



OTC stock code: 6199

**TienPin United Enterprise Co., Ltd**  
(formerly known as: TienPin Investment Holdings Co., Ltd.)

**Annual Report 2022**

Check the annual report URL: [http:// mops. twse. com. tw](http://mops.twse.com.tw)

The company's website: [http://www. datafab. com](http://www.datafab.com)

Compiled by Tianpin United Enterprise Co., Ltd  
Printed on May 20, 112, Republic of China

1. Name, title, contact number and e-mail address of the company's spokesperson and acting spokesperson:

(1) Name of the spokesperson: Pan Cini

Job title: section leader

Phone: (03) 275-6356

Email email: Linda-p@datafab.com

(2) Name of the acting spokesperson: Wen Fengyu

Job title: Audit supervisor

Phone: (03) 275-6356

Email email: doris-wen@datafab.com

2. Address and telephone number of head office, branch office and factory

Head office: 8th floor, No. 141, Zhongshan Road, Zhongli District, Taoyuan City

Phone: (03) 275-6356

Tianpin Villa: No. 13-21, Tian Fu Road, Sanxia District, New Taipei City

Phone: (02) 2672-8822

Taipei Daan Reception: No. 18-8, Section 2, Heping East Road, Daan District, Taipei City

Phone: (02) 7751-9166

Eternal Life Banqiao Sales Office: 1st floor, No. 57, Section 1, Changjiang Road, Banqiao District, New Taipei City

Phone: (02) 7751-9198

3. The name, address, website and telephone number of the stock transfer agency

Name: Yuanta Securities Co., Ltd

Address: Basement 1, No. 210, Section 3, Chengde Road, Taipei City

Website: <http://www.yuanta.com.tw>

Phone: (02) 2586-5859

4. Name of the certified public accountant for the latest annual financial report, name of the firm, address, website and telephone number:

Accountant name: Lin Jinfeng, Lin Chunzhi accountant

Name of the firm: Guofu Haohua United Accounting Firm

Address: 2nd floor, 15th floor, No. 369, Fuxing North Road, Songshan District, Taipei City

Address: <http://www.crowe.tw>

Tel: (02) 77077200

5. The name of the trading venue for listing and trading of overseas negotiable securities and the method of inquiring about the information of the overseas negotiable securities: N/A

6. The company's website: <http://www.datafab.com>

Tianpin United Enterprise Co., Ltd  
111 Annual Report Directory

	<u>Page</u>
<b>1. Report to shareholders.....</b>	<b>1</b>
<b>2. Company profile</b>	
2.1. Date of establishment .....	3
2.2. Company history .....	3
<b>3. Corporate governance report</b>	
3.1 ∙ Organization system.....	7
3.2. Information of directors, supervisors, general managers, deputy general managers, assistants, heads of departments and branches8.....	
3.3. Corporate governance operation.....	22
3.4. Public expense information of accountants.....	40
3.5. Change of accountant information .....	40
3.6 ∙ The chairman of the board, general manager and manager in charge of financial or accounting affairs of the company, who have worked in the firm to which the certified accountant belongs or its affiliates within the past one year, shall disclose their name, title and period of employment in the firm to which the certified accountant belongs or its.. affiliates41	
3.7. Transfer of equity and equity pledge changes of directors, supervisors, managers and shareholders with a shareholding ratio of more than 10% in the latest year and as of the date of publication of the annual report	42
3.8 ∙ Information on the shareholders with the top 10 shareholding ratios being related persons or relatives within spouses and second parents.....	43
3.9 ∙ The number of shares held by the company, its directors, supervisors, managers and undertakings directly or indirectly controlled by the company in the same investment undertaking, and the comprehensive shareholding ratio..... is calculated together44	

## 4. Fundraising

4.1. Capital and shares	45
4.2. Handling of corporate bonds	52
4.3 Handling of Special Unit:	52
4.4、Participation in the issuance of overseas depository receipts	52
4.5. Handling of employee stock option..... vouchers	52
4.6 Handling of new shares with restricted employee ..... rights	52
..... .....	43
4.7、Handling of mergers and acquisitions or issuance of new shares by shares of other companies	52
4.8. Implementation of the fund utilization..... plan	52

## 5. Operation overview

5.1、Business Content	53
5.2. Market and production and sales..... overview	61
5.3. Information of employees in the last two years and as of the date of publication of the annual report	66
5.4. Environmental protection expenditure information.....	67
5.5. Industrial .....	relations67
5.6、Information and communication security..... management	68
5.7 Important Covenants.....	69

## 6. Financial overview

- 6.1. Condensed balance sheet and comprehensive income statement for the last five..... years70
- 6.2 Financial analysis of the last five years..... 75
- 6.3 \ Audit report 79.....
- 6.4 \ Latest annual financial..... report80
- 6.5 \ The company's individual financial report 80 after the audit of the visa by the accountant in the latest year.....
- 6.6 \ If the company and its affiliates have financial turnover difficulties in the latest year and as of the date of publication of the annual report, the impact on the company's financial..... position80 shall be stated

## 7. Review and analysis of financial status and financial performance and risk matters

- 7.1. Financial ..... Status81
- 7.2. Financial Performance ..... 82
- 7.3. Cash flow..... 83
- 7.4. The impact of significant capital expenditures on financial operations in the most recent..... year83
- 7.5 \ The most recent year's reinvestment policy, the main reasons for its profits or losses, the improvement plan and the investment plan for the next..... year83
- 7.6. Risk matters..... 83
- 7.7 \ Other important matters..... 85

## 8. Special Notes

- 8.1 \ Information related to related..... enterprises86
- 8.2. In the latest year and as of the date of publication of the annual report, the handling of private placement securities..... 90

8.3	· In the latest year and as of the date of publication of the annual report, the subsidiary held or disposed of the company's.....	stock90
8.4	· Other necessary supplementary explanations.....	90
9.	In the most recent year and as of the date of publication of the annual report, if any matter specified in the second paragraph of Article 36, Paragraph 3 of the Securities Exchange Law has a significant impact on shareholders' rights or the price of.....	securities90

## 1 Report to Shareholders

This year depends on the management team and colleagues working together to complete important tasks, and the management team has the confidence to face various challenges, strengthen the core business, expand the market, and establish the growth value and sustainable development of the enterprise.

### (1) Results of the implementation of the business plan

The operating income for the year 111 was NT\$40,686 thousand, and the operating income in 110 was NT\$43,565,000, a decrease of about 6.61%, mainly due to the decrease in tower sales commission income in the current year.

Operating gross profit was \$35,569 thousand, a decrease of approximately 8.65% from 110, and net loss after tax was \$2,131 thousand, a decrease of approximately 105.08% from 110, mainly due to a decrease in revenue, a decrease in profit measured at fair value through profit and loss.

### (2) Budget implementation:

The Company does not present a financial forecast for the year.

### (3) Analysis of financial revenue and expenditure and profitability:

111 years of financial analysis

Analyze the project	annual	111 years	110 years	Increase or decrease change %.
Financial income and expenditure	Amount of operating income (thousand).	40,686	43,565	-6.61%
	Amount of operating gross profit (thousand).	35,569	38,936	-8.65%
	Amount of net profit after tax (thousand).	-2,131	41,910	-105.08%
Financial structure (%)	Liabilities to assets ratio	6.17	2.37	160.34%
	The ratio of long-term funds to real estate, plant and equipment	55,263.81	98,811.82	-44.07%
Solvency	Current ratio (%)	390.54	1,372.28	-71.54%
	Quick ratio (%)	320.56	1,355.80	-76.36%
Profitability	Return on assets (%)	-0.23	5.40	-104.26%
	Return on equity (%)	-0.28	5.51	-105.08%
	Net benefit rate (%)	-5.24	96.2	-105.45%
	Earnings per share (yuan).	-0.03	0.68	-104.41%

### (4) Research and development status:

111 years did not invest in the research and development plan.

### (5) Business plan

The net loss before tax in the consolidated financial report of 111 was 5,516 thousand yuan, a decrease of 114.34% compared with 110, mainly due to the decrease in profit measured at fair value through profit and loss in the current year.

The company's management team makes proper use of new media and exposure, conveys the core concept of "relationship restoration and generational inheritance" of Tianpin, uses new technology, new thinking and new services to continue to integrate the funeral industry with the world, continue to build and improve products and service fields, provide more diversified and exquisite product choices in the market, and continue the core competitive advantage.

It has successively launched a variety of Western-style etiquette projects, Chinese-style etiquette projects, pet etiquette, environmentally friendly burial and pre-mortem contract etiquette services to meet the momentum brought by the aging population, from life etiquette to cemeteries, the whole process of unified service funeral etiquette enterprises.

Looking forward to the lifting of the domestic epidemic lockdown in 112 years, followed by the recovery of the prosperity inside and outside the island, coupled with the previous hard work, care and love, it will surely achieve better results, although the global economy is still affected by high inflation and high interest rates, but everyone is ready, waiting for and calmly adapting.

The living contract will be the key project of Tianpin, and will be operated in the form of a strategic alliance, from the dormition liturgy to the unified service of the cemetery, to create the first brand of Christ Cemetery.

In terms of funeral facilities operation: the company has strengthened cooperation with the church for the Christian cemetery to expand and deepen its cultivation, and the Rainbow Pavilion "Paradise Garden" and "Canaan Garden" have been launched, establishing a brand image, "preserving every memory of love", in order to enhance the growth of operating income, implement planning policies and improve quality management, which will help the company's business development.

Etiquette (labor): Etiquette services promote the establishment of a living contract system.

Plant leasing: Pingzhen idle plant is renting.

Keelung Renai Scheduled Cemetery: Planning under construction

Aluminum production and marketing industry: aluminum extrusion processing

Cultural and creative industry: intelligent toy design and manufacturing

**(6) Affected by the external competitive environment, regulatory environment and overall business environment**

The company is committed to funeral services and improve quality, in accordance with funeral regulations, to protect the rights and interests of consumers, and won the cemetery industry evaluation and assessment performance, in recent years the government has vigorously promoted the funeral style of environmentally friendly burial, return to nature so that the land can be used sustainably, external demand continues to face challenges, we will uphold the concept of service, continue the gospel to unite the centripetal force of the faithful and relatives.

The elderly population brings growth momentum to life service products, continues to use new technology innovative services and diversified operation of the company, the chairman leads the management team and all employees to deeply understand the ardent expectations of shareholders and the public for the company, and will actively develop new businesses and improve operational performance in the future, hoping to give back to all shareholders with maximum profits.

Finally, I would like to thank all shareholders for their long-term support and encouragement to the company.

I wish you good health, peace and joy

Chairman: Li Zhenkuan



## 2 Company Profile

### 2.1 Date of establishment: April 3, 82nd year of the Republic of China

### 2.2 Company History

#### Eighty-two years of the Republic of China:

- Jingwei Technology Co., Ltd. was established in Huanbei Road, Zhongli City, Taoyuan County, with a registered capital of NT\$2,500 thousand. It mainly produces card readers with different interfaces and suitable for various media.
- Handle a cash capital increase of 2,500 thousand yuan, and the capital amount after the capital increase will be 5,000 thousand yuan.
- Won the 1993 Taipei International Computex Best Product Award --- pen drive.

#### Eighty-three years of the Republic of China:

- Won the 1994 Taipei Computex Best Product Award ---PCMCIA Interface 2.5" Hard Disk.

#### Eighty-four years of the Republic of China:

- Cash capital increased by \$7,620 thousand, increasing capital to \$12,620.

#### Eighty-six years of the Republic of China:

- The cash capital was increased by \$1,380 thousand, and the capital after the capital increase was \$14,000 thousand. It was also relocated from Huanbei Road, Zhongli City, Taoyuan County to No. 11, Lane 178, Lane 26, Section 1, Pingdong Road, Pingzhen City, Taoyuan County, while expanding production lines to increase production capacity.

#### Eighty-seven years of the Republic of China:

- Handle surplus, capital reserve and cash capital increase, and the capital amount after the capital increase is 22,000 thousand yuan.
- Won the 1998 Best 3C Merchandise Star Award ---MD1-II-SR.
- Increase the agency design, research and development, manufacturing, processing, trading and import and export business of business list machines, monitors, terminals, storage system hard disk machines.
- Kodak Corporation of the United States adopts the company's multinational patented Compact Flash Card reader.

#### Eighty-eight years of the Republic of China:

- Handle surplus, capital reserve and cash capital increase, and the capital amount after capital increase is 50,000 thousand yuan.
- The iMac Compact USB Compact Flash Card reader is officially available.
- Launched a number of IEEE 1394 computer peripheral storage devices, greatly improved transmission speed.
- Launched a multi-purpose USB dual-slot card reader.
- Passed Taiwan, Britain, Japan and the United States AJA ISO9002 quality certification.

#### Eighty-nine years of the Republic of China:

- Handle surplus, capital reserve to capital increase and cash capital increase, and the capital amount after capital increase is 126,061 thousand yuan.
- World's first Fire Wire Memory Stick reader is displayed at the Computex Taipei 2000 Computer Show.
- Released the first USB SD (Secure Digital) memory card reader in China.
- The world's only card reader that has successfully mass-produced all memory cards on the market.
- Then purchased the land and factory buildings No. 13 and 15, Lane 26, Lane 178, Pingdong Road, Pingzhen City, Taoyuan County, and expanded the production line to four.

Ninety Years of the Republic of China:

- Handle surplus, capital reserve to capital increase and cash capital increase, and the capital after capital increase is 236,665 thousand yuan.
- Launched a memory card reader with Key Type USB interface.
- The company's KEMS-USB (USB key type Memory Stick) won the Best Hardware Award at the Singapore International Exhibition Comdex/Asia 2001.
- Our IEEE 1394 flash memory card reader won the 8th Annual Innovation Research Award from the Small and Medium Enterprise Division of the Ministry of Economic Affairs.

Ninety-first year of the Republic of China:

- The company's KCMS-USB (USB key chain type memory stick) and other five card readers won the PC Shopper 2002 editor's recommendation of the best card reader products.
- The company has passed the quality certification of AJA ISO9001 2000 version of Taiwan, Britain, Japan and the United States.
- The company's shares were officially listed on the over-the-counter trading center.
- Handle surplus, capital reserve conversion and cash capital increase, and the capital after the capital increase is 304,000 thousand yuan.
- Won the 5th Little Giant Award.
- Won the 11th National Rock Award.
- USB card reader technology upgrade 2.0 successfully and mass production.

Ninety-two years of the Republic of China:

- Multimedia Player (Flash Player) is officially mass-produced.
- We became business partners with SanDisk.
- The Company's 92 employee stock option certificates were approved and issued by the Securities and Futures Management Committee.
- The Company's first secured convertible corporate bonds in '92 were approved by the Securities and Futures Commission.
- Handle cash capital increase.
- Handle the 91-year surplus and capital reserve to capital increase.

Ninety-third year of the Republic of China:

- Licensed for XD size memory cards.
- Purchased land for a new factory and completed the construction of a new factory.
- The Company's second unsecured convertible corporate bonds in '93 were awarded securities and futures management

The Committee approves the issuance.

Ninety-four years of the Republic of China:

- Moved to the new factory (No. 385-3, Hongzhen Road, Pingzhen City, Taoyuan County).
- Increase SMT production and manufacturing lines.
- A total of eight patent applications for various types of card readers were filed.

- Handle convertible corporate bonds and employee stock options to increase capital by 27,279 thousand yuan, and collect capital after capital increase. The principal amount is NT601,620 thousand.

Ninety-five years of the Republic of China:

- Won the green partner certification of Japan's SONY manufacturer.
- Won the AJA ISO14000 certification of Taiwan, Britain, Japan and the United States.
- Successfully developed PCI-Express interface card reader on the market.
- Handled a capital increase of 45,130 thousand yuan in convertible corporate bonds and employee stock options, and the paid-in capital after the capital increase was 623,040 thousand yuan.

Ninety-six years of the Republic of China:

- Obtained a number of patents for PCI-Express interface card reader.
- Transformation and development of plasma and LCD displays, digital photo frames and advertising players related application products.
- Handled the capital increase of convertible corporate bonds and employee stock options by 11,863 thousand yuan, and the paid-in capital after the capital increase was 634,903 thousand yuan.
- Obtained IECQ QC 080000 certification.

Ninety-seven years of the Republic of China:

- The total amount of equity increase and cancellation of share repurchase decreased by \$4,073 thousand, and the paid-in capital after the capital increase and decrease was \$630,829.
- In November, the Taipei liaison office was closed, the factory office was integrated, and the management was unified.

Ninety-eight years of the Republic of China:

- Handled the capital increase of 2,036 thousand yuan for employee stock options, and the paid-in capital after the capital increase was 632,865 thousand yuan.

Ninety-nine years of the Republic of China:

- TR-2010 "TINE Card Reader" and ECR-2010 "Diamond Card Reader" were awarded double declarations and certifications with carbon label and ISO 14025 EPD.

100 years of the Republic of China:

- Complete the re-election of the seventh term of directors and supervisors.

101 years of the Republic of China:

- Invested in AZ Cloud Co., Ltd. for a total of 5,100 thousand yuan to operate an information network service platform; Participated in the capital increase of Tianpin International Co., Ltd., a total of 126,000 thousand yuan.

102 years of the Republic of China:

- In May, Tianpin International (Shares) Company obtained the use license.
- In June, general over-the-counter trading of stocks was terminated and stocks were transferred to managed stocks.
- In September, the eighth session of directors and supervisors was re-elected ahead of schedule.
- In October, the capital was reduced by NT\$217,073 thousand, and the paid-in capital after the capital reduction was NT\$415,792 thousand.
- In November, the private placement was NT\$200,000 thousand, with a paid-up capital of NT\$615,792.
- In November, Tianpin International (shares) company obtained the opening license.

103 years of the Republic of China:

- In March, Tianpin International (shares) company was opened.
- In September, the capital was reduced by NT\$4,919 thousand, and the paid-in capital after the capital reduction was NT\$566,600 thousand.
- In October, the private placement was NT\$1,000 thousand, with a paid-up capital of NT\$567,600.

104 years of the Republic of China:

- In June, the shareholders' meeting resolved that Jingwei Technology (shares) company changed its name to Tianpin United Enterprise (shares) company.
- Invested 3,000 thousand yuan in the subsidiary Eternal Life Business (shares) company to operate funeral rites Service business.
- In August, the private placement was completed with NT\$50,000 and paid-in capital of NT\$617,600.
- In September, it invested 7,500 thousand yuan in Xintianlan (shares) company, an affiliated enterprise, and operated trucks and trucks Chassis and parts import, assembly, trading and automobile maintenance services.
- In October, it purchased 99,737 thousand yuan of equity in Tianpin International (shares) company.
- In December, the subsidiary Tianpin Pagoda won the New Taipei Municipal Government's Funeral Industry Evaluation Facilities Operation and Treasure Tower Excellent Double Award.

105 years of the Republic of China:

- In September, Xin Tianlan (shares) Company, an affiliate of the investment, was sold.
- In October, the stock under management resumed to general over-the-counter trading.
- In December, its subsidiary, Tianpin Pagoda, won the New Taipei Municipal Government's funeral industry evaluation facility operation Industry and Pagoda Excellent Double Award.

106 years of the Republic of China:

- The Ministry of Energy has been added to oversee the processing and trading of solar raw materials and solar power generation systems.
- The Internet of Things Department was added to oversee the manufacturing and marketing of smart home systems.

108 years of the Republic of China:

- In January, the private equity supplementary office development bank was completed.

- In June, the 10th re-election of directors and supervisors was completed.
- In November, the Canaan Garden on the 5th floor of the subsidiary Tianpin Pagoda was opened.
- In November, its subsidiary, Tianpin Pagoda, won the New Taipei Municipal Government's funeral industry evaluation facility operation Industry and Pagoda Excellent Double Award.

109 years of the Republic of China:

- In June, its subsidiary, Tianpin International, established a Taipei branch.
- In July, the Daan reception office was established
- In August, the business location was moved to Zhongli District, Taoyuan City, and the change registration was processed.

110 years of the Republic of China:

- In August, the capital of Tianpin International (shares) company was increased by 110,000 thousand yuan.
- In August, the capital of Playtai (shares) company was increased by 3,000 thousand yuan.

Republic of China 111 year:

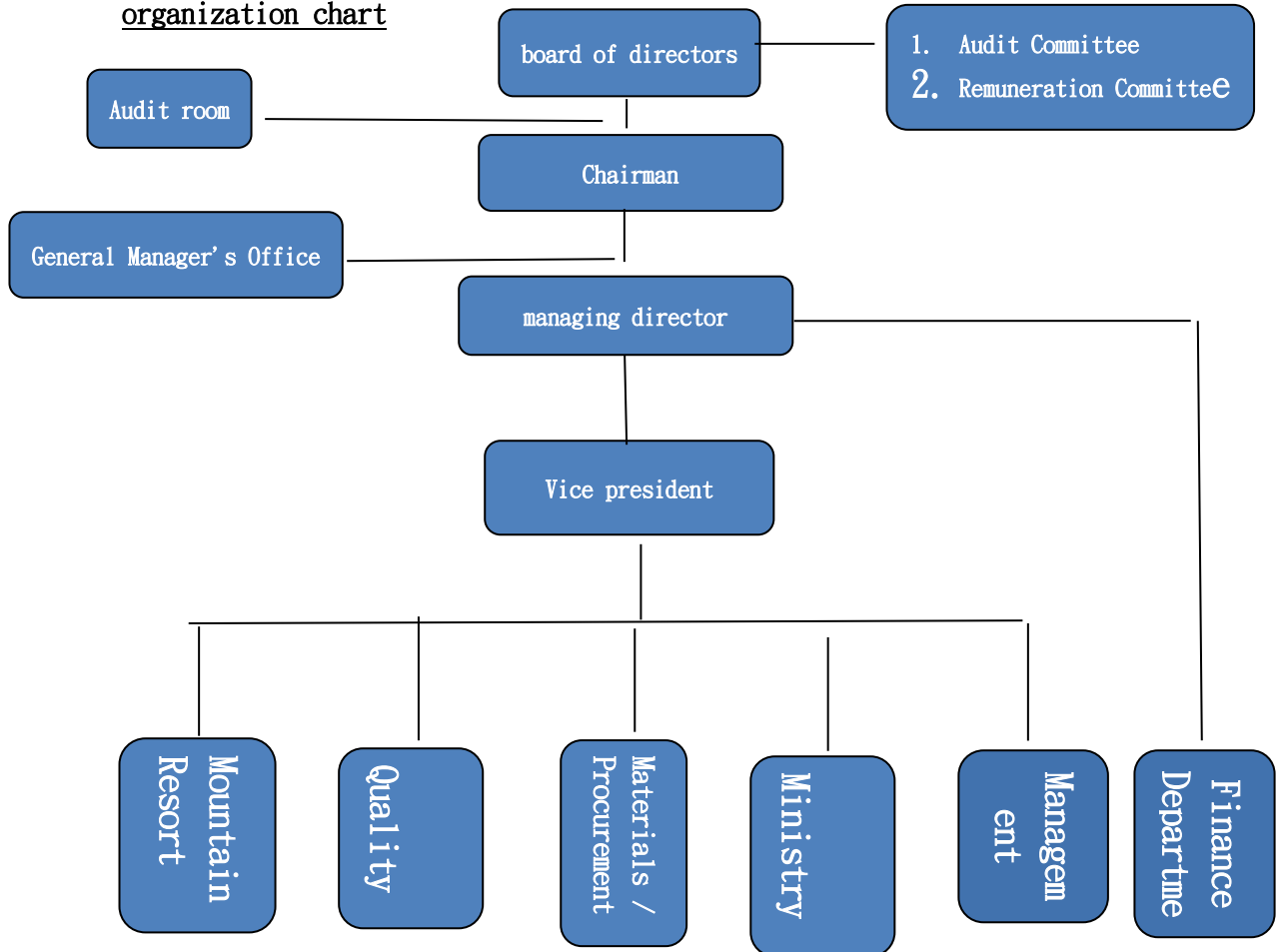
- In June, it invested 24,000 thousand yuan in its subsidiary, Tianyi Aluminum (shares) Company, which operates the production and sales of aluminum products.
- In June, the re-election of the 11th board of directors and supervisors was completed.
- In July, it changed its name to Tianpin Investment Holdings (shares) company.
- In October, it changed its name to Tianpin Joint Enterprise (Shares) Company.

### 3. Corporate Governance Report

#### 3.1 Organization System

##### 3.1.1 Organizational Structure

##### Tianpin joint enterprise organization chart



##### 3.1.2 Business of each major department

Main departments	The main functions of each department
Audit room	Comprehensively manage the planning, formulation, promotion and evaluation of the effectiveness of the company's internal system.
General Manager's Office	Assist the general manager in promoting, executing, evaluating, coaching and other matters.
Management Department	Manage the company's personnel, general affairs, education and training and other businesses.
Ministry of Information	Computer maintenance, network planning and information security control.
Finance Department	Manage finance, accounting, fund management and control business.
Material Department/Purchasing Department/Quality Assurance Department	Production and marketing coordination and cooperation, delivery and shipment confirmation, material import and export and other production management. Manage the company's external procurement and other business.
Mountain Resort	To manage the company's funeral management and services.

3.2 Information of directors, supervisors, general managers, deputy general managers, associates, heads of departments and branches

3.2.1 Information of directors and supervisors

30/04/112 Unit: Shares, %

job title	Nationality or Place of registration	name	gender	age	tenure	Date of initial election	Holding shares at the time of election		Number of shares now held		Spouse, minor son The female now holds shares	Possession in the name of another person share		Mainly by the warp (Academic) calendar	He is currently serving as the Duke Division and other companies of positions	Other officers, directors or supervisors with a relationship within the relationship of spouse or second parent			remark	
							Number of shares	Holding ratio	Number of shares	Holding ratio		Number of shares	Holding ratio			Number of shares	Holding ratio	job title		name

Chairman	Chinese republic	Li Zhenkuan	man 30-40	108.06.11	3 years	100.06.23	2,024,466	3.278	2,024,466	3.278	0	0	0	0	Guanghua Commercial Position Chairman of Tianpin International Company (Shares) Chairman of Eternal Life Business (Shares) Company Director of FX Investments Director of Jerely International Chenguang Investment	Chairman of Tianpin International Company (Shares) Chairman of Eternal Life Business (Shares) Company Director of FX Investments Director of Jerely International Chenguang Investment	director	Li Ruochun Wu Jingwen	Brother-in-law	Not
director	Chinese republic	Zhang Longren	man 60-70	108.06.11	3 years	97.06.25	1,432,516	2.3195	1,432,516	2.3195	0	0	0	0	Kunshan Technical College Director of Tianpin United (Shares) Company	Director of Tianpin United (Shares) Company	not	not	not	
director	Chinese republic	Li Shimin	man 50-60	108.06.11	3 years	100.06.23	344,568	0.5579	344,568	0.5579	0	0	0	0	Middle school Director of Jiada World (shares) Company	Director of Jiada World (shares) Company	not	not	not	



director	Chinese republic	FX Investment (shares) company	woman	108.06.11	3 years	108.06.11	33,487,829	54.2225	33,487,829	54.2225	0	0	0	0	not applicable	not applicable	not applicable	not applicable	not applicable
		Legal representative: Li Ruochun	40-50				1,288,000	2.0855	1,288,000	2.0855	0	0	0	0	Yuanpei Medical Specialty Chairman of Xinwei Technology (shares) Company	Chairman of Xinwei Technology Company	Chairman	Li Zhenkuan	Brother

job title	Nationality or Place of registration	name	gender	Elect (inaugurate). date	tenure	Date of initial election	Holding shares at the time of election		Number of shares now held		Spouse, minor children Now hold the shares		Holding shares in the name of another person		Mainly by the warp (Academic) calendar	He is currently serving as the Duke Division and other companies of positions	Other officers, directors or supervisors with a relationship within the relationship of spouse or second parent			remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Holdings ratio	Number of shares	Holdings ratio			job title	name	relationship	

director	Chinese republic	FX Investment (shares) company	woman	108.06.11	3 years	108.06.11	33,487,829	54,222 5	33,487,829	54,2225	0	0	0	0	not applicable	not applicable	not applicable	not applicable	not applicable	No te 2
		Legal representative: Wang Yiwen					0	0	0	0	0	0	0	0	Department of Business Management Technology, Yuanze University Accountant of Yuanyu Construction Co., Ltd	Finance and accounting commissioner of Tianpin International (shares) company	not	not	not	
Independent Director	Chinese republic	Liu Tianxi	man	108.06.11	3 years	97.06.25	0	0	0	0	0	0	0	0	Department of Law, Chung Hsing University secretary	Practicing lawyer at Cilu Law Firm	not	not	not	
Independent Director	Chinese republic	Lin Dongyao	man	108.06.11	3 years	108.06.11	0	0	0	0	0	0	0	0	Department of Applied Chemistry, Cheng Kung University Associate Professor, Nantai University of Science and Technology	not	not	not	not	

Independent Director	Chinese republic	Hu Jinlian	woman 40-50	111.06.17	3 years	111.06.17	0	0	0	0	0	0	0	0	0	Lingdong Business College Accountant of Johnson United Accounting Firm Accountant of Johnson United Accounting Firm Independent Director of Jia Da World					
Ombudsman	Chinese republic	Wang Junteng	man 40-50	108.06.11	3 years	103.06.16	0	0	0	0	0	0	0	0	0	Graduated from University of Science and Technology Manager of Songmao Metal Industrial Co., Ltd Director of ALi United Accounting Firm	Manager of Songmao Metal Industrial Co., Ltd Director of ALi United Accounting Firm	not	not	not	Note 3
Ombudsman	Chinese republic	Wu Jingwen	woman 30-40	108.06.11	3 years	100.06.23	631,103	1.0219	631,103	1.0219	1,182,413	1.9145	0	0	Department of Business Administration, Bunka University Accountant of Yuanyu Construction Co., Ltd	not	Chairman director	Li Zhenkuan Li Ruochun	Brother-in-law Husband-in-law	Note 3	

Ombudsman	Chinese republic	Shen Sumei	woman 60-70	108.06.11	3 years	100.06.23	14,508	0.04	14,508	0.0235	0	0	0	0	High business Representative of the villagers of Shimen District	Shimen District Mediation Committee	not	not	not	Note 3
-----------	------------------	------------	-------------	-----------	---------	-----------	--------	------	--------	--------	---	---	---	---	--	-------------------------------------	-----	-----	-----	--------

Note 1: If the chairman of the board of directors of the company and the general manager or equivalent (top manager) are the same person, and each other is a spouse or a relative of each other, the reason, reasonableness, necessity and response measures (e.g

Increase the number of independent directors, and there should be information on the fact that a majority of the directors are not concurrently employees or managers

cause	Reasonableness and necessity	Responses
Understand the industrial market	Changes in the industrial market can be fully grasped	There will be another general manager, and no more than half of the directors will be concurrently employees
Leadership skills	Overall planning ability	

Note 2: 111.06.17 was completely re-elected and dismissed

Note 3: 111.06.17 was completely re-elected, and the supervisor was abolished according to law and the audit committee was established

- Major shareholders of corporate shareholders:

**Major shareholders of corporate shareholders**

112/05/20

The eastern name of the French stock market	The main shareholder of the French shareholder
FX Investment Co., Ltd	Lee Chun-ho (25%), Lee Chun-kuan (25%), Lee Chun-kit (25%), Lee Chun-ho (25%)

- The principal shareholder of a corporate shareholder is the principal shareholder of a corporate person: N/A

■ Disclosure of professional qualifications of directors and supervisors and independence of independent directors:

name	condition	Have more than five years of work experience and the following professional qualifications			Matching independence (Note 1)												Serve it at the same time He is public Issued public Division independ ence Number of director s
		Lecturer or above in public or private colleges and universities in relevant departments required for business, legal, finance, accounting or corporate business	Judges, prosecutors, lawyers, accountants or other specialized occupations and technicians who have passed the national examination and obtained a certificate in connection with the company's business	Work experience in business, legal, finance, accounting or corporate business	1	2	3	4	5	6	7	8	9	10	11	12	
Li Zhenkuan				In							In		In		In	In	0
Zhang Longren				In	In		In	In	In	In	In	In	In	In	In	In	0
Li Shimin				In	In	In	In	In	In	In	In	In	In	In	In	In	0
Legal representative of Haofu Investment (shares) company: Li Ruochun				In						In	In	In	In		In		0
Legal representative of Haofu Investment (shares) company: Wang Yiwen (Note 2)				In		In	In			In	In	In	In	In			0
Lin Dongyao				In	In	In	In	In	In	In	In	In	In	In	In	In	0
Liu Tianxi			In	In		In	In	In	In	In	In	In	In	In	In	In	0
Hu Jinlian			In	In		In	In	In	In	In	In	In	In	In	In	In	1
Wang Junteng (Note 3)				In		In	In	In	In	In	In	In	In	In	In	In	0
Wu Jingwen (Note 3)				In		In			In	In	In	In			In	In	0
Shen Sumei (Note 3).				In		In	In	In	In	In	In	In	In	In	In	In	0

Note 1: If each director or supervisor meets the following conditions in the two years prior to his or her election and during his or her term of office, please mark "" in the space below the code of each

condition✓.

- (1) Not an employee of the Company or its affiliates.
- (2) is not a director or supervisor of the company or its affiliates (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Act or local laws and regulations to serve as independent directors of each other).
- (3) A natural person shareholder who is not his/her spouse, minor children or holds more than 1% of the total issued shares of the company or the top 10 shareholders in the name of another person.
- (4) Spouse, second relative or direct blood relative within the third degree of the manager listed in (1) or persons listed in (2) and (3).
- (5) A director, supervisor or employee of a corporate shareholder who does not directly hold more than 5% of the total number of issued shares of the company, holds the top five shares, or appoints a representative as a director or supervisor of the company in accordance with Paragraphs 1 or 2 of Article 27 of the Company Law (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Law or local laws and regulations to serve as independent directors of each other).
  - (6) A director, supervisor or employee of another company whose seats or voting shares are not with the directors of the company or more than half of the shares with voting rights are controlled by the same person (except where the company or its parent company, subsidiary or subsidiary of the same parent company is an independent director established by this law or local laws and regulations to serve concurrently with each other).
- (7) A director (director), supervisor (supervisor) or employee of another company or organization that is not the same person, general manager or equivalent person as the chairman of the company, general manager or equivalent position (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this law or local laws and regulations).
- (8) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution that has financial or business dealings with the company (except if a specific company or institution holds more than 20% but not more than 50% of the total issued shares of the company, and is an independent director of the company and its parent company, subsidiary or subsidiary of the same parent company established in accordance with this Law or local laws and regulations).
- (9) Professionals, sole proprietorships, partnerships, managers and their spouses who do not provide audits for the company or affiliates or receive remuneration in the past two years with a cumulative amount of NT\$500,000 in business, legal, financial, accounting and other related services. However, this does not apply to members of the Remuneration Committee, the Public Takeover Review Committee, or the Special Mergers and Acquisitions Committee that perform their duties and powers under the Securities and Exchange Act or the Mergers and Acquisitions Act.
- (10) No other directors have a spouse or second parent.
- (11) There is no such thing as one of the provisions of Article 30 of the Companies Act.
- (12) Article 27 of the Companies Act does not provide for the election of the Government, legal persons or their representatives.
  - Note 2: 111.06.17 was completely re-elected and dismissed
  - Note 3: 111.06.17 was completely re-elected, and the supervisor was abolished according to law and the audit committee was established

■ Board Diversity and Independence:

● Board diversity

The professional backgrounds of the directors of the Company cover the fields of business, finance, accounting, law and marketing, and have the industry knowledge, operational judgment ability, international market view, Leadership decision-making and other abilities, to give the company professional advice

Board Diversity Implementation:

name	condition	gender	nationality	age (years)	Years of service (Year)	Operational judgment	Legal with accounting	Business management ability	Crisis management capabilities	industry knowledge	International City Field viewing	leadership ability	decision-making ability
Li Zhenkuan (Director)		man	middle Chinese people country	30-40	10-15	In		In	In	In	In	In	In
Zhang Longren (Director)		man		60-70	10-15	In		In	In	In		In	In
Li Shimin (Director)		man		50-60	10-15	In		In	In	In		In	In
Legal representative of Hoon & Fu Investment (shares): Li Ruochun (Director)		woman		40-50	01-05	In		In	In	In	In	In	In
Legal representative of Haofu Investment (shares) company: Wang Yiwu (director)		woman		40-50	01-05	In	In		In	In			
Lin Dongyao (Independent Director)		man		70-80	01-05	In		In	In	In		In	In
Lau Thiam Seok (Independent Director)		man		60-70	10-15	In	In		In	In			
Hu Jinlian (Independent Director)		woman		40-50	01-05	In	In	In	In	In	In	In	In
Wang Junteng (Supervisor)		man		40-50	01-05	In	In		In	In			
Wu Jingwen (Supervisor)		woman		30-40	10-15	In	In		In	In			
Shen Sumei (Supervisor)		woman		60-70	10-15	In			In	In			

- Board independence

The current Board of Directors consists of 7 directors (including 3 independent directors).

Director:

There are 5 men and 2 women, of which 14% are directors with employee status, 29% are female directors and 43% are independent directors

Professional background, 29% of the current members have a professional background in law and accounting, the rest also have rich experience in finance, business and management, and 14% are aged 30-40

, 40-50 years old accounted for 29%, 50-60 years old accounted for 14%, 60-70 years old accounted for 29%, 70-80 years old accounted for 14%, all are the nationality of the Republic of China, the term of office is 01-15 years

Supervisor: ( 111.06.17 Full re-election, abolition of supervisors according to law and establishment of audit committee).

2 female supervisors accounted for 67%, and current members with accounting professional backgrounds accounted for 67%, with a tenure of 01-15 years



3.2.2 Information of the general manager, deputy general manager, associate manager, heads of departments and branches

4/30/112 Unit: Share ,%

job title	nationality	name	gender	Select (inauguration) the date of appointment	Holding shares		Spouse and minor children hold shares		Holding shares in the name of another person		The main scriptures (learning) calendars	He currently holds positions in other companies	A manager with a relationship within the spouse or second parent			remark
					Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			job title	name	relationship	
managing director	Chinese republic	Li Zhenkuan	man	105. 4. 01	2, 024, 466	3. 278	0	0	0	0	Guanghua Commercial Position Manager of Hongwei Resources Technology Co., Ltd	Chairman of Tianpin International (Shares) Company Chairman of Eternal Life Business (Shares) Company Director of FX Investments Director of Jerely International Director of Chenguang Investment	General Manager of the Department	Li Zhenxiao	brothers	Note 1
General Manager of the Department	Chinese republic	Li Zhenxiao	man	107. 02. 01	745, 948	1. 207	0	0	0	0	Evergreen University Public Department of Communication Studies	Chairman of the Board of Directors of FX Investment (Shares) Company Chairman of Xin Tianlan (shares) company	managing director	Li Zhenkuan	brothers	Note 2

job title	nationality	name	gender	Select (inauguration) the date of appointment	Holding shares		Spouse and minor children hold shares		Holding shares in the name of another person		The main scriptures (learning) calendars	He currently holds positions in other companies	A manager with a relationship within the spouse or second parent			remark
					Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			job title	name	relationship	
												Director of Jerely International				
The Head of Accounting also serves as Treasurer	Chinese republic	Pan Qini	woman	99.08.30	7,254	0.011	0	0	0	0	Department of Finance and Taxation, Fengjia University AOPEN Co., Ltd Program Director	Director of Hebang Electronics (Shares) Company	not	not	not	

Note 1: The chairman of the board of directors is also the general manager

cause	Reasonableness and necessity	Responses
Understand the industrial market	Changes in the industrial market can be fully grasped	There will be another general manager, and no more than half of the directors will be concurrently employees
Leadership skills	Overall planning ability	

Note 2: Li Zhenxiao, general manager of the department, resigned on February 28, 111

3.2.3 Remuneration paid to directors (including independent directors), supervisors, general managers and deputy general managers in the latest year

■ Remuneration of directors (including independent directors).

Individual disclosure of names and remuneration methods

December 31, 111 Unit: NTD thousand; %

job title	name	Directors' Remuneration								The proportion of the total of the four items A, B, C and D to net profit after tax (Note 10).		Concurrently employees receive relevant remuneration								The ratio of the total of the seven items A, B, C, D, E, F and G to net profit after tax (Note 10).	Whether or not you receive remuneration for reinvesting business from your subsidiary (Note 11).			
		Remuneration (A) (Note 2)		Retirement pension (B)		© Remuneration of Directors (Note 3).		Operational execution costs (D) (Note 4)				Salary, bonuses, special expenses, etc. (E) (Note 5)				Retirement pension (F)						Employee remuneration (Note 6)		
		The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	The Company	All companies in the financial report (Note 7).	Cash amount	Share amount			Cash amount	Share amount	The Company
Chairman	Li Zhenkuan	20	20	0	0	0	0	16	16	-1.69	-0.33	1,950	2,703	0	0	0	0	0	0	0	0	-93.2	-24.73	not
director	Zhang Longren	20	20	0	0	0	0	16	16	-1.69	-0.33	0	0	0	0	0	0	0	0	0	0	-1.69	-0.33	not
director	Li Shimin	20	20	0	0	0	0	16	16	-1.69	-0.33	0	0	0	0	0	0	0	0	0	0	-1.69	-0.33	not
director	Legal representative of Haofu Investment	20	20	0	0	0	0	2	2	-1.03	-0.2	0	0	0	0	0	0	0	0	0	0	-1.03	-0.2	not

	(shares) company: Li Ruochun																						
director	Legal representative of Haofu Investment (shares) Company: Wang Yiwen (Note 1).	10	10	0	0	0	6	6	-0.75	-0.14	0	243	0	0	0	0	0	0	0	-0.75	-2.34	not	
independent director	Lin Dongyao	20	20	0	0	0	0	0	-0.94	-0.18	0	0	0	0	0	0	0	0	0	0.05	0.05	not	
independent director	Liu Tianxi	20	20	0	0	0	22	22	-1.97	-0.38	0	0	0	0	0	0	0	0	0	-1.97	-0.38	not	
independent director	Hu Jinlian (note 1).	10	10	0	0	0	14	14	-0.84	-0.22	0	0	0	0	0	0	0	0	0	-0.84	-0.22	not	

\*Except as disclosed in the above table, the remuneration received by the directors of the company for services provided by all companies in the financial report (such as acting as consultants who are not employees) in the most recent year: None

Note 1: 111.06.17 Completely re-elected new (dismissed) office

- Gratuity Scale: The Company has adopted individual disclosures in accordance with regulations, so there is no need to fill in the Remuneration Band.

■ **Honoraria of the Supervisor**

December 31, 111 Unit: NTD thousand; %

job title	name	Honoraria for supervisors						Ratio of total A, B and C to net profit after tax (Note 8)		Whether or not you have received remuneration from a subsidiary for reinvesting in a business outside the subsidiary (Note 9).
		Remuneration (A) (Note 2).		Remuneration (B) (Note 3).		Operational execution costs © (Note 4)				
		The Company	All companies in the financial report (Note 5)	The Company	All companies in the financial report (Note 5)	The Company	All companies in the financial report (Note 5)	The Company	All companies in the financial report (Note 5)	
Ombudsman	Wang Junteng	10	10	0	0	6	6	-0.75	-0.14	not
Ombudsman	Wu Jingwen	10	10	0	0	0	0	-0.47	-0.09	not
Ombudsman	Shen Sumei	10	10	0	0	0	0	-0.47	-0.09	not

Note: 111.06.17 The full election was abolished according to the law and the audit committee was established

- Gratuity Scale: The Company has adopted individual disclosures in accordance with regulations, so there is no need to fill in the Remuneration Band.

■ **Remuneration of the General Manager and Deputy General Manager**

December 31, 111 Unit: NTD thousand; %

job title	name	Salary(A)		Retirement pension (B) (Note 1).		Bonuses and Special expenses and so on ©		Amount of employee remuneration (D)				A, B, C and D as a percentage of net profit after tax (%)		Receive remuneratio n from a subsidiary for a re- investment business or parent company
		The Compan y	All companie s in the financial report	The Compan y	All companie s in the financial report	The Compan y	All companie s in the financial report	The Company		All companies in the financial report (Note 6).		The Compan y	All companie s in the financial report	
								Cash amoun t	Share amoun t	Cash amoun t	Share amoun t			
managin	Li	1,560	2,160	0	0	390	543	0	0	0	0	-91.51	-24.41	not

NOTE 1: Retirement benefit (B) represents a provision and is not actually paid

● Gratuity scale

Pay the remuneration level of each general manager and deputy general manager of the Company	Names of the General Manager and Deputy General Manager	
	Our company (Note 6).	All companies in the financial report (Note 7) E
Less than \$1,000,000		
RMB 1,000,000 (inclusive) ~ RMB 2,000,000 (excluded).	Li Zhenkuan	
RMB 2,000,000 (inclusive) ~ RMB 3,500,000 (excluded).		Li Zhenkuan
3,500,000 RMB (inclusive) ~ 5,000,000 RMB (excluded).		
5,000,000 RMB (inclusive) ~ 10,000,000 RMB (excluded)		
RMB 10,000,000 (inclusive) ~ RMB 15,000,000 (excluded)		
15,000,000 RMB (inclusive) ~ 30,000,000 RMB (excluded)		
30,000,000 RMB (inclusive) ~ 50,000,000 RMB (excluded)		
50,000,000 RMB (inclusive) ~ 100,000,000 RMB (excluded)		
More than \$100,000,000		
total	There is 1 seat in total	There is 1 seat in total

- Remuneration of the top five remuneration executives of listed OTC companies (individual disclosure of names and remuneration methods)

job title	name	Salary(A) (Note 2)		Retirement pension (B)		Bonuses and Special expenses, etc ©. (Note 3).		Amount of employee remuneration (D) (Note 4)			The C pro (%)
		The Company	All companies in the financial report (Note 5).	The Company	All companies in the financial report (Note 5).	The Company	All companies in the financial report (Note 5).	The Company	All companies in the financial report (Note 5).		
								cash amount	stock amount	cash amount	
managing director	Li Zhenkuan	1,560	2,160	0	0	390	543	0	0	0	1,

- The name and distribution of the manager who assigns the remuneration of the employee  
111/12/31 Unit: NT\$, 111

	job title (Note 1)	name (Note 1)	Share amount	Cash amount	total	Total as a percentage of net profit after tax (%)
Managers	Accounting Department Door supervisor	Pan Qini	0	20	20	-0.94

Note 1: Individual names and job titles should be disclosed, but profit distributions can be disclosed in aggregate.

Note 2: If the remuneration of employees in the latest year has not been approved by the board of directors, the manager assigned by the board of directors in the previous year is listed

the amount of employee remuneration (including stock and cash); If it has been approved by the Board of Directors, it is filled in as approved by the Board of Directors

If the amount of employee remuneration cannot be estimated, the proposed distribution for this year will be calculated according to the proportion of the actual distribution amount last year

Amount.

Note 3: The scope of application of managers is as follows:

- (1) General manager and equivalent rank
- (2) Deputy general manager and equivalent rank
- (3) Associate and equivalent rank
- (4) Head of financial department
- (5) Head of accounting department
- (6) Other persons who have the right to manage affairs and sign for the company

Note 4: If a director who is also a manager receives employee remuneration (including stock and cash), in addition to completing Schedule 1-bis

This form should be filled in again: None

**3.2.4 Compare and explain separately that the Company and all companies in the consolidated statements pay directors and supervisors of the Company in the last two years**

**Analysis of the proportion of the total remuneration of the person, the general manager and the deputy general manager to the net profit after tax in the individual financial report and explain the payment**

**The policy, criteria and mix of remuneration, the procedures for determining remuneration, and the relevance of business performance and future risks.**

Unit: New Taiwan dollar thousand

project annual	111 years		110 years	
	The Company	Within the financial report All companies	The Company	Within the financial report All companies
Total remuneration of directors	232	232	140	140
Total directors' remuneration as a percentage of net profit after tax	-10.89	-2.09	0.003	0.003
Total honoraria of the Ombudsman	36	36	60	60
The proportion of total auditor's remuneration to net profit after tax	-1.69	-0.33	0.001	0.001
Total remuneration for the general manager and deputy general manager	1,950	2,703	1,238	1,992
The total remuneration of the general manager and deputy general manager accounts for the proportion of net profit after tax	-91.51	-24.41	0.029	0.047

(1) Directors (including independent directors) and supervisors of the Company receive a fixed remuneration in addition to the attendance fee each time the Board pays

No other remuneration is paid, indicating that the remuneration is not related to performance.

Article 21 of the articles of association of the company stipulates that if the company makes a profit in the current year, it shall allocate not more than 1% as the remuneration of directors and supervisors

Law, using the Company's "Board Performance Evaluation Measures" as the basis for evaluation, considers the company's profit status and non-compliance

To give reasonable remuneration to operating results and refer to their contribution to the company's performance, and to obtain compensation from the Remuneration Committee and the Director

It will be implemented after the council approves it.

