765	2025
	<u>\$ 3,768,107</u>	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2021 and 2020, were as follows:

	For the Years Ended December 31	
	2021	2020
Deferred Tax Assets:		
Balance, January 1	\$ 399,839	\$ 199,919
Recognized in profit or loss	31,795	199,920
Balance, December 31	<u>\$ 431,634</u>	<u>\$ 399,839</u>

For the years ended December 31, 2021 and 2020, previously unrecognized tax losses of \$31,795 and \$199,920 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the

future.

	For the Years Ended December 31	
	2021	2021
Deferred Tax Liabilities:		
Balance, January 1	\$ 22	\$ -
Recognized in profit or loss	<u>503</u>	<u>22</u>
Balance, December 31	<u>\$ 525</u>	<u>\$ 22</u>

- c. The Company's tax returns for the years through 2019 were examined and approved by the tax authority.

19. Capital and other equity

a. Ordinary shares

As of December 31, 2021 and 2020, 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 528,950 and 556,790 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 ordinary thousand shares, and would be passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction was approved by the Taiwan Stock Exchange on July 23, 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.

b. Capital surplus

The balances of capital surplus as of December 31, 2021 and 2020, were as follows:

	December 31, 2021	December 31, 2020
Changes in equity of associates and subsidiaries accounted for using equity method	\$ 639	\$ 639
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,604	15,604
Changes in equity of subsidiaries	<u>-</u>	<u>4,526</u>
	<u>\$ 16,243</u>	<u>\$ 20,769</u>

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 Ruling No. 1010012865 issued by the Financial Supervisory Commission on April 6 2012, 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 Company held a shareholder's meeting on June 29, 2020 to pass a resolution to amend the Company's Articles of Incorporation to state that if profit distribution is to be paid in cash, it may be approved by the Board of Directors and reported to the Shareholders in its meeting.

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. 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 the approved by the board of directors.

The appropriations of 2020 earnings concerning cash dividends have been approved by the Company's board of directors on March 25, 2021. The rest appropriations of 2020 earnings and 2019 earnings would be resolved by the shareholder's meeting on July 7, 2021 and June 29, 2020, respectively. The appropriations were as follows:

	Amount		Dividend per share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 54,042	\$ 37,423	\$ -	\$ -
Special reserve	68,155	44,579	-	-
Cash dividends	445,432	556,790	0.8	1.0

On March 23, 2022, the Company's Board of Directors resolved to appropriate the 2021 earnings, as follows:

	<u>Earnings distributions</u>	<u>Dividend per share</u>
Legal reserve	\$ 74,607	-
Special reserve	50,654	-
Cash dividends	528,950	1.0

The earnings for 2021 is to be presented for approval in the Company's Board of Shareholders to be held on June 13, 2022 (expected). For further information, please refer to the Market Observation Post System.

- (d) In 2020, as disposing financial assets at fair value through other comprehensive income, the gain on disposal amounted to \$19,492, were transferred from other equity to retained earnings.
- (e) 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.
- (f) In 2021, the Company's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$4,604. This transtracion reduced capital surplus, difference between consideration and carrying-amount of subsidiaries acquired or disposed from \$4,526 to nil, and retained earning of \$78. Please refer to Note 14 in the consolidated financial statement for the years ended December 31, 2021 and 2020.

d. Other equity (net of tax)

	<u>Foreign currency translation differences for foreign operations</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Total</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 (loss) of associates accounted for using equity method	(6,659)	22	(6,337)
Loss of control of the subsidiary	-	(55)	(55)
Balance on December 31, 2021	(\$ 342,910)	(\$ 3,699)	(\$ 346,609)
Balance on January 1, 2020	(\$ 224,130)	(\$ 3,671)	(\$ 227,801)
Exchange differences on foreign operation	(59,795)	-	(59,795)
Change in other comprehensive income (loss) of associates accounted for using equity method	(8,365)	19,497	11,132
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	(19,492)	(19,492)
Balance on December 31, 2020	(\$ 292,290)	(\$ 3,666)	(\$ 295,956)

20. Earnings per share

The basic earnings per share and diluted earnings per shares were calculated as follows:

	For the year Ended December 31	
	2021	2020
<u>Basic earnings per share</u>		
Profit attributable to ordinary shareholders	<u>\$ 745,493</u>	<u>\$ 520,859</u>
The weighted average number of ordinary shares outstanding (thousand shares)	<u>544,815</u>	<u>556,790</u>
Earnings per share (NT\$)	<u>\$ 1.37</u>	<u>\$ 0.94</u>
<u>Diluted earnings per share</u>		
Profit attributable to ordinary shareholders	<u>\$ 745,493</u>	<u>\$ 520,859</u>
The weighted average number of ordinary shares outstanding (thousand shares)	544,815	556,790
Effect of dilutive potential ordinary shares:		
Employee stock bonus	<u>925</u>	<u>843</u>
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) at 31 December)	<u>545,740</u>	<u>557,633</u>
Earnings per share (NT\$)	<u>\$ 1.37</u>	<u>\$ 0.93</u>

21. Revenue from contracts with customers

a. Details of revenue

	For the years ended December 31	
	2021	2020
Main services:		
Loading and storage revenue	<u>\$ 1,369,908</u>	<u>1,338,004</u>

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable	\$ 16,065	\$ 11,148	\$ 13,712
Less: Allowance for doubtful accounts	-	-	-
Total	<u>\$ 16,065</u>	<u>\$ 11,148</u>	<u>\$ 13,712</u>

Please refer to Note 9 for the details of accounts receivable and its impairment.