(2) The remuneration of the general manager includes salary, bonus and employee remuneration, etc., which shall be served by the remuneration committee every year

The position, responsibilities and contributions to the Company shall be agreed upon with reference to the level of peers and shall be submitted to the Board of Directors

It will be implemented after adoption.



### 3.3 Corporate governance operations

#### 3.3.1 Operation of the Board of Directors

The Board of Directors met (A) 11 times from the date of publication of the latest annual and annual newspapers (112/5/20), and the directors and supervisors attended as follows:

job title	name	Actual number of attendances (B)	Number of delegated attendances	Actual attendance rate (%) [B/A] (Note 2).	Remarks (Note 3).
Chairman	Li Zhenkuan	11	0	100.00%	Renewal
director	Zhang Longren	11	0	100.00%	Renewal
director	Li Shimin	11	0	100.00%	Renewal
director	Legal representative of Haofu Investment (shares) company: Li Ruochun	1	0	9.09%	Renewal
director	Legal representative of Haofu Investment (shares) Company: Wang Yiwen	3	0	100.00%	111.6.17 Re-election and dismissal (should attend 3 times)
Independent Director (Note 1).	Liu Tianxi	11	0	100.00%	Renewal
Independent Director (Note 1).	Lin Dongyao	0	6	0.00%	Renewal
Independent Director (Note 1).	Hu Jinlian	7	0	87.5%	111.6.17 Re-election (8 attendances)

Note 1: Attendance of independent directors:

	111.03.16	111.04.29	111.06.02	111.06.17	111.06.27	111.08.05	111.08.24
Liu Tianxi	○	○	○	○	○	○	○
Lin Dongyao	▲	▲	▲	★	★	★	★
Hu Jinlian	-	-	-	★	○	○	○

	111.11.17	112.03.16	112.04.19	112.05.03
Liu Tianxi	○	○	○	○
Lin Dongyao	★	▲	▲	▲
Hu Jinlian	○	○	○	○

Attendance: ○ Leave: Delegate: ★ ▲

Other matters that should be recorded:

- The operation of the board of directors shall state the date, period, content of the proposals, the opinions of all independent directors and the company's handling of the opinions of independent directors if any of the following circumstances occur:

(-) The matters listed in Article 14-3 of the Securities and Exchange Act are as follows.

board directors	of motion and its follow-up processing	Matters listed in Article 14-3 of the Securities and Exchange Act	Independent directors or reserve opinions	Independent Director's Opinion	The Company's handling of the opinions of independent directors	Resolution results

10th 13th 111.3.16	111 Certified Public Accountant Appointment	In	not	not	not	Approved by all directors present
10th 14th 111.4.29	Amend some provisions of the Company's "Measures for the Acquisition or Disposition of Assets"	In	not	not	not	Approved by all directors present
10th 14th 111.4.29	Amend some provisions of the Company's "Measures for the Acquisition or Disposition of Assets"	In	not	not	not	Approved by all directors present
XI Second 111.6.27	The Company guarantees the proposed capital loan to the subsidiary and the credit line of the subsidiary in response to the operation needs of the Group	In	not	not	not	Approved by all directors present
11th 6th 112.3.16	112 Certified Public Accountant Appointment	In	not	not	not	Approved by all directors present
	The Company intends to amend some provisions of the Endorsement Assurance Operating Procedures	In	not	not	not	Approved by all directors present

(2) Other matters resolved at the Board of Directors meeting that have been objected to or qualified by independent directors and notified in record or in writing: None.

- The directors shall state the name of the director, the content of the proposal, the reason for the recusal of interest, and the circumstances of participation in the voting: None
- A listed OTC company should disclose the evaluation cycle and period, the scope, method and content of the board of directors' self-(or peer) evaluation, and fill in Schedule 2 (2) of the implementation of the board evaluation.

**The Board of Directors evaluates the implementation**

Evaluation cycle	assess duration	assess range	assess manner	Evaluate the content
Performed annually	Evaluation of the performance of the	1. Overall Board of Directors	Self-evaluation within the Board of	Board Performance Evaluation Program: 1. The degree of participation in the

		Board from 1 January 1111 to 31 December 111.	Individual Board Members	Directors	company's operations. 2. Improve the quality of board decision-making. 3. Composition and structure of the Board of Directors. 4. Selection and continuing education of directors. 5. Internal Control. Performance evaluation items for individual board members: 1. Mastery of the company's goals and tasks. 2. Awareness of directors' responsibilities. 3. Degree of participation in the company's operations. 4. Internal relationship management and communication. 5. Professional and continuing education of directors. 6. Internal Control.
--	--	---	--------------------------------	-----------	--

- Objectives for strengthening the functions of the Board of Directors in the current and most recent years (e.g. establishment of audit committees, improvement of information transparency, etc.) and evaluation of implementation:

The Company has set up a remuneration committee and an audit committee on 111.06.17 to implement corporate governance and appoint a "Board of Directors."

Deliberative Standards" to enhance the functions of the Board and enhance the operational efficiency of the Board, and the Board of Directors has passed the Board Performance Evaluation

Act", stipulating that the Board of Directors shall conduct a performance evaluation once a year.

■ Participation of the Supervisor in the Operation

The Board of Directors met (A) three times on the date of publication of the latest annual and annual newspapers (112/5/20), and the supervisors attended as follows:

job title	Name (Note 1)	Actual number of attendances (B)	Number of delegated attendances	Actual attendance rate (%) [B/A] (Note 2)	remark
Ombudsman	Wang Junteng	3		100.00%	
Ombudsman	Wu Jingwen	0		0.00%	
Ombudsman	Shen Sumei	0		0.00%	
<p>Other matters that should be recorded:</p> <p>1. Composition and duties of the Supervisor:</p> <p>(1) Communication between the supervisor and the company's employees and shareholders: The company's supervisor can learn about the company's business execution through the audit report reported by the internal audit, and may also request the head of the relevant department to provide a business explanation when necessary. Employees and shareholders of the Company may contact the Company's Supervisors by post and email.</p> <p>(2) Communication between the supervisor and the internal audit supervisor and accountant: The internal audit supervisor of the Company will regularly summarize the audit report and submit it to the supervisor for review and signing, and report the audit implementation to the board of directors. The supervisor may check the execution of the company's financial business at any time, if there are any doubts about the company's related operations, he can immediately communicate with the head of the relevant department and request a review and improvement, the certified public accountant can make the quarterly financial statement review or review results and other relevant laws and regulations to the supervisor, and if the supervisor has any doubts about the company's finances, he can also communicate with the accountant appointed by the company at any time to understand the relevant risks.</p> <p>2. If a supervisor attends the board of directors as an observer, he or she shall state the date, period, content of the proposal, the result of the resolution of the board of directors, and the company's handling of the supervisor's statement: None</p>					

### 3.3.2 Operation of the Audit Committee:

The Company has established an Audit Committee on 111.06.17.

The Audit Committee of the Company consists of all independent directors and three members. Hold regular quarterly meetings before the board of directors to review the implementation of the company's internal control and internal audits and major financial business behaviors, and communicate with certified public accountants to effectively supervise the company's operations and risk control.

Latest Annual and Extended Annual Report Date of Publication (112/5/20) The Audit Committee met (A) 6 times and was present as follows:

job title	Name (Note 1)	Actual number of attendances (B)	Number of delegated attendances	Actual attendance rate (%) [B/A] (Note 2)	remark
Independent Director	Liu Tianxi	6		100.00%	
Independent Director	Hu Jinlian	6		100.00%	
Independent Director	Lin Dongyao	0	2	0.00%	

Other matters that should be recorded:

- In the event of any of the following circumstances, the Audit Committee shall specify the date, period, content of proposals, objections of independent directors, qualified opinions or major proposals, the results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions
- Matters listed in Article 14-5 of the Securities and Exchange Act

meeting	Content of the motion	Objections, reservations, or material resolution items of independent directors	The results of the Audit Committee's resolutions and the Company's handling of the Audit Committee's opinions
The first time of the first session Audit Committee 111.06.27	The Company guarantees the proposed capital loan to the subsidiary and the credit line of the subsidiary in response to the operation needs of the Group	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present unanimously without objection
The first session and the second time Audit Committee 111.08.05	The Company's consolidated financial report for the second quarter of the year	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present unanimously without objection
The third of the first session Audit Committee 111.11.07	The Company's consolidated financial report for the third quarter of 111 years	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present unanimously without objection
1st Session, 4th Session Audit Committee 112.3.16	The company's 111 annual business report and financial report The company's loss compensation for the year 111 112 Certified Public Accountant Appointment	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present

	The company's 111 annual internal control system effectiveness assessment and internal control system statement The Company intends to amend some provisions of the Endorsement Assurance Operating Procedures		unanimously without objection
The fifth of the first session Audit Committee 112.4.19	The Company intends to dispose of the equity interest of Tianyi Aluminum Co., Ltd., a subsidiary	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present unanimously without objection
1st 6th Audit Committee 112.05.03	The Company's consolidated financial report for the first quarter of 112	not	With the consent of all members present, it shall be sent to the board of directors and approved by all directors present unanimously without objection

**3.3.3 The operation of corporate governance and the differences and reasons for the differences from the Code of Practice on Corporate Governance of Listed and OTC Companies**

Evaluate the project	Operation (Note 1)		Summary description	Discrepancies and reasons for differences from the Code of Practice on Governance of Listed OTC Companies
	be	not		
1. Has the company formulated and disclosed the Code of Practice on Corporate Governance in accordance with the Code of Practice on Corporate Governance for Listed and OTC Companies?	In		The Company has formulated a Code of Practice on Corporate Governance and published it on the Company's official website to implement the spirit of corporate governance and pursue the maximization of shareholders' equity	There were no major differences
<p>2. The company's shareholding structure and shareholders' rights</p> <p>(1) Has the company established internal operating procedures to deal with shareholders' proposals, doubts, disputes and litigation matters, and implemented them in accordance with the procedures?</p> <p>(2) Does the company have a list of the major shareholders who actually control the company and the ultimate controllers of the major shareholders?</p> <p>(3) Has the company established and implemented risk control and firewall mechanisms with affiliated enterprises?</p> <p>(4) Does the company have internal regulations prohibiting insiders from using undisclosed information in the market to buy and sell securities?</p>	<p>In</p> <p>In</p> <p>In</p> <p>In</p>		<p>1. The company has not established internal operating procedures; However, in order to ensure shareholders' equity, a spokesperson has been appointed and responsible for handling the matters mentioned above.</p> <p>2. The Company does know the shareholding situation of major shareholders, directors and supervisors according to the shareholder register provided by the stock agency.</p> <p>3. The Company has formulated relevant laws and mechanisms in accordance with laws and regulations in the Company's internal regulations and internal control system, and implemented them in accordance with relevant regulations, in addition to urging important subsidiaries to establish an internal control system in Article 3 of the Code of Practice on Corporate Governance, and regularly reviewing the Company and its important subsidiaries in response to changes in the internal and external environment to ensure that the design and implementation of the system continues to be effective; Article 14 provides that firewalls are properly established.</p> <p>4. The Company has established Article 6 of the "Internal Material Information Processing Operating Procedures" and that directors, supervisors, managers and employees who are aware of the Company's internal material information shall not disclose the internal material information they know to others, as stipulated in Article 10 of the "Code of Corporate Governance Practices"; In order to protect the rights and interests of shareholders and implement equal treatment of shareholders, the company should formulate internal prohibition regulations, and insiders of the company should use undisclosed</p>	<p>1.1 There are no significant differences in actual implementation</p> <p>1.2 Not currently happening; Therefore, the operating procedures for the relevant matters mentioned above have not yet been established and incorporated into the internal control system.</p> <p>2. No major differences</p> <p>3. No major differences</p> <p>4. It did not happen in practice; There are no major differences</p>

Evaluate the project	Operation (Note 1)			Discrepancies and reasons for differences from the Code of Practice on Governance of Listed OTC Companies
	be	not	Summary description	
			information in the market to buy and sell securities.	
<p>3. Composition and responsibilities of the Board of Directors</p> <p>(1) Does the board formulate diversity policies, specific management objectives and implement them?</p> <p>(2) In addition to setting up a salary and remuneration committee and an audit committee according to law, does the company voluntarily set up other functional committees?</p> <p>(3) Has the company formulated performance evaluation methods and evaluation methods for the board of directors, conducted performance evaluation annually and periodically, and submitted the results of performance evaluation to the board of directors, and used them for reference in the remuneration and nomination of individual directors?</p> <p>(4) Does the company regularly assess the independence of the certified public accountant?</p>	In	In	<p>1. The Corporate Governance Code of Practice established by the Company has set out the policy of diversity of directors. The Company re-elected the Board of Directors at the 111th degree, and in accordance with the spirit of diversity, elected a Board of Directors composed of industry elites and accounting experts in addition to shareholders. In order to implement the policy framework for promoting gender equality in China, increase women's participation in decision-making and improve the structure of the board of directors, the Company also has two female directors participating in the board of directors, accounting for 28.57% of the directors and achieving the target of 25%. Please see page 13 for a description of Board diversity implementation.</p> <p>2. The Company has established functional committees such as the Remuneration Committee and the Audit Committee.</p> <p>3. as regulated by Article 37 of the Code of Practice on Corporate Governance; The Company formulated the "Measures for the Performance Evaluation of the Board of Directors" on November 10, 104 of the Republic of China to enhance the operational efficiency of the Board of Directors. and promote annual performance reviews. It is also used as a reference for the remuneration and nomination of individual directors. The results of the 111-year evaluation are available on the Company's website <a href="http://www.datafab.com">www.datafab.com</a></p> <p>4. The matters discussed by the company in the board of directors (the first quarter of each year) are proposed in accordance with the provisions of the appointment of the company's certified public accountant; Resolve the appointment of him. The assessment of the independence of accountants is shown in Note 2.</p>	<p>1. No major differences</p> <p>2. The corporate governance system involves a wide range of aspects, and overall planning is required, and relevant functional committees will be established in a timely manner according to the needs of the company and legal compliance in the future.</p> <p>3. No major differences</p> <p>4. No major differences</p>
4. Does the listed OTC company allocate an appropriate number of			The Company was approved by a resolution of the Board of Directors on May 3, 112	There were no major differences



Evaluate the project	Operation (Note 1)			Discrepancies and reasons for differences from the Code of Practice on Governance of Listed OTC Companies
	be	not	Summary description	
corporate governance personnel, and designate a corporate governance supervisor to be responsible for corporate governance related matters (including but not limited to providing directors and supervisors with the necessary information for performing business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, and preparing minutes of board of directors and shareholders' meetings, etc.)?			He serves as the head of corporate governance as the chief financial officer of the Company, responsible for corporate governance related affairs, providing directors and supervisors with information necessary for the execution of business, assisting directors, complying with laws and regulations, handling matters related to meetings of the board of directors and shareholders' meetings in accordance with the law, preparing minutes of board of directors and shareholders' meetings, etc., and promoting corporate governance related matters	
5. Has the company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), set up a stakeholder section on the company's website, and appropriately responded to important corporate social responsibility issues of stakeholder concern?	In		1. The company has set up spokespersons, proxy spokespersons and investor relations contacts as channels for communication with stakeholders in accordance with regulations. 2. The Company's website www.datafab.com.	There were no major differences
6. Does the company appoint a professional stock agency to handle the affairs of the shareholders' meeting?	In		The company appoints the stock affairs agency department of Yuanta Securities (shares) company in accordance with the regulations to handle the affairs of the stock affairs and handle the affairs of the shareholders' meeting.	There were no major differences
7. Information Disclosure (1) Has the company set up a website to disclose financial business and corporate governance information? (2) Does the company adopt other methods of information disclosure (such as setting up an English website, designating a special person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, placing the company's website during the legal person briefing	In  In  In		1. The Company's website www.datafab.com; and disclose financial business and corporate governance information. 2. The company has designated a special person to be responsible for the collection and disclosure of company information and implement the implementation of the spokesperson system.  3. The company's financial report (annual, quarterly) and monthly operation are announced and reported before the specified period.	1. No major differences 2. No major differences  3. No major differences

Evaluate the project	Operation (Note 1)			Discrepancies and reasons for differences from the Code of Practice on Governance of Listed OTC Companies
	be	not	Summary description	
process, etc.)? (3) Does the company announce and file its annual financial report within two months after the end of the accounting year, and announce and report the first, second and third quarter financial reports and the operation of each month as early as possible before the prescribed deadline?				
8. Whether the company has other important information that is conducive to understanding the operation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the company's purchase of liability insurance for directors and supervisors, etc.) ?	In		<p>1. You can use the Public Information Observatory, the company's website, the company's prospectus and annual reports.</p> <p>2. Important information on corporate governance operations, such as employee rights, employee care, investor relations, supplier relations, rights of stakeholders, training of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the purchase of liability insurance by the company for directors and supervisors, etc. can be obtained and understood through the above.</p>	There were no major differences
9. Please explain the improvement in the results of the corporate governance evaluation released by the Corporate Governance Center of Taiwan Stock Exchange Corporation Limited in the latest year, and propose priority strengthening matters and measures for those that have not yet improved. (Those not listed in the rated company do not need to fill in)				
<p>1. The company has completed 111 years of corporate governance self-assessment in accordance with the provisions of the stock exchange</p> <p>2. According to the results of corporate governance evaluation and improvement measures released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the latest year, the following matters will be taken</p> <p>items are prioritized for enhancement:</p> <p>Strengthen the disclosure of corporate governance information on the company's website and annual report to protect shareholders' rights and interests, strengthen the functions of the board of directors and enhance information transparency.</p>				

Note 1: The operation status regardless of whether "Yes" or "No" is checked, should be stated in the Summary Description field.

Note 2: Assessment of the independence of accountants

I. Laws and regulations stipulate:

1. According to Article 29 of the Code of Practice on the Governance of Listed OTC Companies, the Company shall select professional, responsible and independent certified public accountants to regularly audit the Company's financial status and internal control.

2. The Company shall periodically (at least once a year) assess the independence of the accountants engaged. If the Company has not changed its accountant for seven consecutive years or has been sanctioned or impaired, it should consider the necessity of replacing the accountant and report the result to the Board.

II. Evaluation Results:

1. The certified public accountants of the Company in the past five years and the audit opinions issued by them are listed below:

annual	Accounting firms	The name of the visa accountant	Check the report comments	remark
106	Guofu Haohua United Accounting Firm	Wu Mengda, Lin Chunzhi	No reservations	
107	Guofu Haohua United Accounting Firm	Wu Mengda, Lin Chunzhi	No reservations	
108	Guofu Haohua United Accounting Firm	Wu Mengda, Lin Chunzhi	No reservations	
109	Guofu Haohua United Accounting Firm	Wu Mengda, Lin Chunzhi	No reservations	
110	Guofu Haohua United Accounting Firm	Lin Jinfeng, Lin Chunzhi	No audit report has been issued	

2. The assessment of the relationship between the certified public accountant and the Company is set out below:

Item	Evaluate the project	be	not
1.	The appointed accountant has no direct or material indirect financial interest in the Company	✓	
2.	The appointment of an accountant has no improper interest in the Company.	✓	
3.	The appointed accountant does not hold shares in the Company.	✓	
4.	The appointed accountant has not had any monetary borrowing with the Company.	✓	
5.	The appointed accountant has not co-invested or shared benefits with the Company.	✓	
6.	The appointed accountant does not charge any commission in connection with the business.	✓	
7.	Appointed accountants should ensure that their audit teams are committed to integrity, impartiality and independence.	✓	
8.	The appointed accountant does not concurrently perform regular work in the Company and receives a fixed salary.	✓	
9.	The appointed accountant has not served as a director, supervisor, manager or position that has a significant impact on the audit case or in the past two years.	✓	
10.	The period of appointment of an accountant has not exceeded seven consecutive years.	✓	

Conclusion:

Based on the above analysis, after evaluating the 111 annual financial statements of the Company, Lin Jinfeng and Lin Chunzhi, accountants of Guofu Haohua United Accounting Firm, who are proposed to be appointed by Guofu Haohua United Accounting Firm, have considerable independence and suitability, so they are submitted to the board of directors to resolve their employment case.

**3.3.4 The remuneration committee shall disclose its composition, responsibilities and operation:**

On December 28, 100, the Board of Directors of the Company passed the establishment of a Remuneration Committee, which serves from June 17, 111 to June 114

On the 16th, the members of the Remuneration Committee were Mr. Lam Tung Yiu, an independent director, Mr. Lau Thiam Seok, an independent director, Ms. Hu Jinlian, an independent director, and Mr. Lau Thiam Seok, an independent director, as the convener, and the Remuneration Committee aims to assist the Board in implementing and evaluating the policies, systems, standards and structures of the Company's remuneration.

■ **Information on members of the Remuneration Committee**

Body aration (Note 1)	condition name	Have more than five years of work experience and the following professional qualifications			Matching independence (Note 2)										The number of members of the Payroll and Remuner ation Committ ee of other public offerin g compani es	rema rk	
		Lecturer or above in public or private colleges and universi ties in relevant departme nts required for business , legal, finance, accounti ng or corporat e business	Judges, prosecu rs, lawyers, accountan ts or other specializ ed professio ns and technicia ns who have passed the national examinati on and obtained a certifica te in connectio n with the company's business	Have the required working experien ce in business , legal, finance, accounti ng or corporat e business	1	2	3	4	5	6	7	8	9	10			
Independe nt Director	Liu Tianxi		In	In	In	In	In	In	In	In	In	In	In	In	In	0	
Independe nt Director	Lin Dongyao	In		In	In	In	In	In	In	In	In	In	In	In	In	0	
other	Liu Qixu		In	In	In	In	In	In	In	In	In	In	In	In	In	0	Note 3
Independe nt Director	Hu Jinlian		In	In	In	In	In	In	In	In	In	In	In	In	In	1	Note 4

Note 1: Please list your identity as a director, independent director or others.

Note 2: If a member meets the following conditions two years before and during his or her term of office, please mark " " in the space below the code of each condition.

- (1) Employees who are not employees of the company or its affiliates.
- (2) Non-directors or supervisors of the company or its affiliates (except if the company and its parent company, subsidiaries, or subsidiaries of the same parent company are established by independent directors in accordance with this Act or local laws and regulations).
- (3) Natural person shareholders who are not themselves, their spouses, minor children or hold more than 1% of the total issued shares of the company or the top 10 shareholders in the name of others.

- (4) Spouse, second-class relatives, or direct blood relatives within the third degree of the managers listed in (1) or persons listed in (2) and (3).
- (5) Directors, supervisors or employees of corporate shareholders who do not directly hold more than 5% of the total number of issued shares of the company, hold the top five shares, or appoint a representative to serve as a director or supervisor of the company in accordance with Paragraph 1 or 2 of Article 27 of the Company Law (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Law or local laws and regulations to serve as independent directors of each other). ) °
- (6) Directors, supervisors or employees of other companies whose seats or voting shares are not owned by the same person (except if the company or its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Law or local laws and regulations as independent directors who serve concurrently with each other).
- (7) Directors (directors), supervisors (supervisors) or employees of other companies or institutions that are not the same person, general manager or equivalent of the company (except if the company and its parent company, subsidiaries or subsidiaries of the same parent company are established in accordance with this Act or local laws and regulations).
- (8) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of the shares of a specific company or institution with which the company has financial or business dealings (except if the specific company or institution holds more than 20% but not more than 50% of the total issued shares of the company, and is an independent director of the company and its parent company, subsidiary or subsidiary of the same parent company established in accordance with this Law or local laws and regulations).
- (9) Professionals, sole proprietorships, partnerships, managers and their spouses who do not provide audits for the company or affiliated enterprises or obtain remuneration in the past two years with a cumulative amount of NT\$500,000 in business, legal, financial, accounting and other related services. However, this does not apply to members of the Remuneration Committee, the Public Takeover Review Committee, or the Special Merger and Acquisition Committee that perform their duties and powers under the Securities and Exchange Act or the Merger and Acquisition Act.
- (10) There is no such thing as one of the circumstances of Article 30 of the Company Law.

Note 3: 111.06.17 Full re-election and dismissal

Note 4: 111.06.17 was completely re-elected

■ Information on the functioning of the Remuneration Committee

1. The Remuneration Committee of the Company shall consist of 3 members and three independent directors.
2. The term of office of the current members: June 17, 111 to June 16, 114, the most recent year and from the date of publication of the annual newspaper (May 20, 112), the Remuneration Committee meets three times (A), the membership and attendance are as follows:

job title	name	Actual attendance ( B )	Number of delegated attendances	Actual Attendance Rate (%) ( B / A )(註)	remark
convener	Liu Tianxi	3	0	100%	Renewal
commissioner	Lin Dongyao	0	0	0%	Renewal
commissioner	Hu Jinlian	3	0	100%	111.6.17 New (Should attend 3 times)
commissioner	Liu Qixu	0	0	0	111.6.17 Dismissal (0 attendances)

Other matters that should be recorded:

- If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date, period, content of the proposal, the outcome of the Board's resolutions, and the Company's handling of the Remuneration Committee's opinions (if the remuneration is better than the Remuneration Committee's recommendation adopted by the Board of Directors, the circumstances and reasons for the discrepancy shall be stated): there is no such situation.
- If a member has an objection or reservation to the decision of the Remuneration Committee, and there is a record or written statement, the date, period, content of the motion, all members' opinions and the handling of members' opinions of the Remuneration Committee shall be stated: this is not the case.

**Important resolutions of the Remuneration Committee**

Remuneration Committee	The content of the motion and its follow-up processing	Resolution results	The Company's handling of the opinions of the Remuneration Committee
The first of the fifth session was 111.08.5	1. Elect the convener of the 5th Remuneration Committee 2. 111 annual employee remuneration.	All members present shall adopt the case without objection.	All directors present shall pass without objection.
The second of the fifth session was 111.11.7	111 annual year-end bonuses 2. 112 Annual remuneration policies for directors, supervisors and key managers of the Company	All members present shall adopt the case without objection.	All directors present shall pass without objection.
The third of the fifth session was 112.5.3	Revise the salary and bonus system of the Company's business personnel	All members present shall adopt the case without objection.	All directors present shall pass without objection.

**3.3.5 Implementation of promoting sustainable development and the differences and reasons for the implementation of sustainable development and the sustainability development practices of listed OTC companies**

Evaluate the project	Operational situation (Note 1).			Discrepancies and reasons for differences from the Corporate Social Responsibility Code of Listed and OTC Companies
	be	no	t	
1. Has the company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is handled by the senior management authorized by the board of directors and supervised by the board of directors?	In		The company has not set up a dedicated (part-time) unit for sustainable development	We will continue to improve and comply with the needs of the company according to the law, set up and promote full-time (part-time) units and report to the board of directors
2. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)	In		The company has formulated a code of practice for corporate social responsibility, and each unit will conduct its own risk assessment and track the implementation and compliance.	There were no major differences
3. Environmental issues (1) Has the company established an appropriate environmental management system according to its industrial characteristics? (2) Is the company committed to improving energy efficiency and using recycled materials with low impact on the environment? (3) Whether the company assesses the impact of climate change on enterprises Potential risks to the industry now and in the future Opportunities and relevant countermeasures? (4) Whether the company has counted greenhouses in the past two years	In In In In		(1) The company is a funeral service industry, which is very important for the development of the cemetery and the maintenance of water and soil, and has close monitoring over it. (2) The company's landscape environment uses mountain spring water and rainwater for planting and maintenance water to save energy and resource reuse. (3) Climate change: The company takes energy conservation and carbon reduction as the main measure to promote energy measures to reduce	There were no major differences There were no major differences There were no major differences There were no major differences

<p>Gas emissions, water consumption and disposal</p> <p>Total weight of matter and work out greenhouse gases</p> <p>Reduce, reduce water use, or other waste</p> <p>What is the property management policy?</p>			<p>the impact of enterprise operations on the natural environment.</p> <p>(4) The company counts water consumption, electricity consumption and waste every month to achieve energy conservation and cost reduction, and formulates declarations on energy conservation and carbon reduction, greenhouse gas reduction, water resources management and water resource recovery for compliance.</p> <p>The above details the <a href="http://www.datafab.com">www.datafab.com</a> of our website</p>	
<p>4. Social issues</p> <p>(1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?</p> <p>(2) Does the company formulate and implement reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflect business performance or results in employee compensation?</p> <p>(3) Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?</p> <p>(4) Does the company establish an effective</p>	<p>In</p> <p>In</p> <p>In</p> <p>In</p> <p>In</p>		<p>(1) In order to fulfill corporate social responsibility, protect the basic human rights of all colleagues, customers and stakeholders, recognize and support compliance with various international human rights conventions, eliminate any violation and violation of human rights, and enable internal and external members to receive fair and dignified treatment, this policy and procedures are hereby formulated.</p> <p>(2) The Company has formulated "Working Rules" and "Employee Performance Appraisal Measures", which are reflected in the remuneration of employees according to the appraisal results.</p> <p>(3) The company once a year through qualified technicians fire inspection and monthly elevator maintenance inspection to build a safe, comfortable, healthy and hygienic working environment, to protect the life safety of all employees as the principle, to</p>	<p>There were no major differences</p> <p>There were no major differences</p> <p>There were no major differences</p> <p>There were no major differences</p> <p>There were no major differences</p>



<p>career development training program for employees?</p> <p>(5) Does the company comply with relevant laws and regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labeling of products and services, and formulate relevant policies and grievance procedures for the protection of consumer or customer rights and interests?</p> <p>(6) Has the company formulated a supplier management policy that requires suppliers to comply with relevant norms on issues such as environmental protection, occupational safety and health, or labor human rights, and their implementation?</p>	<p>In</p>	<p>ensure that all colleagues in the work of safety, we follow the environmental, health and safety policy, committed to achieving zero safety accidents.</p> <p>(4) The Company formulates annual education and training plans and training courses in accordance with the annual business policy, laws and regulations and the needs of work functions.</p> <p>(5) The company has an official website, FB, and a 24-hour service telephone To serve customers and exchange opinions, the formulation and sale of all products are in accordance with the laws and regulations.</p> <p>(6) The company formulates supplier management policies and conducts environmental safety and health and corporate social responsibility related regulations with suppliers, and suppliers may terminate or terminate the contract at any time if they violate laws, regulations or policies.</p>	<p>There were no major differences</p>
<p>5. Does the company refer to the internationally accepted standards or guidelines for the preparation of reports to prepare reports that disclose the company's non-financial information, such as perpetual reports? Has the foreclosure report obtained the assurance or assurance opinion of the third-party verification unit?</p>	<p>In</p>	<p>The Company has not prepared a sustainability report, but has a social responsibility policy and complies with the requirements of the Code of Practice on Corporate Social Responsibility for OTC-listed Companies.</p>	<p>We will cooperate with the company's development and legal compliance assessment preparation</p>
<p>6. If a company has its own sustainable development code in accordance with the Code of Practice for Sustainable Development of OTC-listed Companies, please explain the differences between its operation and the prescribed code:</p> <p>The Company has formulated a Code of Practice for Corporate Social Responsibility; In addition to doing our best to implement corporate governance, develop a sustainable environment, maintain social welfare, and strengthen corporate social responsibility information disclosure, we also urge subsidiaries to promote and implement them.</p>			

Other important information to help understand the implementation of sustainable development:

1. The system and various measures adopted by the company are oriented towards fulfilling the direction of sustainable development of the enterprise, such as ensuring the rights and interests of employees and promoting green environmental protection products.
2. The company's main business is mainly funeral services, providing customers with funeral tower goods and deceased etiquette services, which is not applicable to ISO 14001 or similar environmental management system verification.
3. The company's participation in social welfare: the company provides undetermined donations or materials to participate in social activities (such as used shoes life-saving love public welfare activities Send love to the countryside, New Taipei Shimen dementia community service base to pick up the transportation car) is also available, low-income household tower support project to assist The person who needs to be assisted.

Note 1: If you check "Yes" for implementation, please specify the important policies, strategies, measures and implementation conditions adopted; Execution scenarios

If you check No, please explain the discrepancy in the "Discrepancies from the Code of Practice on Sustainable Development of OTC-listed Companies and Causes"

Shape and reason, and explain the plans for the implementation of relevant policies, strategies and measures in the future.

NOTE 2: The materiality principle refers to the importance of environmental, social and corporate governance issues to corporate investors and other stakeholders  
Big influencers.

Note 3: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

**3.3.6 The company's performance of honest business and the differences between it and the integrity management code of listed and OTC companies and the reasons for it**

Evaluate the project	Operation (Note 1)			Discrepancies and reasons for differences from the integrity management code of listed OTC companies
	be	not	Summary description	
<p>1. Formulate policies and plans for honest management</p> <p>(1) Has the company formulated an integrity management policy adopted by the board of directors, and clearly stated the policies and practices of honest management in the rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the business policy?</p> <p>(2) Has the company established an assessment mechanism for the risk of dishonest conduct, regularly analyzed and assessed business activities with a high risk of dishonest conduct within its business scope, and formulated a plan to prevent dishonest conduct accordingly, and at least covered the preventive measures for the acts in Paragraph 2 of Article 7 of the Code of Integrity Management for Listed OTC Companies?</p> <p>(3) Has the company specified operating procedures, conduct guidelines, punishment and appeal systems for violations in the plan to prevent dishonest behavior, implemented them, and regularly reviewed the revised plan?</p>	In	In	<p>1. The company has formulated a policy of honest management, strictly requires internal operators (management) to be honest and self-disciplined, advocates labor equality for employees with care and compassion, ensures that the relationship between external and manufacturers and customers is operated in the principle of transparency, fairness and integrity, and urges subsidiaries to work hard to implement.</p> <p>2. The company's integrity management code has specifically stipulated that the company's personnel shall not directly or indirectly provide, promise, demand or accept any improper benefits, or do other acts that violate integrity, illegality or breach of fiduciary duties in the process of engaging in business activities, and review the risks of business dishonesty and revise the measures for follow.</p> <p>3. The company in good faith management operating procedures and The Code of Conduct lists dishonest conduct and punishment Fine, in addition to the whistleblower mailbox, special line processing, to implement it.</p>	<p>There are no major differences.</p> <p>There are no major differences.</p> <p>There are no major differences.</p>
<p>2. Implement honest management</p> <p>(1) Does the company assess the creditworthiness record of its correspondents and specify the terms</p>	In		<p>1. When the company signs a contract with others, it should understand the integrity of the other party as much as possible, and it is appropriate to</p>	<p>There are no major differences</p>

Evaluate the project	Operation (Note 1)			Discrepancies and reasons for differences from the integrity management code of listed OTC companies
	be	not	Summary description	
<p>of good faith conduct in the contracts it signs with its counterparties?</p> <p>(2) Does the company set up a special unit under the board of directors to promote corporate integrity management, and regularly (at least once a year) report to the board of directors its integrity management policy and plan to prevent dishonest behavior and supervise the implementation?</p> <p>(3) Has the company formulated a conflict of interest prevention policy, provided appropriate channels for representation, and implemented it?</p> <p>(4) Has the company established an effective accounting system and internal control system for the implementation of honest management, and the internal audit unit has formulated relevant audit plans based on the assessment results of the risk of dishonest behavior, and checked the compliance with the plan to prevent dishonest behavior, or entrusted an accountant to perform the audit?</p> <p>(5) Does the company regularly hold internal and external education and training on integrity management?</p>	In	In	<p>include the integrity management in the commercial contract.</p> <p>2. The company has not set up a full-time (part-time) unit to promote the integrity management of enterprises, but it has been handled in accordance with the integrity management code, and will continue to promote the establishment of a special unit and report to the board of directors regularly (at least once a year).</p> <p>3. The company has set up a whistleblowing mailbox and a special line for statements and communication channels to prevent conflicts of interest, and may also report directly to the company.</p> <p>4. The company has set up an audit room, the audit scope includes all operations of the company and its subsidiaries, operates in accordance with the accounting system and internal control system, and the auditors arrange the audit project every year in accordance with the regulations, and submit it to the supervisor and independent directors for inspection after the completion of the audit project, and report to the board of directors, and if any dishonest behavior is found, it will be reported immediately.</p> <p>5. The company regularly advocates honest management and handles internal and external education and training.</p>	<p>There are no major differences</p> <p>There are no major differences</p> <p>There are no major differences</p> <p>There are no major differences</p>
<p>3. The operation of the company's whistleblowing system</p> <p>(1) Has the company formulated a specific whistleblowing and reward system, established convenient whistleblowing channels, and assigned appropriate personnel responsible for the acceptance of the reported target?</p> <p>(2) Has the company established standard operating procedures for the investigation of the reported matter,</p>	In	In	<p>1. The company's working rules stipulate a whistleblowing and reward system, establish convenient whistleblowing channels, and assign appropriate acceptance units for the reported object. The company's website also has a special area for stakeholders, providing whistleblowing channels and maintaining confidentiality and protection of whistleblowers.</p> <p>2. Ditto.</p>	<p>There are no major differences</p> <p>There are no major differences.</p> <p>There are no major differences.</p>

Evaluate the project	Operation (Note 1)		Summary description	Discrepancies and reasons for differences from the integrity management code of listed OTC companies
	be	not		
<p>follow-up measures to be taken after the completion of the investigation and relevant confidentiality mechanisms?</p> <p>(3) Has the company taken measures to protect whistleblowers from being improperly disposed of as a result of whistleblowing?</p>			3. Ditto.	
<p>4. Strengthen information disclosure</p> <p>Does the company disclose the content of its Code of Integrity and the effectiveness of its promotion on its website and public information observatory?</p>	In		4.1. The company's website, annual report and public prospectus have disclosed the measures and contents of its integrity management.	There are no major differences.
<p>5. If the company has its own integrity management code in accordance with the "Code of Integrity Management for Listed OTC Companies", please explain the difference between its operation and the code: The Company has established a new Code of Ethical Management; Continuously observe future operations and differences.</p>				
<p>6. Other important information that is helpful to understand the company's integrity operation (such as the company's review and amendment of the integrity management code formulated by the company, etc.). The company has formulated internal control system and various management measures, and operates and manages in good faith; In addition, there are special personnel for manufacturers and customers as a regular basis Sexual contact channels, and keep abreast of customer dynamics, through good mechanisms, to ensure the integrity of both parties.</p>				

Note: The operation situation regardless of whether "Yes" or "No" is checked, it should be stated in the Summary Description field.

**3.3.7 If the company has formulated a corporate governance code and related rules, it should disclose its inquiry methods:**

- The Company has formulated the Corporate Governance Code and related regulations as follows:
  - (1) Articles of Association.
  - (2) Code of Practice on Corporate Governance.
  - (3) Company integrity management code.
  - (4) Code of Ethical Conduct.
  - (5) Rules of Procedure of the Shareholders' Meeting.
  - (6) Integrity Management Operating Procedures and Conduct Guidelines.
  - (7) Code of Practice for Corporate Social Responsibility.
  - (8) Internal major information processing operating procedures.
  - (9) Prevent insider trading management procedures.
  - (10) Acquisition and disposal of assets.
  - (11) Procedures for lending funds to others.
  - (12) Endorsement Guarantee Method.
  - (13) Human Rights Policy.
  - (14) Supplier Corporate Social Responsibility.
- Enquiry method: Inquiry under Corporate Governance on the Company's website ([www.datafab.com](http://www.datafab.com)).

**3.3.8 Other important information sufficient to enhance the understanding of corporate governance operations shall be disclosed together:**

The company's internal major information processing operating procedures: the company has formulated "internal major information processing operating procedures", which clearly standardizes the company's internal major information processing and disclosure mechanism, as directors, managers and employees should follow the guidelines, the relevant measures have been adopted by the board of directors and internal announcements and employee education and training.

- Participation of directors and supervisors in advanced training and training related to corporate governance:

job title	name	Course name	Organizer	Number of hours of further study
Independent Director	Hu Jinlian	Practical discussion on the model internal control and audit system for accountants to prevent money laundering and combat terrorism	Institute of Accountants	3 hours
		Introduction to the trend of international anti-tax avoidance and the controlled foreign enterprise system in China	Institute of Accountants	3 hours
		Sustainable carbon accounting management	Institute of Accountants	3 hours
		"Missing information related to company registration (checking capital visas), common mistakes in review cases"	Institute of Accountants	3 hours
		"Carbon Management Trends and Solutions to Net Zero"	Institute of Accountants	3 hours

- The participation of the Company's managers in further education and training related to corporate governance:

job title	name	Course name	Organizer	Number of hours of further study
Head of Accounting & Treasurer	Pan Qini	How the board and senior management review the ESG sustainability report	Accounting Research and Development Foundation of the Republic of China	3 hours
		Analysis of the latest annual IFRS Q&A	Accounting Research and Development Foundation of the Republic of China	3 hours
		From the perspective of the financial security incident, corporate governance should respond	Accounting Research and Development Foundation of the Republic of China	3 hours
		Analysis of whistleblower legal liability cases in economic crime and financial reporting fraud cases	Accounting Research and Development Foundation of the Republic of China	3 hours
Head of Audit	Wen Fengyu	The Audit Committee operates in compliance with the audit process	Republic of China Securities and Futures Market Development Foundation	6 hours
		Corporate governance practice and case analysis	Republic of China Securities and Futures Market Development Foundation	6 hours

### 3.3.9 Implementation status of internal control system

#### ■ Statement of Internal Control

#### Tianpin United Enterprise Co., Ltd

#### Statement of internal control system

Beijing time, March 16, 112

The internal control system of the company in the 111th year of the Republic of China, based on the results of self-assessment, hereby declares the following:

1. The Company acknowledges that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and the managers of the Company, and the Company has established such a system. Its purpose is to provide reasonable assurance on the effectiveness and efficiency of operations (including profit, performance and asset safety, etc.), the reliability, timeliness, transparency of reporting and compliance with relevant norms and compliance with relevant laws and regulations.
2. The internal control system has its inherent limitations, and no matter how well designed, an effective internal control system can only provide reasonable assurance for the achievement of the above three objectives; Moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism, and once the deficiencies are identified, the Company will take corrective action.
3. The Company determines whether the design and implementation of the internal control system is effective based on the items of judgment of the effectiveness of the internal control system stipulated in the "Guidelines for the Handling of the Internal Control System Establishment by Public Offering Companies" (hereinafter referred to as the "Handling Guidelines"). The internal control system judgment items adopted in the handling standard are based on the process of management control, and the internal control system is divided into five components: 1. control environment, 2. risk assessment, 3. control operation, 4. information and communication, and 5. supervision operation. Each component element in turn includes a number of items. For the preceding items, see Handling Guidelines.
4. The Company has adopted the above internal control system to judge the items and evaluate the effectiveness of the design and implementation of the internal control system.
5. Based on the results of the assessment in the preceding paragraph, the Company believes that the design and implementation of the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 111 of the Republic of China, including understanding the effectiveness of operations and the degree to which efficiency objectives are achieved, the reliability of reporting, timeliness, transparency and compliance with relevant norms and compliance with relevant laws and regulations, and the design and implementation of the internal control system, which can reasonably ensure the achievement of the above objectives.
6. This statement will become the main content of the company's annual report and public prospectus, and will be made public. If the above disclosure is false, concealed or other illegal matters, it will involve legal liabilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Law.
7. This statement has been approved by the board of directors of the company on March 16, 112, and none of the six directors present have any objections, and the rest agree to the content of this statement and this statement.

Tianpin United Enterprise Co., Ltd

Chairman: Signed

General Manager: Signed

- If the accountant project is entrusted to review the internal control system, the accountant's review report shall be disclosed: None

**3.3.10 The company and its internal personnel have been punished according to law or violated by the company against its internal personnel in the latest year and as of the date of publication of the annual report**

**The penalties provided for in the internal control system and the results of the penalties may have a significant impact on shareholders' equity or the price of securities shall be listed**

**Clarify the content of the punishment, the main deficiencies and the improvement situation: None**

**3.3.11 Important resolutions of the shareholders' meeting and the board of directors until the date of publication of the annual newspaper**

■ Important resolutions of shareholders' meetings

Date of the meeting	Summary of important motions	Execution scenarios
June 17, 111	The Company's 110 annual business report and financial report	It was approved by voting of the shareholders present
	The Company's 110-year surplus distribution.	It was approved by voting of the shareholders present
	Amendments to some articles of the Articles of Association.	It was approved by voting of the shareholders present The change registration was completed on July 20, 111
	Formulate the rules of procedure of the shareholders' meeting.	It shall be implemented after the vote of the shareholders present is passed
	Formulated the "Procedures for Election of Directors".	It shall be implemented after the vote of the shareholders present is passed
	Amendments to some provisions of the Measures for the Acquisition or Disposition of Assets.	It shall be implemented after the vote of the shareholders present is passed
	Comprehensive re-election of directors.	It shall be implemented after the vote of the shareholders present is passed
	Lifting the restriction on non-compete for new directors.	It shall be implemented after the vote of the shareholders present is passed
10/18/111	Amendments to some articles of the Articles of Association.	It was approved by voting of the shareholders present The change registration was completed on November 10, 111

■ Important resolutions of the Board of Directors

Date of the meeting	The name of the meeting	Important Resolution Matters
March 16, 111	The tenth thirteenth session board of directors	1. Adopt the Company's 110 annual business report, financial report and consolidated financial report
		2. Approve the Company's 110 annual surplus distribution plan
		3. Pass the assessment of the effectiveness of the company's 110-year internal control system and internal control system Statement of Letters
		4. Adopt the Directors' Supervisor's Remuneration and Employee Remuneration Provision



		<p>5. Through the Company, we intend to purchase directors, supervisors and important employees liability insurance (hereinafter referred to as D&amp;O Insurance")</p> <p>6. Pass the 11-year Certified Public Accountant Appointment</p> <p>7. Pass amendments to some articles of the Articles of Association</p> <p>8. Pass a comprehensive re-election of directors</p> <p>9. Matters related to whether the nomination of shareholders is included in the list of candidates through the Company</p> <p>10. Accept matters related to shareholders' right to propose through the regular meeting of shareholders</p> <p>11. Adopt the rules of organization of the Audit Committee</p> <p>12. Adoption of the "Director Selection Procedure"</p> <p>13. Adopt the proposal to establish the rules of procedure of the shareholders' meeting</p> <p>14. Adopt amendments to some provisions of the Code of Conduct for Board Meetings</p> <p>15. Lifting the restriction on non-compete for new directors</p> <p>16. Adopt the resolution of the 111-year regular meeting of shareholders of the Company</p> <p>17. Re-enter into an agency sales contract with Tianpin International (an important subsidiary).</p>
<b>April 29, 111</b>	10th 14th board of directors	<p>1. Adopt the Company's consolidated financial report for the first quarter of 111 year</p> <p>2. Amend some provisions of the Company's "Measures for the Acquisition or Disposition of Assets"</p> <p>3. Adopt proposals and review of candidates for directors and independent directors</p> <p>4. Through the Company's intention to participate in the cash capital increase of Playtai (shares) Company (subsidiary) to issue ordinary shares</p>
<b>June 2, 111</b>	10th and 15th board of directors	The Company intends to establish a subsidiary to invest in new businesses
<b>June 17, 111</b>	Eleventh for the first time board of directors	Chairman Election Bill
<b>June 27, 111</b>	XI Second Edition board of directors	<p>The Company intends to apply for a financing line from Yuanta Bank</p> <p>The Company intends to lend funds to subsidiaries and credit lines to subsidiaries in response to the needs of the Group's operations</p> <p>Endorsement guarantee</p> <p>The Fifth Remuneration Committee was established</p>
<b>August 5, 111</b>	Eleventh third board of directors	<p>1. The Company's consolidated financial report for the second quarter of 111 years</p> <p>2. The seal and seal registered by the economic department of the company and the seal for endorsement guarantee</p> <p>Person custody case</p> <p>3. Report to the Company for the "Greenhouse Gas Inventory and Verification Timeline Plan"</p>

		4. Review the resolutions passed by the Remuneration Committee
August 24, 111	XI IV board of directors	1. Proposed revision of the Company's "Corporate Structure"
		2. Amendments to some provisions of the Articles of Association
		3. Convene the first extraordinary meeting of shareholders of the Company in 111 year
November 7, 111	Eleventh fifth session board of directors	1. The Company's consolidated financial report for the third quarter of 111 years
		2. 112 Annual Budget
		3. 112 Annual Audit Plan
		4. Review of resolutions passed by the Remuneration Committee
3/16/112	The sixth of the eleventh session board of directors	1. The company's 111 annual business report and financial report
		2. The Company's loss compensation for the year 111
		3. 112 year Appointment of Certified Public Accountant
		4. Assessment of the effectiveness of the company's 111-year internal control system and statement of internal control system Book case
		5. The Company intends to amend some provisions of the Code of Conduct for Board Meetings
		6. The Company intends to amend some provisions of the Measures for the Performance Evaluation of the Board of Directors
		7. The Company intends to amend some provisions of the Procedures for Endorsement Guarantees
		8. The Company has purchased "Directors, Supervisors and Significant Employees Liability Insurance" (hereinafter referred to as "D&O Insurance")
		9. Re-sign the agency sales contract with Tianpin International (an important subsidiary).
		10. Submission to the subsidiary "Greenhouse Gas Inventory and Verification Timeline Plan"
		11. The regular meeting of shareholders accepts matters related to the right of shareholders to make proposals
		12. Convene the 112 annual shareholders' meeting of the Company
4/19/112	Eleventh seventh session board of directors	The Company intends to dispose of the equity interest of Tianyi Aluminum Co., Ltd., a subsidiary
5/3/112	Eleventh and eighth board of directors	1. The Company's consolidated financial report for the first quarter of 112
		2. The Company establishes a "Corporate Governance Officer" case
		3. Review the resolution passed by the Remuneration Committee

3.3.12 As of the date of publication of the annual newspaper, the directors or supervisors have different opinions and discipline on the important resolutions adopted by the board of directors

Recorded or written statement, its main content: none

3.3.13 In the latest year and as of the date of publication of the annual report, the chairman of the board, the general manager, the accounting director, the financial director and the internal auditor of the company

Summary of resignations and dismissals of management, corporate governance supervisors and R&D supervisors:

None

### 3.4 Accountant public fee information

#### 3.4.1 Certified Public Fee Information of Certified Public Accountants

Name of the accounting firm	The name of the accountant		During the audit	remark
Guofu Haohua United Accounting Firm	Lin Jinfeng	Lin Chunzhi	111.01.01-111.12.31	

Amount unit: NT\$1,000

Publicly-funded projects		Audit at public expense	Non-audit public expense	total
Amount leveling				
1	Less than \$2,000 thousand	In	In	In
2	2,000 thousand yuan (inclusive) ~ 4,000 thousand yuan			
3	4,000 thousand yuan (inclusive) ~ 6,000 thousand yuan			
4	6,000 thousand yuan (inclusive) ~ 8,000 thousand yuan			
5	8,000 thousand yuan (inclusive) ~ 10,000 thousand yuan			
6	10,000 thousand yuan (inclusive) or more			

3.4.2 The non-audit public expenses paid to the visa accountant, the firm to which the certified accountant belongs and their affiliated enterprises shall be the audit public fee

For more than a quarter, the amount of audit and non-audit public funds and the content of non-audit services should be disclosed: there is no such thing

Amount unit: New Taiwan dollar thousand

Name of the accounting firm	The name of the accountant	audit Free	Non-audit public expense					Accountant check Nuclear period	remark
			Institutional design	Business registration	human resources	Others (Note 1)	subtotal		
Guofu Haohua United Accounting Firm	Lin Jinfeng	840	0	20	0	27	47	01/01/111 ~ December 31, 111	NOTE 1: Non-audit public expense 1. Pay check form of 20 thousand yuan for non-supervisors 2. Fair value assessment report of financial assets 7000 yuan
	Lin Chunzhi								

3.4.3 The audit fee paid in the year of replacement is reduced compared with the audit fee paid in the previous year of replacement of the accounting firm

The amount of public funds audited before and after the replacement and the reason for this should be disclosed: there is no such case

3.4.4 If the audit fee is reduced by more than 10% compared with the previous year, the amount and proportion of the reduction in the audit fee shall be disclosed

Reason: Nothing

New Taiwan dollar: Thousand dollars

Audit public expenses for the previous year	Audit public expenses for the year	difference	illustrate
800	840	40	Failure to meet the criteria for description

3.5 Change of accountant information: no such thing

3.6 The chairman of the board, general manager, manager in charge of financial or accounting affairs of the company, who has worked in the firm of the certified public accountant or its affiliates within the last year shall disclose his/her name, professional title and period of employment with the firm to which the certified accountant belongs or its affiliates : There is no such thing

3.7 In the latest year and as of the date of publication of the annual report, the directors, supervisors, managers and shareholding ratio exceed 10%.

Transfer of shareholders' equity and changes in equity pledge

3.7.1 Changes in the equity of directors, supervisors, managers and major shareholders:

Unit: Unit

job title	name	111 years		112 years ended March 31	
		The number of shares held increases (decreases)	Increase (decrease) in the number of pledged shares	The number of shares held increases (decreases)	Increase (decrease) in the number of pledged shares
Chairman	Li Zhenkuan	0	0	0	0
Major Shareholders	FX Partners (shares) company	0	0	0	0
director	Zhang Longren	0	0	0	0
director	Li Shimin	0	0	0	0
director	Li Ruochun	0	0	0	0
director	Haofu Investment (shares) legal representative: Li Ruochun	0	0	0	0
director	Hoon & Fus Investment (shares) Legal representative: Wang Yiwen (Note 2)	0	0	0	0
Independent Director	Lin Dongyao	0	0	0	0
Independent Director	Liu Tianxi	0	0	0	0
Independent Director	Hu Jinlian (Note 4)	0	0	0	0
Ombudsman	Wang Junteng (Note 3)	0	0	0	0
Ombudsman	Wu Jingwen (Note 3)	0	0	0	0
Ombudsman	Shen Sumei (Note 3)	0	0	0	0
General Manager of the Department	Li Zhenxiao (Note 1)	0	0	0	0
Head of Accounting & Treasurer	Pan Qini	0	0	0	0

Note 1: The general manager of the department, Li Zhenxiao, resigned on February 28, 111

Note 2: 111.06.17 was completely re-elected and dismissed

Note 3: 111.06.17 was completely re-elected, and the supervisor was abolished according to law and the audit committee was established

Note 4: 111.06.17 was completely re-elected

3.7.2 Information that the counterparty to the equity transfer is a related person: None

3.7.3 Information that the counterparty of the equity pledge is a related person: None

3.8 The shareholders with the top 10 shareholding ratios are related persons or relatives within spouses and second parents information

Unit: Shares, % 4/30/112

NAME	MYSELF HOLDING SHARES		SPOUSE AND MINOR CHILDREN HOLD SHARES		AGGREGATE SHAREHOLDING IN THE NAME OF OTHERS		THE NAMES AND RELATIONSHIPS OF THE TOP 10 SHAREHOLDERS WHO ARE RELATED TO EACH OTHER OR ARE WITHIN THE LIMITS OF SPOUSES AND SECOND PARENTS. (NOTE 3)		REMARK
	Number of shares	Holding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	name (or name)	relationship	
FX Investment (shares) company Person in charge: Li Zhenxiao	33,487,829	54.22	0	0	0	0	Li Zhenkuan Li Zhenhao	Rich Director Tycoon & Fus	not
	745,948	1.21	0	0	0	0	Zhuang Huizhen Li Ruochun Li Zhenkuan Li Zhenhao Jerry Investments	Monitoring Mother Brother brothers director	
Jeley International Investment (Shares) Company Person in charge: Li Zhenhao	4,359,841	7.05	0	0	0	0	Li Zhenkuan Li Zhenxiao Zhuang Huizhen Li Ruochun Li Zhenkuan	Director of Jerry Director of Jerry Mother Brother	not
	1,182,413	1.91	631,103	1.02	0	0	Li Zhenxiao Rich Investments	brothers brothers Monitor	
Fengpei International Investment (Shares) Company Person in charge: Zhuang Huizhen	2,837,948	4.60	0	0	0	0			not
	1,947,497	3.15	488,324	0.79	0	0	Li Ruochun Li Zhenkuan Li Zhenhao Li Zhenxiao	Mother and daughter Mother Mother Mother	
Li Zhenkuan	2,024,466	3.28	0	0	0	0	Zhuang Huizhen Li Ruochun Li Zhenhao Li Zhenxiao Jerry International Rich Investments	Mother Brother brothers brothers director director	not
Zhuang Huizhen	1,947,497	3.15	488,324	0.79	0	0	Fengpei International Li Ruochun Li Zhenkuan Li Zhenhao	director Mother and daughter Mother Mother Mother	not



							Li Zhenxiao		
China Trust Commercial Bank is entrusted with the custody of Huaya Securities Limited Company investment account	1,785,709	2.89	0	0	0	0	not	not	not
Zhang Longren	1,432,516	2.32	0	0	0	0	not	not	not
Li Ruochun	1,288,000	2.09	0	0	0	0	Zhuang Huizhen Li Zhenkuan Li Zhenhao Li Zhenxiao	Mother and daughter Brother Brother Brother	not
Li Zhenhao	1,182,413	1.91	631,103	1.02	0	0	Zhuang Huizhen Li Ruochun Li Zhenkuan Li Zhenxiao Jerry International Rich Investments	Mother Brother brothers brothers Chairman Ombudsman	not
Cathay United Bank is entrusted with the custody of the special investment account of Phillip Securities (Hong Kong) Limited	1,076,624	1.74	0	0	0	0	not	not	not

3.9 The Company, its directors, supervisors, managers and undertakings directly or indirectly controlled by the Company invest in the same investment

The number of shares held in the business and the comprehensive shareholding ratio is calculated on a consolidated basis

Reinvestment business (Note 1).	The Company invests		Directors, supervisors, managers and direct or indirect control of investments in the business		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Tianpin International Co., Ltd	40,940,887	99.85%	0	0%	40,940,887	99.85%

<b>Eternal Life Business (Shares) Company</b>	2,000,000	66.67%	1,000,000	33.33%	3,000,000	100.00%
<b>Play Tai (shares) company</b>	300,000	13.04%	1,600,000	69.57%	1,900,000	82.61%
<b>Tianyi Aluminum (shares) Company</b>	2,400,000	80.00%	0	0	2,400,000	80.00%

Note 1: It is a long-term equity investment by the company using the equity method.

#### 4. Fundraising

##### 4.1 Capital and Shares

##### 4.1.1 Share Amount

4/30/112 Unit: Shares

share class	Approved share capital			r e m a r k
	Outstanding shares	Unissued Shares	total	
Registered common shares	61,760,018	78,239,982	140,000,000	The approved share capital consists of 10,000,000 shares of warrants

##### 4.1.2 Information on the Omnibus Reporting System: None

##### 4.1.3 Source of share capital

Unit: Unit; New Taiwan dollar

years	is su an ce Pr ic e	Approved share capital		Paid-up share capital		remark		
		Number of shares	amount	Number of shares	amount	Source of share capital	Cash other than cash is used to offset the share amount	other
82.04	10	250,000	2,500,000	250,000	2,500,000	Company founding 2,500,000	-	
82.12	10	500,000	5,000,000	500,000	5,000,000	Cash replenishment 2,500,000	-	-
84.06	10	3,000,000	30,000,000	1,262,000	12,620,000	Cash replenishment 7,620,000	-	-
86.04	10	3,000,000	30,000,000	1,400,000	14,000,000	Cash replenishment 1,380,000	-	-
87.09	10	3,000,000	30,000,000	2,200,000	22,000,000	Cash replenishment 3,800,000	-	-
						Surplus to capital increase 2,400,000		
						Capital reserve to capital increase 1,800,000		
88.06	10	19,000,000	190,000,000	5,000,000	50,000,000	Cash replenishment 18,001,860	-	-

						Capital reserve was converted into capital increase by 3,000,000		
						Surplus to capital increase 6,998,140		
89.04	10	19,000,000	190,000,000	6,000,000	60,000,000	Cash replenishment 10,000,000	-	-
89.09	10	19,000,000	190,000,000	11,304,000	113,040,000	Capital reserve 40,000,000	-	-
						Surplus to capital increase 12,800,000		
						Employee dividends into capital increase 240,000		
89.10	10	19,000,000	190,000,000	11,654,000	116,540,000	Cash replenishment 3,500,000	-	-
89.12	10	19,000,000	190,000,000	12,606,130	126,061,300	Cash replenishment 9,521,300	-	-
90.03	10	40,000,000	400,000,000	19,583,000	195,830,000	Capital reserve was converted into capital increase by 33,324,550	-	-
						Surplus to capital increase 32,707,150		
						Employee dividends into capital increase 3,737,000		
90.04	10	40,000,000	400,000,000	23,666,470	236,664,700	Cash replenishment 40,834,700	-	-
91.09	10	46,000,000	460,000,000	30,400,000	304,000,000	Capital reserve was converted into capital increase by	-	Taiwan financial

						23,666,470		cer tif ica te is one wor d 091 014 473 5 num ber
						Surplus to capital increase 39,159,640		
						Employee dividends into capital increase 4,509,190		
92.09	10	80,000,000	800,000,000	34,672,100	346,721,000	Capital reserve was converted into capital increase by 30,400,000	-	Tai wan fin anc ial cer tif ica te is one wor d 092 012 530 9
						Surplus to capital increase 11,096,000		
						Employee dividends into capital increase 1,225,000		
92.11	10	80,000,000	800,000,000	42,672,100	426,721,000	Cash replenishment 80,000,000	-	Tai wan fin anc ial cer tif ica te is one wor d 092 013 147 1

								num ber
93.04	10	80,000,000	800,000,000	45,327,620	453,276,200	Domestic convertible debt conversion 26,555,200	-	Not e 1
93.07	10	80,000,000	800,000,000	56,179,910	561,799,100	Capital reserve was converted into capital increase by 45,327,620	-	Tai wan fin anc ial cer tif ica te is one wor d 093 011 541 5
						Surplus to capital increase 56,659,530		
						Employee dividends into capital increase 6,535,750		
93.08	10	140,000,000	1,400,000,000	58,039,146	580,391,460	Domestic convertible debt conversion 18,592,360	-	Not e 1, Not e 2
93.11	10	140,000,000	1,400,000,000	58,629,576	586,295,760	Domestic convertible debt conversion 2,510,820	-	Not e 2, Not e 3
						Employee stock option voucher conversion 3,393,480		
93.11	10	140,000,000	1,400,000,000	58,834,039	588,340,390	Employee stock option voucher conversion 2,044,630	-	Not e 3
94.04	10	140,000,000	1,400,000,000	58,838,536	588,385,360	Employee stock option voucher conversion 44,970	-	Not e 3
94.05	10	140,000,000	1,400,000,000	61,385,697	613,856,970	Domestic convertible debt conversion 25,471,610	-	
94.09	10	140,000,000	1,400,000,000	61,561,981	615,619,810	Domestic convertible debt		

						conversion 632,170		
						Employee stock option voucher conversion 1,130,670		
94.11	10	140,000,000	1,400,000,000	60,161,981	601,619,810	Cancellation of the repurchase of shares 14,000,000		Not e 4
95.02	10	140,000,000	1,400,000,000	58,883,855	588,838,550	Employee stock option voucher conversion 18,740		Not e 5
						Cancellation of the repurchase of shares 12,800,000		
95.04	10	140,000,000	1,400,000,000	58,889,477	588,894,770	Employee stock option voucher conversion 56,220		
95.08	10	140,000,000	1,400,000,000	63,394,968	633,949,680	Domestic convertible debt conversion 45,054,910		
95.09	10	140,000,000	1,400,000,000	62,303,968	623,039,680	Cancellation of the repurchase of shares 10,910,000		Not e 6
96.02	10	140,000,000	1,400,000,000	62,439,823	624,398,230	Employee stock option voucher conversion 1,358,550		
96.04	10	140,000,000	1,400,000,000	62,471,697	624,716,970	Employee stock option voucher conversion 318,740		
96.07	10	140,000,000	1,400,000,000	62,685,703	626,857,030	Employee stock option voucher conversion 1,869,800		Not e 7
						Domestic convertible debt conversion		

						270,260		
96.09	10	140,000,000	1,400,000,000	63,442,522	634,425,220	Employee stock option voucher conversion 7,297,930		
						Domestic convertible debt conversion 270,260		
96.12	10	140,000,000	1,400,000,000	63,490,253	634,902,530	Employee stock option voucher conversion 477,310		
97.03	10	140,000,000	1,400,000,000	63,259,253	632,592,530	Cancellation of the repurchase of shares 2,310,000		Note 8
97.04	10	140,000,000	1,400,000,000	63,509,629	635,096,290	Employee stock option voucher conversion 2,503,760		
97.05	10	140,000,000	1,400,000,000	63,323,629	633,236,290	Cancellation of the repurchase of shares 1,860,000		Note 9
97.08	10	140,000,000	1,400,000,000	62,733,629	627,336,290	Cancellation of the repurchase of shares 5,900,000		Note 10
97.10	10	140,000,000	1,400,000,000	63,082,933	630,829,330	Employee stock option voucher conversion 3,493,040		
98.03	10	140,000,000	1,400,000,000	63,184,286	631,842,860	Employee stock option voucher conversion 1,013,530		
98.09	10	140,000,000	1,400,000,000	63,286,503	632,865,030	Employee stock option voucher conversion 1,022,170		
102.10	10	140,000,000	1,400,000,000	41,579,233	415,792,330	Capital reduction 217,072,700		Note 11



102.11	10	140,000,000	1,400,000,000	61,579,233	615,792,330	Capital increase 200,000,000		Private
103.09	10	140,000,000	1,400,000,000	56,660,018	566,600,180	Capital reduction 49,192,150		Not 12
103.10	10	140,000,000	1,400,000,000	56,760,018	567,600,180	Capital increase 1,000,000		Private
104.08	10	140,000,000	140,000,000	61,760,018	617,600,180	Capital increase 50,000,000		Private

Note 1: The approval number of the first domestic secured convertible corporate bond: (92) Securities Cabinet Bond No. 13877.

Note 2: The approval number of the first unsecured convertible corporate bond in China: (93) Securities Cabinet Bond No. 14218.

Note 3: The approval number of the first employee stock warrant: (91) Taiwan Financial Certificate (1) Zi No. 118755.

Note 4: The approval number of the FSC: No. 0 940152666 of the FSC.

Note 5: FSC approval number: FSC three-character No. 0950104271.

Note 6: The approval number of the FSC: Financial Regulatory Certificate No. 0950119328, Financial Regulatory Certificate Three-character No. 0950137773

Note 7: The approval number of the second employee warrant: Taiwan Financial Certificate No. 0920111443.

Note 8: FSC approval number: FSC three-character No. 0940107485.

Note 9: FSC approval number: FSC three-character No. 0940128417.

Note 10: FSC approval number: FSC No. 0940139063.

Note 11: Financial Regulatory Commission approval number: Financial Management Certificate No. 1020041572.

Note 12: Financial Supervisory Commission approval number: Financial Management Certificate No. 1030036246.

#### 4.1.4 Shareholder Structure

4/30/112 Unit: Shares; %

Quantity Shareholder Structure	government institution	finance institution	other juridical person	individuals	Foreign institutions and foreigners	total
Number	0	0	7	1,249	4	1,324
Number of shares held	0	0	41,243,977	17,632,223	2,883,818	61,760,018
Shareholding Ratio%	0	0	66.78	28.56	4.66	100.00

#### 4.1.5 Equity dispersion

- **Common Shares**

Unit: Shares; % 4/30/112

Shareholding is graded	Number of shareholders	Number of shares held	Shareholding ratio (%)
1 to 999	645	165,622	0.27
1,000 to 5,000	451	902,450	1.46
5,001 to 10,000	61	427,610	0.69
10,001 to 15,000	24	293,730	0.48
15,001 to 20,000	15	277,892	0.45
20,001 to 30,000	15	385,254	0.62
30,001 to 40,000	10	345,814	0.56
40,001 to 50,000	5	228,000	0.37
50,001 to 100,000	9	677,872	1.10
100,001 to 200,000	4	642,043	1.04
200,001 to 400,000	2	621,807	1.01
400,001 to 600,000	5	2,625,027	4.25
600,001 to 800,000	4	2,744,054	4.44
800,001 to 1,000,000	0	0	0
Above 1,000,001 will be graded according to the actual situation	10	51,422,843	83.26
total	1,260	61,760,018	100.00

Special Unit: N/A

#### 4.1.6 List of major shareholders

Unit: Unit; % 4/30/112

Shares Name of the major shareholder	Number of shares held	Shareholding ratio (%)
FX Partners (shares) company	33,487,829	54.22
Jeley International Investment (Shares) Company	4,359,841	7.06
Fengpei International Investment (Shares) Company	2,837,948	4.60
Li Zhenkuan	2,024,466	3.28
Zhuang Huizhen	1,947,497	3.15
China Trust Commercial Bank is entrusted with the custody of the special investment account of Huaya Securities Co., Ltd	1,785,709	2.89
Zhang Longren	1,432,516	2.32
Li Ruochun	1,288,000	2.09
Li Zhenhao	1,182,413	1.91
Cathay United Bank is entrusted with the custody of the special investment account of Phillip Securities (Hong Kong) Limited	1,076,624	1.74

#### 4.1.7 Prices per market, net worth, earnings, dividends and related data for the last two years

Unit: NTD: Shares

Year		110 years	111 years	Current year ended May 20, 112 (Note 8)	
per share Market price (Note 1)	Highest	25	32.65	27.3	
	Minimum	11.35	15.10	15.1	
	Even	16.73	21.35	18.61	
Net value per share (Note 2)	Before dispensing	12.75	12.13	-	
	After distribution	not applicable	not applicable	-	
Earnings per share	Weighted average number of shares	61,760	61,760	0.05	
	Earnings per share (Note 3)	0.68	-0.03	-	
per share dividend	Cash dividends	0	0	-	
	Free Right s	Surplus allotment	0	0	-
		Capital reserve allotment	0	0	-
	Accumulated unpaid dividends (Note 4)	0	0	-	
ROI analysis	P/E ratio (Note 5)	24.60	-711.66	-	
	Ben Libby (Note 6)	0	0	-	
	Cash dividend yield (Note 7)	0	0	-	

\*In the event of a capital increase allotment with surplus or capital reserve, the market price and cash dividend information adjusted retrospectively according to the number of shares issued should be disclosed.

Note 1: Lists the highest and lowest market prices of common shares for each year, and calculates the average market price for each year based on the trading value and volume of each year.

Note 2: Please refer to the number of shares issued at the end of the year and fill in according to the resolution of the board of directors or the following year's shareholders' meeting.

Note 3: If retrospective adjustments are required due to gratuitous allotments, etc., the earnings per share before and after adjustments should be shown.

Note 4: If the conditions for the issuance of equity securities stipulate that dividends not paid in the current year will be accumulated to the year in which there is a surplus, the accumulated unpaid dividends as of the current year shall be disclosed separately.

Note 5: P/E ratio = average closing price per share for the year / earnings per share.

Note 6: Principal to earnings ratio = average closing price per share for the year / cash dividend per share.

Note 7: Cash dividend yield = cash dividend per share / average closing price per share for the year.

Note 8: The net value per share and earnings per share should be filled in with the information that has been verified (verified) by accountants in the latest quarter as of the date of publication of the annual report; The remaining fields should contain information for the year as at the date of publication of the annual report.

#### 4.1.8 The Company's dividend policy and implementation status:

##### ■ Dividend Policy

Dividend policy stipulated in the articles of association: The dividend policy of the company is formulated by the board of directors in accordance with the operation plan, investment plan, capital budget and changes in the internal and external environment.

If the company has a surplus, it adopts a residual dividend policy, and the principle of surplus distribution is as follows: in principle, it shall be distributed at not less than 80% of the distributable surplus of the year, and the part of the balance to be distributed does not reach 50% of the paid-in capital before the distribution, mainly for the issuance of stock dividends, and the part exceeding more than 50% of the paid-in capital before the distribution, the ratio of stock dividends and cash dividends will be proposed according to the company's capital needs. However, the cash dividend ratio for this part should not exceed 50%.

##### ■ The circumstances of the proposed dividend distribution at this shareholders' meeting:

project	amount	subtotal
Undistributed surplus at the beginning of the period		138,483,785
Net loss after tax for the year	(2,130,368)	
A surplus is available for distribution in the current period		136,353,417
Assign items		
Undistributed surplus at the end of the period		136,353,417

##### ■ When a significant change in dividend policy is expected, it should be stated that there is no such thing

#### 4.1.9 The impact of the proposed gratuitous allotment of shares proposed at this shareholders' meeting on the company's business performance and earnings per share: not applicable.

#### 4.1.10 Remuneration of Employees, Directors and Supervisors

##### ■ The percentage or scope of remuneration of employees, directors and supervisors as set out in the articles of association.

● Article 21 of the articles of association: If the company makes a profit in the current year, it shall allocate 0.5/5-1,000. Five for

The remuneration of employees shall not be more than 1% of the remuneration of directors and supervisors. However, when the company still has accumulated losses, it should first make up for it

Number of losses. Employee remuneration shall be in stock or cash and shall be attended and paid by the Board of Directors with more than two-thirds of the directors

The resolution approved by a majority of the directors shall be implemented and reported to the shareholders' meeting.

The object of employee remuneration may be signed according to the method or project to include employees of affiliated companies who meet certain conditions.

- The remuneration of directors and supervisors shall be based on the Company's "Performance Evaluation Measures of the Board of Directors", consider the company's profit status and future operating results, and give reasonable remuneration with reference to their contribution to the company's performance, and shall be implemented after being reviewed and approved by the Remuneration Committee and the Board of Directors.

- The remuneration of the general manager and deputy general manager includes salary, bonus and employee remuneration, etc., which is paid by the remuneration committee every year

According to the position held, the responsibilities undertaken and the degree of contribution to the company, and with reference to the level of peers,

It shall also be implemented after approval by the Board of Directors.

- **The basis for estimating the amount of remuneration of employees, directors and supervisors in the current period, the basis for calculating the number of shares of employee remuneration distributed by stock, and the accounting treatment when the actual distribution amount differs from the estimated amount: Included as profit or loss adjustment for the year resolved by the shareholders' meeting.**

- **The Board of Directors approves the distribution of remuneration:**

- Remuneration of employees in cash or stock and remuneration of directors and supervisors. If there is a discrepancy between the estimated amount of the recognized expense year, the difference, the reason and the handling situation shall be disclosed: it shall be included as a profit or loss adjustment for the year of resolution of the shareholders' meeting.

The amount of employee remuneration distributed by stock and the proportion of the total after-tax net profit and total employee remuneration of individual or individual financial reports for the current period: No, all paid in cash.

- The actual distribution of the remuneration of employees, directors and supervisors in the previous year (including the number of shares distributed, the amount and the stock price), and the difference between them and the remuneration of recognized employees, directors and supervisors, and the number, reason and handling of the difference: the profit and loss adjustment listed in the year of resolution of the shareholders' meeting, there is no difference.
- In FY111, due to losses, the remuneration of employees and directors was not mentioned

**4.1.11 Repurchase of shares of the Company: None.**

**4.2 Handling of corporate bonds (including overseas corporate bonds): None.**

**4.3 Special Unit Status: None.**

**4.4 Participation in the issuance of overseas depositary receipts: None.**

**4.5 Application of employee stock option certificates: None.**

**4.6 Handling of IPOs with Restriction of Employee Rights: None.**

**4.7 Handling of mergers and acquisitions or issuance of new shares by shares of other companies: None.**

**4.8 Implementation of the Plan for the Use of Funds:**

- Contents of the capital plan: As of the date of publication of the annual report, the funds obtained by each private placement of securities have not been completed or within the last three years Completed and program benefits have not yet been realized: None.
- Implementation of the fund utilization plan: N/A.

## 5 Operational Overview

### 5.1 Business Content

#### 5.1.1 Business Scope

■ The main content of the business

- 01 CC01110 Computer and peripheral equipment manufacturing
- 02 I301010 Information software service industry
- 03 F118010 Information software wholesale industry
- 04 CB01020 Business machine building
- 05 F113070 Telecommunication equipment wholesale industry
- 06 F213060 Retail of telecommunications equipment
- 07 CC01101 Telecommunications regulated radio frequency equipment manufacturing industry
- 08 F401021 Telecommunications regulated radio frequency equipment input industry
- 09 CC01030 Electrical and audiovisual electronic products manufacturing
- 10 F113020 Electrical Appliance Wholesale Industry
- 11 CC01120 Data storage media manufacturing and reproduction industry
- 12 CC01080 Electronic components manufacturing
- 13 H701010 Residential and building development, rental and sales
- 14 H703090 Real estate buying and selling
- 15 J101090 Waste Removal Industry
- 16 F119010 Electronic materials wholesale industry
- 17 F399040 No storefront retail
- 18 I301030 Electronic information supply services
- 19 J701040 Leisure activity venue industry
- 20 J701080 Water Recreation Activities Operation
- 21 F501030 Beverage shop industry
- 22 F501060 Restaurant industry
- 23 F106010 Hardware wholesale industry
- 24 F106020 Wholesale of daily necessities
- 25 F113010 Machinery wholesale industry
- 26 F113030 precision instrument wholesale industry
- 27 F113050 Wholesale of computers and administrative machinery and equipment
- 28 F113110 battery wholesale industry
- 29 F114010 Automobile wholesale industry
- 30 F199010 Wholesale of recycled materials
- 31 F401010 International Trade Industry
- 32 J101080 Resource recovery industry
- 33 F106050 Ceramic glassware wholesale industry
- 34 F106070 Wholesale of sacrificial supplies
- 35 F199990 Other wholesale trade
- 36 F201070 Flower Retail
- 37 F203010 Retail of food and beverages
- 38 F206060 Retail of sacrificial supplies
- 39 F399990 Other general retail
- 40 J303010 Magazine (Periodical) Publishing
- 41 JZ99050 Intermediary services
  
- 42 JZ99090 Festive integrated service industry
- 43 JZ99990 Other services are not classified
- 44 F501990 Other catering industry
- 45 J901020 General hotel industry
  
- 46 ZZ999999 In addition to licensed business, it may operate business that is not prohibited or restricted by law.
- 47 F213110 battery retail
- 48 F219010 Electronic Materials Retail
- 49 E601010 Electrical appliance manufacturing industry
- 50 E601020 Electrical installation industry
- 51 IG03010 Energy technology services
- 52 E801010 Interior decoration industry
- 53 E801020 Door and window installation engineering industry

54 E801030 Indoor light steel frame engineering industry  
55 E801040 Glass installation engineering industry  
56 E801070 Kitchenware, sanitary equipment installation engineering industry  
57 E901010 Paint engineering industry  
58 E903010 anti-corrosion and anti-Cheng engineering industry  
59 F111090 Building materials wholesale industry  
60 F206010 Hardware retail  
61 F211010 Building materials retail  
62 G202010 Parking lot operation  
63 H701020 Industrial plant development, rental and sales  
64 H701040 Specific professional area development industry  
65 H701050 Investment in public works  
66 H701060 New towns, new community development industry  
67 H701070 Section Expropriation and Municipal Rezoning Agency Business  
68 H701080 Urban renewal and redevelopment industry  
69 H703100 Real estate leasing industry  
70 I503010 Landscape and interior design industry  
71 CC01060 Wired communication machinery and equipment manufacturing  
72 CC01070 Wireless communication machinery and equipment manufacturing industry  
73 E701010 Telecommunications engineering industry  
74 F213030 Retail of computers and transactional machinery

- The main contents of the business in 111 year
  - A. Leasing
  - B. Funeral
  - C. Production and sales of aluminum
  - D. Cultural creativity

■ Proportion of business

Unit :%

Year	111 years
	Specific gravity %
lease	12.07
Funeral-related business	56.12
Aluminum production and sales	31.16
Cultural creativity	0.65
total	100.00

■ Current Products:

Service items	Description of the main service items
Funeral	Bone pagoda, urns, funeral attached interiors, life ritual services
lease	Idle plant for rent
Aluminum production and sales	Aluminum extrusion type processing bicycle parts, sports equipment
Cultural creativity	Creative toy production

■ Planned new businesses:

- (1) The sales business of Nakuta continued to expand
- (2) Expand the ceremonial service department and promote the business of pre-death contracts
- (3) Promote the business of pre-mortem contracts
- (4) Establishment of nursing care centres
- (5) Development of leisure, tourism and catering

### 5.1.2 Industry Overview

■ Industry status and development

Funeral activities involve personal property rights, social resources, public health and natural ecology and other public welfare.

The government has strengthened its management, and operators also need to assume the social responsibility of sustainable operation.

■ The funeral industry market can be broadly divided into three

- ◇ Use market: If someone in the family has passed away, you must immediately purchase a tower space and prepare for use. (Battleground - prices and conditions are at a relative level.) )
- ◇ Pre-order market: Plan for the future for yourself or your elders. (The most difficult to grab the pie, brand, quality, price, environment, service in place at one time, It also needs to meet customer expectations and be highly attractive. )
- ◇ Burial Market: In other cemeteries, but relocated for various reasons. (Both of the above conditions are met.) )

(1). Use the marketplace

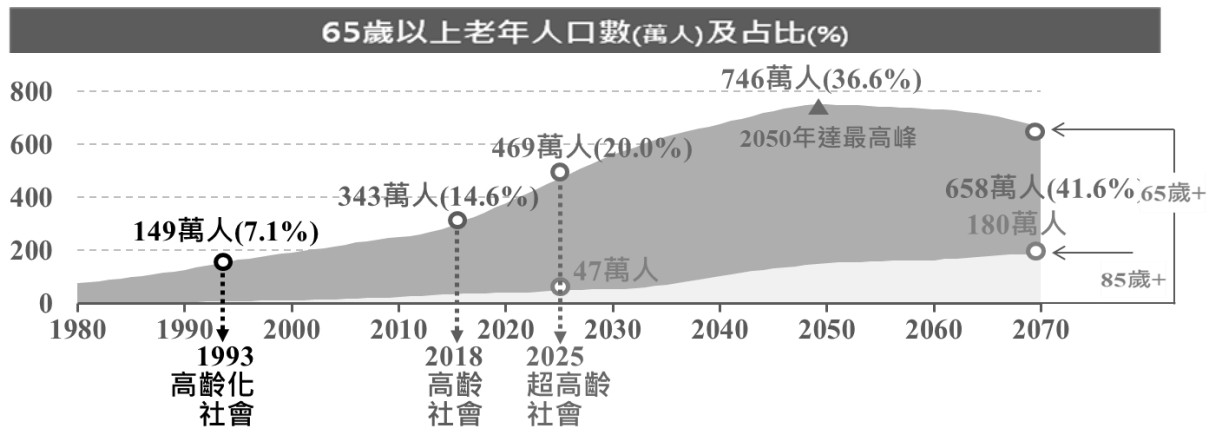
- A. Customer face: immediate, urgent, urgent (proactive, proactive)
- B. Status: Most of the customers are controlled by funeral companies, and customers are guided to purchase pagodas in various pagodas
- C. Number of customers: capped at 154,251 per year
- D. Business Development:



- Funeral companies
  - Intermediary business (including network customers)
  - Introduction of family and friends (visitors)
- (2). Pre-order marketplace
- A. Customer side: It's okay, take your time, that's for later (passive, passive)
  - B. Consider pre-ordering due to the death of a loved one in the family or the aging of the family (active, active)
  - C. Status: Referrals from relatives and friends, introduction by parishioners, and those who have passed away themselves are already in this cemetery
  - D. Number of customers: Number of parishioners in North, North, Ki and Tao: 263,454.
  - E. Business Development:
    - Church pathways
    - Nursing homes and nursing homes set up by churches
    - Cemetery customers (old customer development)
    - Intermediary business (including network customers)
    - Introduction of family and friends (visitors)
- (3). Burial Market
- A. Customer Face :
    - a. Government announcement requires a limited period of relocation: necessary but not immediate (dependents only need to be within the time limit.) Relocation is enough) (proactive, proactive)
    - b. Other factors: you want but are not necessary, you can move or not
  - B. Situation:
    - a. Relocation of cemeteries or non-legal private cemeteries
    - b. Mastered by bone pickers (earth dolls) or cemetery managers
    - c. Funeral company mastered
  - C. Number of customers: Unable to estimate.
  - D. Business Development:
    - Funeral companies, bone pickers
      - a. Intermediary business (including network customers)
      - b. Introduction of family and friends (visitors)
    - Subsequent changes in cemeteries that are not yet legal or must be moved due to specific factors at this stage: for example, the private Ankang cemetery in New Taipei City has been announced to be relocated within a limited period of time, and I heard that there are many Christian customers in it and are in contact.
- The size of the funeral user market in Taiwan as well as the size of the Christian user market

With the aging of China's population structure, the future market will gradually grow, and the demand for funeral-related products will also increase relatively greatly, bringing great business opportunities to domestic funeral service providers.

- (1). According to the Statistics Zone of the Taiwan Comptroller's Office (Republic of China Statistical Information Network), the number of deaths in 111 years was 207,230 (death rate 8.89%), and the average funeral cost per person was 300,000 yuan, which is 62 billion per year.
- (2). Due to the accelerated aging rate of Taiwan's average population in recent years, according to statistics from the Ministry of Internal Affairs, the number of elderly (over 65 years old) at the end of January 112 was 4.107 million, accounting for 17.17 million of the total population 63%, according to the National Development Commission estimates, it is expected that the proportion of the elderly population in China will exceed 20.8% in 115 years, entering the "super-old society", and according to the statistics of the Ministry of the Interior, it is estimated that the average annual death toll by 111 is about 200,000, and then it is estimated that the annual inflation rate is calculated by 2%, and the size of the funeral market is about 60 billion per year.



The size of the Christian market.

A. Number of parishioners in the north

	Number			
	In 2017	In 2015	% of total population	% increase
Taipei City	372,240	335,174	14.57%	0.69%
New Taipei City	184,795	168,078	4.86%	0.44%
Taoyuan City	104,372	91,009	5.22%	0.59%
City of Keelung	20,117	19,767	5.57%	0.12%
Hsinchu City	32,076	25,891	7.87%	1.50%
Hsinchu County	22,295	25,601	5.04%	0.00%
Yilan County	23,286	24,539	5.29%	-0.27%
total	759,181	692,953		
		Headcount as of December 2017 Source: 2017 Taiwan Church of Christ Doctrine Report		

B. Trial calculation of the market value of the parishioner population - extrapolation of mortality rate 7.3%:

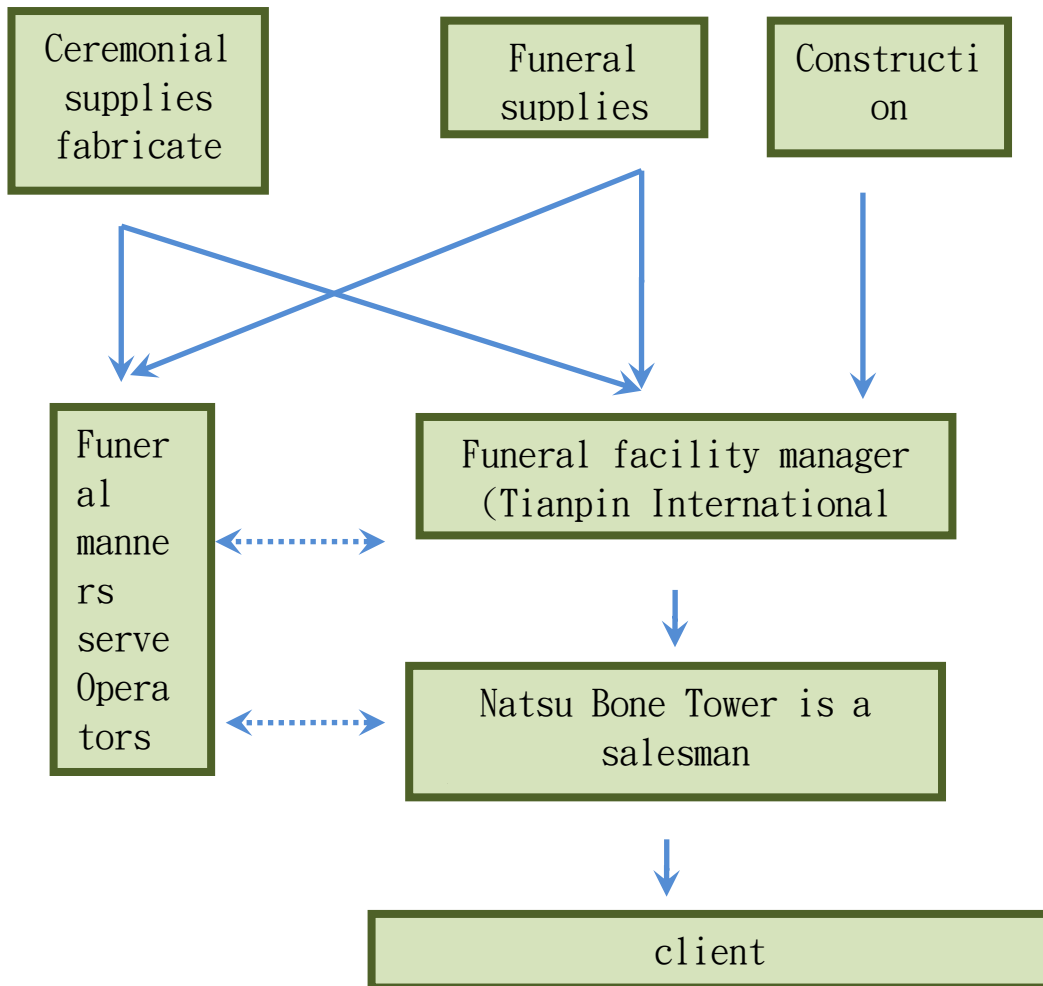
The annual death toll of parishioners in the north (North Kitajuyi County) is about 5,059, and the monthly death toll is about 421.

The total annual funeral sales value of church parishioners is about 5,059 x 300,000 = 1.517 billion yuan.

The total monthly funeral sales value of church parishioners is approximately 421 x 300,000 = \$126.3 million.

■ The correlation between the upstream, midstream and downstream of the industry

- (1). Information on the upper, middle and downstream industries of Taiwan's funeral industry and a related map of the industry



- Important uses and production processes of important products
  - Main products: Private Tianpin Pagoda (Rainbow Hall) Nagu Pagoda Position
  - Purpose: Place urns
  - Production process: purchase of land (Tianpin Villa), construction (Tianpin Pagoda), decoration (Tianpin Pagoda), tower location
  - Installation (Bone Tower)
- Future development of the product
  - This is an expansive market that grows with the population and price index, and the pure service industry is known for its numbers
  - There are no more than 10 businesses, and the rest are almost all traditional funeral operators, and consumer disputes are endless
  - It is a service market, but due to government regulation, it is impossible for new competitors to join the funeral industry. Tianpin
  - United grasped this investment opportunity and participated in the investment case of Tianpin International to enter this industry
  - Analysis, the management team believes that this market has several characteristics that are worth the company's investment:
    - The existing market is polarized: the big ones are large, and the small traditional players are disturbed because it is impossible for new competitors to participate
    - Entering, the company with a proper, stable and decent business method, can definitely find a way out among the big and small.
    - The gross profit of the Nabone Tower industry is huge: the price of the cemetery is also 60,000 yuan, and the price of private cemeteries ranges from 100,000 to tens of dollars
    - Wan, we can definitely say that the Na bone tower industry is definitely the real value and profit in the funeral industry chain
    - The most lucrative link. For the management team of Tianpin United and Tianpin International, the real problem is not this business

There is no profit, but how to sell, how to create these profits, and turn them into the company's realized profits.

The uniqueness of the Christian market: Taiwan's funeral market is large, but where are the strategies to cut in? Three thousand weak water

Take a scoop of drinks, and the Christian market is a good place to start.

Product Features:

- a. Taiwan's first church-type Na bone tower
- b. Taiwan's first exclusive Christian bone tower
- c. Garden cemetery, the park is pleasing to the eye



■ Competitive Situation

- competitor
- Keelung - Taipei Holy City
- Sanzhi - Hokkai Fukuza
- Sanzhi - Dragon Ji
- Jinshan - Kambao Mountain
- Wanli - Fukuda Myokuni
- Bali - Guandu Dragon Park
- North City - Ci'en Garden
- Kanayama - Heianyuan
- Linkou - Dingfu Cemetery

■ Overview of technology and R&D

- Annual R&D expenses in the most recent year:  
111 years without development costs

- Successfully developed technology or product in the most recent year

103B0641	Network Platform Transmission System (Invention)	104.02.05 Application 104103953 application number
104F0035	Network Platform Transmission System (invented in China)	2014.02.05Application 201510059375.X application number

- Patent use:

The company mainly uses this patented technology to develop and utilize mobile phones, computers and electronic devices

Tools and software for storing, editing, and organizing all memories of the rights holder (or deceased) in the life of the right holder (or deceased) through electronic archives.



■ Future annual research and development plan: The company and its subsidiaries are currently mainly engaged in providing funeral tower commodities and life

Etiquette services, not applicable to R&D investments.

■ Long-term and short-term business development plans

- Short-term business development plan
- (1). Create a Christian cemetery:

(2). Tianpin United Enterprise will lead the operation of the entire enterprise and strive to establish the brand value of Tianpin Villa:

A. Assist Tianpin International in implementing corporate governance and urge Tianpin International to establish an internal control system.

B. Plan the vertical integration of business and the division of expertise between Tianpin Joint Enterprise and Tianpin International.

Tianpin International is committed to cemetery management and life services, and the distribution agency right is handed over to Tianpin Consortium.

Tianpin United Enterprise is committed to the development of sales business.

● Long-term development plan

(1). Maintain harmonious relationships with shareholders

(2). Expansion of the ceremonial services department:

(3). Promote the business of pre-mortem contracts

(4). Increase the connotation of business services and develop a policy of one whip of services

(5). Establishment of nursing homes

(6). Develop leisure, tourism and catering

(7). Establish the brand value of Tianpin Villa:

## 5.2 Market and production and sales overview

### 5.2.1 Market Analysis

- Main product sales area: the sales area and amount of the main product in the last two years

Unit: New Taiwan dollar thousand

annual Ground difference	111 degrees		110 years	
	Sales	Ratio (%)	Sales	Ratio (%)
Domestic	130,622	100.00	75,419	100.00
Export	0	0.00	0	0.00
sum	130,622	100.00	75,419	100.00

- market share  
About 0.17%. According to the National Development Commission's population estimate, Taiwan's total population in 111 years is estimated to be 23.26 million.  
Due to the increase in the elderly population, the number of deaths in 111 years was about 200,000.  
The company's sales volume in 111 years was 346, with a total tower sales of 6.66 million, accounting for the estimated total death in 111 years 0.17% of the 200,000 dead.
- Future supply and demand and growth of the market:  
China entered an aging society in 1993 (the proportion of the elderly population in the total population exceeds 7%), and in 2018  
It is expected to become an old-age society (over 14%) by 2026  
As the Bay moves towards an aging society, the demand is increasing day by day, and the increase in cemeteries is limited, so the starting point is care and love  
Use love to complete the last piece of the puzzle of life, and establish a good reputation and good growth.
- Competitive niche
  - A、Mastering special niches:  
Christians are a very congregated group, very repulsive to non-Christian rituals, objects, in cemeteries  
Shang also does not want to mix with other religions, most of the other Natsu Tower peers in Taiwan are certain floors or a few  
The building is exclusively for Christians, and on the whole it is still a mixture of religions and folk beliefs, and the company operates the first church-type Naku Pagoda in Taiwan, aiming at the Christian market in architecture and interior planning, in order to segment the market and attract specific customers.
  - B、Brand Image:  
At present, the only listed cabinet funeral companies are Longji and the company, and compared with the traditional funeral industry, the listed cabinet industry is consuming Fei has a sense of trust in his mind.
  - C、Convenient transportation:  
It is about 15 minutes' drive from the Three Gorges Interchange and is close to the downtown area of Three Gorges Old Street.
  - D、Unified Funeral Services:  
The company has Tianpin International (Nabone Tower business operation), Tianpin United Enterprise (general agent sales), Yong  
Constant Life Business (Life Etiquette Service), and operates in a modern management style, a whip-style service  
The business is gradually realized.

■ Favorable and unfavorable factors and coping strategies of the development prospect

Favorable and negative factors:

advantage	inferior position
<ul style="list-style-type: none"> <li>➤ Church-based, Taiwan's first church-type bone tower</li> <li>➤ The above cabinet companies to operate the funeral industry, consumers are more confident</li> <li>➤ Garden cemetery, the park is pleasing to the eye</li> <li>➤ Convenient transportation, about 15 minutes' drive after the Three Gorges Interchange, close to the downtown area of Three Gorges Old Street</li> </ul>	<p>壹、 The construction of Tianpin International has just been completed, and it has not yet opened its popularity</p>
opportunity	threat
<ul style="list-style-type: none"> <li>➤ Specializing in the Christian market</li> <li>➤ Avoid the main battlefield, segment the market, and close to specific customer groups</li> <li>➤ There will be no new competitors in the market</li> </ul>	<ul style="list-style-type: none"> <li>➤ Strong brands dominate the market</li> <li>➤ Market price disorder</li> <li>➤ Low-priced goods from early competitors flowed through the market</li> <li>➤ Implementation and implementation of environmentally friendly natural burial</li> </ul>

Response strategy: Market cutting, focusing on the Christian market, and being the largest and best in a single niche.

Focus on brand management, avoid vicious competition, and promote in a reasonable and legal manner.



**5.2.2 The production process of the main products**

- The company renovates the new floor towers, which are divided into various types of types, combined with AI intelligence to improve quality to meet customer needs.

**5.2.3 Supply status of main raw materials:**

In 111 years, there was no new installation project for the bone tower.

Name of raw material	Vendor name	Place of origin	Availability status
not applicable			

5.2.4 The names of customers who have accounted for more than 10% of the total amount of imported (sold) goods in any of the last two years, and the amount and proportion of their purchases (sales), and explain the reasons for their increase or decrease.