22. 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.

The Company's employee compensation for the years ended December 31, 2021 and 2020 are respectively \$25,402 and \$11,637. 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 2020 and 2019. For further information, please refer to the Market Observation Post System.

23. Non-operating income and expenses

a. Interest income

The details of interest income of the Company were as follows:

	For the Years Ended December 31	
	2021	2020
Interest income from bank deposits	\$ 999	\$ 1,472
Interest income from financial assets measured at amortized cost	183	276
Other interest income	17,882	26,942
	<u>\$ 19,064</u>	<u>\$ 28,690</u>

b. Other income

The details of other revenue of the Company were as follows:

	For the Years Ended December 31	
	2021	2020
Dividend income	\$ 21,879	\$ 1,874
Rental income	3,135	1,323
Other income	13,390	7,530
	<u>\$ 38,404</u>	<u>\$ 10,727</u>

c. Other gains and losses

The details of other gains and losses were as follows:

	For the Years Ended December 31	
	2021	2020
Gain on disposal of property, plant, and equipment	\$ 193	\$ 53
Loss on disposal of investments assets	(4,327)	(3,806)
Net gains on evaluation of financial assets at fair value through profit or loss	10,516	49,151
Foreign exchange gain (loss)	750	(3,406)
Lease modification benefits	5	-
Other losses	(76)	(77)
	<u>\$ 7,061</u>	<u>\$ 41,915</u>

d. Finance costs

The Company's finance costs were as follows:

	For the Years Ended December 31	
	2021	2020
Interest expenses – lease liabilities	\$ 111,671	\$ 116,666
Interest expenses – bank loans	2,378	1,389
Finance expense	<u>288</u>	<u>116</u>
	<u>\$ 114,337</u>	<u>\$ 118,171</u>

24. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2021 and 2020, 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 \$1,612,251 and \$1,120,682.

(b) Concentration of credit risk

For the years ended December 31, 2021 and 2020, the Company's revenue come from sales to a single customer were 10.57% and 11.47%, 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.

The loss allowance provision for the years ended December 31, 2021 and 2020 were determined as follows:

	For the Years Ended December 31	
	2021	2020
<u>Other receivables</u>		
Balance on January 1	\$ -	\$ 27,285
Amounts written off	<u>-</u>	<u>(27,285)</u>
Balance on December 31	<u>\$ -</u>	<u>\$ -</u>

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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
December 31, 2021						
Non derivative financial liabilities						
Payables (including related parities)	\$ 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
Long-term loans	96,241	101,181	21,662	42,185	37,334	-
Guarantee deposits received	<u>360</u>	<u>360</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,164,135</u>	<u>\$ 5,173,051</u>	<u>\$ 738,899</u>	<u>\$ 596,717</u>	<u>\$ 579,701</u>	<u>\$ 3,257,734</u>
December 31, 2020						
Non-derivative financial liabilities						
Payables (including related parities)	\$ 369,172	\$ 369,172	\$ 369,172	\$ -	\$ -	\$ -
Lease liabilities (current and non-current)	3,799,699	4,915,283	281,303	559,359	545,606	3,529,015
Guarantee deposits received	<u>360</u>	<u>360</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 4,169,231</u>	<u>\$ 5,284,815</u>	<u>\$ 650,835</u>	<u>\$ 559,359</u>	<u>\$ 545,606</u>	<u>\$ 3,529,015</u>

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:

	<u>December 31, 2021</u>			<u>December 31, 2020</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>
<u>Financial assets</u>						
<u>Moneytary items</u>						
USD:TWD	\$ 23	27.68	\$ 642	\$ 60	28.48	\$ 1,709
EUR:TWD	234	31.32	7,333	2,885	35.02	101,033
<u>Non-moneytary items</u>						
USD:TWD	72,523	27.68	2,007,438	69,737	28.48	1,986,095
HKD:TWD	15,832	3.55	56,187	16,795	3.67	61,686
<u>Financial liabilities</u>						
<u>Moneytary items</u>						
USD:TWD	\$ 6,395	27.68	\$ 177,015	\$ 7,071	28.48	\$ 201,392

(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 profit before tax would have respectively increased or decreased by \$1,690 and \$987 for the years ended December 31, 2021 and 2020, 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, 2021 and 2020, foreign currency exchange gains (losses) (including realized and unrealized) amounted \$750 and (\$3,406), 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 profit after tax would have respectively increased or decreased by \$615 and \$0 for the the years ended December 31, 2021 and 2020.