■ Information on major suppliers in the last two years

Unit: NT\$

project	111 years				110 years				112 Fiscal year ended the first quarter (Note 2)			
	name	amount	Ratio to net purchase for the whole year [%]	Relationship with the Issuer	name	amount	Ratio to net purchase for the whole year [%]	Relationship with the Issuer	name	amount	Ratio to net purchases for the year ended the previous quarter [%]	Relationship with the Issuer
1	Company A	33,812	100	not	not			not	Company A	11,652	100	not
2												
	Net purchases	33,812	100		Net purchases	0			Net purchases	11,652	100	

Note 1: List the name of the supplier and the purchase amount and proportion of more than 10% of the total purchase amount in the last two years, but the name of the supplier or the transaction partner shall not be disclosed because the contract stipulates that the name of the supplier or the transaction partner is an individual and is not a related person.

It can be code-named.

Note 2: As of the date of publication of the Annual Report, companies listed or whose shares have been traded in the business premises of a securities firm should disclose the latest financial information that has been verified by an accountant or verified.

Reason for change: The new aluminum sales business in this period is added, so aluminum suppliers are added in this period.

■ Information on major sales customers in the last two years

Unit: NT\$

project	111 years				110 years				112 Fiscal year ended the first quarter (Note 2).			
	name	amount	Ratio to net sales for the whole year [%]	Relationship with the Issuer	name	amount	Ratio to net sales for the whole year [%]	Relationship with the Issuer	name	amount	Ratio to net sales for the whole year [%]	Relationship with the Issuer
1	not			not	not				not			
2				not	not							
3												
	Others (Note 3).	130,622	100	client	Others (Note 3).	75,419	100	client	Others (Note 3).	39,672	100	client
	Net sales	130,622	100		Net sales	75,419	100		Net sales	39,672	100	

Note 1: List the name of the customer and the amount and proportion of the total sales in the last two years, but the name of the customer or the transaction partner shall not be disclosed because the contract stipulates that the customer name or transaction partner is an individual and not a related person. It can be code-named.

Note 2: As of the date of publication of the Annual Report, companies listed or whose shares have been traded in the business premises of a securities firm should disclose the latest financial information that has been verified by an accountant or verified.

Note 3: None of the Company's major sales customers have reached 10% of the net sales amount.

**Reason for change:** None of the Company's major sales customers have reached 10% of the net sales and therefore there is no change.

### 5.2.5 Production volume value in the last two years

Unit: 100 kg; New Taiwan dollar

Major commodity year	111 years			110 years		
	Capacity (Note)	yield	Output	Capacity (Note)	yield	Output
lease	Note 1	-	-	Note 1	-	-
Funeral	Note 1	-	-	Note 1	-	-
Aluminum	492	492	41,632			
sum	492	492	41,632	-	0	0

Note 1: Products cannot be measured in general quantities.

### 5.2.6 Sales volume value for the last two years

Unit: 100 kg; New Taiwan dollar

Main commodities	annual	111 years				110 years			
		Domestic		Export		Domestic		Export	
		measure	value	measure	value	measure	value	measure	value
lease	-	15,766	-	-	-	15,764	-	-	
Funeral	-	73,305	-	-	-	58,683	-	-	
Electronic Materials	-	-	-	-	-	883	-	-	
Cultural and creative goods	-	846	-	-	-	89	-	-	
Aluminum	327	40,705				-			
sum	327	130,622	-	-	-	75,419	-	-	

### 5.3 Information of employees employed in the year and as of the date of publication of the annual report

20 May 112

Year		110	111	Year ended May 20, 112 (Note)
member work person number	Managers	3	3	3
	General Staff	29	26	26
	total	32	29	29
Average age		37.5	39.14	37.41
Even serve		3.14	3.66	4.41
Education Distribution Ratio %	Ph. D	0	0	0
	Master	0	0	0
	college	84.38	68.97	72.41
	High School	15.63	31.03	27.59

Note: Information for the year ending at the date of publication of the annual report should be provided.

## 5.4 Environmental Expenditure Information

The company does not have a production process, so there is no pollution of air and water sources.

### 5.4.1 Losses suffered due to environmental pollution in the latest year and as of the date of publication of the annual report (including compensation and environmental protection audits).

If the investigation results violate environmental protection laws and regulations, the date of punishment, the name of the sanction, the violation of the provisions of the law, and the violation of laws and regulations shall be specified

content, disposition content), and disclose the estimated amount and response measures that may occur now and in the future, if they cannot be compatible

The person who adjusts the estimate shall state the facts that he cannot reasonably estimate:

■ **Losses caused by environmental pollution:**

The company did not suffer any damage due to environmental pollution incidents

■ **Future response measures and possible expenditures**

The company has always attached great importance to environmental protection, in addition to pollution prevention and control, but also strengthened the compliance and education of relevant laws and regulations

Parenting training.

## 5.5 Industrial Relations

### 5.5.1 The company's various employee welfare measures, further education, training, retirement system and their implementation, as well as labor-management cooperation

The situation of the various employee rights protection measures discussed is explained as follows:

■ **Employee welfare measures and refresher training:**

- The company has an employee welfare committee to handle employee welfare activities, and there are detailed benefits every year

Planning and budgeting, including New Year gifts, and holding employee group activities.

- In order to enhance the competitiveness of employees, the company encourages employees to participate in external training courses, through talent training

Every employee can reach their maximum potential.

The further education and training of employees is as follows:

Training category	Total number of people	Hours (H)	Total hours (H)	Total Cost (NTD)
Training of new recruits	10	4	40	-
Professional functional training	3	12	36	22,300
International Financial Reporting Standards	8	3	24	-
General training	5	8	40	113,314
System training	200	8	1,600	1,000,000
Service sales	80	4	320	-
total	306	39	2,060	1,135,614

■ **Retirement system:**

The employee pension method is formulated in accordance with the Labor Pension Ordinance, which is a fixed retirement method, and since July 1, 94, 6% of the employee's salary

has been transferred to the individual pension special account according to the monthly payment.

The employee retirement method stipulated in the Labor Standards Law is a fixed retirement method, and the payment of employee retirement benefits is calculated based on the length of service and the average salary (base) of the month before the approved retirement date, and the retirement of employees is handled in accordance with the relevant provisions of the Labor Standards Law.

■ Circumstances of agreements between labor and management:

The company's management system emphasizes the basic concept of "humane management", and the relevant system is described as follows:

- (1) Employees participate in the company's labor-management meetings, collect employees' opinions extensively, and continuously communicate and improve the problems of labor and management.
- (2) The well-organized employee welfare committee is composed of elected representatives of various departments, and regularly organizes relevant employee welfare measures and activities.
- (3) Provide the safest and most comfortable working environment, employee dividend shareholding method, so that employees can share the results of business operations.

■ Employee rights protection measures

In order to ensure the safety of employees, prevent occupational disasters and protect the health of employees, in addition to insuring each employee in accordance with the provisions of the Labor Base Law, labor insurance, universal health insurance and monthly pension pension, and planning employee group insurance, the company also formulates labor safety and health work rules, annual fire safety testing and monthly elevator maintenance to maintain workplace safety.

■ Code of Conduct or Ethics for Employees

The company has set the "Employee Ethical Conduct Standards" as a guideline for all employees to comply with, the main contents of which are:

Prevention of conflicts of interest, avoidance of opportunities for personal gain, fair transactions, protection and proper use of company assets, compliance with laws and regulations, compliance with laws and regulations related to the prevention of insider trading, Encourage reporting of any illegal or unethical conduct.

**5.5.2 Losses suffered in connection with labour disputes in the latest year and as of the date of publication of the Annual Report (including the conclusion of labour inspections)**

In the event of a violation of the Labor Standards Law, the date of the sanction, the name of the sanction, the violation of the provisions of the law, and the violation shall be specified

Contents of regulations, content of sanctions), and disclose the estimated amount and response measures that may occur now and in the future

If it is impossible to reasonably estimate, it shall state the fact that it cannot reasonably estimate: there is no such thing

## 5.6 Information Security Management:

### 5.6.1

- ICT security risk management framework, ICT security policy, specific management plan and resources invested in ICT security management.

(1) Information Security Risk Management Framework The information officer serves as the convener of the team to organize the information security team, which is responsible for coordinating, planning, executing and analyzing information security incidents, and regularly reporting information security-related issues and implementation to the board of directors.

(2) Information security policy

1. Develop, plan and promote the introduction of various information security policies and equipment products.

2. Actual verification testing, introduction and follow-up support for the implementation of equipment products.

3. Review the implementation of information security policies and settings every quarter and submit audit reports.

(3) Specific management plan

1. Implement PC and server antivirus software protection and protect endpoint security.

2. The external network firewall device has application identification capabilities, intrusion prevention and advanced threat protection mechanisms.

Strengthen defenses against external attacks.

3. Internal network firewall, accessible service to block risk exposure.

4. Identity identification distinguishes the identities of employees and visitors, and isolates access paths.

5. In addition to spam protection identification, add an advanced threat protection module to strengthen the ability to identify the content of phishing letters to protect against data fraud.

(4) Invest resources in information security management

1. Regularly review information security vulnerabilities every week and review the correction status every month.

2. Block threat events through antivirus protection and behavior.

3. Strengthen education and training.

### 5.6.2 Losses suffered and possible impacts due to major information security incidents in the latest year and as of the date of publication of the annual report

If the response measures cannot be reasonably estimated, the facts that cannot be reasonably estimated should be stated: There are no significant resources Pass security incidents.

### 5.7 Important Contracts

Contractual nature	party	The date on which the contract commences	Main content	limit article
House rental	Day ○ International	109.9.1~110.8.31(continued)	Office for rent in Jungli (partial)	-
House rental	Xin ○ Blue	109.9.1~110.8.31(continued)	Office for rent in Jungli (partial)	-
House rental	Gold ○ Technology	109.10.1 - 114/9/30	Rent flat town factory rental	
House rental	New ○ Industries	109.9.1 - 114.8.31	Lease of office in Jungli	
House rental	Katsura ○○ / Xie ○○	109.6.20 - 112.6.19	Rent the Daan Reception House	



## 6 Financial Overview

### 6.1 Condensed balance sheet and consolidated income statement for the last five years

#### 6.1.1 Consolidation of Information

##### ■ Concise Balance Sheet (Consolidated) - IFRS

Unit: New Taiwan dollar thousand

Project of the Year		Financial data for the last five years (Note 1).					Financial data for the year ended March 31, 112 (Note 3)
		107 years	108 years	109 years	110 years	111 years	
liquid asset		610,221	613,863	640,343	661,476	687,851	693,969
Real estate, plant and equipment		7,059	5,873	6,627	7,365	28,646	27,042
intangible asset		1,566	1,377	828	1,187	991	1,711
Other assets		177,575	170,509	167,011	231,531	192,529	184,522
Total assets		796,421	791,622	814,809	901,559	910,017	907,244
Current liabilities	Before allocation	45,858	54,831	59,663	78,895	131,998	134,766
	After allocation	58,210	67,183	59,663	78,895	Not yet allocated (Note 2).	-
Non-current liabilities		14,911	15,782	20,241	22,291	18,796	17,919
Total liabilities	Before allocation	60,769	70,613	79,904	101,186	150,794	152,685
	After allocation	73,121	82,965	79,904	101,186	Not yet allocated (Note 2).	-
Equity		617,600	617,600	617,600	617,600	617,600	617,600
Capital reserve		684	684	684	684	684	684
Retain surplus	Before allocation	110,623	103,083	119,383	157,225	155,094	154,137
	After allocation	98,271	90,731	119,383		Not yet allocated (Note 2).	-
Other Benefits		5,779	-1,324	-3,390	12,132	-23,937	-29,702
Treasury stocks		0	0	-	-	-	-
Non-controlling interests		966	966	628	12,732	9,782	11,840
Total equity	Before allocation	735,652	721,009	734,905	800,373	759,223	754,559
	After allocation	723,300	708,651	734,905	800,373	Not yet allocated (Note 2).	-

Note 1: The financial information for 107-109 years was checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin Chunzhi.

The financial information of the first quarter of 112 was reviewed by Lin Jinfeng and Lin Chunzhi.

Note 2: The division of surplus for 111 has not yet been resolved by the shareholders' meeting.

Note 3: As of the date of publication of the Annual Report, companies that are listed or whose shares have been traded in the business premises of securities dealers have been recently checked by accountants

Approved visa or verified financial information should also be disclosed.

■ Concise Consolidated Income Statement (Consolidated) - International Financial Reporting Standards

Unit: NT\$, except that the earnings per share are in USD

Annual Project	Financial data for the last five years (Note 1)					As of the current year Financial information as at 31 March 112 (Note 3)
	107 years	108 years	109 years	110 years	111 years	
Operating income	88,059	56,978	42,907	75,419	130,622	39,672
Operating margin	55,783	47,094	32,621	60,727	72,745	19,716
Operating profit and loss	10,291	5,743	-11,173	2,265	9,569	2,141
Non-operating income and expenses	5,937	-71	39,867	36,211	-15,085	28
Net profit before tax	16,228	5,672	28,694	38,476	-5,516	2,169
Continued net profit for the current period	12,984	4,830	28,590	35,287	-11,075	1,104
Loss of closed units	0	0	0	0	0	0
Net income (loss) for the period	12,984	4,830	28,590	35,287	-11,075	1,104
Other consolidated gains and losses (net after tax) for the period	5,032	-7,103	-2,066	15,522	-36,069	-5,765
Total consolidated profit and loss for the period	18,016	-2,273	26,524	50,809	-47,144	-4,661
Net profit is vested in the owners of the parent company	12,978	4,830	28,652	41,910	-2,131	2,819
Net profit is attributable to non-controlling interests	6	0	-62	-6,623	-8,944	-1,715
The total comprehensive profit and loss is attributable to the owners of the parent company	18,010	-2,273	26,586	57,432	-38,194	-2,943
Total consolidated profit and loss is attributable to noncontrolling interests	6	0	-62	-6,623	-8,950	-1,718
Earnings per share	0.21	0.08	0.46	0.68	-0.03	0.05

Note 1: The financial information for 107-109 years was checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin Chunzhi.

The financial information of the first quarter of 112 was reviewed by Lin Jinfeng and Lin Chunzhi.

## 6.1.2 Individual Information

### ■ Concise Balance Sheet (Individual) - IFRS

Unit: New Taiwan dollar thousand

Project year		Financial data for the last five years (Note 1)					Financial data for the year ended March 31, 112 (Note 1)
		107 years	108 years	109 years	110 years	111 years	
liquid asset		255,356	249,088	262,872	168,598	173,228	not applicable
Real estate, plant and equipment		601	387	651	804	1,365	not applicable
intangible asset		0	0	0	0	0	not applicable
Other assets		488,182	480,312	485,304	637,331	624,114	not applicable
Total assets		744,139	729,787	748,827	806,733	798,707	not applicable
Current liabilities	Before allocation	8,379	8,177	7,865	12,286	44,356	not applicable
	After allocation	20,731	20,529	7,865	12,286	Not yet allocated (Note 2)	not applicable
Non-current liabilities		1,074	1,567	6,685	6,806	4,910	not applicable
Total liabilities	Before allocation	9,453	9,744	14,550	19,092	49,266	not applicable
	After allocation	21,805	22,096	14,550	19,092	Not yet allocated (Note 2)	not applicable
Equity vested in the owners of the parent company		734,686	720,043	734,277	787,641	749,441	not applicable
share capital		617,600	617,600	617,600	617,600	617,600	not applicable
Capital reserve		684	684	684	684	684	not applicable
Retain surplus	Before allocation	110,623	103,083	119,383	157,225	155,094	not applicable
	After allocation	98,271	90,731	119,383	157,225	Not yet allocated (Note 2)	not applicable
Other Benefits		5,779	-1,324	-3,390	12,132	-23,937	not applicable
Treasury stocks		0	0	0	0	0	not applicable
Non-controlling interests		0	0	0	0	0	not applicable
Total equity	Before allocation	734,686	720,043	734,277	787,641	749,441	not applicable
	After allocation	722,334	707,691	734,277	787,641	Not yet allocated (Note 2)	not applicable

Note 1: The financial information for 107-109 years was checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin

Chunzhi.

Note 2: The surplus distribution proposal for 111 has not yet been resolved by the shareholders' meeting.

Note 3: No individual financial information was prepared in the first quarter of 112

■ **Concise Consolidated Income Statement (Individual) - International Financial Reporting Standards**

Unit: NT\$, except that the earnings per share are in USD

Project year	Financial data for the last five years (Note 1).					Financial data for the year ended March 31, 112 (Note 1)
	107 years	108 years	109 years	110 years	111 years	
Operating income	64,797	34,345	29,545	43,565	40,686	not applicable
Operating margin	36,208	28,829	23,330	38,936	35,569	not applicable
Operating profit and loss	7304	5,256	-2,062	12,450	5,650	not applicable
Non-operating income and expenses	7,679	-586	30,714	32,581	-5,961	not applicable
Net profit before tax	14,983	4,670	28,652	45,031	-311	not applicable
Continued net profit for the current period	12,978	4,830	28,652	45,031	-311	not applicable
Loss of closed units	0	0	0	0	0	not applicable
Net income (loss) for the period	12,978	4,830	28,652	41,910	-2,131	not applicable
Other consolidated gains and losses for the period (net after tax)	5,032	-7,103	-2,066	15,522	-36,069	not applicable
Total consolidated profit and loss for the period	18,010	-2,273	26,586	57,432	-38,200	not applicable
Net profit is vested in the owners of the parent company	12,978	4,830	28,652	41,910	-2,131	not applicable
Net profit is attributable to non-controlling interests	0	0	0	0	0	not applicable
The total comprehensive profit and loss is attributable to the owners of the parent company	18,010	-2,273	26,586	57,432	-38,200	not applicable
Total consolidated profit and loss is attributable to noncontrolling interests	0	0	0	0	0	not applicable
Earnings per share	0.21	0.08	0.46	0.68	-0.03	not applicable

Note 1: The financial information for 107-109 years was checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin Chunzhi.

Note 2: No individual financial information was prepared in the first quarter of 112

6.1.3 Name and verification opinion of the certified public accountant for the last five years

annual	Accounting firms	Certified Public Accountant	Check opinions
107	Kokufu Haohua	Wu Mengda, Lin Chunzhi	No reservations
108	Kokufu Haohua	Wu Mengda, Lin Chunzhi	No reservations
109	Kokufu Haohua	Wu Mengda, Lin Chunzhi	No reservations
110	Kokufu Haohua	Lin Jinfeng, Lin Chunzhi	No reservations
111	Kokufu Haohua	Lin Jinfeng, Lin Chunzhi	No reservations

## 6.2 Financial analysis for the last five years

### 6.2.1 Merge Information

Analysis items (Note 3).		Financial analysis for the last five years					Financial data for the year ended March 31, 112 (Note 2)
		107 years	108 years	109 years	110 years	111 years	
Financial structure (%)	Liabilities to assets ratio	7.63	8.92	9.81	11.22	16.57	16.83
	The ratio of long-term funds to real estate, plant and equipment	10,632.71	12,545.39	11,394.99	11,169.91	2,715.98	2856.59
Solvency %	liquidity ratio	1,330.68	1,119.55	1,073.27	838.43	521.11	514.94
	Quick ratio	828.68	660.5	644.55	339.23	222.94	223.15
	Interest protection multiple	180,411,011	5,209.91	24,011.67	17,049.78	-938.79	1353.76
Ability to operate	Receivables turnover rate (times)	2.79	1.97	1.51	13.5	5.21	5.21
	Average number of cash days	130.82	185.27	241.72	27.04	70.06	70.06
	Inventory turnover rate (times)	0.14	0.04	0.04	0.19	0.15	0.21
	Payables turnover rate (times)	0	0	0	0	51.04	33.72
	Average number of days sold	2,607.14	9,125.00	9,125.00	1,921.05	2,433.33	1,738.10
	Real estate, plant and equipment turnover rate (times)	14.96	8.81	6.87	43.12	7.25	5.70
	Total Asset Turnover (times)	0.11	0.07	0.05	0.35	0.14	0.17
Profitability	Return on Assets (%)	1.64	0.62	3.57	4.13	-1.18	0.14
	Return on equity (%)	1.77	0.66	3.93	4.6	-1.42	0.15
	Ratio of net profit before tax to paid-up capital (%) (Note 7).	2.63	0.92	4.65	6.23	-0.89	0.351
	Net Benefit Rate(%)	14.74	8.48	66.63	46.79	-8.48	2.78
	Earnings per share (RMB)	0.21	0.08	0.46	0.68	-0.03	0.05
cash flow	Cash flow ratio (%)	211.71	-13.37	-29.54	-124.28	14.21	4.21
	Cash flow allowable ratio (%)	544.91	204.15	89.36	-100.04	-8.73	-151.29
	Cash reinvestment ratio (%)	10.64	-2.49	-5.02	-18.85	2.96	0.91
Leverage	Operating leverage	173.79	250.86	20.8	579.69	231.59	265.02
	Financial leverage	18.45	12.19	98.94	90.89	94.74	92.52

Please explain the reasons for the changes in financial ratios for the most recent biennium. (If the increase or decrease does not reach 20%, the analysis can be exempted)

1. The decrease in financial structure and solvency is mainly due to the increase in liabilities
2. The decrease in the turnover rate of receivables (times), inventory turnover rate (times), average cash collection days, average sales days, real estate, plant and equipment turnover rate, and total asset turnover rate (times) of operating capacity indicators is mainly due to the decrease in sales.
3. The decline in solvency is mainly due to the increase in liabilities
4. The decrease in profitability is mainly due to the increase in net loss after tax.
5. The increase in the cash flow ratio was mainly due to the increase in net cash inflow from operating activities.
6. The decrease in operating leverage was mainly due to the increase in operating profit

Note 1: The financial information for 107-109 years was checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin Chunzhi.

The financial information of the first quarter of 112 was reviewed by Lin Jinfeng and Lin Chunzhi.

Note 2: The calculation formula for the analysis item is as follows:

1. Financial structure

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

2. Solvency

- (1) Current ratio = current assets / current liabilities.
- (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
- (3) Interest protection multiple = net profit before income tax and interest expense / interest expense for the current period.

3. Business capacity

(1) Turnover rate of receivables (including accounts receivable and notes receivable arising from business) = net sales / balance of average receivables (including accounts receivable and notes receivable arising from business) for each period.

- (2) Average number of cash days = 365 / turnover rate of receivables.
- (3) Inventory turnover rate = cost of goods sold / average inventory amount.
- (4) Turnover rate of accounts payable (including accounts payable and notes payable arising from business) = cost of goods sold / balance of average payable (including accounts payable and notes payable arising from business) for each period.
- (5) Average number of days sold = 365 / inventory turnover.
- (6) Real estate, plant and equipment turnover rate = net sales / average net real estate, plant and equipment.
- (7) Total asset turnover = net sales / average total assets.

4. Profitability

- (1) Return on assets = [profit and loss after tax + interest expense × (1-tax rate)] / total average assets.
- (2) Return on equity = profit and loss after tax / average total equity.
- (3) Net profit rate = profit and loss after tax / net sales amount.
- (4) Earnings per share = (profit or loss attributable to owners of the parent company - special share dividend) / weighted average number of shares outstanding. (Note 4).

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
- (2) Net cash flow allowance ratio = net cash flow from operating activities in the last five years / capital expenditure + inventory increase + cash dividend in the last five years.



(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross amount of real estate, plant and equipment + long-term investment + other non-current assets + working capital). (Note 5).

6. Leverage:

(1) Operating leverage = (net operating income - variable operating costs and expenses) / operating profit (Note 6).

(2) Financial leverage = operating profit / (operating profit - interest expense).

Note 4: The formula for calculating earnings per share should be measured with special attention to the following:

1. Based on the weighted average number of common shares and not on the basis of the number of shares outstanding at the end of the year.
2. Traders with cash capital increase or treasury stocks should calculate the weighted average number of shares taking into account their circulation period.
3. Where there is a surplus to capital increase or capital reserve to capital increase, when calculating the earnings per share of the previous year and half year, it shall be adjusted retrospectively according to the proportion of capital increase, without considering the issuance period of the capital increase.
4. If the Special Shares are non-convertible cumulative Special Shares, their dividends for the year (whether paid or not) shall be deducted from the net profit after tax or increased by the net loss after tax. If special shares are non-cumulative, dividends on special shares should be deducted from net profit after tax in the case of net profit after tax; If it is a loss, it does not have to be adjusted.

NOTE 5 Cash flow analysis should pay particular attention to the following in its measurement:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the statement of cash flows.
2. Capital expenditure refers to the cash outflow of capital investment per year.
3. Inventory increases are only taken into account when the ending balance is greater than the opening balance, and if the inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends on common shares and special shares.
  5. Gross amount of real estate, plant and equipment refers to the total amount of real estate, plant and equipment before accumulated depreciation.

Note 6: Issuers should distinguish between fixed and variable operating costs and operating expenses according to their nature, and pay attention to their reasonableness and maintain consistency if estimates or subjective judgments are involved.

concentrate7: If the company's shares have no denomination or the denomination per share is not NT\$10, the previous calculation of the ratio to paid-up capital will be calculated based on the equity ratio attributable to the owners of the parent company on the balance sheet.

## 6.2 Individual Information

Analysis Items (Note 3)		Financial analysis for the last five years					Financial data for the year ended March 31, 112 (Note 2)
		107 years	108 years	109 years	110 years	111 years	
Financial Structure (%)	Liabilities to assets ratio	1.27	1.34	1.94	2.37	6.17	not applicable
	The ratio of long-term funds to real estate, plant and equipment	122,422.63	186,462.53	113,819.05	98,811.82	55,263.81	not applicable
Solvency %	liquidity ratio	3,047.57	3,046.20	3,342.30	1,372.28	390.54	not applicable
	Quick ratio	3,000.73	3,008.89	3,196.85	1,355.80	320.56	not applicable
	Interest protection multiple	166,577.78	6,326.67	29,945.83	28,600.63	19.64	not applicable
Ability to operate	Receivables turnover rate (times)	6.01	3.08	2.52	8.19	7.60	not applicable
	Average number of cash days	60.73	118.51	145	44.57	48.03	not applicable
	Inventory turnover rate (times)	7.28	2.16	6.53	11.28	-	not applicable
	Payables turnover rate (times)	57.53	-	-	-	-	not applicable
	Average number of days sold	50.14	168.98	55.89	32.36	-	not applicable
	Real estate, plant and equipment turnover rate (times)	82.81	69.52	56.93	59.88	37.52	not applicable
	Total Asset Turnover (times)	0.09	0.05	0.04	0.06	0.05	not applicable
Profitability	Return on Assets (%)	1.75	0.66	3.89	5.4	-0.23	not applicable
	Return on equity (%)	1.77	0.66	3.94	5.51	-0.28	not applicable
	Ratio of net profit before tax to paid-up capital (%) (Note 7)	2.43	0.76	4.64	7.29	-0.05	not applicable
	Net Benefit Rate(%)	20.03	14.06	96.98	96.2	-5.24	not applicable
	Earnings per share (RMB)	0.21	0.08	0.46	0.68	-0.03	not applicable
cash flow	Cash flow ratio (%)	1,034.37	4.48	162.14	352.5	42.01	not applicable
	Cash flow allowable ratio (%)	923.27	369.97	135.84	248.6	330.07	not applicable
	Cash reinvestment ratio (%)	16.54	2.7	5.54	11.8	5.47	not applicable
Leverage	Operating leverage	163.12	211.43	216.93	158.45	241.1	not applicable
	Financial leverage	99.88	98.59	95.55	98.75	93.59	not applicable
Please explain the reasons for the changes in financial ratios for the most recent biennium. (If the increase or decrease does not reach 20%, the analysis can be exempted)							
1. The increase in the ratio of liabilities to assets and the decrease in the ratio of long-term funds to real estate, plant and equipment are mainly due to the increase in liabilities							

2. The decrease in solvency is mainly due to the increase in liabilities
3. The decrease in inventory turnover rate (times), average number of sales days, real estate, plant and equipment turnover rate (times) is mainly due to the decrease in sales.
4. Return on assets, return on equity, ratio of net profit before tax to paid-in capital, and earnings per share are mainly losses.
5. The decline in the cash flow ratio was mainly due to the increase in liabilities.
6. The increase in operating leverage was mainly due to the increase in operating costs

Note 1: 1 The financial information of 07-109 years has been checked (reviewed) by accountants Wu Mengda and Lin Chunzhi.

The financial information of 110-111 years was checked (reviewed) by Lin Jinfeng and Lin Chunzhi.

Note 2: No individual financial information is available for the current year ending March 31, 112.

### 6.3 111 Annual Audit Committee Audit Report

#### Audit Committee Verification Report

The Board of Directors has prepared the Company's 111 annual business report, financial statements and loss compensation proposals, etc., of which the financial statements have been completed by entrusting Guofu Haohua United Accounting Firm to complete the audit, and an audit report has been issued. The above business report, financial statements and loss compensation proposal have been reviewed by the Audit Committee and are deemed to be not inconsistent, and the report is as above in accordance with the relevant provisions of the Securities and Exchange Act and the Company Act.

Sincerely

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Convenor of the Audit Committee: Liu Tianxi

16 March 112, Republic of China

6.4 Latest Annual Financial Report: See page 91

6.5 For the latest annual certified company individual financial report, please refer to page 151

6.6 If the Company and its affiliates have financial liquidity difficulties in the latest year and as of the date of publication of the Annual Report, the impact on the financial position of the Company shall be stated: None.

## 7 Review and analysis of the Company's financial position and financial performance and risk matters

### 7.1 Financial Position (Consolidated)

Comparative analysis of financial position

Unit: New Taiwan dollar thousand

Project year	One by one year	110 year	difference	
			Increase or decrease amount	Change rate (%)
liquid asset	687,851	661,476	26,375	3.99%
Real estate, plant and equipment	28,646	7,365	21,281	288.95%
intangible asset	991	1,187	-196	-16.51%
Other assets	192,529	231,531	-39,002	-16.85%
Total assets	910,017	901,559	8,458	0.94%
Current liabilities	131,998	78,895	53,103	67.31%
Other liabilities	18,796	22,291	-3,495	-15.68%
Total liabilities	150,794	101,186	49,608	49.03%
share capital	617,600	617,600	0	0.00%
Capital reserve	684	684	0	0.00%
Retain surplus	164,876	169,357	-4,481	-2.64%
Total shareholders' equity	749,441	787,641	-38,200	-4.85%
Analysis of the 20% change in the proportion of increase or decrease:				
The increase in real estate, real estate, plant and equipment was mainly due to the purchase of equipment by subsidiaries				
The increase in current liabilities and total liabilities was mainly due to the increase in contractual liabilities - current and bank borrowings				

## 7.2 Financial Performance (Consolidated Financial Reporting)

Unit: New Taiwan dollar thousand

Project year	One by one year	110 year	difference	
			Increase or decrease amount	Change rate (%)
Operating income	130,622	75,419	55,203	73.20%
Operating costs	57,877	14,692	43,185	293.94%
Operating Gross Profit (Loss)	72,745	60,727	12,018	19.79%
Operating expenses	63,176	58,462	4,714	8.06%
Operating Profit (Loss)	9,569	2,265	7,304	322.47%
Non-operating income and expenses	-15,085	36,211	-51,296	-141.66%
Profit before tax (loss)	-5,516	38,476	-43,992	-114.34%
income tax	-5,559	-3189	-2,370	74.32%
Net income (loss) for the period	-11,075	35,287	-46,362	-131.39%
Analysis of the change in the proportion of increase and decrease:				
1. The increase in operating income/operating costs/operating margins/operating profit/operating expenses was mainly due to the increase in sales.				
2. The decrease in non-operating income and expenses/net profit before tax/net profit for the current period was mainly due to the loss of financial evaluation.				

- The expected number of sales and the basis for it  
Referring to the company's past sales experience and future operation strategy planning, and considering the industrial characteristics, economic cycle and economic growth forecast, it is estimated that the future sales target of the funeral department is about 20-30 towers per month (cycle according to the characteristics of the industry), and the operating income of the funeral department is maintained between 4 million ~ 5 million per month. The turnover can increase by about 1 million ~ 1.5 million.
- Impact on the Company's future financial business and response plan  
The Company's revenue and profit remain stable, and cash flow and amount will gradually increase due to this  
In response to the continuous expansion of the business, it is planned to plan project promotional activities with specific religious groups to expand sales channels.

### 7.3 Cash Flows

- Analysis of changes in cash flow in the latest year, improvement plan for illiquidity shortage:

Opening cash balance	Net cash flow from operating activities for the full year	Net cash flow for the full year from investing and financing activities	Cash balance	Remedies for cash shortfalls	
				Investment plan	Financial planning
82,651	18,760	64	101,475	-	-

- Description of changes in cash flows for the year:  
Net cash inflow from operating activities of \$18,760 was mainly due to gains and losses on financial assets measured at fair value through profit or loss; The increase in net cash flow from investing and financing activities was due to a decrease in financial assets measured at fair value through profit and loss and an increase in short-term borrowings.
- Improvement plan for cash flow liquidity deficiency in the most recent year: This is not the case.

- Cash Liquidity Analysis for the Year Ahead:

On the premise of maintaining sound cash liquidity, the Company regularly evaluates cash balances and cash flows from operating activities and investment activities, and prudently plans and manages cash liquidity to ensure the adequacy and availability of working capital.

### 7.4 Impact of significant capital expenditures on financial operations in the most recent year: None

7.5 The latest year's reinvestment policy, the main reasons for its profits or losses, the improvement plan and the investment plan for the next year: Future investment will be submitted to the Board of Directors for approval after careful assessment depending on the overall industry situation and the company's development needs.

### 7.6 Risk Matters

- The impact of interest rates, exchange rate changes and inflation on the company's profit and loss and future countermeasures:

project	111 years
Net interest income and expenditure	159
Net exchange gains and losses	302
Net operating income	130,622
Net interest income to turnover ratio	0.12
Net exchange gain or loss as a percentage of turnover	0.23

- **Changes in interest rates:**  
The Group is minimally affected by market risks such as interest rate changes and therefore does not use any derivative financial instruments to manage it  
Manage the associated risks.  
The Group's interest rate risk is mainly investment in fixed-rate certificates of deposit, which are not expected to be heavy  
Risk of large interest rate changes.
- **Exchange rate changes:**  
Information on financial assets and liabilities affected by significant exchange rate fluctuations is as follows:



		December 31, 111		
		Foreign Currency (USD)	exchange rate	Book amount
Monetary items				
	Foreign currency assets	\$ 88	30.71	\$ 2,709

		December 31, 110		
		Foreign Currency (USD)	exchange rate	Book amount
Monetary items				
	Foreign currency assets	\$ 89	27.68	\$ 2,475

#### Sensitivity analysis

When the exchange rate of the US dollar appreciates by 5% against the New Taiwan dollar, the Group's net profit before tax in the 111th and 110th years of the Republic of China will increase by 135 thousand yuan and 124 thousand dollars respectively; If the US dollar depreciates by 5% against the New Taiwan dollar, the Group's net profit before tax will decrease by (135) thousand dollars and (124) thousand dollars.

- Inflation: Inflation is a change in the overall economic environment and this factor should not have a material impact on the Company's profit or loss.

(一) In the most recent years, he has engaged in high-risk, highly leveraged investments, capital lending to others, endorsement guarantees and derivatives  
The policy, main reasons for profit or loss of raw commodity trading and future countermeasures: public

The Company is not engaged in high-risk, highly leveraged investments and derivatives trading.

The funds are lent to others for the operating turnover of the subsidiary.

The endorsement guarantee is a loan and guarantee for the funds required by the subsidiary to build the new tower.

(二) Future R&D plans and expected R&D expenses: The company actively transforms and no longer invests in R&D expenses  
Use.

(三) The impact of important domestic and foreign policy and legal changes on the company's financial business and countermeasures: the company

For important domestic and foreign policy and legal changes in the latest year, all relevant authority and responsibility personnel of the company are under control  
Fully grasp and take necessary countermeasures.

(四) Impact of technological change and industrial changes on the company's financial business and response measures: None

(五) The impact of corporate image change on corporate crisis management and countermeasures:

The company is in a stable operation, the corporate image is good, and there is no change to affect the enterprise.

(六) Expected benefits and possible risks and countermeasures of the merger: None.

(七) Expected benefits and possible risks and countermeasures of the expansion of the plant: None.

(八) Risks faced by the concentration of incoming goods or sales and measures to deal with them: None.

(九) Directors, supervisors or shareholders holding more than 10% of the shares, a large number of shares are transferred or replaced to the public  
Impacts, risks and countermeasures:

In recent years and as of the date of publication of the annual newspaper, no equity has been transferred or replaced.

(十) The impact and risks of the change of management rights on the company and the corresponding measures:

Most of the company's major operation plans are evaluated by managers and proposed by the board of directors for implementation, and are distinguished

Rights and responsibilities effectively implement business strategies, grasp operational efficiency and results, and therefore have an impact on the company's operations

and the risk will be effectively reduced.

(十一) In litigation or non-litigation events, the company and its directors, supervisors, general managers, substantive responsible persons, shareholders with a shareholding ratio of more than 10% and subsidiaries shall be identified or are still in the process of major litigation, non-litigation or administrative litigation events whose results may have a significant impact on shareholders' equity or securities prices, and shall disclose the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the litigation and the disposition as of the date of publication of the annual report: None.

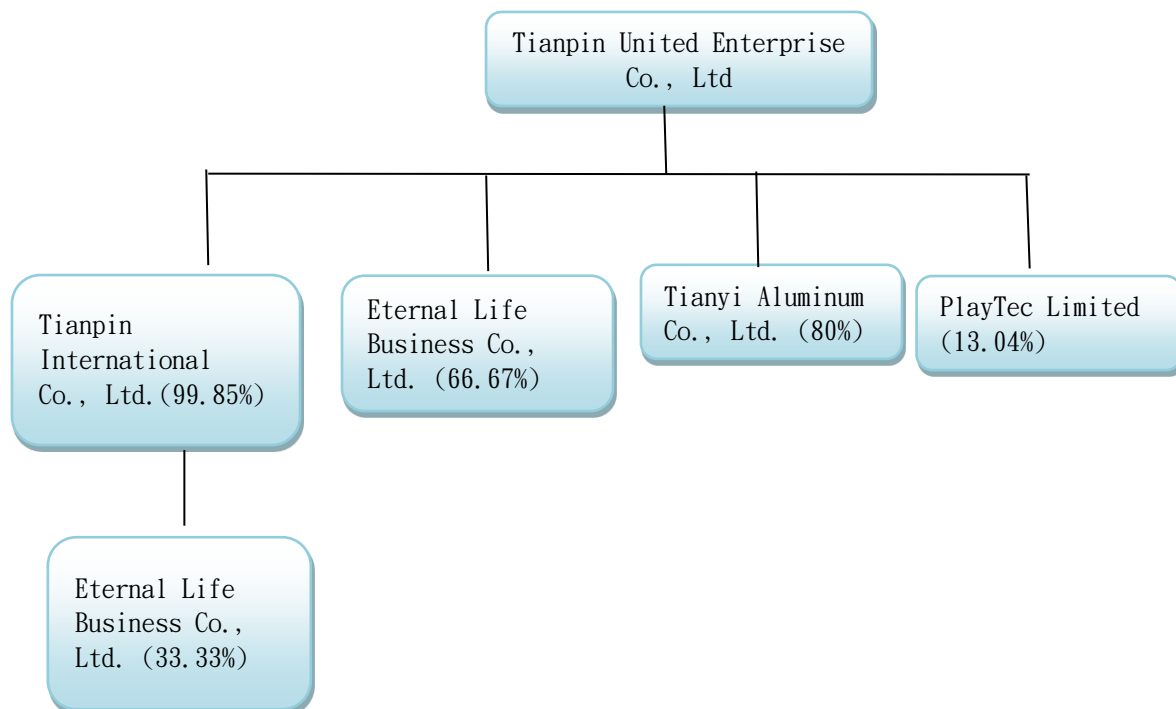
(十二) Other important risks and countermeasures:  
The company has formulated relevant information security management policies to cooperate with information security policies to strengthen information security Protection, external firewall, in addition to preventing external network attacks, virus threats and other consequences such as abnormal system operation or interruption, data tampering and damage, and strengthening the prevention of confidential data leakage, so the company establishes multi-level defense and detection to reduce the risk of being infected and attacked by malicious programs, and for important operational services and data, are necessary in the same place/ Offsite backup.

**7.7 Other Important: None.**

## 8 Special Notes

### 8.1 Information related to related enterprises

- Business report of the business combination of the related enterprise
- Relationship enterprise organization chart



- Basic data of each related company

Business name	Date of establishment	address	Amount of paid-up capital	Main business or production projects
Tianpin International Stock Servings Ltd	88.03.30	No. 12, Lane 93, Minxiang Street, Mingsuili, Zhonghe District, New Taipei City	410,025,480	Funeral facilities Business business
Eternal Life Cause corporation	104.07.16	No. 17, Changyuan Street, Sanchong District, New Taipei City (1F)	30,000,000	Funeral etiquette serve
Play Tai shares Ltd	109.09.02	14th floor, No. 43 Minde Road, Zhonghe District, New Taipei City	23,000,000	Toy manufacturing and others Plastic products manufacturing industry, etc
Tianyi Aluminum shares Ltd	111.06.10	No. 350, Xinan Street, Wende Village, Huatan Township, Changhua County	30,000,000	Aluminum rolling, stretching, extrusion industry

- (1) It is presumed that only those who control and subordinate their same shareholder information: none
- (2) The industries covered by the overall business of the enterprise and the division

of labor between them:

- a. Funeral facility operation
- b. Funeral services
- c. Tianpin International Committee is an agent of the company to sell its funeral facilities, and Eternal Life can also serve those who need funeral etiquette services to purchase Tianpin International funeral facilities

● **Information of directors, supervisors and general managers of each affiliated enterprise:**

**Tianpin Joint Enterprise (Shares) Company**

Unit: Stock

Business name	job title	Name or representative	Holding shares	
			Number of shares	Shareholding ratio
Tianpin International Co., Ltd	director	Tianpin United Enterprise Co., Ltd	40,941	99.85%
	Legal representative	Li Zhenkuan, Li Xiaolong	0	0
	director	Li Zhenxiao	0	0
	Ombudsman	Wu Yanshan		
	managing director	Li Zhenhao	0	0
Eternal Life Business Co., Ltd	director	Tianpin United Enterprise Co., Ltd	2,000	66.67%
	Legal representative	Li Zhenkuan, Zhuang Wanyi, Li Zhenhao		
	Ombudsman	Tianpin United Enterprise Co., Ltd		
	Legal representative	Wu Yanshan		
Play Tai shares Ltd	director	Wu Jianyi, Li Zhenhao, Li Zhenxiao	300	13.04%
	Ombudsman	Li Zhenkuan		
Tianyi Aluminum shares Ltd	director	Li Zhenkuan, Li Zhenxiao, Lai Yongqi	2,400	80.00%
	Ombudsman	Li Zhenhao		

**Tianpin International Co., Ltd**

Unit: Stock

Business name	job title	Name or representative	Holding shares	
			Number of shares	Shareholding ratio
Eternal Life Business Co., Ltd	director	Tianpin United Enterprise Co., Ltd	1,000	33.33%
	Legal representative	Li Zhenkuan, Zhuang Wanyi, Li Zhenhao		
	Ombudsman	Tianpin United Enterprise Co., Ltd		
	Legal representative	Wu Yanshan		

Overview of the operations of each related enterprise

Unit: Thousand shares/New Taiwan dollar Thousand Dollars

Business name	Amount of capital	Total asset value	Total liabilities	net worth	Operating income	Business Interests	Profit and loss for the period (after tax)	Earnings per share (after tax) (yuan)
Tianpin International Co., Ltd	410,025	486,540,	95,499	391,041	62,454	12,933	10,796	0.26
Eternal Life Business Co., Ltd	30,000	35,933	8,939	26,994	14,800	2,958	1,115	0.37
PlayTai Co., Ltd	23,000	7,715	3,326	4,389	846	-9,865	-9,519	-4.14
Tianyi Aluminum Co., Ltd	30,000	59,095	32,504	26,591	40,705	-1,824	-3,410	-1.14

- According to the standards for the preparation of business reports of business combinations of related enterprises, consolidated financial statements of related enterprises and relationship reports, relevant information of each related enterprise should be disclosed:

**Consolidated Financial Statements of Related Enterprises:**

Declaration

The 111th year of the Republic of China (from January 1, 111 to December 31, 111) of the Company should be included in the preparation of the consolidated financial statements of related enterprises in accordance with the "Standards for the Preparation of Consolidated Business Reports of Affiliated Enterprises, Consolidated Financial Statements of Related Enterprises and Relationship Reports" are the same as those that should be included in the preparation of consolidated financial statements of parent and subsidiary enterprises in accordance with International Accounting Standards Bulletin No. 10. Moreover, the relevant information that should be disclosed in the consolidated financial statements of the related enterprise has been disclosed in the consolidated financial statements of the parent and subsidiary before the disclosure, and the consolidated financial statements of the related enterprise will not be prepared separately.

It is hereby declared

Company Name: Tianpin United Enterprise Co., Ltd

Person in charge: Li Zhenkuan

R e p u b l i c o f C h i n a , M a r c h 1 6 , 1 1 2

**Relationship Report: N/A**

8.2 For the most recent year and as of the date of publication of the annual report, the handling of private placement securities: None.

8.3 Holdings or disposal of the Company's shares by subsidiaries in the latest year and as of the date of publication of the Annual Report: None.

8.4 Other necessary supplementary notes:

As of the publication of the annual report, the handling of the company's over-the-counter commitments:

Matters of commitment to the counter	Handling of commitments
<p>(1) Li Zhenxiao, Li Zhenkuan, Li Zhenjie and Li Zhenhao, shareholders of Haofu Company, shall comply</p> <p>The following agreements signed with the cabinet company, if there is a violation of the agreement, will be required according to the commitment</p> <p>The counter company takes the initiative to apply for the termination of over-the-counter trading of securities, and according to the foundation legal person</p> <p>The OTC company of the Securities Over-the-counter Trading Center of the Republic of China applied for the termination of the securities cabinet</p> <p>The provisions of Article 3 of the Taiwan Trading Procedure deal with matters related to the acquisition of shares and the board of directors of your company is jointly and severally liable for the acquisition of the company's shares:</p> <p>1. The shares of the company cannot be traded, sold, gifted or transferred</p> <p>Or any other method, re-transfer to Li Chaomao and Zhuang Huizhen.</p>	<p>1. Handle in accordance with No. 1090005982 of the Securities Counter of your center.</p> <p>2. Li Zhenxijun and other 4 people have not changed their shareholdings so far; Upon enquiry</p> <p>Department of Commerce, Ministry of Economic Affairs - Company Information Enquiry Nouvelles Company Last</p> <p>The date of change is December 26, 107.</p>

9 In the most recent year and as of the date of publication of the annual report, if any matter specified in Paragraph 3, Paragraph 2 of Article 36 of the China Securities Exchange Act has a significant impact on shareholders' equity or the price of securities: Not applicable

Stock code: 6199

TienPin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: TienPin Investment Holdings Co., Ltd.)  
Consolidated financial reports and accountants' audit reports  
The 111th and 110th years of the Republic of China

Address: 8th floor, No. 141, Zhongshan Road, Zhongli District, Taoyuan City

Phone: (03) 275-6356



Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Consolidated financial reporting catalogs

<u>p</u> <u>r</u> <u>o</u> <u>j</u> <u>e</u> <u>c</u> <u>t</u>	<u>P</u> <u>a</u> <u>g</u> <u>e</u>
1. Covering	—
II. Table of Contents	—
3. Declaration	—
4. Accountant's audit report	—
5. Consolidated balance sheet	1
6. Consolidated consolidated income statement	2
7. Statement of Consolidated Changes in Equity	3
8. Consolidated cash flow statement	4
9. Notes to the consolidated financial statements	
(1) Company history	5
(2) the date and procedure for the adoption of consolidated financial reports	5
(3) Application of newly issued and revised guidelines and interpretations	6~9
(4) Summary and explanation of major accounting policies	9~23
(5) Major sources of uncertainty in material accounting judgments, estimates and assumptions	23~25
(6) Description of important accounting items	25~45
(7) Related person transactions	45~46
(8) Assets pledged as pledged	47
(9) Significant contingent liabilities and unrecognized contractual commitments	47
(10) Major disaster losses	47
(11) Major post-period matters	47
(12) Others	47
(13) Matters disclosed in notes	

1. Information related to major transactions	47
2. Information related to the transfer of investment business	48
3. Mainland investment information	48
4. Information on major shareholders	48
(14) Departmental information	48~49

## Declaration

The 111th year of the Republic of China (from January 1, 111 to December 31, 111) of the Company should be included in the preparation of the consolidated financial statements of related enterprises in accordance with the "Standards for the Preparation of Consolidated Business Reports of Affiliated Enterprises, Consolidated Financial Statements of Related Enterprises and Relationship Reports" are the same as those that should be included in the preparation of consolidated financial statements of parent and subsidiary enterprises in accordance with International Accounting Standards Bulletin No. 10. Moreover, the relevant information that should be disclosed in the consolidated financial statements of the related enterprise has been disclosed in the consolidated financial statements of the parent and subsidiary before the disclosure, and the consolidated financial statements of the related enterprise will not be prepared separately.