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, 2021		For the years ended December 31, 2020	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	<u>\$ 225</u>	<u>\$ 20,578</u>	<u>\$ 225</u>	<u>\$ 6,934</u>
Decreasing 3%	<u>(\$ 225)</u>	<u>(\$ 20,578)</u>	<u>(\$ 225)</u>	<u>(\$ 6,934)</u>

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, 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	\$ 685,939	\$ 685,939	\$ -	\$ -	\$ 685,939
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortised cost					
Cash and cash equivalents	633,416				
Accounts receivable	16,065				
Other receivables (including related parties)	424,909				
Other current financial assets	1,288				
Refundable deposits	117,486				
Financial liabilities measured at amortised cost					
Notes payable	38				
Other payables (including related parties)	436,374				
Long-term borrowings (including current portion of long-term borrowings)	96,241				
Lease liabilities (current and non-current)	3,631,122				
Guarantee deposits received	360				

December 31, 2020	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	\$ 231,123	\$ 231,123	\$ -	\$ -	\$ 231,123
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortised cost					
Cash and cash equivalents	889,244				
Accounts receivable	11,148				
Other receivables (including related parties)	630,548				
Other current financial assets	14,592				
Refundable deposits	117,450				
Financial liabilities measured at amortised cost					
Other payables (including related parties)	369,172				
Lease liabilities (current and non-current)	3,799,699				
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 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 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, 2021 and 2020.

(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, 2021 and 2020.

(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"> • Price to book ratio multiple (1.97 and 1.58 as of December 31, 2021 and 2020, respectively) • Discount for lack of marketability (20%) 	<ul style="list-style-type: none"> • The higher the multiple, the higher the fair value • The higher the discount, the lower the fair value
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"> • Net Asset Value 	<ul style="list-style-type: none"> • Not applicable

(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>
<u>December 31, 2021</u>				
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)
<u>December 31, 2020</u>				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 133	(\$ 133)
Equity investments without an active market	Discount for lack of marketability	1%	133	(133)

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.

25. 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. At December 31, 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, 2021 and 2020, the Company had unused bank credit lines for short term borrowings amounting to \$1,836,016 and \$958,491, 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.

26. 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, 2021, the Company's capital management strategy is consistent with the prior year as at December 31, 2020, ensure financing at a reasonable cost. The Company's debt to equity ratios at the balance sheet dates were as follows:

	December 31, 2021	December 31, 2020
Total liabilities	\$ 4,688,041	\$ 4,685,141
Less: cash and cash equivalents	(633,416)	(889,244)
Net debt	4,054,625	3,795,897
Total Equity	<u>6,243,683</u>	<u>6,276,616</u>
Total capital	<u>\$ 10,298,308</u>	<u>\$ 10,072,513</u>
Net Debt-to-equity ratio	<u>39.37%</u>	<u>37.69%</u>

27. 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, 2021 and 2020, were as follows:

	For the years ended December 31	
	2021	2020
Acquisition of property, plant and equipment	\$ 114,012	\$ 130,567
Add: Other payable January 1	15,572	12,337
Less: Other payables December 31	(19,871)	(15,572)
Cash paid in this period	<u>\$ 109,713</u>	<u>\$ 127,332</u>
Acquisition of intangible assets	\$ 1,143	\$ 698
Less: Other payables December 31	(148)	-
Cash paid in this period	<u>\$ 995</u>	<u>\$ 698</u>

The Company's financing activities which did not affect the current cash flow for the years

ended December 31, 2021, were as follows:

	January 1, 2021	Cash flows	<u>Non cash changes</u> <u>Amortization of</u> <u>financing use</u> <u>commitment fees</u>	December 31, 2021
Long-term borrowings	<u>\$ -</u>	<u>\$ 96,667</u>	<u>(\$ 426)</u>	<u>\$ 96,241</u>

28. 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 7)
GRAND SCENE TRADING (HONG KONG) LIMITED (GRAND SCENE TRADING (HONG KONG))	The Company's subsidiary
Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai)) Ltd. (Eastern Biotechnology (Shanghai))	The Company's subsidiary (Note 1)
Eastern Enterprise Shanghai Logistics Ltd.	The Company's subsidiary (Note 2)
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
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 9)
Show Off Co., Ltd. (Show Off)	The Company's subsidiary (Note 3)
ET Pet Co., Ltd (ET Pet)	The Company's subsidiary
Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	The Company's subsidiary
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

Name of related party	Relationship with the Company
Oscar Pet Co., Ltd. (Oscar)	The Company's subsidiary (Note 8)
Pet Kingdom Co., Ltd.(Pet Kingdom)	The Company's subsidiary (Note 8)
Kaou Sin Trading Co., Ltd.(Kaou Sin)	The Company's subsidiary (Note 8)
Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	The Company's subsidiary (Note 4)
Eastern Asset Co., Ltd. (Eastern Asset)	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
EHK E&S Co., Ltd.	An associate (Note 6)
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
Eastern Realty Co., Ltd.	Other related parties
Dongsen Health Biomedical Co., Ltd. (Dongsen Health Biomedical)	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
Hong Yang Foundation (Hong Yang)	Other related parties
Chunghua New media Industry Development Association (Chunghua New Media)	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
All Directors, Supervisors, general manager and vice personnel general of the Company	Key management personnel

Note 1: GRAND SCENE TRADING (Hong Kong) disposed all of its shares of Eastern Biotechnology (Shanghai), with the completion of their share transfer registration procedures on January 20, 2020.

Note 2: Eastern Enterprise Shanghai Logistics Ltd. has finished liquidation on July 20, 2020.

Note 3: Show off was dissolved on July 30, 2020. The processure of liquidation was finished on July 9, 2021.

Note 4: Dung sen min diau yun was established on September 24, 2020.

Note 5: Eastern Asset was established on February 24, 2020.

Note 6: EHK E&S Co., Ltd. has finished liquidation on June 18, 2020.

Note 7: Shanghai Rich was liquidated on March 24, 2021.

Note 8: 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 9: Since May 28, 2021, due to the loss of control over MWT, it was not a related party.

b. Significant transactions with related parties

(a) Receivables

<u>Accounts</u>	<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other receivables	Subsidiaries	\$ 5,199	\$ 4,271
Other receivables	Associates	4,146	4,390
Other receivables	Other related parties	545	1,586
Other receivables	Key management personnel	-	26
		<u>\$ 9,890</u>	<u>\$ 10,273</u>

(b) Payables

<u>Accounts</u>	<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Other payables	Subsidiaries	\$ -	\$ 159
Other payables	Associates	157	253
Other payables	Key management personnel	35	14
Other payables	Other related parties	26	-
		<u>\$ 218</u>	<u>\$ 426</u>

(c) Loans to related parties

<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
ET New Media	\$ 400,000	\$ 200,000
MWT	-	16,500
EHR	-	340,000
ET Pet	-	60,000
	<u>\$ 400,000</u>	<u>\$ 616,500</u>

Interest revenue:

<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
ET New Media	\$ 10,356	\$ 7,221
MWT	27	781
EHR	5,556	16,481
ET Pet	1,918	2,425
	<u>\$ 17,857</u>	<u>\$ 26,908</u>

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, 2021 and 2020 were \$986 and \$766, respectively

(d) Borrowings from related parties

<u>Related parties</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
FESS Panama	\$ 29,745	\$ 45,648
GRAND SCENE TRADING (Hong Kong)	53,146	54,778
Easten Media Communication (Hong Kong)	41,243	42,510
Grand Richness (Hong Kong)	<u>52,881</u>	<u>58,772</u>
	<u>\$ 177,015</u>	<u>\$ 201,708</u>

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. As of December 31, 2021 and 2020, the Company's interest payables were amounted to \$0 and \$38, respectively. For the years ended December 31, 2021 and 2020 the interest expenses paid to the related party for the years ended December 31, 2021 and 2020 were \$1,843 and \$38, respectively

(e) Rendering services

For the years ended December 31, 2021 and 2020, consulting services provided to the subsidiaries were \$135 and \$380, respectively.

(f) Endorsement / Guarantee provided

(f-1) For the years ended December 31, 2021 and 2020, the Company had provided a guarantee for loans taken out by related parties. The credit limits of the guarantee were \$9,072,455, and \$5,686,000, respectively, and the remuneration charged from related parties for using guarantees on the loans taken out (recognized as other income) was \$865 and \$419, respectively.

(f-2) For the years ended December 31, 2021 and 2020, the related parties provided a guarantee for loans taken out by the Company. The credit limits of the guarantee were \$689,029, and \$705,454, respectively, and the remuneration paid to related parties for providing guarantees on the loans taken out by the Company (recognized as finance expense) was \$43 and \$94, 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, 2021 and 2020 were amounted to \$1,021 and \$1,178, 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, 2021 and 2020 were amounted to \$586 and \$548, 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, 2021 and 2020, the Company paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$4,685 and \$7,126, respectively.

(h-2) For the years ended December 31, 2021 and 2020, the Company charged management fees and miscellaneous income from related parties amounted to \$974 and \$1,034, respectively.

- (h-3) For the years ended December 31, 2021 and 2020, related parties paid the remuneration of directors to the Company was \$7,899 and \$3,313, respectively.
- (h-4) In order to follow its operating plan, the Company donated \$3,000 and \$3,500 to related parties in related industries for the years ended December 31, 2021 and 2020, respectively.
- (h-5) On January 2, 2020, the Company's Board of Directors resolved to invest \$100,000 in Eastern Asset with a 100% shareholding. It participated in the cash capital increase on March 10 and June 23 of the same year. The former did not increase the capital in proportion to the shareholding ratio, with an investment amount of \$230,000, thereby reducing its shareholding to 55%. The latter transaction increased its capital by \$165,000, and all registration procedures had been completed on July 27, 2020.
- (h-6) In December, 2020, a resolution was passed for the Bermuda's capital reduction with the amount of \$11,230, and had been distributed to the Company on December 17, 2020.
- (h-7) 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-8) The Company's invested \$120,800 in EHR in proportion to the shareholding ratio.
- (h-9) As of December 31, 2021 and 2020, the Company pledged stocks of subsidiaries and associates as collateral.