It is hereby declared

Company Name: Tianpin United Enterprise Co., Ltd

Person in charge: Li Zhenkuan

R e p u b l i c o f C h i n a , M a r c h 1 6 , 1 1 2

TienPin United Enterprise CO., LTD. and its subsidiaries  
(formerly known as: TienPin Investment Holding Co., Ltd.)

Accountant audit report

Board of Directors of TienPin United Enterprise CO., LTD. Gongjian:

**Check opinions**

Consolidated balance sheets of TienPin United Enterprise CO., LTD. and its subsidiaries as of December 31, 111 and 110 of the Republic of China The consolidated consolidated statement of income, consolidated statement of changes in equity, consolidated statement of cash flows and notes to the financial statements (including a summary of significant accounting policies) for the period from January 1 to December 31 have been reviewed by this accountant.

According to the opinion of this accountant, the consolidated financial statements of Shanghai Kai are prepared in all material respects in accordance with the standards for the preparation of financial reports of securities issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and interpretations and announcements approved by the Financial Regulatory Commission and issued in effect, which are sufficient to allow the expression of TienPin United Enterprise CO., LTD. and its subsidiary Minguo 111 Consolidated financial position as at December 31, 110, and consolidated financial results for the period from January 1 to December 31, 110 of the Republic of China Consolidated cash flows.

**Basis for checking opinions**

The accountant performs the audit in accordance with the rules for the audit of visa financial statements and auditing standards by accountants. The accountant's responsibilities under these standards are further explained in the accountant's responsibility section on the consolidated financial statements. The personnel of the firm under the independent standard have maintained a detached independence from TienPin United Enterprise CO., LTD. and its subsidiaries in accordance with the professional ethics of accountants, and have performed other responsibilities of the standard. The accountant believes that sufficient and appropriate evidence has been obtained as a basis for expressing an opinion on the audit.

**Key checkpoints**

The key audit matters refer to the most important matters in the examination of the consolidated financial statements of TienPin United Enterprise CO., LTD. and its subsidiary Minguo 111 according to the professional judgment of the accountant. These matters have been dealt with in the course of reviewing the consolidated financial statements as a whole and forming an opinion on

them, and the Accountant does not express a separate opinion on these matters.

The key audit matters of the consolidated financial statements of TienPin United Enterprise CO., LTD. and its subsidiary Minguo 111 are described as follows:

Assessment of whether the investment real estate has signs of impairment

The carrying amount of investment immovable property of TienPin United Enterprise CO., LTD. and its subsidiaries at the date of reporting of the financial statements was \$13,3,102, accounting for 15% of the total assets, and the management in accordance with the provisions of IAS Bulletin No. 36 "Impairment of Assets". Where there are signs of impairment in an investment property, it should be assessed whether the recoverable amount of the asset is less than the carrying value.

As mentioned in Note 6(8), management has assessed the recoverable amount of the said investment properties in accordance with the cost model and has regularly assessed the aforementioned investment properties on a quarterly basis for signs of impairment and is required to perform impairment tests. Because assessing whether the above-mentioned investment real estate shows signs of impairment involves the subjective judgment of management and has a high degree of uncertainty in the estimation. This is because the valuation of the investment real estate of TienPin United Enterprise CO., LTD. and its subsidiaries is considered as a key inspection matter.

For the estimated uncertainty and disclosure of accounting policies, accounting estimates and assumptions relating to the valuation of impairment of investment real estate, please refer to notes 4, 5 and 6 (8) to the consolidated financial statements.

The accountant has carried out the following main audit procedures for the above asset impairment assessment:

1. Obtain the asset impairment assessment report of TienPin United Enterprise CO., LTD., inquire about the internal information and external information of the management assessment of the aforementioned investment real estate, whether it considers the recent operating results, historical trends and industry overview, etc., and update it in a timely manner.
2. Inquire whether the present value of the land announcement of the above-mentioned investment real estate has dropped significantly.

**Other matters**

TienPin United Enterprise CO., LTD. has prepared the individual financial statements of the 111th and 110th years of the Republic of China, and all of them have been issued by the accountant with an unqualified opinion on the record for reference.

**Responsibilities of management and governance units for consolidated financial statements**

Management's responsibility is to prepare properly expressed consolidated financial statements in accordance with the financial reporting standards for securities issuers and the International Financial Reporting

Standards, International Accounting Standards, interpretations and interpretations approved by the Financial Supervisory Commission and issued in force, and to maintain the necessary internal controls in relation to the preparation of the consolidated financial statements to ensure consolidation. The financial statements do not contain material misrepresentations that result from fraud or error.

In preparing the consolidated financial statements, management's responsibilities also include assessing the ability of Tianpin Joint Enterprise Co., Ltd. and its subsidiaries to continue operating, disclosing related matters, and adopting the accounting basis for continued operation, unless management intends to liquidate Tianpin Joint A company limited by shares and its subsidiaries may cease to operate, or there is no other practicable alternative to liquidation or cessation of business.

The governance units (including the audit committee) of TienPin United Enterprise CO., LTD. and its subsidiaries are responsible for supervising the financial reporting process.

**The responsibility of the accountant to review the consolidated financial statements**

The purpose of the accountant's review of the consolidated financial statements is to obtain reasonable assurance as to whether there are material misrepresentations in the consolidated financial statements as a whole that are caused by fraud or error, and to issue an audit report. A reasonable assurance is a high degree of assurance that an audit performed in accordance with auditing standards cannot guarantee that material misrepresentations in the consolidated financial statements will be detected. Misrepresentation may result from fraud or error. Individual amounts or aggregates that are misrepresented are considered material if they can reasonably be expected to affect the economic decisions made by users of the consolidated financial statements.

The accountant uses professional judgment and professional suspicion in conducting audits in accordance with auditing standards. The Accountant also performs the following duties:

1. Identify and assess the risk of material misrepresentation in the consolidated financial statements due to fraud or error; Design and implement appropriate response measures to the assessed risks; and obtain sufficient and appropriate evidence to serve as the basis for the audit opinion. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overstepping of internal controls, the risk of not detecting material misrepresentations caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control related to the audit in order to design the appropriate audit procedure under the current circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Tianpin Joint Enterprise Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, conclude whether there are significant

uncertainties about the appropriateness of management's adoption of the accounting basis for continuing operations, and whether there are significant uncertainties in events or circumstances that may give rise to major doubts about the ability of Tianpin Joint Enterprise Co., Ltd. and its subsidiaries to continue operations. If the accountant considers that there is material uncertainty in such events or circumstances, he or she shall remind users of the consolidated financial statements of the relevant disclosures in the audit report or amend the audit opinion if such disclosures are inappropriate. The accountant's conclusion is based on the audit evidence obtained as at the date of the audit report. However, future events or circumstances may cause TienPin United Enterprise CO., LTD. and its subsidiaries to no longer have the ability to continue operations.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements allow the relevant transactions and events to be expressed.

6. Obtain sufficient and appropriate evidence to check the financial information of the consolidation within the group to express an opinion on the consolidated financial statements. The accountant is responsible for the guidance, supervision and implementation of group audit cases, and is responsible for forming group audit opinions.

The matters communicated between the accountant and the governance unit, including the scope and timing of the planned audit, and the findings of the major audit (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement of independence of the independent personnel of the firm under the professional code of ethics of accountants, and communicates with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the accountant.

From the matters communicated with the governance unit, the accountant decided the key audit matters for the audit of the 111 consolidated financial statements of TienPin United Enterprise CO., LTD. and its subsidiary Minguo. The accountant sets out such matters in the audit report, unless the law does not permit the public disclosure of the specific matter, or in rare cases, the accountant decides not to disclose the specific matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest promoted.

CROWE

Taipei, Taiwan (Republic of China)

March 16, 2023

TienPin United Enterprise CO., LTD. and its subsidiaries  
(formerly known as: TienPin Investment Holding Co., Ltd.)

Consolidated balance sheet

December 31, 2022 and 2021

Unit: New Taiwan  
dollar thousand

code asset	December 31,		December 31,	
	amount	%	amount	%
11xx liquid asset				
1100 Cash and cash equivalent (Notes 4 and 6)	\$ 101,475	11	\$ 82,651	9
1110 Financial Assets Measured at Fair Value by Profit and Loss – Liquidity (Note 4 and 6)	113,281	12	129,055	14
1150 Net notes receivable (Notes 4 and 6)	2,524	—	—	—
1170 Net accounts receivable (Remarks 4 and 6)	27,593	3	19,984	2
1200 Other receivables	112	—	19	—
130x Inventory (Note 4 and 6)	386,575	42	388,896	43
1410 Advance payment	7,000	1	4,942	1
1470 Other liquid assets	168	—	—	—
1476 Other Financial Assets - Currents (Notes 6 and 8)	49,123	6	35,929	4
11xx Total current assets	687,851	75	661,476	73
15xx Non-current assets				
1517 Financial assets at fair value through other comprehensive gains and losses - non-current (Note 4 and 6)	30,860	4	66,935	7
1600 Real Estate, Plant and Equipment (Note 4, 6 and 7)	28,646	3	7,365	1
1755 Right-of-use assets (Note 4 and 6)	6,717	1	9,900	1
1760 Net investment real estate (Notes 4, 6 and 8)	133,102	15	138,219	16
1780 Intangible assets (Note 4 and 6)	991	—	1,187	—
1915 Prepayment for equipment (Note 7)	7,200	1	—	—
1920 Deposit the deposit	1,861	—	3,600	1
1990 Other non-current assets - Others (Note 6)	12,789	1	12,877	1
15xx Total non-current assets	222,166	25	240,083	27
Total assets	\$ 910,017	100	\$ 901,559	100



code	Liabilities and Equity	December		December	
		31,2022		31,2021	
		amount	%	amount	%
21xx	Current liabilities				
2102	Bank borrowings (註 6 & 8)	\$ 30,000	3	\$ —	—
2130	Contractual liabilities - current (Note 6)	66,810	7	51,643	6
2170	Accounts Payable - Non-related persons	385	—	—	—
2180	Accounts Payable - Related Persons (Note 7)	1,883	—	—	—
2200	Other payables (Note 6)	23,044	3	20,314	2
2230	Current income tax liabilities (Notes 4 and 6)	5,460	1	2,556	—
2250	Liabilities Provision - Current (Notes 4 and 6)	659	—	502	—
2280	Lease Liabilities - Current (Notes 4 and 6)	3,372	—	3,666	—
2399	Other current liabilities	385	—	214	—
21xx	Total current liabilities	131,998	14	78,895	8
25xx	Non-current liabilities				
2550	Liabilities Provision - Non-current (Notes 4 and 6)	12,123	1	12,364	1
2570	Deferred tax liabilities - non-current (Remarks 4 and 6)	54	—	—	—
2580	Lease liabilities - non-current (Notes 4 and 6)	3,319	1	6,627	1
2645	Access Deposit (Note 7)	3,300	—	3,300	—
25xx	Total non-current liabilities	18,796	2	22,291	2
2xxx	Total liability	150,794	16	101,186	10
31xx	Interests vested in the owners of the parent company (Note 6)				
3110	Common share capital	617,600	68	617,600	70
3200	Capital reserve	684	—	684	—
3310	Statutory surplus reserve	18,741	2	14,957	2
3320	Special surplus reserve	—	—	3,390	—
3350	Undistributed surplus	136,353	16	138,878	16
3420	Unrealized gain or loss on financial assets measured at fair value through other comprehensive gains and losses	(23,937)	(3)	12,132	1
31xx	Total equity attributable to owners of the parent company	749,441	83	787,641	89
36xx	Non-controlling interests	9,782	1	12,732	1
3xxx	Total benefits	759,223	84	800,373	90
	Total liabilities and equity	\$ 910,017	100	\$ 901,559	100

## TienPin United Enterprise CO., LTD. and its subsidiaries

(formerly known as: TienPin Investment Holding Co., Ltd.)

## Consolidated consolidated income statement

January 1 to December 31, 2022 and 2021

Unit: New Taiwan

dollar thousand

code	project	2022		2021	
		amount	%	amount	%
4000	Net operating income (Note 4, 6 and 7)	\$ 130,622	100	\$ 75,419	100
5000	Operating costs (Note 6 and 7)	(57,877)	(44)	(14,692)	(19)
5900	Operating margin	72,745	56	60,727	81
6000	Operating expenses (Note 6 and 7)				
6100	Promotional expenses	(19,635)	(15)	(18,174)	(25)
6200	Management fees	(42,891)	(33)	(40,071)	(53)
6450	Expected credit impairment (loss) benefit	(650)	1	(217)	—
6000	Total operating expenses	(63,176)	(47)	(58,462)	(78)
6900	Operating net profit	9,569	9	2,265	3
7000	Non-operating income and expenses				
7100	Other income (Note 6)	3,447	3	3,060	4
7020	Other benefits and losses (Notes 6 and 7)	(18,001)	(14)	33,378	44
7050	Financial costs	(531)	—	(227)	—
7000	Total non-operating income and expenses	(15,085)	(11)	36,211	48
7900	Profit before tax (loss)	(5,516)	(2)	38,476	51
7950	Income tax expense (Note 4 and 6)	(5,559)	(4)	(3,189)	(4)
8200	Net income (loss) for the period	\$ (11,075)	(6)	\$ 35,287	47
8300	Other comprehensive gains and losses				
8310	Items that are not reclassified to profit or loss				

	Unrealized evaluation gains or				
	losses on investments in equity				
8316	instruments measured at fair	\$	(36,069)	(28) \$	15,522
	value through other				21
	comprehensive gains and losses				
8300	Other consolidated gains and	\$	(36,069)	(28) \$	15,522
	losses for the period				21
8500	Total consolidated profit and loss	\$	(47,144)	(34) \$	50,809
	for the period				68
8600	Net profit attributable to:				
8610	Parent company owners		(2,131)	(2)	41,910
8620	Non-controlling interests		(8,944)	(6)	(6,623)
		\$	(11,075)	(6) \$	35,287
8700	Total consolidated profit and loss				
	attributable to:				
8710	Parent company owners		(38,194)	(29)	57,432
8720	Non-controlling interests		(8,950)	(6)	(6,623)
		\$	(47,144)	(34) \$	50,809
9750	Earnings per share (RMB) (Note 6)				
	Basic earnings per share (loss)	\$	(0.03)	\$	0.68
	Diluted earnings per share (loss)	\$	(0.03)	\$	0.68





	Net profit (loss) after tax in the								
	111th year of the Republic of	—	—	—	—	(2,131)	—	(8,944)	(11,075)
D1	China								
	The total amount of other								
	comprehensive profits and losses	—	—	—	—	—	(36,069)	(6)	(36,075)
	in the 111th year of the Republic								
D3	of China								
O1	Non-controlling interests	—	—	—	—	—	—	6,000	6,000
	Balance of December 31, 111 of								
Z1	the Republic of China	\$ 617,600	\$ 684	\$ 18,741	— \$	\$ 136,353	\$ (23,937)	\$ 9,782	\$ 759,223

TienPin United Enterprise CO., LTD. and its subsidiaries  
(formerly known as: TienPin Investment Holding Co., Ltd.)

Consolidated cash flow statement

January 1 to December 31, 2022 and 2021

		Unit: New Taiwan dollar thousand	
code	project	2022	2021
AAAA	Cash flow from operating activities:		
A10000	Net profit (loss) before tax for the year	\$ (5,516)	\$ 38,476
A20000	Adjustment items :		
A20010	Revenue and loss accounts:		
	Depreciation expense (including right-of-use assets and investment		
A20100	real estate)	12,034	10,233
A20200	Amortization expense	558	632
A20300	The number of expected credit impairment losses (benefits).	650	217
	Net gain or loss on financial assets measured at fair value through		
A20400	profit or loss	17,521	(33,239)
A20900	Interest expense	531	227
A21200	Interest income	(690)	(718)
A21300	Dividend income	(2,757)	(2,343)
	Net gains and losses on disposal and scrapping of real estate, plant		
A22500	and equipment	—	(22)
A23700	Impairment losses on non-financial assets	1,341	—
A30000	Changes in assets/liabilities related to business activities		
	Financial assets measured at fair value through profit and loss –		
A31115	liquidity	(1,747)	9,430
A31130	Notes receivable	(2,524)	—
A31150	accounts receivable	(8,259)	4,506
A31180	Other receivables	(56)	37
A31200	stocks	2,321	(145,287)
A31230	Advance payment	(2,058)	8,145
A31240	Other liquid assets	(168)	1,259
A31250	Other financial assets - liquidity	(13,194)	(7,406)
A32125	Combined Liabilities - Liquidity	15,167	11,052
A32150	Accounts payable	385	—
A32160	Accounts payable – related persons	1,883	—
A32180	Other payables	2,730	4,482

A32200	Debt Reserve - Current	157	(8)
A32230	Other current liabilities	171	51
A33000	Cash inflow (outflow) generated by operations	18,480	(100,276)
A33100	Interest Charged	654	792
A33200	Dividends received	2,757	2,343
A33300	Interest paid	(531)	(227)
A33500	Income tax paid	(2,600)	(679)
AAAA	Net cash inflow (outflow) from operating activities	18,760	(98,047)
BBBB	Cash flow from investing activities:		
	Acquire financial assets measured at fair value through other		
B00010	comprehensive gains and losses	—	(42,228)
	Dispose of financial assets measured at fair value through other		
B00020	comprehensive gains and losses	—	841
B02700	Acquisition of real estate, plant and equipment prices	(25,999)	(2,248)
B02800	Sale of real estate, plant and equipment price	—	76
B04500	The purchase price of an intangible asset	(217)	(923)
B05400	Acquisition of investment real estate	—	(12,795)
B03800	Deposit margin is reduced	1,740	104
B06700	Other non-current assets increased	(300)	(580)
B07100	Increased prepayment for equipment	(7,200)	—
BBBB	Net cash outflow from investing activities	(31,976)	(57,753)
CCCC	Cash flow from fund-raising activities:		
C00100	Short-term borrowings increased	30,000	—
C03100	Deposit margin reduction	—	(201)
C04020	Repayment of lease principal	(3,960)	(3,807)
C05400	Acquisition of equity in subsidiaries	—	(2,473)
C05800	Changes in non-controlling interests	6,000	18,976
CCCC	Net cash inflow from financing activities	32,040	12,495
EEEE	Cash for the period and approximate cash increase or decrease	18,824	(143,305)
E00100	Cash at the beginning and cash balances at the beginning	82,651	225,956
E00200	Cash at the end of the period and approximate cash balances	\$ 101,475	\$ 82,651



Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Notes to the consolidated financial statements

December 31, 111 and 110

(Unless otherwise specified, all amounts are in NTD thousand).

1. Company history

Tianpin United Enterprise Co., Ltd. (hereinafter referred to as the Company) was established on April 3, 82 of the Republic of China in accordance with the provisions of the Company Law and relevant laws and regulations, and the company's shares have been traded on the counter of the Republic of China Securities Over-the-counter Trading Center (hereinafter referred to as the OTC Buying Center) since November 4, 91, changed to over-the-counter trading management stocks since June 27, 102, and changed to general over-the-counter trading stocks since October 7, 105.

The company changed its name from the former Jingwei Technology Co., Ltd. to Tianpin United Enterprise Co., Ltd. on June 16, 104, and obtained the approval of the Ministry of Economic Affairs on July 2, 104 and completed the relevant change registration.

On June 17, 111, the company changed its name by the resolution of the ordinary meeting of shareholders of the Republic of China, and the original Tianpin United Enterprise Co., Ltd. was renamed Tianpin Investment Holding Co., Ltd., and obtained the approval of the Ministry of Economic Affairs on July 20, 111 of the Republic of China and completed the relevant change registration.

On October 18, 111, the company changed its name by the resolution of the extraordinary meeting of shareholders to change its name from the former Tianpin Investment Holdings Co., Ltd. to Tianpin United Enterprise Co., Ltd., and obtained the approval of the Ministry of Economic Affairs on November 10, 111 of the Republic of China and completed the relevant change registration.

The company's original main business is computer peripheral equipment, adapter card and storage system hard disk machine and card reader research and development, design, production, assembly, testing, manufacturing and trading

business, since the Republic of China 101 new leasing business, since the Republic of China 102 new funeral ceremony related services, since the Republic of China 111 new aluminum production and sales business.

This consolidated financial statement is expressed in the Company's functional currency, New Taiwan dollars.

2. Date and procedure for adoption of consolidated financial reports

The consolidated financial report of the Company was issued after being approved by the Board of Directors on March 16, 112.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

3. Application of newly issued and revised guidelines and interpretations

(1) the impact of adopting International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations ("IFRSs") recognized and issued in force by the Financial Supervisory Commission ("FSRC").

The following table summarizes the newly issued, amended and revised standards and interpretations of the IFRS approved by the FSC for the 111 years applicable to the Republic of China:

New Releases/Amendments/Amendments to	Effective date of IASB publication (Note 1).
Amendment to IAS 16 "Real Property, Plant and Equipment: Price Until Intended Use"	January 1, 2022 (Note 2).
Amendment to IAS 37 "Loss-making contracts - Cost of performance of contracts"	January 1, 2022 (Note 3).
IFRS 3 Amendment "References to Conceptual Architecture"	January 1, 2022 (Note 4).
IFRS Annual Improvements for 2018-2020	January 1, 2022 (Note 5).

NOTE 1 Unless otherwise indicated, the above newly issued/amended/revised guidelines or interpretations are effective during the annual reporting period commencing after each such date.

Note 2: Enterprises should apply such amendments retroactively, but only to items of real estate, plant and equipment that are in the necessary place and condition to meet management's expected mode of operation after the earliest period start date (1 January 2021) expressed in the financial statements for which the amendment was first applied.

NOTE 3: This amendment applies to contracts that have not fulfilled all obligations as at 1 January 2022.

Note 4: This amendment applies to business combinations that commence on or after January 1, 2022 during the annual reporting period.

Note 5: The amendments to IFRS 9 apply to the exchange of financial liabilities or changes to the terms of the annual reporting period commencing after January 1, 2022; The amendments to IAS 41 apply to fair value measures for annual reporting periods commencing after January 1, 2022; The amendments to IFRS 1 apply retroactively to annual reporting periods commencing after 1 January 2022.

1. Amendment to IAS 16 "Real Property, Plant and Equipment: Price Until Intended Use"

The amendment provides that the sales price of an item produced to bring the property, plant and equipment to the necessary place and

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

condition to meet management's intended mode of operation shall not be reduced as a deduction from the cost of the asset. The aforementioned output items shall be measured against IAS 2 "inventory" and the sales price and cost shall be recognized as profit or loss in accordance with applicable standards. In addition, the amendment clarifies that the cost of testing the proper functioning of an asset refers to the expenditure incurred in assessing whether the technical and physical properties of the asset are sufficient to enable it to be used for the production or provision of goods or services, rental to others or management purposes.

The amendment applies to plants, real estate and equipment that are necessary to reach the necessary place and condition for management's intended mode of operation after January 1, 2021 (the date of commencement of the earliest expression period). When the Group first applies the amendment, it will recognize the cumulative effect of the initial application of the amendment as an adjustment to the opening balance of the retained surplus (or other component of the interest, if appropriate, as appropriate) at the commencement date of the earliest expression period and recompile the information for the comparison period.

2. Amendment to IAS 37 "Loss-making Contracts - Cost of Performance of Contracts"

The amendment provides that in assessing whether a contract is loss-making, the "cost of performance" should include the allocation of incremental costs (e.g. direct labour and raw materials) and other costs directly related to the performance of the contract (e.g. apportionment of depreciation costs for immovable property, plant and equipment items used in the performance of the contract).

3. IFRS 3 Amendment "Quotation to Conceptual Architecture"

The amendment updates the reference to the conceptual framework

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

and adds that the acquirer should apply IFRIC 21 "Public Tax" to determine whether there is an obligation to pay liabilities on the date of acquisition.

4. IFRS 2018-2020 Annual Improvement

IFRS improvements for 2018-2020 include amendments to a number of standards, of which the amendment to IFRS 9 should only include fees collected between borrowers and lenders when comparing the discounted cash flow value of the terms of the old and new contracts (including the net fees charged for entering into new contracts or amending contracts) to assess whether there is a material difference between the exchange or modification of financial liabilities.

The Company has assessed that the above standards and interpretations have no material impact on the financial position and financial performance of the Group.

- (b) the impact of the adoption of the revised financial reporting standards for securities issuers and the newly issued and amended IFRS approved by the FSC:

The following table summarizes the newly issued, amended and revised standards and interpretations of the IFRS 112 approved by the FSC:

<u>New Releases/Amendments/Amendments to Guidelines and Interpretations</u>	<u>Effective date of IASB</u>
IAS 1 Amendment "Disclosure of Accounting Policies"	January 1, 2023 (Note
Amendment to IAS 8 "Definition of Accounting Estimate"	January 1, 2023 (Note
Amendment to IAS 12 "Deferred Tax on Assets and Liabilities Arising	January 1, 2023 (Note 3).
NOTE 1: This amendment applies for annual reporting periods commencing after January 1, 2023.	
Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occurred during the reporting period beginning after January 1, 2023.	
Note 3: Unless otherwise specified in relation to temporary differences in relation to leases and decommissioning obligations, this amendment applies to transactions that occur after the start date of the earliest comparison period expressed (January 1, 2022).	

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clarifies that when the scale or nature of a transaction, other event or circumstance is material and the accounting

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

policy information associated therewith is also material for financial reporting purposes, such relevant material accounting policy information should be disclosed. Conversely, if an enterprise determines that the size or nature of a transaction, other event or circumstance is not material, or that the accounting policy information related to it is not material, it is not required to disclose such immaterial accounting policy information, provided that the conclusion that the accounting policy information is immaterial does not affect the relevant disclosures required by other IFRS standards.

2. IAS 8 as amended to "Definition of Accounting Estimates"

This amendment defines accounting estimates as monetary amounts in the financial statements that are affected by measurement uncertainties and provides further clarification that the effect of input values or measurement technology changes on accounting estimates is a change in accounting estimates, except for corrections due to prior-period errors.

3. IAS 12 amendment to "Deferred Tax on Assets and Liabilities Arising from a Single Transaction"

This amendment limits the recognition exemption for deferred tax liabilities and assets in paragraphs 15 and 24 of IAS 12. The aforesaid exemption does not apply if the taxable temporary difference arising from the original recognition of a single transaction is the same as the amount deductible for the temporary difference. When applying this amendment for the first time, an enterprise should recognize deferred income tax on all temporary differences relating to leases and decommissioning obligations at the beginning date of the earliest comparison period expressed, and recognize the cumulative impact as an adjustment to the initial balance of retained earnings (or other components of interests, if appropriate) on that date.

As at the date of the Company's financial report, the Group continues to assess the impact of the above standards and interpretations on the financial position and financial performance of the Group, and the

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

relevant impact will be disclosed upon completion of the assessment.

(3) Impact of IFRS published by the IASB but not yet endorsed by the FSC:

The following table summarizes the newly issued, amended and revised standards and interpretations issued by the IASB that have not yet been incorporated into IFRS endorsed by the FSC:

**Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)**

<u>New Releases/Amendments/Amendments to</u>	<u>Effective date of IASB publication (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets Between Investors and Their Affiliates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
The amendment to IAS 1 "Classification of liabilities as current"	January 1, 2023 (Note).
Amendment to IAS 1 "Non-current liabilities with contractual"	January 1, 2024
IFRS 16 Amended Lease Liabilities in Sale and Leaseback"	January 1, 2024

Note: The IASB is currently preliminarily determined to extend the effective date of this amendment beyond 1 January 2024.

As at the date of this individual financial report, the Group continues to assess the impact of the above standards and interpretations on the financial position and financial performance of the Group, and the relevant impact will be disclosed upon completion of the assessment.

4. Summary of major accounting policies

A summary of the Group's significant accounting policies is as follows:

(1) Follow the statement

This consolidated financial statement has been prepared in accordance with the Financial Reporting Standards for Securities Issuers (adopted as IFRS version (hereinafter referred to as the Consolidated Financial Statements Accounting Standards)) and the International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations (IFRSs) recognized by the FSC.

(2) Preparation basis

Except for financial instruments measured at fair value, this consolidated financial statement has been prepared on a historical cost basis. Historical cost is usually determined by the fair value of the consideration paid to acquire the asset.

When preparing individual financial reports, the Company adopts the equity method for investment subsidiaries. In order to make the profit



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

and loss, other comprehensive profit and loss and equity of the individual financial report for the year the same as the profit or loss, other comprehensive profit or loss and equity attributable to the owners of the Company in the Company's consolidated financial statements, certain accounting differences under the individual basis and the consolidated basis are adjusted for "investments using the equity method", "profit and loss share of subsidiaries recognized using the equity method" and "other comprehensive profit and loss share of subsidiaries recognized using the equity method".

Historical cost is usually determined by the fair value of the consideration paid to acquire the asset.

Note 5 is required for the preparation of financial reports that comply with IFRSs approved by the FSC, as well as the use of management's judgment in the application of the Group's accounting policies, items involving a high degree of judgment or complexity, or material assumptions and estimates involving consolidated financial reporting.

(3) Basis for consolidation

1. Consolidated reporting principles

This consolidated financial report includes the financial statements of the Company and the entities controlled by the Company (subsidiaries, including special purpose entities).

The consolidated consolidated income statement includes the operating profit and loss of the acquired or disposed subsidiary for the current period from the date of acquisition or to the date of disposal.

The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the Group.

In preparing the consolidated financial report, all transactions, account balances, gains and expenses and losses between the entities have been eliminated.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Apportionment of total consolidated gains and losses to non-controlling interests

The total consolidated profit or loss of a subsidiary is attributable to the owners and non-controlling interests of the Company, even if the non-controlling interests thus become a loss balance.

Change in ownership interest in a subsidiary

When the change in the ownership interest of the Group in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The carrying amount of the Group's and non-controlling interests has been adjusted to reflect changes in their relative interests in subsidiaries. The difference between the adjustment amount of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as an interest and belongs to the owners of the Company.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

2. Subsidiaries included in consolidated financial reports

The entities for the preparation of this consolidated financial report are as follows:

Investment companies	Name of the subsidiary	Nature of business	Ownership interest held and percentage of voting rights	
			December 31, 111	December 31, 110
The Company	Tianpin International (shares) company	Funeral facility business	99.85%	99.85%
The Company	Eternal Life Business (Shares) Company	Funeral services	66.67%	66.67%
The Company	Tianyi Aluminum Stock) company	Aluminum production and marketing industry	80.00%	—
The Company	PlayTai (shares) Co., Ltd	Cultural and creative industries	13.04%	13.04%
Tianpin International (shares) company	Eternal Life Business (Shares) Company	Funeral services	33.33%	33.33%

The financial information of the subsidiaries is compiled as follows:

	December 31, 111	31 Dec 110
Total assets	\$ 589,282	\$ 524,052
Total liabilities	(140,268)	(87,703)
Net assets	<u>\$ 449,014</u>	<u>\$ 436,349</u>
The Group's share of the net assets of its subsidiaries	<u>\$ 478,777</u>	<u>\$ 423,677</u>
	<u>111 years</u>	<u>110 years</u>
Total revenue	<u>\$ 118,805</u>	<u>\$ 58,914</u>
Total annual profit and loss	<u>\$ (1,018)</u>	<u>\$ (9,868)</u>
The Group's share of the net profit or loss of subsidiaries	<u>\$ 7,319</u>	<u>\$ (3,591)</u>
The Group's share of other comprehensive gains and losses of subsidiaries	<u>\$ (16,311)</u>	<u>\$ (8,074)</u>

3. Subsidiaries not included in the consolidated financial statements:

None.

4. Different adjustments and treatment methods for the accounting period

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

of subsidiaries: None.

5. Major Restrictions: None.

6. Contents of securities issued by the parent company held by the subsidiary: None.

7. Information on subsidiaries with significant non-controlling interests: None.

(4) Criteria for distinguishing between current and non-current assets and liabilities

Assets are classified as current assets if they meet one of the following conditions:

1. The asset is expected to be realized in the normal course of business, or intends to sell or consume it.
2. Holders mainly for trading purposes.
3. Expected to be realized within twelve months after the balance sheet date.
4. Cash or approximately cash, except where it is exchanged, liquidated or otherwise restricted for more than twelve months after the balance sheet date.

The Group classifies all assets that do not meet the above criteria as non-current.

Liabilities are classified as current liabilities if they meet one of the following conditions:

1. Those who are expected to be liquidated in the normal business cycle.
2. Holders mainly for trading purposes.
3. A person that is payable within 12 months after the balance sheet date (even if a long-term refinancing or rescheduling payment agreement has

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

been completed after the balance sheet date and before the issuance of financial reports, it is still a current liability).

4. The liquidation period cannot be extended unconditionally to at least twelve months after the balance sheet date. The terms of liabilities may, at the option of the counterparty, be settled by the issuance of equity instruments without affecting their classification.

The Group classifies all liabilities that do not meet the above criteria as non-current.

(5) Business combinations

Business combinations are handled by the acquisition method. Acquisition-related costs are shown as expenses in the period in which costs are incurred and services are acquired.

Goodwill is measured by the fair value of the transfer consideration, the amount of the acquiree's non-controlling interest and the fair value of the acquiree's prior interests held by the acquirer at the date of acquisition, exceeding the net identifiable assets acquired and the liabilities assumed at the date of acquisition. If, after reassessment, the net identifiable assets and liabilities acquired at the date of acquisition still exceed the total fair value of the transfer consideration, the acquiree's non-controlling interest and the acquiree's prior interests held by the acquirer at the date of acquisition, the difference is a cheap purchase interest and is immediately recognized as a gain or loss.

(6) Foreign currency

When preparing the consolidated financial statements, traders in currencies other than the Group's functional currency (foreign currency) are converted into functional currency records based on the exchange rate on the trading date. At each balance sheet date, foreign currency monetary

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

items are converted at the closing exchange rate. Non-monetary items in foreign currencies measured at fair value are converted at the exchange rate on the date of the fair value determination. Non-monetary items in foreign currencies measured at historical cost are converted at the exchange rate on the trading date and will not be re-converted.

Except for the following items, exchange differences arising from the delivery of monetary items or conversion monetary items are recognized in profit or loss in the period in which they are incurred.

1. The difference in exchange arising from foreign currency borrowings related to assets under construction for future production and use shall be included in the cost of foreign currency borrowings if it is an adjustment of interest costs on foreign currency borrowings;
2. Exchange difference arising from hedging transactions to avoid part of the exchange rate risk; and
3. For monetary items receivable or payable to foreign operators, the settlement of which is neither currently planned nor likely to occur in the foreseeable future (and therefore constitutes part of the net investment in the foreign operator), the difference in exchange is originally recognized as other comprehensive gains and losses, and when the net investment is disposed of, it is reclassified from equity to profit or loss.

Foreign currency non-monetary assets or liabilities (e.g. equity instruments) measured at fair value are shown as profit or loss for the period as a difference in exchange due to adjustments in spot exchange rates at the balance sheet date, except that if the change in fair value is recognized in other comprehensive gains or losses, the resulting difference in exchange is shown in other comprehensive gains or losses.

(7) Cash in the contract

Approximately cash is a short-term and highly liquid investment that

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

can be converted into fixed amount cash at any time with little change in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual terms of the instrument.

Financial assets

The customary transaction of financial assets is based on the accounting recognition and exclusion of the transaction date. A customary transaction is the purchase or sale of a financial asset whose delivery period is within the period prescribed by statute or market practice.

The types of financial assets held by the Group are as follows:

1. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatory to be measured at fair value through profit or loss and designated as fair value through profit or loss. Financial assets that are mandatory to be measured at fair value through profit or loss include investments in equity instruments that the Group has not designated to be measured at fair value through other comprehensive gains and losses, and investments in debt instruments that do not qualify as measured at amortized cost or at fair value through other comprehensive gains and losses. Financial assets are designated at fair value through profit or loss at the time of their original recognition if such designation eliminates or materially reduces measurement or recognition inconsistencies.

Financial assets measured at fair value through profit or loss are measured at fair value, and gains or losses arising from their remeasurement are recognized in profit or loss.

2. Financial assets measured at amortized cost

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

The Group's investment financial assets are classified as financial assets measured at amortized cost if they meet both of the following conditions:

- (1) is held under a business model whose purpose is to hold financial assets to receive contractual cash flows; and
- (2) The terms of the contract generate cash flows on a specific date, which are solely interest on the principal amount paid and the amount of the outstanding principal amount.

Financial assets measured at amortized cost after initial recognition are measured at amortized cost of the total carrying amount determined by the effective interest method less any impairment losses, and any foreign currency conversion gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets, except in the following two cases:

- ① Interest income on credit-impaired financial assets purchased or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- ② For financial assets that are not purchased or initiated by credit impairment, but subsequently become credit impairment, interest income is calculated by multiplying the effective interest rate by the amortized cost of the financial assets.

3. Financial assets measured at fair value through other comprehensive gains and losses

Investments in equity instruments measured at fair value through other comprehensive gains and losses

At the time of the original recognition, the Group may make an irrevocable option to designate investments in equity instruments that



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

are not held for trading and are not recognized as contingent consideration by the merger acquirer to be measured at fair value through other comprehensive gains or losses.

Investments in equity instruments measured at fair value through other comprehensive gains and losses are measured at fair value, and subsequent changes in fair value are reported in other comprehensive gains and losses and accumulated in other equity. At the time of investment disposal, the accumulated profit and loss is directly transferred to the retained surplus and is not reclassified as profit or loss.

Dividends on investments in equity instruments measured at fair value through other comprehensive gains and losses are recognized in profit or loss when the Group's right to receive receipts is established, unless the dividends clearly represent the recovery of part of the investment costs.

The Group invests in the common shares of Hebang Electronics and the common shares of Beast State for medium- to long-term strategic purposes, and expects to make a profit through long-term investment. The management of the Group considers that the inclusion of short-term fair value fluctuations in the profit or loss of such investments is inconsistent with the aforementioned long-term investment planning, and therefore chooses to designate such investments as measured at fair value through other comprehensive gains and losses.

4. Impairment of financial assets

The Group assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost, investments in debt instruments, leases receivable and contractual assets measured at fair value through other comprehensive gains and losses on an expected credit loss basis at each balance sheet date.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Accounts receivable and lease receivables are recognized as allowances based on expected credit losses over the life of existence. For other financial assets, it is assessed whether the credit risk has increased significantly since the original recognition, if not, a reserve loss is recognized based on the expected credit loss of 12 months, and if it has increased significantly, a provision loss is recognized based on the expected credit loss during the life period.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the likely default of the Financial Instrument within 12 months from the date of reporting, and the expected credit loss during the existence period represents the expected credit loss arising from all possible defaults of the Financial Instrument during the expected existence.

Impairment losses on all financial assets are reduced by means of allowance accounts, except that allowance losses on investments in debt instruments measured at fair value through other comprehensive gains and losses are recognized in other comprehensive gains and losses and do not reduce their carrying amount.

5. Exclusion of financial assets

The Group will exclude financial assets if any of the following conditions are met:

- (1) The rights of contracts derived from cash flows from financial assets lapse.
- (2) Transfer of contractual rights to receive cash flows of financial assets, and almost all risks and rewards of transferring ownership of financial assets.
- (3) Neither transfer nor retain ownership of financial assets for almost all of the risks and rewards, but no control over financial assets.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

When financial assets as a whole are excluded at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When an investment in debt instruments measured at fair value through other comprehensive gains and losses is excluded, the difference between the carrying amount and the sum of any accrued gains or losses recognized in other comprehensive gains or losses recognized in other comprehensive gains or losses is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive gains and losses are divested as a whole, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

Financial liabilities

1. Follow-up measurement

All financial liabilities are measured at amortized cost using the effective interest method.

2. Divisive of financial liabilities

When financial liabilities are included, the difference between their carrying amount and the consideration paid (including any transferred non-cash assets or liabilities incurred) is recognized as profit or loss.

(9) Inventory

Inventories are recorded on a cost-based basis at the time of acquisition and are calculated using the weighted average method. Inventory is valued at the lower of cost and net realisation value, and when comparing cost and net realisation value, it is based on individual items except for inventory of the same category. Net realisation value is the balance of the estimated selling price under normal circumstances,

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

less the cost of completion and selling expenses. Appropriate allowance losses have been made for sluggish and non-performing inventory, and sluggish and price loss are included as operating costs for the current period.

The work under construction includes the construction land and project cost, and upon completion, the permanent use right has been transferred to the customer in proportion to the selling price of the Spirit Bone Tower and the burial location, and the remaining part will be transferred to the Spirit Bone Tower for sale and the burial location.

Interest expense incurred before construction in progress (including land and work under construction) is being made serviceable. The location of the Spirit Bone Tower and burial location for sale is based on the lower of cost and net realisation value.

(10) Real estate, plant and equipment

Real estate, plant and equipment are tangible items held for the production or provision of goods or services, leased to others or used for management purposes and are expected to be used for more than one period, which are recognized at cost when they meet the conditions that future economic benefits are likely to flow into the Group and costs can be reliably measured, and subsequently measured by the amount of cost less accumulated depreciation and accumulated impairment losses.

Real estate, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional service fees and capitalized borrowing costs. Upon completion and in their intended state of use, the assets are classified into the appropriate categories of real estate, plant and equipment and depreciation commences.

The Group adopts a straight line basis for depreciation. The Group reviews the estimated service life, salvage value and depreciation methods

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

at least at the end of each year and defers the application of the impact of changes in accounting estimates.

When real estate, plant and equipment are excluded, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(11) Investment real estate

Investment immovable property is immovable property held for the purpose of earning rent, capital appreciation or both. Investment real estate also includes land held for which the future use has not yet been decided, subject to cost model evaluation.

Investment real estate is initially measured at cost (including transaction costs) and subsequently by the amount of cost less accumulated depreciation and accumulated impairment loss. The Group adopts a straight line basis for depreciation.

The amount of gain or loss arising from investment real estate is the difference between the net disposal price and the carrying amount of the asset and is recognized in profit or loss for the period.

(12) Intangible assets

Intangible assets are measured by cost less accumulated amortization and accumulated impairment. The amortization amount is calculated on a straight-line basis based on the following durable years: 3 years for computer software. The estimated useful life and amortization methods are reviewed in the event of significant changes in the expected future economic performance of the asset, and the impact of any estimated change is treated as a revision to the accounting estimates.

The accounting treatment for partial major replacement, disposal or scrapping of intangible asset items and the revaluation of assets is comparable to that of real estate, plant and equipment.

(13) impairment of tangible and intangible assets (other than goodwill).

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

At each balance sheet date, the Group assesses whether there are any indications that tangible and intangible assets (other than goodwill) may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. If the shared assets are apportionable to cash generating units on a reasonably consistent basis, they are apportioned to individual cash generating units, and vice versa, to the smallest group of cash generating units that can be apportioned on a reasonably consistent basis.

For intangible assets that are not of a defined service life and are not yet available for use, impairment tests are conducted at least annually and when there are signs of impairment, or when there are signs of impairment.

The recoverable amount is the greater of fair value less the cost of sale and its use value. If the recoverable amount of an asset or cash generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized as profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit is adjusted to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount determined if the asset or cash generating unit had not recognized the impairment loss in the prior year (less amortization). or depreciation). The reversal of impairment losses is recognized in profit or loss.

(14) Provision for liabilities

Where the Group has a present obligation (statutory or presumptive obligation) due to past events and is likely to be liquidated and the

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

amount of the obligation can be reliably estimated, a liability provision is recognized.

The amount recognized as a liability provision is a best estimate of the expenditure required to liquidate the obligation at the end of the reporting period, taking into account the risk and uncertainty of the obligation. If the provision for liabilities is measured by the estimated cash flows to meet the present obligation, the carrying amount is the present value of such cash flows.

Current obligations arising from loss-making contracts should be included and measured as liability provisions. A loss-making contract is deemed to exist when the unavoidable cost of performing obligations under a contract exceeds the economic benefits expected from the contract.

When a product is sold with a warranty obligation, the liability provision for the estimated maintenance cost is recognized on the date of sale of the relevant product based on management's best estimate of the expenditure required to liquidate the obligation.

(15) Recognition of income

The Group's revenue recognition principle from customer contracts is based on the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. The performance obligation to allocate the transaction price to the contract; and
5. Recognize income when fulfilling performance obligations.

The transaction price shall not be adjusted for the material financial component of a contract for which the time interval between the transfer of goods or services and the receipt of consideration is

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

less than 1 year.

1. Revenue from the sale of goods

Sales revenue is recognized when control of the product is transferred to the customer, because the customer has the right to set the price and use of the goods and has the primary responsibility for resale them, and bears the risk of obsolescence of the goods, the Group recognizes revenue and accounts receivable at that time; It is expressed in net of sales returns, quantity discounts and discounts.

When dematerializing, the control of processed products is not transferred, and revenue is not recognized at the time of dematerialization.

2. Income from services

Income from services is income recognized upon completion of the provision of relevant services. The Group recognizes contract assets at the time of provision of services and transfers accounts receivable upon completion of the provision of services.

3. Dividend income and interest income

Dividend income arising from investments is recognized at the time of the establishment of shareholders' right to receive receipts, provided that the economic benefits associated with the transaction are likely to flow into the Group and the amount of income can be reliably measured.

Interest income on financial assets is recognized when the economic benefits are likely to flow into the Group and the amount of income can be reliably measured. Interest income is recognized on an accrual basis based on the amount of principal in circulation and the applicable effective interest rate over time.

(16) Leasing



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

The Group assesses whether the contract is (or contains) a lease on the date of commencement of the contract. Where a contract consists of one lease component and one or more additional leased or non-leased components, the Group apportioned the consideration in the contract to the leased component on the basis of the relative individual price of each leased component and the aggregate separate price of the non-leased component.

1. The Group is the lessee

Except for leases and short-term leases of low-value underlying assets that are recognized on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities on the commencement date of the lease.

(1) Right-of-use assets

Right-of-use assets are originally measured at cost (including the original measured amount of the lease liability, lease benefits paid before the commencement date less lease incentives received, original direct costs and the estimated cost of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and adjusted for remeasurement of lease liabilities.

Except for right-of-use assets that meet the definition of investment real estate, right-of-use assets are presented as separate items in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the end of the durable life or the end of the lease period, provided that title to the underlying asset will be acquired at the end of the lease period or depreciation from the commencement date of the lease until the end of the useful life of the underlying asset if the cost of the right-of-use asset reflects the exercise of the purchase option.

(2) Lease liabilities

The lease liability is originally measured at the present

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

value of lease payments (including fixed benefits, substantial fixed benefits, lease benefits dependent on changes in indices or rates, amounts expected to be paid by the lessee under a residual value guarantee, exercise prices of purchase options reasonably believed to be exercised, and termination penalties over the term of the lease reflecting the lessee's option to exercise the lease termination, less lease incentives received). If the implied interest rate of the lease is easily determined, the lease benefit is discounted using this rate. If the interest rate is not easy to determine, the lessee's increased borrowing rate is used.

If there is a change in future lease benefits during the lease period, the valuation of the underlying asset purchase option, the amount expected to be paid under the salvage value guarantee or the index or rate used to determine the lease benefit, the Group will remeasure the lease liability and adjust the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount will be recognized in profit or loss. Lease liabilities are presented as single line items in the consolidated balance sheet.

2. The Group is the lessor

A lease is classified as a financial lease if it transfers almost all of the risks and rewards attached to the ownership of the underlying asset; Otherwise, it is classified as a business lease.

When a lease includes elements of land and buildings, the Group assesses the classification of each element as a financial lease or an operating lease respectively and apportioned the lease benefits (including any one-off pre-payment) to the land and buildings in proportion to the fair value of the leasehold interests in the land and buildings at the date of commencement of the lease. If the lease benefits cannot be reliably apportioned to these two elements, the entire lease is classified as a financial lease, but if both elements clearly meet the operating lease criteria, the overall lease is

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

classified as an operating lease.

(17) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured by the non-discounted cash amount expected to be paid and recognized as expenses at the time of provision of the relevant services.

2. Pension

For the determination of the contribution plan, the amount of the pension fund to be allocated is recognized as the cost of the pension for the current period on the basis of accrual accrual. Advance contributions are recognized as assets to the extent that they are refundable in cash or reduced in future benefits.

3. Remuneration of employees and remuneration of directors and supervisors

Employee remuneration and directors' and supervisors' remuneration are recognized as expenses and liabilities when there are statutory or presumptive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual allotment amount and the estimated amount of the subsequent resolution, it will be treated as a change in accounting estimates.

4. Separation benefits

Separation benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept the company's offer of benefits in exchange for the termination of employment. The Group recognized the charges earlier when it was no longer able to withdraw the offer of separation benefits or recognized the relevant restructuring costs. Benefits that are not expected to be fully liquidated 12 months after the balance sheet date should be discounted.