c. Key management personnel compensation

	For the years Ended December 31	
	2021	2020
Short-term employee benefits	\$ 47,666	\$ 48,992

29. Pledged assets

Pledged assets of the Company were as follows:

<u>Assets</u>	<u>Purpose of pledge</u>	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Property, plant and equipment	Short-term and long-term loans	\$ 335,125	\$ 164,530
Refundable deposits	Bid bonds, performance bonds and security deposits	112,855	112,822
Other current financial assets-current demand deposits	Reserve and its interest	90	89
Other current financial assets-time deposits	Letter of credit	1,198	14,503
Investments accounted for using equity method for subsidiary's stocks	Bank loan (guarantee for subsidiaries)	166,450	28,133
		\$ 615,718	\$ 320,077

30. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Unused standby letters of credit	\$ 5,990	\$ 101,208

(b) Unrecognized contractual commitments:

The Company's unrecognized contractual commitments are as follows:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Total contract price	<u>\$ 141,461</u>	<u>\$ 246,193</u>
Payout amount	<u>\$ 132,350</u>	<u>\$ 128,838</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, 2021 and 2020, all unsettled lawsuits had no impact on its financial and business operation.

31. Losses Due to Major Disasters: None.

32. Subsequent Events:

On March 23, 2022, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 19 for the details.

33. Other

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By nature	By function					
	For the years ended December 31					
	2021			2020		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 161,106	\$ 172,519	\$ 333,625	\$ 145,180	\$ 167,672	\$ 312,852
Health and labor insurance	12,598	11,023	23,621	11,607	10,297	21,904
Pension	5,714	6,213	11,927	5,697	6,271	11,968
Remuneration of directors	-	7,923	7,923	-	8,428	8,428
Others	6,538	2,277	8,815	14,467	8,455	22,922
Depreciation expense	245,399	13,507	258,906	229,782	12,952	242,734
Amortization expense	-	609	609	-	419	419

Note: Some of the remuneration received by human support is not excluded from the above employee welfare expenses.

For the years ended December 31, 2021 and 2020, the information on the number of employees and employee benefit expense of the Company is as follows:

	For the years ended December 31	
	2021	2020
Number of employees	<u>262</u>	<u>267</u>
Number of directors (non-employee)	<u>5</u>	<u>5</u>
Average employee benefit expense	<u>\$ 1,471</u>	<u>\$ 1,411</u>
Average employee salary expense	<u>\$ 1,298</u>	<u>\$ 1,194</u>
Percentage of average employee salary expense	<u>9%</u>	<u>16%</u>
Remuneration for supervisors	<u>\$ -</u>	<u>\$ -</u>

Compensation policies are as follows:

- a. 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.

34. 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, 2021.

- (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, 2021 (excluding investment in subsidiaries, associates and joint ventures).
 - (d) Please refer to Table 4 for the individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital.
 - (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 5 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 6 for the information on investees for the years ended December 31, 2021.
 - 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, 2021.

35. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2021.

Eastern Media International Corporation

Statement of cash and cash equivalents

December 31, 2021

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Cash	Cash on hand	\$ 1,491	
Bank	Demand deposits	165,127	
	Checking accounts deposits	608	
	Foreign currency deposits	<u>6,072</u>	
		<u>171,807</u>	
Cash equivalents		<u>460,118</u>	
		<u>\$ 633,416</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)

Name of security	Category of security	Shares/ Units	Par value (NT\$)		Rate	Acquisition cost	Fair value		Movement of fair value attribute credit risk	Note
			Amount	Amount			Price (NT\$)	Amount		
China Development Financial Holdings	Domestic stock	1	\$ 10	-	-%	-	17.5	-	-	Own
Phoenix New Media Co., Ltd	Foreign stock	2,000	HKD\$0.1	HKD\$0.2	-%	19	HKD\$0.44	3	-	Own
Taiwan Cement Co., Ltd.	Domestic stock	6,200,000	10	6,200	-%	320,550	48	297,600	-	Own
Formosa Plastics corporation	Domestic stock	3,734,000	10	37,340	-%	396,615	104	<u>388,336</u>	-	Own
							<u>\$ 685,939</u>			