(18) All taxes

Income tax expense is the sum of current income tax and deferred income tax. Income tax for the interim period is assessed on an annual basis and calculated for the pre-tax benefit at the tax rate applicable

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

to the expected annual gross surplus. The impact of tax rate changes due to tax law amendments during the interim period is consistent with the accounting principles of the transactions that give rise to tax consequences, and are recognized once in the current period.

1. Current income tax

Income tax on undistributed surplus calculated in accordance with the provisions of the Income Tax Law is included as an income tax expense for the year in which the shareholders' meeting resolves.

Adjustments to income tax payable in previous years are included in the income tax for the current period.

2. Deferred income tax

Deferred income tax is recognized on the basis of a temporary difference between the carrying amount of assets and liabilities recorded in the financial statements and the basis of charge for calculating taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when there is a high probability that taxable income will be available to deduct temporary differences, loss deductions or income tax credits arising from the purchase of machinery and equipment, research and development and personnel training. Temporary differences are not recognized as deferred tax assets and liabilities if they arise from goodwill or from the original recognition of other assets and liabilities (excluding business combinations) and neither taxable income nor accounting profits at the time of the transaction.

Taxable temporary differences relating to investment subsidiaries, affiliates and joint venture interests are recognized as deferred tax liabilities, unless the Group has control over the point at which the temporary differences are reversed and it is likely that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets relating to such investments and interests that are attributable to the deduction of temporary differences are recognized only to the extent that they are likely to have sufficient taxable

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

income to realize the benefits of the temporary differences and are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and the carrying amount is reduced for those who no longer have sufficient taxable income to recover all or part of their assets. Those not previously recognized as deferred tax assets are also re-examined at each balance sheet date and have a high probability of generating taxable income in the future to recover all or part of their assets, with an increase in carrying amount.

Deferred tax assets and liabilities are measured at the tax rate for the period in which the liability is expected to be liquidated or the assets are realized, and the tax rate is based on the tax rates and tax laws that have been or substantially legislated at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the way an enterprise expects to recover or liquidate the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax for the current year

Current and deferred income tax is recognized in profit or loss, except that current and deferred income tax related to items recognized in other comprehensive gains or losses or directly recognized in equity is recognized in other comprehensive gains or losses or directly recognized in equity, respectively

5. Major sources of uncertainty in material accounting judgments, estimates and assumptions

In adopting the accounting policies set out in Note 4, management is required to make judgments, estimates and assumptions regarding the carrying amount of assets and liabilities that are not readily available from other sources. Estimates and related assumptions are based on historical experience and other factors deemed material. Actual results may differ from estimates.

Estimates and underlying assumptions are under continuous review. If the revision of the estimate affects only the current period, it is recognized in the period in which the accounting estimate is revised. If an amendment to the

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

accounting estimate affects both the current period and future periods, it is recognized in the current period and future period in which the estimate is revised.

The Group has taken into account the economic impact of the novel coronavirus pneumonia epidemic in its material accounting estimates and will continue to review its underlying assumptions and estimates. If the amendment to the estimate affects only the current period, it will be recognized in the current period of amendment; If the revision of the accounting estimate affects both the current period and future periods, it is recognized in the current period and future period of the amendment.

The following is information on other major sources of uncertainty regarding key assumptions and estimated uncertainties to be made in the future, which carry a significant risk of material adjustments to the carrying amount of assets and liabilities in the next financial year.

(1) Important judgments on the adoption of accounting policies

Judgment of business model of financial asset classification

The Group evaluates the business model to which financial assets belong based on the hierarchy that reflects the common management of the financial asset portfolio to achieve a specific business purpose. This assessment takes into account all relevant evidence, including how asset performance is measured, risks affecting performance and how the relevant manager's compensation is determined, and uses judgment. The Group continuously evaluates the appropriateness of its business model and, to this end, monitors the financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive gains and losses before maturity to understand the reasons for the disposition in order to assess whether the disposition is consistent with the objectives of the operating model. If it is found that the business model has changed, the Group will postpone the adjustment of the classification of subsequent financial assets.

(2) Significant accounting estimates and assumptions

1. Evaluation of inventory

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

As inventory is valued at the lower of cost and net realisation value, the Group must use judgment and estimation to determine the net realisation value of inventory at the closing date of the reporting period.

Due to rapid technological change, the Group assessed the amount of inventory at the end of the reporting period due to normal wear and tear, obsolescence or no market sales value, and reduced the cost of inventory to net realised value. This inventory evaluation is mainly based on the estimated product demand for a specific period in the future and is subject to material changes.

2. Impairment assessment of tangible assets and intangible assets

In the process of asset impairment assessment, the Group relies on subjective judgment and determines the independent cash flow, the durability of assets and the gains and losses that may be incurred in the future for a particular portfolio of assets based on asset usage patterns and industry characteristics, and any change in estimates due to changes in economic conditions or the Group's strategy may result in significant impairment in the future.

3. Realizability of deferred tax assets

The realizability of deferred tax assets is mainly dependent on sufficient future gains or taxable temporary differences. If the actual profit generated in the future is less than expected, there may be a significant reversal of deferred tax assets, which is recognized as a gain or loss in the year in which it occurs.

4. Fair Value Measurement and Evaluation Process

When there is no market quotation for assets and liabilities measured at fair value in the active market, the Group decides whether to outsource valuation and determines the appropriate fair value valuation technique in accordance with relevant laws and regulations or judgment. If the Tier 1 input value cannot be obtained in estimating fair value, the Group determines the input value by reference to the analysis of the investee's financial position and operating results, the most recent transaction price, the quotation of the same equity instrument in the non-active market, the quotation of similar instruments in the active market and the

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

evaluation multiplier of comparable companies, etc., which may result in a change in fair value if the actual change in the input value in the future is different from the expectation. The Group regularly updates the inputs in accordance with market conditions to monitor the appropriateness of fair value measures.

6. Description of important accounting items

(1) Cash and cash contracts

	<u>December 31, 111</u>	<u>December 31, 110</u>
Cash on hand and petty cash	\$ 454	\$ 490
Check deposits	44	44
demand deposit	53,566	35,441
Foreign currency deposits	2,711	2,476
time deposit	<u>44,700</u>	<u>44,200</u>
	<u>\$ 101,475</u>	<u>\$ 82,651</u>

1. Time deposits of the Group for more than three months from the date of acquisition are held for the purpose of meeting operational capital needs and are still included as cash and cash equivalents.

2. The interest rate ranges of the above time deposits at the balance sheet date are as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
time deposit	0.915%-1.285%	0.40%-0.785%

3. The Group has not pledged cash or contracted cash.

(2) Financial assets measured at fair value through profit and loss/other comprehensive profit or loss

1. Financial assets at fair value through profit or loss - liquidity:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Holding financial assets for trading	\$	\$
Shares of listed companies	132,491	130,744
Valuation adjustments for financial assets held for trading	(19,210)	(1,689)
s u m	<u>\$ 113,281</u>	<u>\$ 129,055</u>
Staking Situations	<u>not</u>	<u>not</u>

The Group's gains (losses) on financial assets measured at fair value



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

through profit and loss in the 111th and 110 years of the Republic of China were (17,521) thousand yuan and 33,239 thousand yuan respectively, which were recorded under "Other benefits and losses". For instructions, see Note VI (XXI).

2. Financial assets measured at fair value through other comprehensive gains and losses - non-current:

	December 31, 111	31 Dec 110
OTC company stock	\$ 1,524	\$ 13,123
Shares of unlisted (over-the-counter)	29,336	53,812
total	\$ 30,860	\$ 66,935
Staking	not	not

(1) The Group has invested in 2,206 thousand shares of the private placement ordinary shares of Hebang Electronics Co., Ltd., a domestic OTC company, for 5 years, but because the investee company did not meet the requirement of "no accumulated loss and positive net value in the financial report of the latest and most recent fiscal year", it continued to be in the lock-up period and could not declare the transfer transaction.

(2) The Company invested in 2,206,206 thousand ordinary shares of Hebang Electronics Co., Ltd., which was approved by the shareholders' regular meeting on June 16, 111 to make up for losses, and the base date for capital reduction was set as December 28, 111, with a capital reduction ratio of 84.79%.

(3) The unrealized assessed gains and losses on investments in equity instruments measured at fair value through other comprehensive gains and losses from January 1 to December 31, 110 of the Group were (36,069) thousand yuan and 11,467 thousand dollars, respectively, and the accounts were shown under "unrealized evaluation gains and losses on investments in equity instruments measured at fair value through other comprehensive gains and losses".

(3) Bills and accounts receivable

	December 31, 111	December 31, 110
Notes receivable	\$ 2,524	\$ —
Reduction: Allowance for loss	—	—
Net	\$ 2,524	\$ —

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	<u>December 31, 111</u>	<u>31 Dec 110</u>
accounts receivable	\$ 11,518	\$ 1,433
Installments receivable	18,063	19,998
Reduction: Allowance for loss	(1,502)	(852)
Unrealized interest income	<u>(486)</u>	<u>(595)</u>
Net	<u>\$ 27,593</u>	<u>\$ 19,984</u>

- The above receivables are incurred as a result of business.
- As of December 31, 111 and 110 of the Republic of China, the estimated collection years of notes receivable and accounts receivable arising from the sale of instalments are as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
110 year of the Republic of China	\$ —	\$ 384
Republic of China 111 year	605	8,123
Republic of China 112 year	8,711	6,523
113 year of the Republic of China	6,977	4,840
114~115 years of the Republic of China	<u>1,770</u>	<u>128</u>
Net	<u>\$ 18,063</u>	<u>\$ 19,998</u>

- Except for those who have already made impairments, the aging analysis of the remaining receivables:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Not overdue and not derogated	\$ 31,593	\$ 20,796
Overdue but not dedimented		
Within 30 days	22	21
31 to 60 days	2	18
61 to 90 days	<u>2</u>	<u>1</u>
	<u>\$ 31,619</u>	<u>\$ 20,836</u>

- The Group measures the allowance loss (including related persons) of notes receivable and accounts receivable according to the provision matrix as follows:

	<u>December 31, 111</u>			
	<u>Expected credit Loss rate</u>	<u>Total book amount</u>	<u>Allowance loss (expected credit loss over the lifetime).</u>	<u>Amortized costs</u>
Not overdue	0%	\$ 27,593	\$ —	\$ 27,593
More than 121 days overdue	100%	1,502	(1,502)	—
total	—	<u>\$ 29,095</u>	<u>\$ (1,502)</u>	<u>\$ 27,593</u>

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	31 Dec 110			
	Expected credit Loss rate	Total book amount	Allowance loss (expected credit loss over the lifetime).	Amortized costs
Not overdue	0%	\$ 19,984	\$ —	\$ 19,984
More than 121 days overdue	100%	852	(852)	—
total	—	<u>\$ 20,836</u>	<u>\$ (852)</u>	<u>\$ 19,984</u>

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, the Group will directly write off the relevant accounts receivable, but will continue the recourse activities, and the recovered amount will be recognized as profit or loss.

5. Changes in the allowance loss of notes receivable and accounts receivable (including related persons) are as follows:

	December 31, 111	31 Dec 110
Opening balance	\$ 852	\$ 635
Add: Proposed impairment loss	650	217
Closing balance	<u>\$ 1,502</u>	<u>\$ 852</u>

(iv) Net inventory

	December 31, 111	31 Dec 110
Raw material inventory	\$ 3,666	\$ —
Commodity inventory	4,884	4,820
Spirit Bone Tower for sale	67,640	73,691
In the construction of the Spirit Bone Tower	160,385	160,385
Construction land	150,000	150,000
	<u>\$ 386,575</u>	<u>\$ 388,896</u>

- The capitalized amount of interest in the 111th and 110th years of the Republic of China is 0 yuan.
- As of December 31, 111 and 110 of the Republic of China, there was no mortgage or guarantee for the inventory.

(v) Other financial assets - liquidity

	December 31, 111	31 Dec 110
The purpose of demand deposits is	\$ 7,623	\$ 1,429

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Time deposits with restricted use	<u>41,500</u>	<u>34,500</u>
	<u>\$ 49,123</u>	<u>\$ 35,929</u>

The above-mentioned bank deposits restricted in use are required for false seizure guarantees, and the Group establishes a special bank account for exclusive use of funds collected by the Group once or periodically to maintain the safety and cleanliness of funeral facilities, to organize sacrificial activities, internal administrative management, and special accounts for living contracts.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

(vi). Real estate, plant and equipment

	111 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Houses and buildings	\$ 14,535	\$ —	\$ (86)	\$ 14,449
Computer communication equipment	334	—	—	334
Office equipment	3,277	—	(1,542)	1,735
Transportation equipment	2,150	1,900	—	4,050
Equipment & Facilities	—	17,772	—	17,772
Other devices	2,379	6,327	(107)	8,599
subtotal	<u>22,675</u>	<u>25,999</u>	<u>(1,735)</u>	<u>46,939</u>
<u>Accumulated depreciation</u>				
Houses and buildings	10,194	913	(86)	11,021
Computer communication equipment	111	83	—	194
Office equipment	1,877	309	(1,542)	644
Transportation equipment	1,971	277	—	2,248
Equipment & Facilities	—	889	—	889
Other devices	1,157	906	(107)	1,956
subtotal	<u>15,310</u>	<u>3,377</u>	<u>(1,735)</u>	<u>16,952</u>
<u>Cumulative impairment</u>				
Equipment & Facilities	—	1,115	—	1,115
Other devices	—	226	—	226
subtotal	<u>—</u>	<u>1,341</u>	<u>—</u>	<u>1,341</u>
Net	<u>\$ 7,365</u>	<u>\$ 21,281</u>	<u>\$ —</u>	<u>\$ 28,646</u>
	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,

Ltd. (continued)

Houses and buildings	\$	14,535	\$	—	\$	—	\$	14,535
Computer communication equipment		223		111		—		334
Office equipment		2,205		1,072		—		3,277
Transportation equipment		2,473		—		(323)		2,150
Other devices		1,290		1,089		—		2,379
subtotal		<u>20,726</u>		<u>2,272</u>		<u>(323)</u>		<u>22,675</u>
<u>Accumulated depreciation</u>								
Houses and buildings		9,245		949		—		10,194
Computer communication equipment		37		74		—		111
Office equipment		1,655		222		—		1,877
Transportation equipment		2,240		—		(269)		1,971
Other devices		922		235		—		1,157
subtotal		<u>14,099</u>		<u>1,480</u>		<u>(269)</u>		<u>15,310</u>
Net	\$	<u>6,627</u>	\$	<u>792</u>	\$	<u>(54)</u>	\$	<u>7,365</u>

1. The real estate, plant and equipment of the Group are depreciated on a straight-line basis on the following durable life:

Houses and buildings	3-5 years
Computer communication equipment	3 years
Office equipment	3-5 years
Transportation equipment	3-5 years
Machinery and equipment	5 years
Other devices	3-10 years

2. Impairment Loss

- (1) The impairment loss of \$1,341 thousand incurred by the Group in the 111th year of the Republic of China was caused by the recoverable amount of the expected future cash inflow of the equipment used to produce aluminum materials being less than the carrying value. The Company uses the use value as the recoverable amount for this cash generation unit impairment test, and the use value used for estimation is calculated at a discount

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

rate before tax of 6.35%.

- (2) The individual assets that are proportionally apportioned to the impairment of assets are as follows:

	Original cost	Impairment loss
Equipment & Facilities	\$ 16,883	\$ 1,115
Other devices	3,420	226
	\$ 20,303	\$ 1,341

3. The real estate, plant and equipment of the Group did not provide mortgages or guarantees as of December 31, 111 and 110.

4. There was no capitalization of interest in the 111th and 110th years of the Republic of China.

(7) Right-of-use assets

	111 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Cost of acquisition</u>				
building	\$ 10,431	\$ 358	\$ —	\$ 10,789
Transportation equipment	6,776	—	(3,835)	2,941
subtotal	17,207	358	(3,835)	13,730
<u>Accumulated depreciation</u>				
building	2,982	2,560	—	5,542
Transportation equipment	4,325	981	(3,835)	1,471
subtotal	7,307	3,541	(3,835)	7,013
Net	\$ 9,900	\$ (3,183)	\$ —	\$ 6,717

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Cost of acquisition</u>				
building	\$ 5,068	\$ 5,363	\$ —	\$ 10,431
Transportation equipment	3,834	2,942	—	6,776
subtotal	8,902	8,305	—	17,207
<u>Accumulated depreciation</u>				
building	603	2,379	—	2,982
Transportation equipment	2,556	1,769	—	4,325
subtotal	3,159	4,148	—	7,307
Net	\$ 5,743	\$ 4,157	\$ —	\$ 9,900

As of December 31, 111 and 110, there was no trace of impairment of the right-of-use assets, so no impairment assessment was carried out.

(8) Investment real estate

	111 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Soil	\$ 47,861	\$ —	\$ —	\$ 47,861
building	160,123	—	—	160,123
subtotal	207,984	—	—	207,984
<u>Accumulated depreciation</u>				
building	69,765	5,117	—	74,882
subtotal	69,765	5,117	—	74,882
Net	\$ 138,219	\$ (5,117)	\$ —	\$ 133,102

	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Soil	\$ 47,861	\$ —	\$ —	\$ 47,861
building	147,328	12,795	—	160,123
subtotal	195,189	12,795	—	207,984
<u>Accumulated depreciation</u>				
building	65,136	4,629	—	69,765
subtotal	65,136	4,629	—	69,765
Net	\$ 130,053	\$ 8,166	\$ —	\$ 138,219

- The main buildings of the Group's investment real estate are depreciated according to the durability of 50 years by the straight-line method, and the ancillary buildings are depreciated according to the durability of



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

5~15 years by the straight-line method.

2. As of December 31, 111 and 110, the fair value of the Group's investment real estate is as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Fair value of investment real estate	\$ 308,242	\$ 308,242

As of December 31, 111 and 110, the fair value of the Group's investment real estate was based on the valuation report dated December 31, 109 issued by China Credit Real Estate Appraisers Joint Firm, the land was estimated by the weighted average of the comparative method and the land development method analysis price, and the buildings were evaluated according to the cost method. After weighing other external information and the relevant income of investment real estate, the Group concluded that the value of investment real estate as at December 31, 111 and 110 was not materially different from that of December 31, 109, so the results of the valuation report were still acceptable.

3. The rental income generated by investment real estate in the 111th and 110th years of the Republic of China was 15,766 thousand yuan and 15,764 thousand yuan respectively. Please note VI (xviii).
4. The total lease payments that the Group will receive in the future for leasing investment real estate under operating lease are as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Year 1	\$ 15,600	\$ 15,600
Year 2	15,600	15,600
3rd year	11,700	15,600
4th year	—	11,700
5th year	—	—
	\$ 42,900	\$ 58,500

5. Please note 8 for the situation of providing mortgages or guarantees for investment immobility on December 31, 111 and 110 of the Republic of China.

(9) Intangible assets

	<u>111 years</u>			
	<u>Opening balance</u>	<u>Addendum</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Original cost</u>				
Computer Software	\$ 3,963	\$ 217	\$ —	\$ 4,180

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	<u>Opening balance</u>	<u>Amortization expense</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Cumulative amortization</u>				
Computer Software	\$ 2,776	\$ 413	\$ —	\$ 3,189
Net	\$ 1,187	\$ (196)	\$ —	\$ 991

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	110 years			
	<u>Opening balance</u>	<u>Addendum</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Original cost</u>				
Computer Software	\$ 3,040	\$ 923	\$ —	\$ 3,963
	<u>Opening balance</u>	<u>Amortization expense</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Cumulative amortization</u>				
Computer Software	\$ 2,212	\$ 564	\$ —	\$ 2,776
Net	\$ 828	\$ 359	\$ —	\$ 1,187

(10) Bank loans

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Secured borrowing	\$ 30,000	\$ —
Interest rate range	1.75%	—
Total bank borrowings	\$ 100,000	\$ —
Unused credit	\$ 70,000	\$ —

Please refer to Note 7 for the circumstances in which the Group provides assets as collateral for the above borrowings.

(11) Joint Liabilities - Current

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Advance payment for tower space	\$ 2,041	\$ 2,871
Pre-charge tower management fee	60,618	47,971
Funeral service fee is prepaid	4,023	801
Advance payment	128	—
total	\$ 66,810	\$ 51,643

The pre-collected tower management fee is a management fee collected from the tomb owner and depositor in accordance with Article 35 of the Funeral Administration Regulations, and a special account is set up with the management fee for maintaining the safety and cleanliness of funeral facilities, holding sacrificial activities and related internal administrative expenses. Please note 6 (5) for details of the special account of the bank with the management fee under "Other Financial Assets - Current".

(12) Other payables

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Payment of funeral administration fees	\$ 9,504	\$ 8,315

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Salary and bonuses payable	3,864	4,370
Labor fees payable	3,335	3,353
Other	<u>6,341</u>	<u>4,276</u>
total	<u>\$ 23,044</u>	<u>\$ 20,314</u>

The funeral management fee payable shall be allocated 2% of the expenses other than the management fee in accordance with Article 36 of the Funeral Management Regulations and handed over to the competent authority of the municipality directly under the Central Government or county (city) to establish a funeral facility operation and management fund to cover the repair and management expenses in the event of a major accident or poor operation that makes normal operation impossible. However, since the funeral facilities business association is still in communication and consultation with the competent authorities of municipalities directly under the Central Government and counties (cities), the Group has only assessed it in accordance with the provisions and has not actually made the allocation.

(13) Debt Reserve

	111 years			
	Deposit tower slots	Employee benefits	Penalty loss	total
Opening balance	\$ 12,364	\$ 427	\$ 75	\$ 12,866
Debt Reserve for the Current Fiscal Year	—	157	—	157
The amount has been incurred and written off in the current period	<u>(241)</u>	<u>—</u>	<u>—</u>	<u>(241)</u>
Closing balance	<u>\$ 12,123</u>	<u>\$ 584</u>	<u>\$ 75</u>	<u>\$ 12,782</u>
Listed as Liabilities Provision				
- Current	<u>\$ —</u>	<u>\$ 584</u>	<u>\$ 75</u>	<u>\$ 659</u>
Listed as liability provision - non-current	<u>\$ 12,123</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,123</u>

	110 years			
	Deposit tower slots	Employee benefits	Penalty loss	total
Opening balance	\$ 13,568	\$ 435	\$ 75	\$ 14,078

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Debt Reserve for the Current					
Fiscal Year	—	(8)	—	—	(8)
The amount has been incurred and written off in the current period	<u>(1,204)</u>	<u>—</u>	<u>—</u>	<u>(1,204)</u>	
Closing balance	<u>\$ 12,364</u>	<u>\$ 427</u>	<u>\$ 75</u>	<u>\$ 12,866</u>	
Listed as Liabilities Provision					
- Current	<u>\$ —</u>	<u>\$ 427</u>	<u>\$ 75</u>	<u>\$ 502</u>	
Listed as liability provision - non-current	<u>\$ 12,364</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,364</u>	

The nature of the provision for each type of liability is described below:

1. Deposit the tower

The Group purchased the ownership of the land of "Tianpin Villa" from the former operator of Tianpin Villa in the 101st year of the Republic of China, and the two parties agreed that the Group should generally bear the Lingguo Tower in the Flower Wall District that the previous operator had sold but not delivered to the customer.

The Group has the obligation to deliver the tower to the customer, so the Group estimates the fair value of the Upper Spirit Bone Tower based on the discount amount obtained from the purchase of the land ownership of "Tianpin Villa" at that time, and is valued under "Other Non-current Assets - Other" and "Liabilities Provision - Non-Current" by the same amount.

2. Employee benefits

Based on historical experience and management's judgment, the Group estimates that the expected cost of paid leave in the year in which employees provide services is included as an employee benefit liability provision.

3. Losses for breach of contract

The Group launched the Rainbow Service Pre-purchase Spirit Bone Tower Scheme in the 95th year of the Republic of China, but due to the change of the unveiled plan and could not be continuously completed, the Group has successively agreed with the participants of the original plan in the 102nd year of the Republic of China to refund the money received

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

in advance and add the rebate according to the agreement to cancel the pre-purchase agreement already signed.

In the 103rd year of the Republic of China, the Group made a provision for the estimated liabilities of the amount received in advance that had not yet been agreed with the original plan participants and added the return payment according to the agreement.

(14) Lease liabilities

	<u>December 31, 111</u>	<u>December 31, 110</u>
Lease liabilities - current	\$ 3,372	\$ 3,666
Lease liabilities - non-current	<u>3,319</u>	<u>6,627</u>
	<u>\$ 6,691</u>	<u>\$ 10,293</u>
The range of discount rates for	<u>2.52%</u>	<u>2.52%</u>

Except for leases referred to in Note 6(7) "Right-of-Use Assets", the Group has elected to apply the recognition exemption for short-term leases and low-value leases, and does not recognize the relevant right-of-use assets and lease liabilities for such leases, and the relevant cost information is as follows:

	<u>111 years</u>	<u>110 years</u>
Short-term rental fees	\$ 140	\$ 402
Low-value asset leasing fees	<u>\$ 186</u>	<u>\$ 387</u>

(15) Employee pensions

The Group's employee retirement plans under the Labour Pensions Ordinance are defined contribution schemes. The above-mentioned company will allocate the pension according to the employee's monthly salary of 6 to the individual account of the Labor Insurance Bureau. In accordance with the above relevant provisions, the retirement cost of the Group recognized as expenses from January 1 to December 31, 110 was 1,123 thousand yuan and 1,049 thousand yuan respectively.

(16) Rights

1. Common share capital

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Rated number of shares (100 shares)	<u>140,000</u>	<u>140,000</u>
Rated share capital	<u>\$ 1,400,000</u>	<u>\$ 1,400,000</u>

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Number of shares issued (100 shares)	61,760	61,760
Issued share capital	\$ 617,600	\$ 617,600

(1) The above share capital types are all ordinary shares, each with a par value of 10 yuan, and each share has one voting right and the right to receive dividends.

(2) In the 111th and 110th years of the Republic of China, the number of foreign shares outstanding at the beginning and end of the period of the Company was 61,760 thousand shares and none of them changed.

2. Capital reserve

	December 31, 111	December 31, 110
Equity premium	\$ 684	\$ 684

In accordance with the provisions of the law, the capital reserve shall not be used except to cover losses, but the excess obtained from the issuance of shares in excess of the par amount (including the issuance of ordinary shares in excess of the par value, the share capital premium for the issuance of shares due to mergers, the conversion premium of corporate bonds and the trading of treasury stocks, etc.) and the capital reserve arising from the receipt of gifts, may be allocated to capital or distributed in cash at a fixed ratio of paid-up capital every year, provided that the capital reserve arising from investments using the equity method shall not be used for any purpose.

3. Statutory surplus reserve

According to the Company Law, a company should set aside 10% of its net profit after tax as a statutory surplus reserve until it is equal to the total share capital. The statutory surplus reserve may be used to cover losses to the extent that the statutory surplus reserve is issued to new shares or cash up to the extent that the reserve exceeds 25% of the paid-up capital.

4. Special surplus reserve

If there is a special surplus reserve of the same amount accumulated in the previous year or incurred in the current year but the after-tax surplus of the current year is insufficient to provide

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

for it, a special surplus reserve of the same amount shall be included from the accumulated undistributed surplus of the previous year, which shall be deducted before the provision for distribution of dividends to shareholders, and the surplus may be distributed on the amount of the reversal when the amount of the subsequent reduction in equity is reversed.

5. Surplus distribution and dividend policy

According to the articles of association of the company, if the company makes a profit in the year, it shall allocate the remuneration of employees to 0.5% to 1.5% of the net profit before tax, and the remuneration of directors and supervisors shall not be higher than 1% of the net profit before tax, but if the company still has accumulated losses, it should reserve the amount of compensation in advance.

According to the articles of association of the company, if there is a surplus after the annual final accounts, in addition to paying income tax on profit-making undertakings and making up for the losses of previous years, 10% should be first set aside as the statutory surplus reserve and a special surplus reserve for the amount of equity reduction incurred in the current year, and if there is a remaining balance, together with the accumulated undistributed surplus of the previous year, it shall be distributed as dividends and dividends to shareholders.

In order to retain the surplus to meet the operating growth and investment needs, the Company adopts a residual dividend distribution policy at this stage, except for the discretionary retention of part of the surplus mentioned in the above paragraph, the remaining part is distributed in the principle of dividend distribution of 30% to 80%. Dividends are paid by combining stock dividends with cash dividends. If there is a cash dividend, the amount shall not be less than 10% of the total dividend paid in the current year, but if the distribution ratio is less than 0.1 yuan per share, the full amount of stock dividend may be paid. The above surplus distribution shall be recognized by resolution at the ordinary meeting of shareholders in the following year.



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

The Company held ordinary shareholders' meetings on June 17, 111 and August 4, 110 respectively, and resolved the distribution of earnings and dividends per share in the 110 and 109 years of the Republic of China as follows:

		Unit: New Taiwan dollar thousand; RMB/share			
		Surplus distribution		Dividend per share (RMB)	
		110 years	109 years	110 years	109 years
Statutory	surplus	\$ 3,784	\$ 2,865		
	reserve				
Special	surplus	(3,390)	2,066		
	reserve				
Cash dividends		—	—	\$ —	\$ —
Stock dividends		—	—	—	—
		\$ 394	\$ 4,931		

Note: The above surplus distribution is not different from the resolutions of the board of directors of the Company on March 16, 111 and March 12, 110.

In the 111th and 110th years of the Republic of China, the remuneration of employees and the remuneration of directors and supervisors were assessed on the basis of the provisions of the amended articles of association, with the amounts of 0 thousand yuan and 50 thousand yuan and 0 thousand yuan and 0 thousand yuan respectively. If the amount remains unchanged after the date of adoption of the annual financial report, it will be treated as a change in accounting estimates and adjusted and recorded in the following year. As of December 31, 111, the total amount of employee remuneration estimated in the Republic of China from 106 to 108 years totaling 56,000 yuan has not been paid, and the accounts are under "other payables".

Please refer to the Public Information Observatory and other channels for the above information distribution of surplus distribution approved by the Board of Directors of the Company and resolution of the shareholders' meeting.

(xvii) Earnings per share

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Unit: NTD / shares

(except for earnings per share in yuan)

111 years

	Net loss attributable to parent company for the period (numerator)	Number of shares (Denominator)	Loss per share
Basic earnings per share (loss)	\$ (2,131)	61,760	\$ (0.03)
Diluted earnings per share (loss)	\$ (2,131)	61,760	\$ (0.03)

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	110 years		
	Net income		
	attributable to parent		
	company for the period	Number of shares	Earnings per
	(numerator)	(Denominator)	share
Basic earnings per share	\$ 41,910	61,760	\$ 0.68
Diluted earnings per share	\$ 41,910	61,760	\$ 0.68
(18) <u>Operating income</u>			
	111 years	110 years	
Tower sales revenue	\$ 66,642	\$	57,587
Aluminum sales revenue	41,127		—
Rental income	15,766		15,764
Income from			
services	10,869		9,548
Revenue from the sale of goods	1,688		973
Other operating income	912		2,025
	137,004		85,897
Reduction: Sales returns and discounts	(6,382)		(10,478)
	\$ 130,622	\$	75,419
(19) <u>Operating costs</u>			
	111 years	110 years	
Cost of aluminum sales	\$ 41,538	\$	—
Tower cost of sales	5,566		4,116
Rental costs	5,117		4,629
Labor costs	4,250		4,832
Cost of goods sold	580		248
Other operating costs	341		375
Inventory price decline and sluggish			
loss	485		492
	\$ 57,877	\$	14,692
(20) <u>Other income</u>			
	111 years	110 years	
Interest income	\$ 690	\$	717
Dividend income	2,757		2,343
	\$ 3,447	\$	3,060

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

(xxi) Other benefits and losses

	<u>111 years</u>	<u>110 years</u>
Gains and losses on financial assets (liabilities) measured at fair value through profit or loss	\$ (17,521)	\$ 33,239
Disposition of interests in real estate, plant and equipment	—	22
Redeem benefits	302	—
Impairment loss	(1,341)	—
Income	<u>559</u>	<u>117</u>
	<u>\$ (18,001)</u>	<u>\$ 33,378</u>

(xxii) Income tax

1. Income tax recognized in profit or loss:

	<u>111 years</u>	<u>110 years</u>
Current income tax expense	\$ 5,505	\$ 2,782
Deferred income tax expense	<u>54</u>	<u>407</u>
Income tax expense recognized in profit or loss	\$ 5,559	\$ 3,189

2. Explanation of the relationship between income tax expense and accounting profit:

	<u>111 years</u>	<u>110 years</u>
Net profit (loss) before tax	\$ (5,516) 100	\$ 38,476 100
The amount of tax calculated at the applicable rate	(1,103) 20	7,694 20
Permanence differences	6,530 (118)	(5,033) (13)
Undistributed surplus plus tax	1,766 (32)	1,186 3
The difference between the basic tax amount and the ordinary tax amount	— —	1,522 4
The number of effects of temporary differences not recognized as deferred tax assets	(1,639) 29	(2,322) (7)
Adjustment of income tax expense for prior years in the current year	5 —	408 1
Adjustment of prior year's deferred income tax expense for the current year	— —	(266) (1)
Income tax expense	<u>\$ 5,559 (101)</u>	<u>\$ 3,189 7</u>

3. The current income tax expense of the Company in the 111th and 110th years of the Republic of China and the current income tax liability at the end of the period are adjusted as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Current income tax expense	\$ 5,505	\$ 3,189
Provisional and withholding taxes	(40)	(226)
Adjustment of income tax expense for prior years in the	(5)	(407)

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

current year		
Current income tax liabilities at the end of the period	\$ 5,460	\$ 2,556

4. Deductible temporary differences, unused taxable losses and unused income tax credits of assets not recognized as deferred tax in the 111th and 110th of the Republic of China:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Loss deduction	\$ 1,207	\$ 2,858
Expected credit losses exceed the limits set by the tax law	421	421
Employee paid leave bonuses are not realized	64	37
No realized redemption loss	—	15
	<u>\$ 1,692</u>	<u>\$ 3,331</u>

5. The breakdown of the Company's deferred tax liabilities for December 31, 111 and 110 is as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
No redemption benefits realized	\$ 54	\$ —

6. As of December 31, 111, the company's unused loss deduction details are as follows:

<u>Year of occurrence</u>	<u>Loss deduction</u>	<u>Final deduction year</u>
Republic of China 102 (approved)	\$ 6,035	Republic of China 112 year

7. As of December 31, 111, the income tax settlement declaration of the company's profit-making business has been approved by the tax collection authority to the 109th year of the Republic of China.

(xxiii) Additional information on the nature of fees

The summary table of employee benefits, depreciation and amortization expenses incurred by the Group in the 111th and 110th years of the Republic of China is as follows:

Nature	<u>111 years</u>			<u>110 years</u>		
	<u>It is a business Cost-maker</u>	<u>It is a business Cost</u>	<u>total</u>	<u>It is a business Cost-maker</u>	<u>It is a business Cost</u>	<u>total</u>
Employee benefits costs						

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

Payroll expenses	\$	—	\$	26,541	\$	26,541	\$	—	\$	25,047	\$	25,047
Labor and health insurance costs		—		2,494		2,494		—		2,198		2,198
Pension costs		—		1,131		1,131		—		1,049		1,049
Other employee benefit expenses		—						—				
				3,086		3,086				1,503		1,503
	\$	—	\$	33,252	\$	33,252	\$	—	\$	29,797	\$	29,797
Depreciation expense	\$	6,185	\$	5,849	\$	12,034	\$	4,629	\$	5,604	\$	10,233
Amortization expense	\$	—	\$	558	\$	558	\$	—	\$	632	\$	632

(xxiv) Capital risk management

Based on the characteristics of the current operating industry and the future development of the company, and taking into account factors such as changes in the external environment, the Group plans the working capital needs (including investment in external businesses, etc.) required by the Group in the future period, so as to ensure the sustainable operation of the Group, be able to give back to shareholders while taking into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholder value. Overall, the Group adopts prudent risk management strategies.

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

(xxv) Financial instruments

1. Types of Financial Instruments

	December 31, 111	31 Dec 110
<u>Financial assets</u>		
Cash and cash equivalent	\$ 101,475	\$ 82,651
Financial assets measured at fair value through profit or loss	113,281	129,055
Notes receivable	2,524	—
accounts receivable	27,593	19,984
Other receivables	112	19
Other financial assets	49,123	35,929
Financial assets measured at fair value through other comprehensive gains and losses	30,860	66,935
Deposit the deposit	1,861	3,600
	\$ 326,829	\$ 338,173

	December 31, 111	31 Dec 110
<u>Financial liabilities</u>		
Bank borrowing	\$ 30,000	\$ —
Accounts payable	2,268	—
Other payables	23,044	20,314
Deposit a margin	3,300	3,300
	\$ 58,612	\$ 23,614

(1) Other price risks

The price risk of the Group's equity instruments is primarily derived from investments classified as financial assets measured at fair value through profit or loss and financial assets for sale. All material investments in equity instruments are subject to the approval of the Board of Directors.

(2) The sensitivity analysis of the price risk of equity instruments is calculated on the basis of changes in fair value at the end of the financial reporting period. If the price of equity instruments rises/decreases by five percentage points (5%), the Group's profit or loss at 31 December 111 and 110 will increase/decrease by \$5,664 and

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

\$6,453 thousand respectively due to financial assets measured at fair value through profit and loss. The Group's equity interests in 111 and 110 December 31 will increase/decrease by \$1,543 and \$3,346 thousand respectively as a result of other comprehensive gains and losses in financial assets measured at fair value.

2. Financial risk management purposes

The Group's financial risk management objective is to manage exchange rate risk, interest rate risk, credit risk and liquidity risk in connection with its operating activities. To mitigate the associated financial risks, the Group is committed to identifying, assessing and avoiding market uncertainties in order to mitigate the potential adverse impact of market changes on the Group's financial performance.

The Group's significant financial activities are reviewed by the Board in accordance with relevant norms and internal control systems. During the implementation of the financial plan, the Group must comply with the relevant financial operating procedures regarding overall financial risk management and the division of rights and responsibilities.

3. Market risk

(1) Interest rate risk

The Group is minimally affected by market risks such as interest rate changes and therefore does not use any derivative financial instruments to manage the related risks.

The Group's interest rate risk is mainly investment in fixed-rate certificates of deposit, which is not expected to generate significant interest rate change risk.

(2) Exchange rate risk

Information on financial assets and liabilities affected by significant exchange rate fluctuations is as follows:

	December 31, 111		
	Foreign Currency (USD)	exchange rate	Book amount
Monetary items			
Foreign currency assets	\$ 88	30.71	\$ 2,709



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

	December 31, 110		
	Foreign Currency (USD)	exchange rate	Book amount
Monetary items			
Foreign currency assets	\$ 89	27.68	\$ 2,475

Sensitivity analysis

When the exchange rate of the US dollar appreciates by 5% against the New Taiwan dollar, the Group's net profit before tax in the 111th and 110th years of the Republic of China will increase by 135 thousand yuan and 124 thousand dollars respectively; If the US dollar depreciates by 5% against the New Taiwan dollar, the Group's net profit before tax will decrease by (135) thousand dollars and (124) thousand dollars.

4. Credit risk management

Credit risk refers to the risk that a counterparty will breach its contractual obligations and cause financial loss to the Group. The Group's credit risk is mainly derived from lease receivables arising from operating activities and bank deposits, fixed income investments and other financial instruments arising from investment activities. Operational-related credit risk and financial credit risk are managed separately.

(1) Operation-related credit risk

To maintain the quality of lease receivables, the Group has established procedures for credit risk management in relation to operations.

The risk assessment of an individual customer takes into account a number of factors that may affect the customer's ability to pay, including the customer's financial status, credit rating of credit rating agencies, internal credit rating of the Group, historical transaction records and current economic conditions. The Group will also use certain credit enhancement tools, such as prepayment and credit insurance, at appropriate times to reduce the credit risk of specific customers.

(2) Financial credit risk

The financial credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the financial department of the Group. Since the Group's

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

transaction partners and performing parties are banks with good credit and financial institutions, corporate organizations and government agencies with investment grade or above, there are no major performance doubts, so there is no material credit risk.

5. Liquidity risk management

The Group's objective in managing liquidity risk is to maintain cash and cash equivalents, highly liquid marketable securities and sufficient bank financing lines to ensure that the Group has sufficient financial flexibility.

The following table summarizes the Group's financial liabilities for the agreed repayment period by maturity date and undiscounted maturity amount:

	December 31, 111			
	Short-term 1 year	2~5 years	More than 5 years	total
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Bank borrowing	\$ 30,000	\$ —	\$ —	\$ 30,000
Accounts payable	2,268	—	—	2,268
Other payables	23,044	—	—	23,044
Deposit a margin	1,705	1,595	—	3,300
total	\$ 57,017	\$ 1,595	\$ —	\$ 58,612
	31 Dec 110			
	Short-term 1 year	2~5 years	More than 5 years	total
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Other payables	\$ 20,314	\$ —	\$ —	\$ 20,314
Deposit a margin	2,387	913	—	3,300
total	\$ 22,701	\$ 913	\$ —	\$ 23,614

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

6. Fair Value of Financial Instruments

	December 31, 111		31 Dec 110	
	book value	Fair Value	book value	Fair Value
Financial Assets:				
Financial assets measured at fair value through profit or loss	\$ 113,281	\$ 113,281	\$ 129,055	\$ 129,055
Financial assets measured at fair value through other comprehensive gains and losses	30,860	30,860	66,935	66,935

(1) Evaluation techniques and assumptions used to measure fair value

The fair value of the Group's financial assets and financial liabilities is determined using the following methods and assumptions:

- A. The above financial products do not include cash and cash equivalents, receivables and payables. The carrying amount of such financial instruments whose maturity date is very close should be a reasonable basis for estimating fair value. The above financial instruments also do not include deposited margin and deposited margin, which are estimated at their carrying value on the balance sheet due to the uncertainty of the return date.
- B. Financial assets measured at fair value through profit and loss and financial assets for sale are based on market price as fair value if they are active in the market, and if there is no market price to refer to, the valuation method is used to estimate them. The estimates and assumptions used by the Group using the evaluation method are consistent with the information used by market participants as estimates and assumptions when pricing financial instruments.

(2) Fair value measures recognized on the consolidated balance sheet

The Group's financial instruments and investment real estate measured at fair value are measured at fair value on a recurring basis.

The table below provides an analysis of financial instruments measured at fair value after initial recognition, graded into grades 1 to 3 by the degree of observability of fair value.

- A. Level 1 fair value measurement refers to the public quotation

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

- (unadjusted) of the same assets or liabilities from active markets.
- B. Level 2 fair value measurement means deriving fair value from observable inputs belonging to the asset or liability directly (i.e. price) or indirectly (i.e. derived from price), in addition to the public quotation in Tier 1.
- C. Level 3 fair value measurement refers to the evaluation technique to derive fair value from the input value of assets or liabilities that are not based on observable market data (unobservable input value).

	December 31, 111			
	First level	Second level	third estate	total
<u>Financial assets measured at fair value</u>				
<u>through profit or loss</u>				
Shares of listed (over-the-counter) companies	\$ 113,281	\$ —	\$ —	\$ 113,281
<u>Financial assets measured at fair value through other</u>				
<u>comprehensive gains and losses</u>				
Shares of listed (over-the-counter) companies	—	1,524	—	1,524
It is not a listed (cabinet) or a stock of a building company	—	—	29,336	29,336
subtotal	\$ —	\$ 1,524	\$ 29,336	\$ 30,860
total	\$ 113,281	\$ 1,524	\$ 29,336	\$ 144,141

	31 Dec 110			
	First level	Second level	third estate	total
<u>Financial assets measured at fair value</u>				
<u>through profit or loss</u>				
Shares of listed (over-the-counter) companies	\$ 129,055	\$ —	\$ —	\$ 129,055
<u>Financial assets measured at fair value through other</u>				
<u>comprehensive gains and losses</u>				
Shares of listed (over-the-counter) companies	—	13,123	—	13,123
It is not a listed (cabinet) or a stock of	—	—	53,812	53,812

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

a building company				
subtotal	\$	—	\$	13,123
			\$	53,812
total	\$	129,055	\$	13,123
			\$	53,812
			\$	195,990

There was no transfer between the first and second level fair value measures in the 111th and 110th years of the Republic of China.

The adjustment of financial assets as measured by fair value in the third level

	111 years		110 years	
Opening balance	\$	53,812	\$	815
Purchase for the current period		—		42,228
Sanctions for this period		—		(4,896)
Net gains and losses recognized in other comprehensive gains and losses for the period		(24,476)		15,665
Closing balance	\$	29,336	\$	53,812

7. Related Person Transactions

(1) The names and relationships of the persons involved

The name of the person in question	Relationship with the Company
Xin Sky Blue Co., Ltd	Affiliates
Li Chaomao	Other related persons (relatives of one of the chairman of the company)
Yishan Aluminum Alloy Industrial Co., Ltd	Other related persons (relatives of one of the directors of the subsidiary Tianyi Aluminum Co., Ltd.);

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

(2) The details of transactions between the Group and related persons are disclosed as follows:

1. Rental income

	<u>111 years</u>	<u>110 years</u>
Xin Sky Blue Co., Ltd	\$ <u>144</u>	\$ <u>145</u>

The office lease agreement between the Group and the related party is a rent negotiated with reference to market conditions and collected in accordance with the general collection conditions, and as of December 31, 111 and 110 of the Republic of China, the deposit arising from the above lease contract is 100 thousand yuan.

2. Outsourced processing fee

	<u>111 years</u>	<u>110 years</u>
Yishan Aluminum Alloy Industrial Co., Ltd	\$ <u>8,795</u>	\$ <u>—</u>

The outsourcing processing contract between the Group and related parties was agreed upon by both parties and received in accordance with the general collection conditions, and as of December 31, 111, the amount of the above-mentioned outstanding outsourcing processing fees payable was 1,883 thousand yuan, which was included in the account of "accounts payable - related persons".

3. Rental expenses

The Group leased an office to Mr. Li Chaomao in the 111th and 110th years of the Republic of China, and the rental expenses were both 60 thousand yuan.

4. Acquisition of construction land

On May 13, 110, the Group was approved by the board of directors of the Republic of China to purchase land from Mr. Li Chaomao, a related person, (located at No. 98 and 13, Yingren Section, Renai District, Keelung City) for the construction of a cemetery with a total price of \$150,000, which was included under "Inventory - Construction Land". As of December 31, 110, the payment for the purchase of land had been paid.

5. Property transactions

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

The Group purchased equipment from its related person Yishan Aluminum Alloy Industrial Co., Ltd. in the 111th year of the Republic of China, with a total price of \$28,571,000, which accounted for "real estate, plant and equipment" of \$21,371 and "prepaid equipment" of \$7,200 respectively.

6. Rewards for key management

The information on the remuneration paid to directors and other members of management in the 111th and 110th years of the Republic of China is as follows:

	111 years	110 years
Short-term employee benefits	\$ 4,856	\$ 3,866
Retirement welfare	108	108
	\$ 4,964	\$ 3,974

8. Pledged Assets:

The Group provides asset allocation mortgage or pledge, and the details of the asset items, the subject matter of the guarantee and its book value are as follows:

asset	Subject matter of guarantee	December 31, 111	31 Dec 110
Other financial assets - liquidity	False seizure of bonds	\$ 800	\$ —
Investment real estate	Bank loan guarantee	133,102	—
		\$ 133,902	\$ —

9. Significant contingent liabilities and unrecognized contractual commitments:

As of December 31, 111, the outstanding price of the major project contracts signed by the Group is as follows:

Transaction Partner	Contract Content	The total contract price	Price paid	The price has not yet been paid
Fudingfeng Company	Tianpin Villa 1F, 2F decoration	\$ 8,606	\$ 7,539	\$ 1,067
Zhenhe Business Company	Tianpin Villa 5F columbarium	20,192	18,462	1,730
Chengyang Space Company	Tianpin Villa 5F decoration	4,000	500	3,500
Hesen Engineering Company	Construction land slope review and soil and water conservation	1,250	270	980
		\$ 34,048	\$ 26,771	\$ 7,277

10. Major disaster losses: none.

11. Matters after the major period:

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

The cash capital increase and increased investment of the Company's participating related persons in the 112th year of the Republic of China are as follows:

	Republic of China 112 year			
	Increase investment		Shareholding ratio	
	Number of shares (100 shares)	gold forehead	Before the capital increase	After the capital increase
PlayTai Co., Ltd	700	\$ 7,000	13.04%	33.33%

On December 1, 111, the board of directors approved the proposed issuance of 700 thousand ordinary shares, a total of 7,000 thousand yuan, all of which were subscribed by the company, and the company remitted the share money on January 3, 112, and the above cash capital increase case completed the relevant change registration on January 31, 112 of the Republic of China.