Eastern Media International Corporation
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Addition		Decrease		Capital surplus	Retained earnings	Remeasurement 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							Shares	Percentage of ownership	Amount		
FESS-Bermuda	600,000	\$ 1,639	-	-	-	-	-	-	-	(742)	(30)	-	600,000	100.00	867	867	None
FESS-Panama	71,700	1,984,456	-	-	-	-	-	-	-	64,016	(41,901)	-	71,700	100.00	2,006,571	2,006,571	"
Grand Richness (Hong Kong)	16,214,616	61,686	-	-	-	-	-	-	-	(3,469)	(2,030)	-	16,214,616	100.00	56,187	56,187	"
EIC	67,641,445	967,085	-	-	-	(238,587)	-	(52)	(70)	307,078	(4,956)	11	67,641,445	97.90	1,030,509	1,030,509	"
EILF	40,690,330	333,414	-	-	-	-	-	-	-	(7,022)	-	-	40,690,330	53.77	326,392	326,392	"
TKLF	40,847,294	361,729	-	-	-	-	-	-	-	(2,906)	-	-	40,847,294	53.76	358,823	358,823	"
MWT	510,000	40,801	-	-	(510,000)	(42,624)	-	-	-	1,816	-	7	-	-	-	-	-
EHS	6,637,500	123,672	-	-	-	(112,838)	-	-	(23)	117,781	(1,703)	4	6,637,500	6.51	126,893	126,893	Long term loans
ET New Media	53,522,508	(478,618)	-	-	-	-	(4,526)	(26)	(110)	(12,707)	-	-	53,522,508	89.20	(495,987)	(495,987)	None
EHR	20,893,086	28,133	12,080,000	120,800	-	-	-	-	-	(103,880)	-	-	32,973,086	60.40	45,053	45,053	Long term loans
Eastern Asset	49,500,000	494,764	-	-	-	-	-	-	-	(751)	-	-	49,500,000	55.00	494,013	494,013	None
		3,918,761		<u>120,800</u>		<u>(394,049)</u>	<u>(4,526)</u>	<u>(78)</u>	<u>(203)</u>	<u>359,214</u>	<u>(50,620)</u>	<u>22</u>			3,949,321		
Add: Classified as other liabilities		478,618													495,987		
		<u>\$ 4,397,379</u>													<u>4,445,308</u>		

Note 1: The increase in investments resulted from acquire a subsidiary amounted to \$120,800. The decrease in investments resulted from receiving dividends of investees amounting to \$354,428, and disposal of investees with the amount of \$39,621.

Eastern Media International Corporation
Statement of changes in Property, plant and equipment
For the year ended December 31, 2021
(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 lease liabilities

December 31, 2021

<u>Item (subject)</u>	<u>Lease term</u>	<u>Discount rate</u>	<u>Ending Balance Amount</u>
Land and equipment	108.01~127.12	3%	\$ 3,610,103
Buildings	106.05~113.06	3%	19,864
Transportation equipment	110.05~113.05	3%	<u>1,155</u>
			<u><u>\$ 3,631,122</u></u>

Statement of other non-current liabilities, others

<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><u>\$ 495,987</u></u>	

Eastern Media International Corporation

Statement of operating revenue

For the year ended December 31, 2021

(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		\$ 1,023,521	
Storage revenue		340,307	
Other revenue		<u>6,080</u>	
Subtotal		1,369,908	
Less: Sales return		<u>-</u>	
		<u>\$ 1,369,908</u>	

Statement of operating costs

<u>Item</u>	<u>Amount</u>	<u>Note</u>
Storage costs		
Port charges	\$ 31,681	
Commercial cost	577,094	
Maintenance cost	<u>32,926</u>	
Operating cost	<u>\$ 641,701</u>	

Eastern Media International Corporation

Statement of operating expenses

For the year ended December 31, 2021
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary and wages expenses		\$ 160,186	
Insurance expense		11,564	
Entertainment expense		26,297	
Depreciation expense		13,507	
Professional service fees		11,685	
Other expenses		<u>114,009</u>	Less than 5% of the total account balance
		<u>\$ 337,248</u>	

Statement of the net amount of other non operating income and expenses

Please refer to Note 23 for the details.

Statement of finance costs

Please refer to Note 23 for the details.

EASTERN MEDIA INTERNATIONAL CORPORATION

Loans to other parties

For the years ended December 31, 2021

(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	\$ 700,000	\$ 600,000	\$ 400,000	3	2	-	Operation requirements	-		\$ -	\$2,497,473 (Note 2)	\$3,746,209 (Note 2)
0	"	EHR	"	Yes	400,000	-	-	3	2	-	"	-		-	2,497,473 (Note 2)	3,746,209 (Note 2)
0	"	MWT	Other receivables	No	50,000	-	-	4	2	-	"	-		-	312,184 (Note 10)	3,746,209 (Note 10)
0	"	ET Pet	Other receivables - related parties	Yes	200,000	100,000	-	3	2	-	"	-		-	2,497,473 (Note 2)	3,746,209 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	300,000	230,000	3	2	-	"	-		-	421,046 (Note 3)	631,569 (Note 3)
1	"	EHR	"	Yes	50,000	50,000	-	3	2	-	"	-		-	421,046 (Note 3)	631,569 (Note 3)
2	TKLF	ET New Media	"	Yes	150,000	150,000	150,000	3	2	-	"	-		-	266,961 (Note 4)	400,441 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	30,000	30,000	8	2	-	"	-	Tucheng land mortgage	52,323	33,370 (Note 4)	400,441 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3	2	-	"	-		-	242,807 (Note 5)	364,210 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	57,021	57,021	52,881	1	2	-	"	-		-	56,188 (Note 6)	112,376 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	53,146	53,146	53,146	1	2	-	"	-		-	75,966 (Note 7)	151,932 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	41,243	41,243	41,243	1	2	-	"	-		-	45,836 (Note 8)	91,672 (Note 8)
7	FESS- Panama	The Company	"	Yes	44,288	44,288	29,745	1	2	-	"	-		-	2,006,571 (Note 9)	4,013,142 (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

Guarantees and endorsements for other parties

For the years ended December 31, 2021

(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	\$ 24,974,728 (Note 2)	\$ 306,792	\$ 156,792	\$ 119,431	\$ -	2.51%	\$ 24,974,728 (Note 2)	Y	N	N
0	The Company	EHR	2	24,974,728 (Note 2)	800,000	800,000	760,000	45,053	12.81%	24,974,728 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	24,974,728 (Note 2)	5,875,000	5,875,000	-	-	94.10%	24,974,728 (Note 2)	Y	N	N
0	The Company	Kaou Sin	2	24,974,728 (Note 2)	5,000	5,000	3,750	-	0.08%	24,974,728 (Note 2)	Y	N	N
0	The Company	Pet Kingdom	2	24,974,728 (Note 2)	15,000	15,000	8,625	-	0.24%	24,974,728 (Note 2)	Y	N	N
0	The Company	Oscar	2	24,974,728 (Note 2)	250,000	250,000	157,000	-	4.00%	24,974,728 (Note 2)	Y	N	N
0	The Company	ET Pet	2	24,974,728 (Note 2)	1,870,663	1,870,663	563,445	121,397	29.96%	24,974,728 (Note 2)	Y	N	N
0	The Company	TKLF	2	24,974,728 (Note 2)	50,000	50,000	-	-	0.80%	24,974,728 (Note 2)	Y	N	N
0	The Company	EILF	2	24,974,728 (Note 2)	50,000	50,000	-	-	0.80%	24,974,728 (Note 2)	Y	N	N
0	The Company	MWT	1	- (Note 6)	30,000	-	-	-	- %	24,974,728 (Note 2)	N	N	N
1	ET New Media	ET Pet	2	5,762,276 (Note 3)	400,000	-	-	-	- %	5,762,276 (Note 3)	N	N	N
2	ET Pet	ET New Media	3	3,563,884 (Note 4)	400,000	-	-	-	- %	3,563,884 (Note 4)	N	N	N
3	EIC	ET Pet	4	624,368 (Note 5)	220,000	220,000	62,318	34,412	20.90%	624,368 (Note 5)	N	N	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 ET New Media, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets 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 300% of its total assets in the most recent financial statements.

Note 4: For ET Pet, the aggregate amount allows an endorsement or guarantee that does not exceed 300% of its total assets 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 300% of its total assets in the most recent financial statements.

Note 5: 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 6: Since MWT was not the subsidiary of the Group on May 28, 2021, the amount of guarantees and endorsements was cancelled.

EASTERN MEDIA INTERNATIONAL CORPORATION

Securities held

December 31, 2021

(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	China Development Financial Holdings	-	Financial assets at fair value through profit or loss	1	\$ -	- %	\$ -	
"	Phoenix New Media Co., Ltd	-	"	2,000	3	- %	3	
"	Taiwan Cement Co., Ltd.	-	"	6,200,000	297,600	0.10 %	297,600	
"	Formosa Plastics corporation	-	"	3,734,000	388,336	0.06 %	388,336	
"	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	72,800	0.01 %	72,800	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	73,800	- %	73,800	
"	China Steel Corporation	-	"	150,000	5,303	- %	5,303	
TKLF	Taiwan Cement Co., Ltd.	-	"	1,150,009	55,200	0.02 %	55,200	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	40,000	24,600	- %	24,600	
"	Formosa Plastics corporation	-	"	200,000	20,800	- %	20,800	
"	China Steel Corporation	-	"	650,000	22,978	- %	22,978	
Oscar	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	

EASTERN MEDIA INTERNATIONAL CORPORATION

Individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital

For the years ended December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 4

Name of the company	Category and name of security	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending balance	
					Shares/Units	Amount (Note 1)	Shares/Units	Amount	Shares/Units	Price	Cost (Note 1)	Gain (loss) on disposal	Shares/Units	Amount (Note 1)
The Company	Taiwan Cement Co., Ltd.	Financial assets at fair value through profit or loss	-	-	5,350,000	\$ 231,120	6,550,000	\$ 335,564	5,700,000	\$ 259,457	\$ 259,457	\$ -	6,200,000	\$ 297,600
"	Formosa Plastics corporation	"	-	-	-	-	6,554,000	679,258	2,820,000	295,829	295,829	-	3,734,000	388,336

Note 1: Including exchange differences on financial assets designated at fair value, investments accounted for using equity method, and translation.