XII. Others: None.

XIII. Notes on Disclosure

(1) Information related to major transaction matters:

The information related to the major transactions of the Group in the 111th year of the Republic of China is listed as follows:

1. Lending funds to others: Please refer to Schedule 1.
2. Endorsement Warranties for Others: See Schedule II.
3. Holdings of marketable securities at the end of the period: refer to Schedule III.
4. Cumulative purchase or sale of the same marketable security amounting to NT\$300 million or more than 20% of the paid-up capital: none.
5. Acquisition of immovable property amounting to NT\$300 million or more than 20% of paid-up capital: refer to Schedule 2.
6. The amount of disposed immovable property reaches NT\$300 million or more than 20% of the paid-up capital: none.
7. The amount of purchase and sale transactions with related persons reaches NT\$100 million or more than 20% of the paid-up capital: none.
8. Receivables of related persons amounting to NT\$100 million or more than 20% of paid-in capital: None.
9. Engage in derivatives trading: none.
10. Business relationships and important transactions between parent



Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,  
Ltd. (continued)

and subsidiary companies and between subsidiaries and amounts:

Please refer to Appendix 3.

(2) Information on reinvestment: Please refer to Appendix 4.

(3) Mainland investment information: none.

(4) Information on major shareholders: Please refer to Schedule 5.

14. Departmental information

(1) Operation department

The Group should identify the reporting department and distinguish it by different economic characteristics, mainly funeral-related business and leasing business; The Group's profit and loss in operating units is primarily measured by operating gross profit and serves as the basis for evaluating performance. In addition, there is no inconsistency between the accounting policies adopted by the operating department and the summary statement of significant accounting policies described in Note 4.

(2) Departmental revenue and operating results

	111 years				
	Leasing department	Funeral department	Aluminum Division	Cultural and creative sector	total
Revenue from external customers	\$ 15,766	\$ 73,305	\$ 40,705	\$ 846	\$ 130,622
Inter-sector revenue	—	—	—	—	—
Total revenue	<u>\$ 15,766</u>	<u>\$ 73,305</u>	<u>\$ 40,705</u>	<u>\$ 846</u>	<u>\$ 130,622</u>
Division Profit and Loss	\$ 10,649	\$ 62,447	\$ (833)	\$ 482	\$ 72,745
Operating expenses		—			(63,176)
Non-operating income and expenses					(15,085)
Profit and loss before tax					<u>\$ (5,516)</u>
Departmental assets	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>
Division debt	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

	110 years				
	Leasing department	Funeral department	Electronic Materials Division	Cultural and creative sector	total
Revenue from external	\$ 15,764	\$ 58,683	\$ 883	\$ 89	\$ 75,419

Notes to the consolidated financial statements of Tianpin Joint Enterprise Co.,

Ltd. (continued)

customers					
Inter-sector revenue	—	—	—	—	—
Total revenue	\$ 15,764	\$ 58,683	\$ 883	\$ 89	\$ 75,419
Division Profit and Loss	\$ 11,134	\$ 49,751	\$ —	\$ (158)	\$ 60,727
Operating expenses					(58,462)
Non-operating income and expenses					36,211
Profit and loss before tax					\$ 38,476
Departmental assets	\$ —	\$ —	\$ —	\$ —	\$ —
Division debt	\$ —	\$ —	\$ —	\$ —	\$ —

Note: The key operating decision makers have not allocated resources to the department and measured its performance by the amount measured by assets and liabilities, so it should be disclosed that the assets and liabilities of the department are 0 yuan.

(3) Income from major products

	111 years	110 years
Funeral-related business	\$ 73,305	\$ 58,683
Aluminum Division	40,705	—
Leasing business	15,766	15,764
Cultural and creative sector	846	89
Electronic Materials Division	—	883
	\$ 130,622	\$ 75,419

Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Funds are lent to others

December 31, 111 of the Republic of China

Schedule I  
thousand

Unit: New Taiwan dollar

Numbering (Note 1)	Lend funds of companies	Credits and objects	Correspondence subjects	Yes or not Relationship person	Maximum amount for the current period	Closing balance (board quota)	The actual amount of expenditure in the current period	Interest rate interval	Funding loans and nature (Note 3)	The amount of business transactions	There are reasons why short-term financing is necessary	Provision is made for the amount of doubtful debts	Collateral		Credits and limits for individual objects	Funds are credited with limits	Remarks
													name	value			
0	The Company	Tianyi Aluminum (shares) Company	Other receivables	be	\$30,000	\$60,000	\$30,000	1.6%-1.8%	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 74,944	\$299,776	

Note 1: The numbering column is described as follows:

1. Issuer fill in 0.
2. Investee companies are numbered sequentially starting with the Arabic numeral 1.

Note 2: According to the provisions of the Company's "Operating Procedures for Capital Lending to Others", when there are capital loans and subsidiaries with necessary short-term financing funds, the amount of individual loans shall not exceed 10% of the net value of the Company, and the total amount of capital loans shall not exceed 40% of the net value of the Company. When a foreign company that directly and indirectly holds 100% of the voting shares of the Company, or a foreign company that directly and indirectly holds 100% of the voting shares of the Company, the limit of the total amount of loans and individual objects shall not exceed 100% of the net value of the company.

Note 3: The nature of the fund loan is filled in as follows:

1. Fill in 1 for those who do business.

2. Fill in 2 if there is a need for short-term financing funds.

Note 4: The above transactions were written off at the time of preparation of the consolidated financial statements.

Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Endorse the guarantee for others

December 31, 111 of the Republic of China

Schedule II  
dollar thousand

Unit: New Taiwan

Numbering (Note 1)	Endorsement guarantee Witness public Division name	Endorsed guarantee object		To a single enterprise Endorsement guarantee limit (Note 3)	The highest in this issue Endorsement guarantee balance	Final endorsement Guaranteed balance	Actual amount of expenditure	Secured by property Endorsement Guarantee amount	Cumulative endorsement deposit Amount accounts for the most recent financials The ratio of the net value of the statement	Endorsement guarantee Maximum Limit	Parent company To the subsidiaries Endorsement guarantee	It is a subsidiary To the parent company Endorsement guarantee	Genus to the continent Regional endorsement guarantee	remark
		Company name	Relationships (Note 2)											
0	The Company	Tianpin International (shares) company	1	\$149,888	\$ 100,000	\$ 100,000	\$ -	\$ -	-	\$ 100,000	And	N	N	

Note 1: The numbering column is described below:

1. Issuer fill in 0.
2. Investee companies are numbered sequentially by the Arabic number 1.

Note 2: The relationship between the endorsement guarantor and the endorsed guarantor is as follows:

1. Companies in which the company directly and indirectly holds more than 50% of the voting shares.

Note 3: According to the Company's "Endorsement Guarantee Operating Procedures", the limit of the Company's endorsement guarantee for a single enterprise shall not exceed 20% of the net value of the current period, except for subsidiaries where the Company directly holds more than 90% of the common shares, and the rest shall not exceed 10% of the net value of the current period.

Note 4: Sponsors of endorsement by the parent company to the subsidiary, endorsement guarantors from subsidiaries to the parent company, and endorsement

guarantors belonging to the mainland region must fill in Y.

Note 5: The above transactions were written off at the time of preparation of the consolidated financial statements.

Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)  
A detailed statement of securities held at the end of the period

Schedule III

December 31, 111 of the Republic of China

Unit: Thousand shares/New

Taiwan dollar Thousand Dollars

Hold of companies	Types and names of securities (Note 1)	Relationship with the issuer of securities	Ledger accounts	Final				remark
				Number of shares/units	Book amount	ratio	Market price/equity	
The Company	Stocks-Jiada World (shares) company	Note 5	Financial assets measured at fair value through profit or loss - liquidity	5,107	80,435	6.33%	80,435	Note 2
The Company	Stock-Hongjie Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	25	1,703	0.01%	1,703	Note 2
The Company	Stock-Taiji Energy Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	15	417	0.01%	417	Note 2
The Company	Stock-Guangyun Mechanical Engineering (Shares) Company	not	Financial assets measured at fair value through profit or loss - liquidity	240	6,096	0.10%	6,096	Note 2
The Company	Stock-Koyo Applied Materials Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	100	3,205	0.02%	3,205	Note 2
The Company	Shares - China Iron and Steel (Shares) Corporation	not	Financial assets measured at fair value through profit or loss - liquidity	300	8,940	0.00%	8,940	Note 2
The Company	Stock-Jilin Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	50	3,010	0.05%	3,010	Note 2
The Company	Stocks-Guoding Biotechnology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	53	9,079	0.04%	9,079	Note 2

The Company	Shares - Hebang Electronics (shares) Company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	336	1,524	3.86%	1,524	Notes 3, 5
The Company	Shares - Beast State (shares) company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	396	14,668	2.44%	14,668	Note 4
Eternal Life Business (Shares) Company	Shares - British Cayman Islands Commercial Nano (Shares) Company	not	Financial assets measured at fair value through profit or loss - liquidity	25	396	0.02%	396	Note 3
Eternal Life Business (Shares) Company	Shares - Beast State (shares) company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	396	14,668	2.44%	14,668	Note 4

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: The market price is calculated based on the closing price of the Taiwan Stock Exchange or the over-the-counter trading center on December 31, 111.

Note 3: The underlying stock held by the Company is a private placement stock, and the market price is calculated based on the closing price of the over-the-counter trading center on December 31, 111 and taking into account liquidity factors.

Note 4: The fair value of the unactive market public quotation of the subject held by the company as of December 31, 111 was calculated using evaluation technology.

Note 5: The company passed the capital reduction to make up for the loss through the ordinary meeting of shareholders on June 16, 111, and the base date for capital reduction was set as December 28, 111, and the capital reduction ratio was 84.79%.



Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Information about the investee company

December 31, 111 of the Republic of China

Schedule IV

Unit: Thousand

shares/New Taiwan dollar Thousand Dollars

The name of the investment company	Be invested Company name	location region	Main business project	Original investment amount		Hold at the end of the period			The investee company's profit or loss for the current period	Investment (loss) profit and loss recognized in the current period	remark
				This issue Final	Previous issue Final	Number of shares	ratio	Book amount			
The Company	Tianpin International (shares) company	New Taipei City	Funeral facilities Business business	\$ 452,834	\$ 452,834	40,941	99.85%	\$ 429,938	\$ 10,796	\$ 10,173	
The Company	Eternal Life Business (Shares) Company	New Taipei City	Funeral etiquette serve	18,620	18,620	2,000	66.67%	17,997	1,115	743	
The Company	Play Tai (shares) company	New Taipei City	Toy manufacturing and other plastic products manufacturing, etc	3,000	3,000	300	13.04%	572	(9,519)	(1,241)	
The Company	Tianyi Aluminum (shares) firm	Changhua County	Aluminum production and sales business	24,000	—	2,400	80.00%	21,272	(3,410)	(2,728)	

Tianpin International (shares) company	Eternal Life Business (Shares) Company	New Taipei City	Funeral etiquette serve	10,000	10,000	1,000	33.33%	8,997	1,115	372	
---	---	--------------------	----------------------------	--------	--------	-------	--------	-------	-------	-----	--

Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Information on major shareholders  
December 31, 111 of the Republic of China

Schedule V

share		
Name of the major shareholder	Number of shares held	Shareholding ratio
FX Investment Co., Ltd	33,487,829	54.22%
Jely International Investment Co., Ltd	4,359,841	7.05%

Note 1: The information on major shareholders in this table is calculated by CHEP on the last business day at the end of each quarter, with shareholders holding more than 5% of the company's ordinary shares and special shares (including treasury shares) that have been delivered without physical registration. As for the share capital recorded in the company's financial report and the number of shares actually completed by the company without physical registration, there may be differences depending on the basis of the preparation and calculation.

Note 2: If the above information is a shareholder who delivers the shares to the trust, it is revealed by the individual sub-accounts of the settlor who opened a special trust account by the trustee. As for shareholders who declare their shareholding of more than 10% of the shares held by shareholders in accordance with the Securities Exchange Act, including their own shareholdings plus their shares handed over to the trust and have the right to use the trust property, please refer to the Public Information Observatory for information on insider equity declarations.

Tianpin United Enterprise Co., Ltd. and its subsidiaries  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Business relationships between parent and subsidiary companies and important transactions

December 31, 111 of the Republic of China

Schedule VI Unit: NT\$100

numbering (Note 1)	Name of the trader	D e a l i n g s o b j e c t	Relationship with the trader (Note 2 ) .	T r a n s a c t i o n s			
				s u b j e c t s	a m o u n t ( N o t e 4 )	Trading conditions	Ratio to total consolidated revenue or total assets (Note 3).
0	The Company	Tianpin International (shares) company	1	Rental income	144	It was agreed by both parties	0.11%
				Commission income	24,731	It was agreed by both parties	18.93%
				Other income	326	It was agreed by both parties	0.25%
				accounts receivable	4,950	It was agreed by both parties	0.54%
				Other receivables	14	It was agreed by both parties	0.00%
				Deposit a margin	213	It was agreed by both parties	0.02%
		Eternal Life Business (Shares) Company	1	Commission payouts	3,484	It was agreed by both parties	2.67%
				Other payables	3,700	It was agreed by both parties	0.41%
		Tianyi Aluminum (shares) Company	1	Other receivables	30,044	It was agreed by both parties	3.30%
Interest income	212			It was agreed by both parties	0.16%		
1	Tianpin International (shares) company	Eternal Life Business (Shares) Company	3	Sales revenue	295	It was agreed by both parties	0.23%

			accounts receivable	34	It was agreed by both parties	0.00%
--	--	--	---------------------	----	-------------------------------	-------

Note 1: The business transactions between the parent company and its subsidiaries should be indicated in the number column respectively, and the number should be filled in as follows:

1. Fill in 0 for the parent company.
2. Subsidiaries are numbered sequentially starting with the Arabic numeral 1 according to the company.

Note 2: There are three types of relationships with traders, and the types of marks can be indicated:

1. Parent to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The transaction amount to the consolidated total revenue or total assets ratio, if it is an asset-liability account, the closing balance is calculated in the form of consolidated total assets; In the case of profit and loss accounts, the cumulative amount is calculated as a percentage of consolidated total revenue.

NOTE 4: Written off at the time of preparation of the consolidated statements.

Note 5: The transaction has not been reviewed by the accountant.

Stock code: 6199

TienPin United Enterprise Co., Ltd

(formerly known as: TienPin Investment Holdings Co., Ltd.)

Individual financial report and accountant's audit report

The 111th and 110th years of the Republic of China

Address: 8th floor, No. 141, Zhongshan Road, Zhongli District, Taoyuan City

Phone: (03) 275-6356

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Directory of individual financial reports

<u>p</u> <u>r</u> <u>o</u> <u>j</u> <u>e</u> <u>c</u> <u>t</u>	<u>P</u> <u>a</u> <u>g</u> <u>e</u>
1. Covering	—
II. Table of Contents	—
3. Accountant audit report	—
4. Individual balance sheets	1
5. Individual comprehensive income statement	2
6. Table of changes in individual equity and interests	3
7. Individual cash flow statement	4
8. Notes to individual financial statements	
(1) Company history	5
(2) The date and procedure for the adoption of the financial report	5
(3) Application of newly issued and revised guidelines and interpretations	6~9
(4) Summary and explanation of major accounting policies	9~23
(5) Major sources of uncertainty in material accounting judgments, estimates and assumptions	23~25
(6) Description of important accounting items	25~42
(7) Related person transactions	42~44
(8) Assets pledged as pledged	44
(9) Significant contingent liabilities and unrecognized contractual commitments	44
(10) Major disaster losses	44
(11) Major post-period matters	44
(12) Others	45
(13) Matters disclosed in notes	
1. Information related to major transactions	45
2. Information related to the transfer of investment business	45

3. Mainland investment information	45
4. Information on major shareholders	45
(14) Departmental information	45
9. Detailed table of important accounting items	52~63



TienPin United Enterprise CO., LTD  
(formerly known as: TienPin Investment Holding Co., Ltd.)

Accountant audit report

Board of Directors of TienPin United Enterprise Co., LTD. Gongjian:

**Check opinions**

The individual balance sheet of TienPin United Enterprise CO., LTD. as of December 31, 111 and 110, and the individual comprehensive profit and loss statement, statement of changes in individual equity, individual cash flow statement, and notes to the financial statements (including summary of major accounting policies) for the period from January 1 to December 31, 111 and 110 of the Republic of China have been reviewed by this accountant.

In the opinion of this accountant, the individual financial statements of the Shanghai Open are prepared in all material respects in accordance with the standards for the preparation of financial reports of securities issuers, which are sufficient to express the individual financial position of TienPin United Enterprise CO., LTD. as at December 31, 111 and 110 of the Republic of China Individual financial performance and individual cash flows from January 1 to December 31.

**Basis for checking opinions**

The accountant performs the audit in accordance with the rules for the audit of visa financial statements and auditing standards by accountants. The accountant's responsibilities under these standards are further explained in the section on the accountant's responsibility to audit individual financial statements. The personnel of the firm under the accounting firm who are subject to the independence standard have maintained a detached independence from TienPin United Enterprise CO., LTD. in accordance with the professional ethics of accountants, and have performed other responsibilities of the code. The accountant believes that sufficient and appropriate evidence has been obtained as a basis for expressing

an opinion on the audit.

### **Key checkpoints**

The key audit matters refer to the most important matters in the examination of the 111 individual financial statements of TienPin United Enterprise CO., LTD. in the Republic of China according to the professional judgment of the accountant. These matters have been dealt with in the process of reviewing the individual financial statements as a whole and forming an audit opinion, and the Accountant does not express an opinion on these matters alone.

The key audit matters of the 111th annual individual financial statements of TienPin United Enterprise CO., LTD. are described as follows:

#### Assessment of whether the investment real estate has signs of impairment

The carrying amount of investment immovable property of TienPin United Enterprise CO., LTD. at the date of the individual financial statements was \$133,102 thousand, accounting for the total individual assets 1.7%, in accordance with IAS Bulletin No. 36 "Impairment of Assets", management should assess whether the recoverable amount of an investment real estate property is less than the carrying amount when the asset shows signs of impairment.

As mentioned in Note 6(6), management has assessed the recoverable amount of the said investment properties according to the cost model and has regularly assessed the aforementioned investment properties on a quarterly basis for signs of impairment and is required to perform impairment tests. Because assessing whether the above-mentioned investment real estate shows signs of impairment involves the subjective judgment of management and has a high degree of uncertainty in the estimation. This is because the valuation of the investment real estate of Tianpin Joint Enterprise Co., Ltd. is considered as a key inspection matter.

For the estimation of uncertainties and related disclosures of accounting policies, accounting estimates and assumptions relating to the valuation of impairment of investment real estate, please refer to Notes 4, 5 and 6 (6) to the individual financial statements.

The accountant has carried out the following main audit procedures for the above asset impairment assessment:

1. Obtain the asset impairment assessment report of TienPin United Enterprise CO., LTD., inquire about the internal information and external information of the management assessment of the aforementioned investment real estate, whether it considers the

recent operating results, historical trends and industry overview, etc., and update it in a timely manner.

2. Inquire whether the present value of the land announcement of the above-mentioned investment real estate has dropped significantly.

#### **The responsibility of management and governance units for individual financial statements**

Management's responsibility is to prepare properly expressed individual financial statements in accordance with the financial reporting standards of securities issuers and to maintain the necessary internal controls in relation to the preparation of individual financial statements to ensure that there are no material misrepresentations in the individual financial statements that result from fraud or error.

In preparing individual financial statements, management's responsibilities also include assessing the ability of Tianpin Joint Enterprise Co., Ltd. to continue operating, disclosing relevant matters, and adopting the accounting basis for continued operation, unless the management intends to liquidate Tianpin Joint Enterprise Co., Ltd. or cease business. or there is no practicable alternative to liquidation or cessation of business.

The governance unit (including the audit committee) of TienPin United Enterprise CO., LTD. is responsible for supervising the financial reporting process.

#### **The responsibility of an accountant to audit an individual's financial statements**

The purpose of the accountant's examination of the individual financial statements is to obtain reasonable confidence as to whether the individual financial statements as a whole are materially false statements caused by fraud or errors, and to issue an audit report. A reasonable assurance is a high degree of assurance that an audit carried out in accordance with auditing standards cannot guarantee that material misrepresentations in an individual's financial statements will be detected. Misrepresentation may result from fraud or error. Individual amounts or aggregated figures that are not misrepresented are considered material if they can reasonably be expected to affect the economic decisions made by users of individual financial statements.

The accountant uses professional judgment and professional suspicion in conducting audits in accordance with auditing standards. The Accountant also performs the following duties:

1. Identify and assess the risk of material misrepresentation of individual financial statements due to fraud or error; Design and implement appropriate response measures to the assessed risks; and obtain sufficient and appropriate evidence to serve as the basis for the audit opinion. Since fraud may involve collusion, forgery, willful omission, misrepresentation or overstepping of internal controls, the risk of not detecting material misrepresentations caused by fraud is higher than that caused by errors.
2. Obtain the necessary understanding of the internal control related to the audit, so as to design the appropriate audit procedure under the current circumstances, but the purpose is not to express opinions on the effectiveness of the internal control of Tianpin Joint Enterprise Co., Ltd.
3. Evaluate the appropriateness of the accounting policies adopted by management and the reasonableness of the accounting estimates and related disclosures.
4. Based on the audit evidence obtained, conclude whether there are significant uncertainties about the appropriateness of management's adoption of the accounting basis for continuing operations, and whether there are significant doubts about the events or circumstances that may give rise to major doubts about the ability of Tianpin Joint Enterprise Co., Ltd. to continue operating. If the accountant considers that there is material uncertainty in such events or circumstances, he or she shall remind the user of the individual financial statements of the relevant disclosures in the audit report or amend the audit opinion when such disclosure is inappropriate. The accountant's conclusion is based on the audit evidence obtained as at the date of the audit report. However, future events or circumstances may cause Tianpin Joint Enterprise Co., Ltd. to no longer have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of the individual financial statements (including the relevant notes) and whether the individual financial statements allow the relevant transactions and events to be expressed.
6. Obtain sufficient and appropriate verification evidence for the financial information of the constituent individuals in Tianpin Joint Enterprise Co., Ltd. to express opinions on the financial statements of the individuals. The accountant is responsible for the guidance, supervision and execution of the audit case, and is responsible for forming the audit opinion of TienPin

United Enterprise CO., LTD.

The matters communicated between the accountant and the governance unit, including the scope and timing of the planned audit, and the findings of the major audit (including significant deficiencies in internal control identified during the audit).

The accountant also provides the governance unit with the statement of independence of the independent personnel of the firm under the professional code of ethics of accountants, and communicates with the governance unit all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of the accountant.

From the matters communicated with the governance unit, the accountant decided the key audit matters for the audit of the 111 annual financial statements of the Republic of China of TienPin United Enterprise CO., LTD. The accountant sets out such matters in the audit report, unless the law does not permit the public disclosure of the specific matter, or in rare cases, the accountant decides not to disclose the specific matter in the audit report because it can reasonably be expected that the negative impact of such communication will outweigh the public interest promoted.

CROWE

Taipei, Taiwan (Republic of China)

March 16, 2023

TienPin United Enterprise CO., LTD  
(formerly known as: Tianpin Investment Holdings Co.,Ltd.)

Individual balance sheets

December 31,2022 and 2021

Unit: New Taiwan dollar thousand

code	asset	December 31, 2022		December 31, 2021	
		amount	%	amount	%
11xx	liquid asset				
1100	Cash and cash equivalent (Notes 4 and 6)	\$ 22,834	3	\$ 31,546	4
	Financial Assets Measured at Fair				
1110	Value by Profit and Loss – Liquidity (Note 4 and 6)	112,885	14	129,055	16
1170	Accounts Receivable - Non-Related Persons (Notes 4 and 6)	600	—	600	—
1180	Accounts Receivable - Related Persons (Notes 4, 6 and 7)	4,950	1	4,551	1
1200	Other receivables	—	—	1	—
1210	Other receivables - related persons (Note 7)	30,058	4	821	—
1410	Advance payment	982	—	2,024	—
1470	Other liquid assets	119	—	—	—
1476	Other Financial Assets - Currents (Notes 6 and 8)	800	—	—	—
11xx	Total current assets	173,228	22	168,598	21
15xx	Non-current assets				
1517	Financial assets at fair value through other comprehensive gains and losses - non-current (Note 4 and 6)	16,192	2	40,029	5
1550	Investments using the equity method (Notes 4 and 6)	469,779	58	451,064	56
1600	Real Estate, Plant and Equipment (Note 4 and 6)	1,365	—	804	—
1755	Right-of-use assets (Note 4 and 6)	3,441	1	5,549	1
1760	Investment Real Estate (Notes 4 and 6)	133,102	17	138,219	17
1920	Deposit the deposit	1,600	—	2,470	—
15xx	Total non-current assets	625,479	78	638,135	79
	Total assets	\$ 798,707	100 %	\$ 806,733	100

code	Liabilities and Equity	December 31, 2022		December 31, 2021	
		amount	%	amount	%
21xx	Current liabilities				
2102	Bank borrowings (Note 6 & 8)	\$ 30,000	4	\$ —	—
2219	Other payables (Note 6)	6,504	1	7,128	1
2220	Other payables - related persons (Note 7)	3,484	—	—	—
2230	Current income tax liabilities (Notes 4 and 6)	1,766	—	2,502	—
2250	Liabilities Provision - Current (Notes 4 and 6)	321	—	188	—
2280	Lease Liabilities - Current (Notes 4 and 6)	2,013	—	2,341	—
2399	Other current liabilities	268	—	127	—
21xx	Total current liabilities	44,356	5	12,286	1
25xx	Non-current liabilities				
2580	Lease liabilities - non-current (Notes 4 and 6)	1,343	—	3,293	—
2570	Deferred tax liabilities - non-current (Remarks 4 and 6)	54	—	—	—
2645	Access Deposit (Note 7)	3,513	1	3,513	1
25xx	Total non-current liabilities	4,910	1	6,806	1
2xxx	Total liability	49,266	6	19,092	2
31xx	Interests vested in the owners of the parent company (Note 6)				
3110	Common share capital	617,600	77	617,600	77
3200	Capital reserve	684	—	684	—
3310	Statutory surplus reserve	18,741	2	14,957	2
3320	Special surplus reserve	—	—	3,390	—
3350	Undistributed surplus	136,353	17	138,878	17
	Unrealized unrealized gain or loss on financial assets				
3420	measured at fair value through other comprehensive gains	(23,937)	(2)	12,132	2
	and losses				
31xx	Total benefits	749,441	94	787,641	98
	Total liabilities and equity	\$ 798,707	100 \$	\$ 806,733	100

## TienPin United Enterprise CO., LTD

(formerly known as: TienPin Investment Holdings Co., Ltd.)

## Individual consolidated income statement

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

code	project	2022		2021	
		amount	%	amount	%
4000	Net operating income (Note 4, 6 and 7)	\$ 40,686	100	\$ 43,565	100
5000	Operating costs (Note 6)	(5,117)	(13)	(4,629)	(11)
5900	Operating margin	35,569	87	38,936	89
6000	Operating expenses (Note 6 and 7)				
6100	Promotional expenses	(13,802)	(34)	(11,132)	(27)
6200	Management fees	(16,117)	(39)	(15,240)	(35)
	Expected credit impairment (loss)				
6450	benefit	—	—	(114)	—
6000	Total operating expenses	(29,919)	(73)	(26,486)	(62)
6900	Operating net profit	5,650	14	12,450	27
7000	Non-operating income and expenses				
7010	Other income (Note 6)	3,078	8	2,659	6
	Other benefits and losses (Notes 6				
7020	and 7)	(15,599)	(38)	33,671	77
7050	Financial costs	(387)	(1)	(158)	—
	Shares of subsidiaries and affiliates				
7070	recognized using the equity method	6,947	17	(3,591)	(8)
	Total non-operating income and				
7000	expenses	(5,961)	(14)	32,581	75
7900	Continued segment pre-tax net income	(311)	—	45,031	102
7950	Income tax expense (Note 4 and 6)	(1,820)	(4)	(3,121)	(7)
8200	Net profit for the current period	\$ (2,131)	(4) \$	41,910	95
8300	Other comprehensive gains and losses				
8310	Items not reclassified to profit or loss:				
	Unrealized evaluation gains or losses				
	on investments in equity instruments				
	measured at fair value through other	\$ (23,837)	(60) \$	7,448	17
8316	comprehensive gains and losses				
	The share of other comprehensive				
8330	gains and losses of subsidiaries,	(12,232)	(28)	8,074	19



	affiliates and joint ventures recognized			
	using the equity method			
	Other comprehensive profit and loss		<u>15,522</u> <u>36</u>	
	Total consolidated profit and loss for			
8500	the period		<u>\$ (38,200) (92)</u> <u>\$ 57,432</u> <u>131</u>	
9750	Earnings per share (RMB) (Note 6)			
	Basic earnings per share		<u>\$ (0.03)</u> <u>\$ 0.68</u>	
	Diluted earnings per share		<u>\$ (0.03)</u> <u>\$ 0.68</u>	

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Individual Rights Change Table

January 1 to December 31, 2022 and 2021

Unit: New Taiwan

dollar thousand

code project	share capital	Capital reserve	Retain surplus				Undistributed surplus	Unrealized unrealized gain or loss on financial assets measured at fair value through other comprehensive gains and losses	total
			Statutory surplus reserve	Special surplus reserve					
A1 Balance of January 1, 2021 of the Republic of China	\$ 617,600	\$ 684	\$ 12,092	\$ 14,956,679	\$ 1,324	\$ 2,065,837	\$ 105,967	\$ (3,390)	\$ 734,277
B1 Provision of statutory surplus reserves	—	—	2,865	—	—	—	(2,865)	—	—
B3 Special surplus reserve is mentioned	—	—	—	—	2,066	1,324,387	(2,066)	—	—
Net profit after tax in the 110th year of the Republic of China	—	—	—	—	—	—	41,910	—	41,910
D1 The total amount of other comprehensive profit and loss in the 110th year of the Republic of China	—	—	—	—	—	—	—	11,467	11,467
M7 Change in ownership interest in a subsidiary	—	—	—	—	—	—	(13)	—	(13)

	Dispose of equity instruments measured at fair value	—	—	—	—	—	(4,055)	4,055	—	
Q1	through other comprehensive gains and losses									
	Balance of December 31, 2021 of the Republic of									
Z1	China	\$ 617,600	\$ 684	14,957	14,956,679	\$ 3,390	3,390,224	\$ 138,878	\$ 12,132	787,641
	Allocation and distribution of the 110th annual surplus of the									
—	Republic of China:									
B1	Provision of statutory surplus reserves	—	—	3,784	—	—	—	(3,784)	—	—
B3	Special surplus reserve is mentioned	—	—	—	—	(3,390)	—	3,390	—	—
	Net profit after tax in the 111th year of the Republic									
D1	of China	—	—	—	—	—	—	(2,131)	—	(2,131)
	The total amount of other comprehensive profits and									
D3	losses in the 111th year of the Republic of China	—	—	—	—	—	—	—	(36,069)	(36,069)
	Balance of December 31, 2022 of the Republic of									
Z1	China	\$ 617,600	\$ 684	18,741	17,575,335	\$ —	3,281,735	\$ 136,353	\$ (23,937)	749,441

TienPin United Enterprise CO., LTD  
(formerly known as: TienPin Investment Holding Co., Ltd)

Individual cash flow statement

January 1 to December 31, 2022 and 2021

Unit: New Taiwan dollar thousand

code	project	2022	2021
AAAA	Cash flow from operating activities:		
A10000	Net profit before tax for the year	\$ (311)	\$ 45,031
A20000	Adjustment items :		
A20010	Income and loss accounts that do not affect cash flow:		
A20100	Depreciation expense	7,972	7,277
A20400	Net gain or loss on financial assets measured at fair value through profit or loss	16,367	(33,239)
A20900	Interest expense	387	158
A21200	Interest income	(320)	(316)
A21300	Dividend income	(2,758)	(2,343)
A22300	Shares of subsidiaries and affiliates recognized using the equity method	(6,947)	3,591
A30000	Changes in assets/liabilities related to business activities		
A31115	Financial assets measured at fair value through profit and loss – liquidity	(197)	9,430
A31150	Accounts receivable – non-related persons	—	114
A31160	Accounts receivable - related persons	(399)	1,539
A31180	Other receivables	1	19
A31190	Other receivables - related persons	807	—
A31200	stocks	—	(821)
A31230	Advance payment	1,042	9,416
A31240	Other liquid assets	(119)	—
A32180	Other payables	(624)	1,599
A32190	Other payables - related persons	3,484	—
A32200	Debt Reserve - Current	133	(61)
A32230	Other current liabilities	141	9
A33000	Cash inflow (outflow) generated by operations	18,659	41,403
A33100	Interest is charged	108	338
A33200	Receiving dividends	2,758	2,343
A33300	Pay interest	(387)	(158)
A33500	Pay income tax	(2,502)	(618)
AAAA	Net cash inflow (outflow) from operating activities	18,636	43,308
BBBB	Cash flow from investing activities:		
	Acquire financial assets measured at fair value through other comprehensive gains		
B00010	and losses	—	(23,400)

Dispose of financial assets measured at fair value through other comprehensive

B00020	gains and losses	—	841
B01800	Obtaining investments using the equity method	(24,000)	(113,000)
B02700	Acquisition of real estate, plant and equipment prices	(950)	(306)
B03700	Deposit margin is reduced	870	6
B04300	Other receivables - related persons	(30,000)	—
B05400	Acquisition of investment real estate	—	(12,795)
B06500	Other financial assets increased	(800)	—
B07500	Interest is charged	168	—
		<hr/>	<hr/>
BBBB	Net cash outflow from investing activities	(54,712)	(148,654)
		<hr/>	<hr/>
CCCC	Cash flow from fund-raising activities:		
C00100	Bank borrowing increased	30,000	—
C04020	Repayment of lease principal	(2,636)	(2,449)
		<hr/>	<hr/>
CCCC	Net cash inflow (outflow) from financing activities	27,364	(2,449)
		<hr/>	<hr/>
EEEE	Cash for the period and approximate cash increase or decrease	(8,712)	(107,795)
E00100	Cash at the beginning and cash balances at the beginning	31,546	139,341
		<hr/>	<hr/>
E00200	Cash at the end of the period and approximate cash balances	\$ 22,834	\$ 31,546
		<hr/>	<hr/>

TienPin United Enterprise Co., Ltd

(formerly known as: TienPin Investment Holdings Co., Ltd.)

Notes to individual financial statements

December 31, 111 and 110

(Unless otherwise specified, all amounts are in NTD thousand).

1. Company history

Tianpin United Enterprise Co., Ltd. (hereinafter referred to as the Company) was established on April 3, 82 of the Republic of China in accordance with the provisions of the Company Law and relevant laws and regulations, and the company's shares have been traded on the counter of the Republic of China Securities Over-the-counter Trading Center (hereinafter referred to as the OTC Buying Center) since November 4, 91, changed to over-the-counter trading management stocks since June 27, 102, and changed to general over-the-counter trading stocks since October 7, 105.

The company changed its name from the former Jingwei Technology Co., Ltd. to Tianpin United Enterprise Co., Ltd. on June 16, 104, and obtained the approval of the Ministry of Economic Affairs on July 2, 104 and completed the relevant change registration.

On June 17, 111, the company changed its name by the resolution of the ordinary meeting of shareholders of the Republic of China, and the original Tianpin United Enterprise Co., Ltd. was renamed Tianpin Investment Holding Co., Ltd., and obtained the approval of the Ministry of Economic Affairs on July 20, 111 of the Republic of China and completed the relevant change registration.

On October 18, 111, the company changed its name by the resolution of the extraordinary meeting of shareholders to change its name from the former Tianpin Investment Holdings Co., Ltd. to Tianpin United Enterprise Co., Ltd., and obtained the approval of the Ministry of Economic Affairs on November 10, 111 of the Republic of China and completed the relevant change registration.

The company's original main business was computer peripherals, adapters

and storage systems, hard disk drives and card readers and other research and development, design, production, assembly, testing, manufacturing and trading business, since the Republic of China 101 new leasing business.

This individual financial report is expressed in the Company's functional currency, New Taiwan Dollar.

2. Date and procedure for the adoption of the financial report

The Company's individual financial report was released after being approved by the Board of Directors on March 16, 112.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

3. Application of newly issued and revised guidelines and interpretations

(1) the impact of adopting International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations ("IFRSs") recognized and issued in force by the Financial Supervisory Commission ("FSRC").

The following table summarizes the newly issued, amended and revised standards and interpretations of the IFRS approved by the FSC for the 111 years applicable to the Republic of China:

New Releases/Amendments/Amendments to	Effective date of IASB publication (Note 1).
Amendment to IAS 16 "Real Property, Plant and Equipment: Price Until Intended Use"	January 1, 2022 (Note 2).
Amendment to IAS 37 "Loss-making contracts - Cost of performance of contracts"	January 1, 2022 (Note 3).
IFRS 3 Amendment "References to Conceptual Architecture"	January 1, 2022 (Note 4).
IFRS Annual Improvements for 2018-2020	January 1, 2022 (Note 5).

NOTE 1 Unless otherwise indicated, the above newly issued/amended/revised guidelines or interpretations are effective during the annual reporting period commencing after each such date.

Note 2: Enterprises should apply such amendments retroactively, but only to items of real estate, plant and equipment that are in the necessary place and condition to meet management's expected mode of operation after the earliest period start date (1 January 2021) expressed in the financial statements for which the amendment was first applied.

NOTE 3: This amendment applies to contracts that have not fulfilled all obligations as at 1 January 2022.

Note 4: This amendment applies to business combinations that commence on or after January 1, 2022 during the annual reporting period.

Note 5: The amendments to IFRS 9 apply to the exchange of financial liabilities or changes to the terms of the annual reporting period commencing after January 1, 2022; The amendments to IAS 41 apply to fair value measures for annual reporting periods commencing after January 1, 2022; The amendments to IFRS 1 apply retroactively to annual reporting periods commencing after 1 January 2022.

1. Amendment to IAS 16 "Real Property, Plant and Equipment: Price Until Intended Use"

The amendment provides that the sales price of an item produced to bring the property, plant and equipment to the necessary place and



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

condition to meet management's intended mode of operation shall not be reduced as a deduction from the cost of the asset. The aforementioned output items shall be measured against IAS 2 "inventory" and the sales price and cost shall be recognized as profit or loss in accordance with applicable standards. In addition, the amendment clarifies that the cost of testing the proper functioning of an asset refers to the expenditure incurred in assessing whether the technical and physical properties of the asset are sufficient to enable it to be used for the production or provision of goods or services, rental to others or management purposes.

The amendment applies to plants, real estate and equipment that are necessary to reach the necessary place and condition for management's intended mode of operation after January 1, 2021 (the date of commencement of the earliest expression period). When the Company first applies the amendment, it will recognize the cumulative effect of the initial application of such amendment as an adjustment to the opening balance of the retained surplus (or other component of the interest, if appropriate, as appropriate) at the commencement date of the earliest expression period and recompile the information for the comparison period.

2. Amendment to IAS 37 "Loss-making Contracts - Cost of Performance of Contracts"

The amendment provides that in assessing whether a contract is loss-making, the "cost of performance" should include the allocation of incremental costs (e.g. direct labour and raw materials) and other costs directly related to the performance of the contract (e.g. apportionment of depreciation costs for immovable property, plant and equipment items used in the performance of the contract).

3. IFRS 3 Amendment "Quotation to Conceptual Architecture"

The amendment updates the reference to the conceptual framework

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

and adds that the acquirer should apply IFRIC 21 "Public Tax" to determine whether there is an obligation to pay liabilities on the date of acquisition.

4. IFRS 2018-2020 Annual Improvement

IFRS improvements for 2018-2020 include amendments to a number of standards, of which the amendment to IFRS 9 should only include fees collected between borrowers and lenders when comparing the discounted cash flow value of the terms of the old and new contracts (including the net fees charged for entering into new contracts or amending contracts) to assess whether there is a material difference between the exchange or modification of financial liabilities.

The Company has assessed that the above standards and interpretations have no material impact on the financial position and financial performance of the Company.

(b) the impact of the adoption of the revised financial reporting standards for securities issuers and the newly issued and amended IFRS approved by the FSC:

The following table summarizes the newly issued, amended and revised standards and interpretations of the IFRS 112 approved by the FSC:

<u>New Releases/Amendments/Amendments to Guidelines and Interpretations</u>	<u>Effective date of IASB</u>
IAS 1 Amendment "Disclosure of Accounting Policies"	January 1, 2023 (Note
Amendment to IAS 8 "Definition of Accounting Estimate"	January 1, 2023 (Note
Amendment to IAS 12 "Deferred Tax on Assets and Liabilities Arising	January 1, 2023 (Note 3).
NOTE 1: This amendment applies for annual reporting periods commencing after January 1, 2023.	
Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies that occurred during the reporting period beginning after January 1, 2023.	
Note 3: Unless otherwise specified in relation to temporary differences in relation to leases and decommissioning obligations, this amendment applies to transactions that occur after the start date of the earliest comparison period expressed (January 1, 2022).	

1. Amendments to IAS 1 "Disclosure of Accounting Policies"

This amendment clarifies that when the scale or nature of a transaction, other event or circumstance is material and the accounting

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

policy information associated therewith is also material for financial reporting purposes, such relevant material accounting policy information should be disclosed. Conversely, if an enterprise determines that the size or nature of a transaction, other event or circumstance is not material, or that the accounting policy information related to it is not material, it is not required to disclose such immaterial accounting policy information, provided that the conclusion that the accounting policy information is immaterial does not affect the relevant disclosures required by other IFRS standards.

2. IAS 8 as amended to "Definition of Accounting Estimates"

This amendment defines accounting estimates as monetary amounts in the financial statements that are affected by measurement uncertainties and provides further clarification that the effect of input values or measurement technology changes on accounting estimates is a change in accounting estimates, except for corrections due to prior-period errors.

3. IAS 12 amendment to "Deferred Tax on Assets and Liabilities Arising from a Single Transaction"

This amendment limits the recognition exemption for deferred tax liabilities and assets in paragraphs 15 and 24 of IAS 12. The aforesaid exemption does not apply if the taxable temporary difference arising from the original recognition of a single transaction is the same as the amount deductible for the temporary difference. When applying this amendment for the first time, an enterprise should recognize deferred income tax on all temporary differences relating to leases and decommissioning obligations at the beginning date of the earliest comparison period expressed, and recognize the cumulative impact as an adjustment to the initial balance of retained earnings (or other components of interests, if appropriate) on that date.

As of the date of the Company's financial report, the Company continues to assess the impact of the above standards and interpretations on the Company's financial position and financial performance, and the

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

relevant effects will be disclosed upon completion of the assessment.

(3) Impact of IFRS published by the IASB but not yet endorsed by the FSC:

The following table summarizes the newly issued, amended and revised standards and interpretations issued by the IASB that have not yet been incorporated into IFRS endorsed by the FSC:

## Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

### (continued)

<u>New Releases/Amendments/Amendments to</u>	<u>Effective date of IASB publication (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets Between Investors and Their Affiliates or Joint Ventures"	Undecided
IFRS 17 "Insurance Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
The amendment to IAS 1 "Classification of liabilities as current	January 1, 2023 (Note).
..	
Amendment to IAS 1 "Non-current liabilities with contractual	January 1, 2024
..	
IFRS 16 Amended Lease Liabilities in Sale and Leaseback"	January 1, 2024

Note: The IASB is currently preliminarily determined to extend the effective date of this amendment beyond 1 January 2024.

As of the date of this individual financial report, the Company continues to assess the impact of the above standards and interpretations on the Company's financial condition and financial performance, and the relevant effects will be disclosed upon completion of the assessment.

#### 4. Summary of major accounting policies

A summary of the Company's material accounting policies is as follows:

##### (1) Follow the statement

This individual financial report is prepared in accordance with the standards for the preparation of financial reports by securities issuers.

##### (2) Preparation basis

Except for financial instruments measured at fair value, this financial statement has been prepared on a historical cost basis. Historical cost is usually determined by the fair value of the consideration paid to acquire the asset.

When preparing individual financial reports, the Company adopts the equity method for investment subsidiaries. In order to make the profit and loss, other comprehensive profit and loss and equity of the individual financial report for the year the same as the profit or loss, other comprehensive profit or loss and equity attributable to the owners of the Company in the Company's consolidated financial statements, certain

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

accounting differences under the individual basis and the consolidated basis are adjusted for "investments using the equity method", "profit and loss share of subsidiaries recognized using the equity method" and "other comprehensive profit and loss share of subsidiaries recognized using the equity method".

Historical cost is usually determined by the fair value of the consideration paid to acquire the asset.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(3) Criteria for distinguishing between current and non-current assets and liabilities

Assets are classified as current assets if they meet one of the following conditions:

1. The asset is expected to be realized in the normal course of business, or intends to sell or consume it.
2. Holders mainly for trading purposes.
3. Expected to be realized within twelve months after the balance sheet date.
4. Cash or approximately cash, except where it is exchanged, liquidated or otherwise restricted for more than twelve months after the balance sheet date.

The Company classifies all assets that do not meet the above conditions as non-current.

Liabilities are classified as current liabilities if they meet one of the following conditions:

1. Those who are expected to be liquidated in the normal business cycle.
2. Holders mainly for trading purposes.
3. A person that is payable within 12 months after the balance sheet date (even if a long-term refinancing or rescheduling payment agreement has been completed after the balance sheet date and before the issuance of financial reports, it is still a current liability).
4. The liquidation period cannot be extended unconditionally to at least twelve months after the balance sheet date. The terms of liabilities may, at the option of the counterparty, be settled by the issuance of equity instruments without affecting their classification.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

The Company classifies all liabilities that do not meet the above conditions as non-current.

(4) Enterprise mergers

Business combinations are handled by the acquisition method. Acquisition-related costs are shown as expenses in the period in which costs are incurred and services are acquired.

Goodwill is measured by the fair value of the transfer consideration, the amount of the acquiree's non-controlling interest and the fair value of the acquiree's prior interests held by the acquirer at the date of acquisition, exceeding the net identifiable assets acquired and the liabilities assumed at the date of acquisition. If, after reassessment, the net identifiable assets and liabilities acquired at the date of acquisition still exceed the total fair value of the transfer consideration, the acquiree's non-controlling interest and the acquiree's prior interests held by the acquirer at the date of acquisition, the difference is a cheap purchase interest and is immediately recognized as a gain or loss.

(5) Foreign currency

When preparing individual financial reports, traders who use currencies (foreign currencies) other than the company's functional currency are converted into functional currency records based on the exchange rate on the trading day. At each balance sheet date, foreign currency monetary items are converted at the closing exchange rate. Non-monetary items in foreign currencies measured at fair value are converted at the exchange rate on the date of the fair value determination. Non-monetary items in foreign currencies measured at historical cost are converted at the exchange rate on the trading date and will not be re-converted.



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

Except for the following items, exchange differences arising from the delivery of monetary items or conversion monetary items are recognized in profit or loss in the period in which they are incurred.

1. The difference in exchange arising from foreign currency borrowings related to assets under construction for future production and use shall be included in the cost of foreign currency borrowings if it is an adjustment of interest costs on foreign currency borrowings;
2. Exchange difference arising from hedging transactions to avoid part of the exchange rate risk; and
3. For monetary items receivable or payable to foreign operators, the settlement of which is neither currently planned nor likely to occur in the foreseeable future (and therefore constitutes part of the net investment in the foreign operator), the difference in exchange is originally recognized as other comprehensive gains and losses, and when the net investment is disposed of, it is reclassified from equity to profit or loss.

Foreign currency non-monetary assets or liabilities (e.g. equity instruments) measured at fair value are shown as profit or loss for the period as a difference in exchange due to adjustments in spot exchange rates at the balance sheet date, except that if the change in fair value is recognized in other comprehensive gains or losses, the resulting difference in exchange is shown in other comprehensive gains or losses.

(6) Cash in the contract

Approximately cash is a short-term and highly liquid investment that can be converted into fixed amount cash at any time with little change in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized on the balance sheet when the Company becomes a party to the contractual terms

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

of the instrument.

Financial assets

The customary transaction of financial assets is based on the accounting recognition and exclusion of the transaction date. A customary transaction is the purchase or sale of a financial asset whose delivery period is within the period prescribed by statute or market practice.

The types of financial assets held by the Company are as follows:

1. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatory to be measured at fair value through profit or loss and designated as fair value through profit or loss. Financial assets that are mandatory to be measured at fair value through profit or loss include investments in equity instruments that the Company has not designated to be measured at fair value through other comprehensive gains and losses, and investments in debt instruments that do not qualify as measured at amortized cost or at fair value through other comprehensive gains and losses. Financial assets are designated at fair value through profit or loss at the time of their original recognition if such designation eliminates or materially reduces measurement or recognition inconsistencies.

Financial assets measured at fair value through profit or loss are measured at fair value, and gains or losses arising from their remeasurement are recognized in profit or loss.