EASTERN MEDIA INTERNATIONAL CORPORATION

Receivables from related parties of at least \$100 million or 20% of the paid-in capital

December 31, 2021

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 5

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	\$ 404,814	Not applicable	\$ -	-	\$ 4,814	\$ -
EIC	ET New Media	Subsidiary	230,567	Not applicable	-	-	567	-
EILF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-
TKLF	ET New Media	Subsidiary	150,370	Not applicable	-	-	370	-

EASTERN MEDIA INTERNATIONAL CORPORATION
Information on investees
For the years ended December 31, 2021
(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			Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 867	(\$ 742)	(\$ 742)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	2,006,571	64,016	64,016	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	56,187	(3,469)	(3,469)	Subsidiary
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	1,030,509	313,665	307,078	Subsidiary
The Company	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,195	391,195	40,690,330	53.77%	326,392	(13,060)	(7,022)	Subsidiary
The Company	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,613	391,613	40,847,294	53.76%	358,823	(5,405)	(2,906)	Subsidiary
The Company	MWT	Taiwan	Application Service	-	35,400	-	-%	-	3,562	1,816	Note 2
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	126,893	1,808,488	117,781	Associates
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(495,987)	(14,245)	(12,707)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	208,931	32,973,086	60.40%	45,053	(171,987)	(103,880)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	495,000	495,000	49,500,000	55.00%	494,013	(1,366)	(751)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(5,815)	(14,245)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	377,129	1,808,488	"	Associates
EIC	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	77,115	77,115	7,597,500	10.00%	66,740	(5,405)	"	Subsidiary
EIC	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	74,464	74,464	7,567,500	10.00%	60,702	(13,060)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	(171,987)	"	Subsidiary
TKLF	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	269,766	269,766	27,243,000	36.00%	218,526	(13,060)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	(171,987)	"	Subsidiary
EILF	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	278,342	278,342	27,351,000	36.00%	240,265	(5,405)	"	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	45,660	7,206,038	13.20%	9,846	(171,987)	"	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, 2021	December 31, 2020	Shares/Units	Percentage of ownership	Carrying value			
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	\$ 137,363	\$ 137,363	450,000	100.00%	\$ 78,306	\$ 1,445	Exempt from disclosure	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	45,836	(70)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Investing activities	2,060,871	2,060,871	600,630,280	30.00%	1,905,459	127,059	"	Associates
GSMC-cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Investing activities	125,153	125,153	3,198,000	100.00%	75,966	1,811	"	Subsidiary
ET New Media	Show off	Taiwan	Video advertising service	-	100,000	-	-%	-	-	"	Note 1
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	100	100	10,000	100.00%	301	(141)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	(45)	(2)	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	3,364	(944)	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	1,000	1,000	100,000	100.00%	912	(74)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	92.50%	34,420	(51,968)	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	334,788	301,202	5,391,500	88.51%	360,043	4,884	"	Subsidiary
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	45,997	36,836	4,300,000	100.00%	60,929	8,660	"	Subsidiary
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	9,916	7,941	100,000	100.00%	11,109	3,421	"	Subsidiary

Note 1: Show off was dissolved on July 30, 2020. The processure of liquidation was finished on July 9, 2021.

Note 2: The Company resolved on May 6, 2021 to dispose of the entire equity interests in the subsidiary, MWT. The share transfer registration procedures were finished on May 28, 2021.

EASTERN MEDIA INTERNATIONAL CORPORATION
Information on investment in Mainland China
For the years ended December 31, 2021
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 7

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, 2021	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2021	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	\$ 905,136	-	-	\$ 905,136	\$ -	-%	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	354,373	-	-	354,373	-	-%	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	165,996	-	-	165,996	-	-%	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, food goods, medicines, cosmetics and cleaning products, etc.	1,089,345	Note 5	1,054,608	-	-	1,054,608	(728)	100.00%	(728)	3,987	-
Nanjing Yun Fu	Wholesale trading	45,129	Note 6	83,040	-	-	83,040	(57)	100.00%	(57)	4,128	-
Jiangsu Sen Fu Da	Research and development of film and television technology; research and development and sales of toys, clothing; planning and implementation of cultural and artistic exchange activities	43,439	Note 7	-	-	-	-	-	34.00%	-	-	-
Shanghai Rich	Producing TV programs, wholesale	-	Note 8	-	-	-	-	(22)	-%	(22)	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	434,041	Note 5	-	-	-	-	11,394	30.00%	3,418	146,880	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	93,484	Note 5	-	-	-	-	(1,368)	30.00%	(410)	30,742	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,053,273	Note 5	-	-	-	-	7,673	30.00%	2,302	309,405	-

(to be continued)

(continued)

Note 1: The investment gain (loss) was recognized based on the investees' audited financial statements.

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 Group indirectly invested through RICHNESS TRADING (SHANGHAI) on March 16, 2015. Shanghai Rich was liquidated on March 24, 2021.

Note 9: 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, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,563,153	\$ 4,275,669	\$ 3,996,063

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, 2021, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION

Major shareholders

December 31, 2021

(Expressed in Units)

Table 8

Shareholders name	Shareholding	Shares	Percentage
Jinxin Trading Co., Ltd.		50,970,680	9.63%

Eastern Media International Corporation

Chairman Shang-Wen Liao