2. Financial assets measured at amortized cost

The Company's investment financial assets are classified as financial assets measured at amortized cost if they meet both of the following conditions:

- (1) is held under a business model whose purpose is to hold financial assets to receive contractual cash flows; and

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(2) The terms of the contract generate cash flows on a specific date, which are solely interest on the principal amount paid and the amount of the outstanding principal amount.

Financial assets measured at amortized cost after initial recognition are measured at amortized cost of the total carrying amount determined by the effective interest method less any impairment losses, and any foreign currency conversion gains or losses are recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of financial assets, except in the following two cases:

① Interest income on credit-impaired financial assets purchased or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

② For financial assets that are not purchased or initiated by credit impairment, but subsequently become credit impairment, interest income is calculated by multiplying the effective interest rate by the amortized cost of the financial assets.

3. Financial assets measured at fair value through other comprehensive gains and losses

Investments in equity instruments measured at fair value through other comprehensive gains and losses

At the time of the original recognition, the Company may make an irrevocable election to designate investments in equity instruments that are not held for trading and are not recognized as contingent consideration by the merger to be measured at fair value through other comprehensive gains and losses.

Investments in equity instruments measured at fair value through other comprehensive gains and losses are measured at fair value, and

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

subsequent changes in fair value are reported in other comprehensive gains and losses and accumulated in other equity. At the time of investment disposal, the accumulated profit and loss is directly transferred to the retained surplus and is not reclassified as profit or loss.

Dividends from investments in equity instruments measured at fair value through other comprehensive gains and losses are recognized in profit or loss when the Company's right to receive receipts is established, unless the dividend clearly represents the recovery of a portion of the cost of the investment.

The Company invests in the common shares of Hebang Electronics and the common shares of Beast State for medium- to long-term strategic purposes, and expects to make a profit through long-term investment. The management of the Company considers that the inclusion of short-term fair value fluctuations in such investments in profit or loss is inconsistent with the long-term investment plan described above, and therefore chooses to designate such investments as measured at fair value through other comprehensive gains and losses.

4. Impairment of financial assets

The Company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost, investments in debt instruments, leases receivable and contractual assets measured at fair value through other comprehensive gains and losses on an expected credit loss basis at each balance sheet date.

Accounts receivable and lease receivables are recognized as allowances based on expected credit losses over the life of existence. For other financial assets, it is assessed whether the credit risk has increased significantly since the original recognition, if not, a reserve loss is recognized based on the expected credit loss of 12

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

months, and if it has increased significantly, a provision loss is recognized based on the expected credit loss during the life period.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from the likely default of the Financial Instrument within 12 months from the date of reporting, and the expected credit loss during the existence period represents the expected credit loss arising from all possible defaults of the Financial Instrument during the expected existence.

Impairment losses on all financial assets are reduced by means of allowance accounts, except that allowance losses on investments in debt instruments measured at fair value through other comprehensive gains and losses are recognized in other comprehensive gains and losses and do not reduce their carrying amount.

5. Exclusion of financial assets

The Company will exclude financial assets under any of the following circumstances:

- (1) The rights of contracts derived from cash flows from financial assets lapse.
- (2) Transfer of contractual rights to receive cash flows of financial assets, and almost all risks and rewards of transferring ownership of financial assets.
- (3) Neither transfer nor retain ownership of financial assets for almost all of the risks and rewards, but no control over financial assets.

When financial assets as a whole are excluded at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When an investment in debt instruments measured at fair value through other comprehensive gains and losses is excluded, the difference between the carrying amount and the sum of any accrued gains or losses recognized in other

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

comprehensive gains or losses recognized in other comprehensive gains or losses is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive gains and losses are divested as a whole, the accumulated gains and losses are transferred directly to retained earnings and are not reclassified as gains and losses.

Financial liabilities

1. Follow-up measurement

All financial liabilities are measured at amortized cost using the effective interest method.

2. Divisive of financial liabilities

When financial liabilities are included, the difference between their carrying amount and the consideration paid (including any transferred non-cash assets or liabilities incurred) is recognized as profit or loss.

(8) Inventory

Inventories are recorded on a cost-based basis at the time of acquisition and are calculated using the weighted average method. Inventory is valued at the lower of cost and net realisation value, and when comparing cost and net realisation value, it is based on individual items except for inventory of the same category. Net realisation value is the balance of the estimated selling price under normal circumstances, less the cost of completion and selling expenses. Appropriate allowance losses have been made for sluggish and non-performing inventory, and sluggish and price loss are included as operating costs for the current period.

(9) Investments using the equity method

The Company adopts the equity method for its investments in

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

subsidiaries and affiliates.

1. Investment subsidiaries

A subsidiary means an individual over which the Company has control.

Under the equity method, investment subsidiaries are recognized at original cost, and the carrying amount obtained in the future is increased or decreased with the share of profit and loss and other comprehensive profit and loss and profit distribution enjoyed by the Company. In addition, the Company also recognizes changes in other interests of subsidiaries in proportion to its shareholding.

When the change in the Company's ownership interest in the subsidiary does not result in the loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity.

When control of a subsidiary is lost, the Company measures its remaining investments in the former subsidiary at the fair value of the loss of control, and the difference between the fair value of the remaining investments and the price of any disposition and the carrying amount of the investments at the date of loss of control is included in profit or loss for the period. In addition, all amounts recognized in other comprehensive profit or loss relating to the subsidiary are accounted for on the same basis as the Company's direct disposition of the underlying assets or liabilities.

Unrealized gains and losses on downstream transactions between the Company and its subsidiaries are eliminated in individual financial reports. Profits and losses arising from countercurrent and sidestream transactions between the Company and its subsidiaries are recognized in individual financial reports only to the extent

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

unrelated to the Company's interests in subsidiaries.

2. Investment in affiliated enterprises

An affiliate means a company over which the Company has significant influence but is not controlled or jointly controlled of which.

The Company adopts the equity method for investing in related enterprises. Under the equity method, investment related enterprises are recognized at original cost, and the carrying amount obtained in the future increases and decreases with the share of profits and losses and other comprehensive profits and losses and profit distributions enjoyed by the company. In addition, the Company also recognizes changes in the interests of related enterprises according to the shareholding ratio.

When an affiliated enterprise issues new shares, if the Company fails to subscribe according to the shareholding ratio, resulting in a change in the shareholding ratio, and the net equity value of the investment increases or decreases, the increase or decrease is adjusted to the capital reserve and the investment using the equity method. However, if the ownership interest in the affiliated enterprise is reduced due to the failure to subscribe for or acquire the shares in accordance with the proportion of shareholding, the amount recognized in other comprehensive profits and losses related to the related enterprise shall be reclassified according to the proportion of reduction, and the accounting treatment shall be based on the same basis that the related enterprise must follow if it directly disposes of the relevant assets or liabilities.

When assessing impairment, the Company treats the overall carrying amount (including goodwill) of the investment as a single asset compared with the recoverable amount and the carrying amount, and



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

conducts impairment tests, and the impairment loss recognized is also part of the carrying amount of the investment. Any reversal of the impairment loss shall be recognized to the extent that the recoverable amount of the investment is subsequently increased.

Profits and losses arising from countercurrent, downstream and sidestream transactions between the Company and its affiliates are recognized in the Company's individual financial reports only to the extent unrelated to the Company's interests in the Company.

(10) Real estate, plant and equipment

Real estate, plant and equipment are tangible items held for the production or provision of goods or services, leased to others or used for management purposes and are expected to be used for more than one period, and are recognized by cost measurement when they meet the conditions that future economic benefits are likely to flow into the Company and costs can be reliably measured, and subsequently measured by the amount of cost less accumulated depreciation and accumulated impairment losses.

Real estate, plant and equipment under construction are recognized at cost less accumulated impairment losses. Costs include professional service fees and capitalized borrowing costs. Upon completion and in their intended state of use, the assets are classified into the appropriate categories of real estate, plant and equipment and depreciation commences.

The company adopts a straight line basis to depreciate. The Company reviews the estimated service life, salvage value and depreciation methods at least at the end of each year and defers the application of the impact of changes in accounting estimates.

When real estate, plant and equipment are excluded, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(11) Investment real estate

Investment immovable property is immovable property held for the purpose of earning rent, capital appreciation or both. Investment real estate also includes land held for which the future use has not yet been decided, subject to cost model evaluation.

Investment real estate is initially measured at cost (including transaction costs) and subsequently by the amount of cost less accumulated depreciation and accumulated impairment loss. The company adopts a straight line basis to depreciate.

The amount of gain or loss arising from investment real estate is the difference between the net disposal price and the carrying amount of the asset and is recognized in profit or loss for the period.

(12) impairment of tangible and intangible assets (other than goodwill).

The Company assesses at each balance sheet date whether there are any indications that tangible and intangible assets (other than goodwill) may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If it is not possible to estimate the recoverable amount of individual assets, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. If the shared assets are apportionable to cash generating units on a reasonably consistent basis, they are apportioned to individual cash generating units, and vice versa, to the smallest group of cash generating units that can be apportioned on a reasonably consistent basis.

For intangible assets that are not of a defined service life and are not yet available for use, impairment tests are conducted at least annually and when there are signs of impairment, or when there are signs of impairment.

The recoverable amount is the greater of fair value less the cost of sale and its use value. If the recoverable amount of an asset or cash

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit is reduced to its recoverable amount, and the impairment loss is recognized as profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash generating unit is adjusted to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount determined if the asset or cash generating unit had not recognized the impairment loss in the prior year (less amortization). or depreciation). The reversal of impairment losses is recognized in profit or loss.

(xiii) Provision of liabilities

The Company recognizes a liability provision when it has a present obligation (statutory or presumptuous) due to past events and is likely to be liquidated and the amount of the obligation can be reliably estimated.

The amount recognized as a liability provision is a best estimate of the expenditure required to liquidate the obligation at the end of the reporting period, taking into account the risk and uncertainty of the obligation. If the provision for liabilities is measured by the estimated cash flows to meet the present obligation, the carrying amount is the present value of such cash flows.

Current obligations arising from loss-making contracts should be included and measured as liability provisions. A loss-making contract is deemed to exist when the unavoidable cost of performing obligations under a contract exceeds the economic benefits expected from the contract.

When a product is sold with a warranty obligation, the liability provision for the estimated maintenance cost is recognized on the date of sale of the relevant product based on management's best estimate of the expenditure required to liquidate the obligation.

(14) Recognition of income

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

The Company's revenue recognition principle from client contracts is based on the following steps:

1. Identify customer contracts;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. The performance obligation to allocate the transaction price to the contract; and
5. Recognize income when fulfilling performance obligations.

The transaction price shall not be adjusted for the material financial component of a contract for which the time interval between the transfer of goods or services and the receipt of consideration is less than 1 year.

1. Revenue from the sale of goods

Sales revenue is recognized when control of the product is transferred to the customer, because the customer has the right to set the price and use of the goods and has the primary responsibility for resale, and bears the risk of obsolescence of the goods, the company recognizes revenue and accounts receivable at that time; It is expressed in net of sales returns, quantity discounts and discounts.

When dematerializing, the control of processed products is not transferred, and revenue is not recognized at the time of dematerialization.

2. Income from services

Income from services is income recognized upon completion of the provision of relevant services. The Company recognizes contract assets at the time of provision of services and transfers accounts receivable upon completion of the provision of services.

3. Dividend income and interest income

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

Dividend income arising from investments is recognized at the time of the establishment of the shareholders' right to receive the income, provided that the economic benefits associated with the transaction are likely to flow into the Company and the amount of income can be reliably measured.

Interest income on financial assets is recognized when the economic benefits are likely to flow into the Company and the amount of income can be reliably measured. Interest income is recognized on an accrual basis based on the amount of principal in circulation and the applicable effective interest rate over time.

(15) Lease

The Company assesses whether the contract is (or contains) a lease on the date of commencement of the contract. Where the contract consists of one lease component and one or more additional leased or non-leased components, the Company apportioned the consideration in the contract to the leased component on the basis of the relative separate price of each leased component and the aggregate separate price of the non-leased component.

1. The Company is the lessee

Except for leases and short-term leases of low-value underlying assets that recognize expenses on a straight-line basis, the Company recognizes right-of-use assets and lease liabilities on the commencement date of the lease for all other leases.

(1) Right-of-use assets

Right-of-use assets are originally measured at cost (including the original measured amount of the lease liability, lease benefits paid before the commencement date less lease incentives received, original direct costs and the estimated cost of restoring the underlying asset), and subsequently measured at

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

cost less accumulated depreciation and accumulated impairment losses, and adjusted for remeasurement of lease liabilities.

Except for right-of-use assets that meet the definition of investment real estate, right-of-use assets are presented on the balance sheet as a single line item.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease until the end of the durable life or the end of the lease period, provided that title to the underlying asset will be acquired at the end of the lease period or depreciation from the commencement date of the lease until the end of the useful life of the underlying asset if the cost of the right-of-use asset reflects the exercise of the purchase option.

(2) Lease liabilities

The lease liability is originally measured at the present value of lease payments (including fixed benefits, substantial fixed benefits, lease benefits dependent on changes in indices or rates, amounts expected to be paid by the lessee under a residual value guarantee, exercise prices of purchase options reasonably believed to be exercised, and termination penalties over the term of the lease reflecting the lessee's option to exercise the lease termination, less lease incentives received). If the implied interest rate of the lease is easily determined, the lease benefit is discounted using this rate. If the interest rate is not easy to determine, the lessee's increased borrowing rate is used.

If there is a change in future lease benefits during the lease period, the valuation of the underlying asset purchase option, the amount expected to be paid under the salvage value guarantee or the index or rate used to determine the lease benefit,

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

the Company will remeasure the lease liability and adjust the right-of-use asset accordingly, but if the carrying amount of the right-of-use asset has been reduced to zero, the remaining remeasured amount will be recognized in profit or loss. Lease liabilities are presented as single line items on the balance sheet.

2. The Company is the lessor

A lease is classified as a financial lease if it transfers almost all of the risks and rewards attached to the ownership of the underlying asset; Otherwise, it is classified as a business lease.

When a lease includes elements of land and buildings, the Company assesses the classification of each element as a financial lease or an operating lease respectively and apportions the lease benefits (including any one-off pre-payment) to the land and buildings in proportion to the fair value of the leasehold interests in the land and buildings as at the date of commencement of the lease. If the lease benefits cannot be reliably apportioned to these two elements, the entire lease is classified as a financial lease, but if both elements clearly meet the operating lease criteria, the overall lease is classified as an operating lease.

(16) Employee welfare

1. Short-term employee benefits

Short-term employee benefits are measured by the non-discounted cash amount expected to be paid and recognized as expenses at the time of provision of the relevant services.

2. Pension

For the determination of the contribution plan, the amount of the pension fund to be allocated is recognized as the cost of the pension for the current period on the basis of accrual accrual. Advance

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

contributions are recognized as assets to the extent that they are refundable in cash or reduced in future benefits.

3. Employee remuneration

The company is committed to providing employees with a salary and benefits above the industry average. Under the premise of taking into account external competition, internal fairness and legality, we provide a diversified and competitive compensation system, and uphold the concept of profit sharing with employees to attract, retain, develop and motivate our employees. The remuneration of the Company's employees includes the monthly salary and the remuneration paid by the Company according to the annual profit status. According to the articles of association of the company, the annual profit of not less than 0.5% to 1.5% of net profit before tax shall be regarded as employee remuneration.

The quarterly employee cash bonus and annual employee remuneration are to reward colleagues, reward their contributions, and motivate colleagues to continue their efforts, so that the interests of employees can be linked to the interests of shareholders, so as to create a win-win situation for the company, shareholders and employees. The Company determines the total amount of cash bonuses and employee remuneration for employees based on the company's operating results and with reference to the level of industry distribution on the island, and the amount and distribution method thereof shall be proposed by the remuneration committee to the board of directors, and the employee remuneration shall be paid after approval by the board of directors; The amount of money assigned to each employee depends on the position, contribution and performance. Adhering to the same philosophy, the remuneration of employees of the Company and its subsidiaries is not only based on the local labor market conditions but also pays annual



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

bonuses with reference to local laws and regulations, industry practices and the overall operating performance of each subsidiary to encourage employees to contribute in the long term and grow together with the company.

4. Remuneration of directors and supervisors

The policies, systems, standards and structures of remuneration payments for general directors and independent directors of the Company, and the correlation between the amount of remuneration and the amount of remuneration is described according to factors such as responsibilities, risks and investment time:

(1) In accordance with the provisions of the articles of association of the company, the remuneration of the chairman, vice chairman and directors of the company shall be determined by the board of directors according to the degree of their participation in the operation of the company, the value of their contribution, and the level of domestic and foreign industries.

(2) The articles of association also clearly stipulate that it shall not be higher 1% of annual net profit before tax as directors' remuneration.

5. Separation benefits

Separation benefits are benefits provided when the employment of an employee is terminated before the normal retirement date or when the employee decides to accept the company's offer of benefits in exchange for the termination of employment. The Company recognizes expenses earlier than the earlier of the withdrawal benefit offer that is no longer in a position to revoke the termination benefits or recognize the relevant restructuring costs. Benefits that are not expected to be fully liquidated 12 months after the balance sheet date should be discounted.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(17) All taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

Undistributed surplus calculated in accordance with the provisions of the Income Tax Law plus income tax is included as an income tax expense for the year in which the shareholders' meeting resolves.

Adjustments to income tax payable in previous years are included in the income tax for the current period.

2. Deferred income tax

Deferred income tax is recognized on the basis of a temporary difference between the carrying amount of assets and liabilities recorded in the financial statements and the basis of charge for calculating taxable income. Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when there is a high probability that taxable income will be available for use.

Taxable temporary differences relating to investment subsidiaries, affiliates and joint venture interests are recognized as deferred tax liabilities, unless the Company has control over the point at which the temporary differences are reversed and it is likely that the temporary differences will not be reversed in the foreseeable future. Deferred tax assets relating to such investments and interests that are attributable to the deduction of temporary differences are recognized only to the extent that they are likely to have sufficient taxable income to realize the benefits of the temporary differences and are expected to be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

balance sheet date and the carrying amount is reduced for those who no longer have sufficient taxable income to recover all or part of their assets. Those not previously recognized as deferred tax assets are also re-examined at each balance sheet date and have a high probability of generating taxable income in the future to recover all or part of their assets, with an increase in carrying amount.

Deferred tax assets and liabilities are measured at the tax rate for the period in which the liability is expected to be liquidated or the assets are realized, and the tax rate is based on the tax rates and tax laws that have been or substantially legislated at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the way an enterprise expects to recover or liquidate the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax for the current year

Current and deferred income tax is recognized in profit or loss, except that current and deferred income tax related to items recognized in other comprehensive gains or losses or directly recognized in equity is recognized in other comprehensive gains or losses or directly recognized in equity, respectively.

5. Major sources of uncertainty in material accounting judgments, estimates and assumptions

In adopting the accounting policies described in Note 4, management must make judgments, estimates and assumptions regarding the carrying amount of assets and liabilities that are not readily available from other sources. Estimates and related assumptions are based on historical experience and other factors deemed material. Actual results may differ from estimates.

Estimates and underlying assumptions are under continuous review. If the revision of the estimate affects only the current period, it is recognized in the period in which the accounting estimate is revised. If an amendment to the

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

accounting estimate affects both the current period and future periods, it is recognized in the current period and future period in which the estimate is revised.

The following is information on other major sources of uncertainty regarding key assumptions and estimated uncertainties to be made in the future, which carry a significant risk of material adjustments to the carrying amount of assets and liabilities in the next financial year.

(1) Important judgments on the adoption of accounting policies

Judgment of business model of financial asset classification

The Company evaluates the business model to which financial assets belong based on the hierarchy that reflects the common management of the financial asset portfolio to achieve a specific business purpose. This assessment takes into account all relevant evidence, including how asset performance is measured, risks affecting performance and how the relevant manager's compensation is determined, and uses judgment. The Company continuously evaluates the appropriateness of its business model and monitors financial assets measured at amortized cost and investments in debt instruments measured at fair value through other comprehensive gains and losses prior to maturity to understand the reasons for the disposition in order to assess whether the disposition is consistent with the objectives of the operating model. If it is found that the business model has changed, the Company will postpone adjusting the classification of subsequent financial assets.

(2) Important accounting estimates and assumptions

1. Investment impairment assessment using the equity method

When there are indications of impairment of an investment using the equity method that may have been degraded such that the carrying amount cannot be recovered, the Company assesses the impairment of the investment. The Company assesses recoverable amounts based on the discounted value of the expected future cash flows of the investee company or the discounted value of the expected future cash flows from the expected receipt of cash dividends and the disposal of investments, and analyzes the reasonableness of its related assumptions.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

2. Impairment assessment of tangible assets and intangible assets

In the process of asset impairment assessment, the Company relies on subjective judgment and based on asset usage patterns and industry characteristics to determine the independent cash flow, the durability of assets and the gains and losses that may be incurred in the future for a particular asset portfolio, and any change in estimates due to changes in economic conditions or the Company's strategy may cause significant impairment in the future.

3. Realizability of deferred tax assets

The realizability of deferred tax assets is mainly dependent on sufficient future gains or taxable temporary differences. If the actual profit generated in the future is less than expected, there may be a significant reversal of deferred tax assets, which is recognized as a gain or loss in the year in which it occurs.

4. Fair Value Measurement and Evaluation Process

When the assets and liabilities measured at fair value are not quoted in the active market, the Company decides whether to outsource valuation and determines the appropriate fair value evaluation technology in accordance with relevant laws and regulations or judgment. If the Tier 1 input value cannot be obtained when estimating fair value, the Company determines the input value by reference to the analysis of the investee's financial position and operating results, the most recent transaction price, the quotation of the same equity instrument in the non-active market, the quotation of similar instruments in the active market, and the evaluation multiplier of comparable companies, etc., and if the actual change in the future input value is different from the expectation, a fair value change may occur. The Company periodically updates the inputs in accordance with market conditions to monitor the appropriateness of fair value measures.

6. Description of important accounting items

(1) Cash and cash contracts

	<u>December 31, 111</u>	<u>December 31, 110</u>
Cash on hand and petty cash	\$ 122	\$ 121

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

demand deposit	20,003	12,950
Foreign currency deposits	2,709	2,475
time deposit	—	16,000
	<u>\$ 22,834</u>	<u>\$ 31,546</u>

1. Time deposits of the Company for more than three months from the date of acquisition are held for the purpose of meeting operational capital needs, so they are still classified as cash and about cash components.

2. The interest rate ranges of the above time deposits at the balance sheet date are as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
time deposit	—	0.40%

3. The Company has not pledged cash or contracted cash.

(2) Financial assets measured at fair value through profit and loss/other comprehensive profit or loss

1. Financial assets at fair value through profit or loss - liquidity:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Holding financial assets for trading		
Shares of	\$ 130,941	\$ 130,744
Valuation adjustments for financial	<u>(18,056)</u>	<u>(1,689)</u>
s u m	<u>\$ 112,885</u>	<u>\$ 129,055</u>
S t a k i n g	<u>not</u>	<u>not</u>

The Company's profit (loss) in financial assets measured at fair value through profit and loss in the 111th and 110th years of the Republic of China was (16,367) thousand yuan and 33,239 thousand yuan respectively, which are recorded under "other benefits and losses". For instructions, see Note VI (xviii).

2. Financial assets measured at fair value through other comprehensive gains and losses - non-current:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
OTC company stock	\$ 1,524	\$ 13,123
Shares of unlisted (over-the-counter)	<u>14,668</u>	<u>26,906</u>
total	<u>\$ 16,192</u>	<u>\$ 40,029</u>
Staking	<u>not</u>	<u>not</u>

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(1) The Company has invested in the private placement of 2,206 thousand ordinary shares of Hebang Electronics Co., Ltd., a domestic OTC company, for 5 years, but because the investee company has not met the requirements of "the latest and most recent fiscal year financial reports show no accumulated losses and the net value is positive", it continues to be in the lockdown period and cannot report the transfer transaction.

(2) The Company invested in 336 thousand ordinary shares of Hebang Electronics Co., Ltd., the invested company passed the capital reduction to make up for the loss through the shareholders' meeting on June 16, 111, and the base date for the capital reduction was set as December 28, 111, with a capital reduction ratio of 84.79%.

(3) The unrealized evaluation gains and losses on investments in equity instruments measured at fair value through other comprehensive gains and losses from January 1 to December 31, 110 of the Company were (23,837) thousand yuan and 7,448 thousand yuan, respectively, and the accounts were shown under "Unrealized Evaluated Gains and Losses on Investments in Equity Instruments Measured at Fair Value through Other Comprehensive Gains and Losses".

(3) Accounts receivable

	<u>December 31, 111</u>	<u>December 31, 110</u>
Accounts receivable - non-related		
Total book amount is measured at \$	714	\$ 714
Reduction: Allowance for loss	<u>(114)</u>	<u>(114)</u>
Net	<u>\$ 600</u>	<u>\$ 600</u>
	<u>December 31, 111</u>	<u>31 Dec 110</u>
Accounts receivable - related		
Total book amount is measured at \$	4,950	\$ 4,551
Reduction: Allowance for loss	<u>—</u>	<u>—</u>
Net	<u>\$ 4,950</u>	<u>\$ 4,551</u>

1. The above receivables are incurred as a result of business.
2. The Company measures the allowance loss (including related persons) of notes receivable and accounts receivable according to the provision

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

matrix as follows:

	December 31, 111			
	Expected credit Loss rate	Total book amount	Allowance loss (expected credit loss over the lifetime).	Amortized costs
Not overdue	0%	\$ 5,550	\$	\$ 5,550
More than 121 days overdue	100%	114	(114)	—
total		<u>\$ 5,664</u>	<u>\$ (114)</u>	<u>\$ 5,550</u>

	31 Dec 110			
	Expected credit Loss rate	Total book amount	Allowance loss (expected credit loss over the lifetime).	Amortized costs
Not overdue	0%	\$ 5,151	\$ —	\$ 5,151
More than 121 days overdue	100%	114	(114)	—
total		<u>\$ 5,265</u>	<u>\$ (114)</u>	<u>\$ 5,151</u>

If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect the recoverable amount, the Company will directly write off the relevant receivables, but will continue the recourse activities, and the recovered amount will be recognized in profit or loss.

3. Changes in the allowance loss of notes receivable and accounts receivable (including related persons) are as follows:

	December 31, 111	31 Dec 110
Opening balance	\$ 114	\$ —
Add: Proposed impairment loss	—	114
Less: Write-off for the current period	—	—
Closing balance	<u>\$ 114</u>	<u>\$ 114</u>

(4) Investments using the equity method

	December 31, 111	31 Dec 110
Investment	<u>\$ 469,779</u>	<u>\$ 451,064</u>

1. The main business activities and registered areas of the Company's subsidiaries are listed as follows:

Main business activities	Registration region
--------------------------	---------------------



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

Tianpin International (shares) company	Funeral facility business	New Taipei City, Republic of China
Eternal Life Business (Shares) Company	Funeral services	New Taipei City, Republic of China
Tianyi Aluminum (shares) Company	Aluminum production and sales business	Changhua County, Republic of China
PlayTai Co., Ltd	Cultural and creative industries	New Taipei City, Republic of China

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

2. The subsidiaries in which the Company invests are listed as follows:

	Book amount		Ownership held by the Company Percentage of equity and voting rights	
	December 31, 111	December 31, 110	December 31, 111	December 31, 110
	Tianpin International (shares) company	\$ 429,938	\$ 423,838	99.85%
Eternal Life Business (Shares) Company	17,997	25,413	66.67%	66.67%
Tianyi Aluminum (shares) Company	21,272	—	80.00%	—
PlayTai Co., Ltd	572	1,813	13.04%	13.04%
	<u>\$ 469,779</u>	<u>\$ 451,064</u>		

The financial information of the subsidiaries is compiled as follows:

	December 31, 111	31 Dec 110
Total assets	\$ 589,282	\$ 524,052
Total liabilities	(140,268)	(87,703)
Net assets	<u>\$ 449,014</u>	<u>\$ 436,349</u>
The Company's share of the net assets of the subsidiary	<u>\$ 478,777</u>	<u>\$ 423,677</u>
	111 years	110 years
Total revenue	<u>\$ 118,805</u>	<u>\$ 58,914</u>
Total annual profit and loss	<u>\$ (1,018)</u>	<u>\$ (9,868)</u>
The Company has a share of the net profit and loss of subsidiaries	<u>\$ 7,319</u>	<u>\$ (3,591)</u>
The Company has a share of other comprehensive gains and losses of subsidiaries	<u>\$ (16,311)</u>	<u>\$ 8,074</u>

3. The company's subsidiaries that used the equity method in the 111th and 110th years of the Republic of China are based on the financial statements of the subsidiary in the same period and the profit and loss shares and other comprehensive profit and loss shares recognized according to the voting rights ratio according to the financial statements of the subsidiary in the same period, which are listed as follows:

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

	<u>111 years</u>		<u>110 years</u>	
	<u>O t h e r</u>		<u>O t h e r</u>	
	<u>synthesis</u>		<u>synthesis</u>	
	<u>Profit and</u>	<u>Profit and</u>	<u>Profit and</u>	<u>Profit and</u>
	<u>loss share</u>	<u>loss share</u>	<u>loss share</u>	<u>loss share</u>
Tianpin International (shares) company	\$ 10,173	\$ (4,073)	\$ (2,224)	\$ 2,688
Eternal Life Business (Shares) Company	743	(8,159)	(180)	5,386
Tianyi Aluminum (shares) Company	(2,728)	—	—	—
PlayTai Co., Ltd	(1,241)	—	(1,187)	—
	<u>\$ 6,947</u>	<u>\$ (12,232)</u>	<u>\$ (3,591)</u>	<u>\$ 8,074</u>

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(5) Real estate, plant and equipment

	111 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Office equipment	\$ 967	\$ —	\$ —	\$ 967
Transportation equipment	1,075	950	—	2,025
Other devices	814	—	—	814
subtotal	2,856	950	—	3,806
<u>Accumulated depreciation</u>				
Office equipment	210	173	—	383
Transportation equipment	1,075	185	—	1,260
Other devices	767	31	—	798
subtotal	2,052	389	—	2,441
Net	\$ 804	\$ 561	\$ —	\$ 1,365

	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Office equipment	\$ 662	\$ 305	\$ —	\$ 967
Transportation equipment	1,075	—	—	1,075
Other devices	814	—	—	814
subtotal	2,551	305	—	2,856

	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Accumulated depreciation</u>				
Office equipment	113	97	—	210
Transportation equipment	1,075	—	—	1,075
Other devices	712	55	—	767
subtotal	1,900	152	—	2,052
Net	\$ 651	\$ 153	\$ —	\$ 804

- The company's real estate, plant and equipment are depreciated on a straight-line basis according to the following durable life:
  - Office equipment           3 years
  - Transportation equipment   3 years
  - Other devices               5-10 years
- The company's real estate, plant and equipment did not provide mortgages or guarantees as of December 31, 111 and 110.
- There was no interest capitalization in the 111th and 110th years of the Republic of China.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(6) Investment real estate

	111 years			
	Opening balance	add	Punishment	Closing balance
<u>Original cost</u>				
Soil	\$ 47,861	—	—	47,861
building	160,123	—	—	160,123
subtotal	207,984	—	—	207,984
<u>Accumulated depreciation</u>				
building	69,765	5,117	—	74,882
subtotal	69,765	5,117	—	74,882
Net	\$ 138,219	(5,117)	—	133,102

	110 years			
	Opening balance	Addendum	Punishment	Closing balance
<u>Original cost</u>				
Soil	\$ 47,861	\$ —	\$ —	\$ 47,861
building	147,328	12,795	—	160,123
subtotal	195,189	12,795	—	207,984
<u>Accumulated depreciation</u>				
building	65,136	4,629	—	69,765
subtotal	65,136	4,629	—	69,765
Net	\$ 130,053	\$ 8,166	\$ —	\$ 138,219

- The main building of the company's investment real estate is depreciated according to the durable life of 50 years by the straight line method, and the ancillary building is depreciated according to the durable life of 5-15 years by the straight line method.
- As of December 31, 111 and 110, the fair value of the Company's investment real estate is as follows:

	December 31, 111	31 Dec 110
Fair value of investment real estate	\$ 308,242	\$ 308,242

As of December 31, 111 and 110, the fair value of the Company's investment real estate is based on the valuation report dated December 31, 109 issued by China Credit Real Estate Appraisers Joint Firm, the land is based on the weighted average estimation of the comparative method and the land development method analysis price, and the building is evaluated according to the cost method. After weighing other external information and the relevant income of investment real estate, the

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

company determined that the value of investment real estate in 111 and December 31, 110 was not materially different from December 31, 109 of the Republic of China, so the results of the valuation report were still acceptable.

3. The rental income generated by investment real estate in the 111th and 110th years of the Republic of China was 15,909 thousand yuan. Please note VI (xv) in detail.
4. The total lease payment that the Company will receive in the future by leasing investment real estate under operating lease is as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Year 1	\$ 15,600	\$ 15,600
Year 2	15,600	15,600
3rd year	11,700	15,600
4th year	—	11,700
5th year	—	—
	<u>\$ 42,900</u>	<u>\$ 58,500</u>

5. Please note 8 for the situation of providing mortgages or guarantees for investment immobility on December 31, 111 and 110 of the Republic of China.

(7) Right-of-use assets

	<u>1 January to 31 December 111</u>			
	<u>Opening balance</u>	<u>Addendum</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Cost of acquisition</u>				
building	\$ 5,068	\$ 358	\$ —	\$ 5,426
Transportation equipment	4,858	—	(1,917)	2,941
subtotal	<u>9,926</u>	<u>358</u>	<u>(1,917)</u>	<u>8,367</u>
<u>Accumulated depreciation</u>				
building	1,970	1,485	—	3,455
Transportation equipment	2,407	981	(1,917)	1,471
subtotal	<u>4,377</u>	<u>2,466</u>	<u>(1,917)</u>	<u>4,926</u>
Net	<u>\$ 5,549</u>	<u>\$ (2,108)</u>	<u>\$ —</u>	<u>\$ 3,441</u>
	<u>1 January to 31 December 110</u>			
	<u>Opening balance</u>	<u>Addendum</u>	<u>Punishment</u>	<u>Closing balance</u>
<u>Cost of acquisition</u>				
building	\$ 5,068	\$ —	\$ —	\$ 5,068

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

Transportation				
equipment	<u>1,917</u>	<u>2,941</u>	<u>—</u>	<u>4,858</u>
subtotal	<u>6,985</u>	<u>2,941</u>	<u>—</u>	<u>9,926</u>
<u>Accumulated</u>				
<u>depreciation</u>				
building	603	1,367	—	1,970
Transportation				
equipment	<u>1,278</u>	<u>1,129</u>	<u>—</u>	<u>2,407</u>
subtotal	<u>1,881</u>	<u>2,496</u>	<u>—</u>	<u>4,377</u>
Net	<u>\$ 5,104</u>	<u>\$ 445</u>	<u>\$ —</u>	<u>\$ 5,549</u>

As of December 31, 111 and 110, there was no trace of impairment of the right-of-use assets, so no impairment assessment was carried out.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(8) Bank borrowings

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Secured borrowing	\$ 30,000	\$ —
Interest rate range	1.75%	—
Total bank borrowings	\$ 100,000	\$ —
Unused credit	\$ 70,000	\$ —

Please refer to Note 7 for the provision of assets by the Company as collateral for the above loans.

(9) Other payables

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Labor fees payable	\$ 2,996	\$ 3,041
Salary and bonuses payable	732	1,643
Other	2,776	2,444
total	\$ 6,504	\$ 7,128

(10) Debt reserves

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Opening balance	\$ 188	\$ 249
Debt Reserve for the Current Fiscal Year	133	—
The amount has been incurred and written	—	(61)
Closing balance	\$ 321	\$ 188
Listed as Liabilities Provision - Current	\$ 321	\$ 188
Listed as liability provision - non-	\$ —	\$ —

Employee benefits

Based on historical experience and management's judgment, the Company estimates that the expected cost of paid leave in the year in which the employee provides services is included as an employee benefit liability provision.

(11) Lease liabilities

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Lease liabilities - current	\$ 2,013	\$ 2,341
Lease liabilities - non-current	1,343	3,293
	\$ 3,356	\$ 5,634
The range of discount rates for lease liabilities	2.52%	2.52%

Except for leases referred to in Note 6(7) "Right-of-Use Assets", the



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

Company has elected not to recognize the relevant right-of-use assets and lease liabilities for short-term leases and low-value leases subject to the applicable recognition exemptions for such leases, and the relevant cost information is as follows:

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

	<u>111 years</u>	<u>110 years</u>
Short-term rental fees	\$ —	\$ 302
Low-value asset leasing fees	\$ 55	\$ 295

(12) Employee pensions

The Company's employee retirement scheme under the Labour Pensions Ordinance is a definitive contribution scheme. The above-mentioned company will allocate the pension according to the employee's monthly salary of 6 to the individual account of the Labor Insurance Bureau. In accordance with the above relevant provisions, the cost of retirement pension recognized as expenses by the Company from January 1 to December 31, 110 of the Republic of China was 300 thousand yuan and 391 thousand yuan respectively.

(13) Rights

1. Common share capital

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Rated number of shares (100	<u>140,000</u>	<u>140,000</u>
Rated share capital	\$ <u>1,400,000</u>	\$ <u>1,400,000</u>
Number of shares issued (100	<u>61,760</u>	<u>61,760</u>
Issued share capital	\$ <u>617,600</u>	\$ <u>617,600</u>

(1) The above share capital types are all ordinary shares, each with a par value of 10 yuan, and each share has one voting right and the right to receive dividends.

(2) In the 111th and 110th years of the Republic of China, the number of foreign shares outstanding at the beginning and end of the period of the Company was 61,760 thousand shares and none of them changed.

2. Capital reserve

	<u>December 31, 111</u>	<u>December 31, 110</u>
Equity premium	\$ <u>684</u>	\$ <u>684</u>

In accordance with the provisions of the law, the capital reserve shall not be used except to cover losses, but the excess obtained from the issuance of shares in excess of the par amount (including the issuance of ordinary shares in excess of the par value, the share capital premium for the issuance of shares due to mergers, the

## Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

conversion premium of corporate bonds and the trading of treasury stocks, etc.) and the capital reserve arising from the receipt of gifts, may be allocated to capital or distributed in cash at a fixed ratio of paid-up capital every year, provided that the capital reserve arising from investments using the equity method shall not be used for any purpose.

### 3. Statutory surplus reserve

According to the Company Law, a company should set aside 10% of its net profit after tax as a statutory surplus reserve until it is equal to the total share capital. The statutory surplus reserve may be used to cover losses to the extent that the statutory surplus reserve is issued to new shares or cash up to the extent that the reserve exceeds 25% of the paid-up capital.

### 4. Special surplus reserve

If there is a special surplus reserve of the same amount accumulated in the previous year or incurred in the current year but the after-tax surplus of the current year is insufficient to provide for it, a special surplus reserve of the same amount shall be included from the accumulated undistributed surplus of the previous year, which shall be deducted before the provision for distribution of dividends to shareholders, and the surplus may be distributed on the amount of the reversal when the amount of the subsequent reduction in equity is reversed.

### 5. Surplus distribution and dividend policy

According to the articles of association of the company, if the company makes a profit in the year, it shall allocate the remuneration of employees to 0.5% to 1.5% of the net profit before tax, and the remuneration of directors and supervisors shall not be higher than 1% of the net profit before tax, but if the company still has accumulated losses, it should reserve the amount of compensation in advance.

According to the articles of association of the company, if there is a surplus after the annual final accounts, in addition to paying income tax on profit-making undertakings and making up for the losses of previous years, 10% should be first set aside as the statutory surplus reserve and a special surplus reserve for the amount of equity reduction incurred in the current year, and if there is a

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

remaining balance, together with the accumulated undistributed surplus of the previous year, it shall be distributed as dividends and dividends to shareholders.

In order to retain the surplus to meet the operating growth and investment needs, the Company adopts a residual dividend distribution policy at this stage, except for the discretionary retention of part of the surplus mentioned in the above paragraph, the remaining part is distributed in the principle of dividend distribution of 30% to 80%. Dividends are paid by combining stock dividends with cash dividends. If there is a cash dividend, the amount shall not be less than 10% of the total dividend paid in the current year, but if the distribution ratio is less than 0.1 yuan per share, the full amount of stock dividend may be paid. The above surplus distribution shall be recognized by resolution at the ordinary meeting of shareholders in the following year.

The Company held ordinary shareholders' meetings on June 17, 111 and August 4, 110 respectively, and resolved the distribution of earnings and dividends per share in the 110 and 109 years of the Republic of China as follows:

		Unit: New Taiwan dollar thousand; RMB/share			
		Surplus distribution		Dividend per share (RMB)	
		110 years	109 years	110 years	109 years
Statutory	surplus \$	3,784	\$ 2,865		
	reserve				
Special	surplus	(3,390)	2,066		
	reserve				
Cash	dividends	—	—	\$ —	\$ —
Stock	dividends	—	—	—	—
		<u>\$ 394</u>	<u>\$ 4,931</u>		

Note: The above surplus distribution is not different from the resolutions of the board of directors of the Company on March 16, 111 and March 12, 110.

In the 111th and 110th years of the Republic of China, the remuneration of employees and the remuneration of directors and supervisors were assessed on the basis of the provisions of the amended articles of association, with the amounts of 0 thousand yuan and 50 thousand yuan and 0 thousand yuan and 0 thousand yuan respectively.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

If the amount remains unchanged after the date of adoption of the annual financial report, it will be treated as a change in accounting estimates and adjusted and recorded in the following year. As of December 31, 111, the total amount of employee remuneration estimated in the Republic of China from 106 to 108 years totaling 56,000 yuan has not been paid, and the accounts are under "other payables".

Please refer to the Public Information Observatory and other channels for the above information distribution of surplus distribution approved by the Board of Directors of the Company and resolution of the shareholders' meeting.

(14) Earnings per share

Unit: NTD / number of shares (except earnings per share in yuan).

	111 years		
	Net loss for the	Number of shares	Loss per share
	period (numerator)	(denominator)	
Basic earnings per share (loss)	\$ (2,131)	61,760	\$ (0.03)
Diluted earnings per share (loss)	\$ (2,131)	61,760	\$ (0.03)

	110 years		
	Net profit for the	Number of shares	Earnings per
	current period	(denominator)	share
Basic earnings per share	\$ 41,910	61,760	\$ 0.68
Diluted earnings per share	\$ 41,910	61,760	\$ 0.68

(15) Operating income

	111 years	110 years
Commission income from the sale of bone towers	\$ 28,359	\$ 33,988
Rental income	15,909	15,909
Sales revenue	—	883
Other operating income	46	—
	44,314	50,780
Reduction: Sales returns and discounts	(3,628)	(7,215)
	\$ 40,686	\$ 43,565

(16) Operating costs

	111 years	110 years
Rental costs	\$ 5,117	\$ 4,629

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

Cost of inventory sold	—	8,324
Inventory price decline and sluggish recovery benefit	—	(8,324)
	<u>\$ 5,117</u>	<u>\$ 4,629</u>
 (17) <u>Other income</u>		
	<u>111 years</u>	<u>110 years</u>
Interest income	\$ 320	\$ 316
Dividend income	<u>2,758</u>	<u>2,343</u>
	<u>\$ 3,078</u>	<u>\$ 2,659</u>
 (18) <u>Other benefits and losses</u>		
	<u>111 years</u>	<u>110 years</u>
Gains and losses on financial assets (liabilities) measured at fair value through profit or loss	\$ (16,367)	\$ 33,239
Net exchange gains and losses	270	(73)
Income	<u>498</u>	<u>505</u>
	<u>\$ (15,599)</u>	<u>\$ 33,671</u>
 (19) <u>All taxes</u>		
1. Income tax recognized in profit or loss:		
	<u>111 years</u>	<u>110 years</u>
Current income tax expense	\$ 1,766	\$ 3,121
Deferred income tax expense	<u>54</u>	<u>—</u>
Income tax expense recognized in profit or loss	<u>\$ 1,820</u>	<u>\$ 3,121</u>
 2. Explanation of the relationship between income tax expense and accounting profit:		
	<u>111 years</u>	<u>110 years</u>
Net profit before tax	<u>\$ (311) 100</u>	<u>\$ 45,031 100</u>
The amount of tax calculated at the applicable rate	(62) 20	9,007 20
Permanence differences	1,755 (565)	(6,684) (15)
Undistributed surplus plus tax	1,765 (569)	1,186 3
The difference between the basic tax amount and the general income tax amount	— —	1,522 3
Adjustment of income tax expense for prior years in the current year	— —	412 1

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

The number of effects of temporary differences not recognized as deferred tax assets	(1,638)	528	(2,322)	(5)
Income tax expense	<u>\$ 1,820</u>	<u>(586)</u>	<u>\$ 3,121</u>	<u>7</u>

3. Deductible temporary differences, unused taxable losses and unused income tax credits of assets not recognized as deferred tax in the 111th and 110th of the Republic of China:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
Loss deduction	\$ 1,207	\$ 2,858
Expected credit losses exceed the limits set	421	421
Employee paid leave bonuses are not realized	64	37
No realized redemption loss	—	15
	<u>\$ 1,692</u>	<u>\$ 3,331</u>

4. The breakdown of the Company's deferred tax liabilities for December 31, 111 and 110 is as follows:

	<u>December 31, 111</u>	<u>31 Dec 110</u>
No redemption benefits realized	\$ 54	\$ —

5. As of December 31, 111 of the Republic of China, the company's unused loss deduction details are as follows:

<u>Year of occurrence</u>	<u>Loss deduction</u>	<u>Final deduction year</u>
Republic of China 102 (approved)	\$ 6,035	Republic of China 112 year

6. As of December 31, 111, the income tax settlement declaration of the company's profit-making business has been approved by the tax collection authority to the 109th year of the Republic of China.

(20) Additional information on the nature of the cost

The summary table of employee benefits, depreciation and amortization expenses incurred in the 111th and 110th years of the Republic of China is as follows:

<u>111 years</u>	<u>110 years</u>
------------------	------------------

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

Nature	It is a business Cost-maker	It is a business Cost	total	It is a business Cost-maker	It is a business Cost	total
Employee benefits costs						
Payroll expenses	\$ —	\$ 8,896	\$ 8,896	\$ —	\$ 10,019	\$ 10,019
Labor and health insurance costs	—	679	679	—	802	802
Pension costs	—	300	300	—	391	391
Directors' Remuneration	—	226	226	—	191	191
Other employee benefit expenses	—	1,315	1,315	—	796	796
	\$ —	\$ 11,416	\$ 11,416	\$ —	\$ 12,199	\$ 12,199
Depreciation expense	5,117		7,972	4,629		7,277
	\$	\$ 2,855	\$	\$	\$ 2,648	\$
Amortization expense	—	—	—	—	—	—
	\$	\$ —	\$	\$	\$ —	\$

1. The average number of employees in the 111th and 110th years of the Republic of China was 16 and 19 respectively, of which the number of directors who were not concurrently employees was 6.
2. The average employee welfare expenses in the 111th and 110th years of the Republic of China were 966 thousand yuan and 801 thousand yuan respectively. ("Total Employee Welfare Expenses for the Year - Total Directors' Remuneration" / "Average Number of Employees in the Year - Number of Directors Not Concurrently Employees").
3. The average salary expenses of employees in the 111th and 110th years of the Republic of China were 768 thousand yuan and 668 thousand yuan respectively. ("Total salary expenses for the year" / "Average number of employees in the current year - Number of directors who are not concurrently employees").
4. Adjustment and change of average employee salary expenses (14.97%). ("Average employee salary cost in the 111th year of the Republic of China - Average employee salary cost in the 110th year of the Republic of China" / "Average employee salary cost in the 110th year of the Republic of China").
5. The supervisor's remuneration for the current year is 30,000 yuan, and the supervisor's remuneration for the previous year is 60,000 yuan.



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

6. Note 4 (16) is attached to the Company's remuneration policy (including directors, supervisors, managers and employees).

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(21) Capital risk management

Based on the characteristics of the current operating industry and the future development of the company, and considering factors such as changes in the external environment, the company plans the working capital needs (including investment in external businesses, etc.) required by the company in the future period, so as to ensure the sustainable operation of the company, give back to shareholders and take into account the interests of other stakeholders, and maintain the best capital structure to enhance shareholder value. Overall, the Company adopts a prudent risk management strategy.

(xxii) Financial instruments

1. Types of Financial Instruments

	<u>December 31, 111</u>	<u>December 31, 110</u>
<u>Financial assets</u>		
Cash and cash equivalent	\$ 22,834	\$ 31,546
Financial assets measured at fair value through	112,885	129,055
accounts receivable	5,550	5,151
Other receivables	30,058	822
Financial assets measured at fair		
value through other	16,192	40,029
Deposit the deposit	<u>1,599</u>	<u>2,470</u>
	<u>\$ 189,118</u>	<u>\$ 209,073</u>
	<u>December 31, 111</u>	<u>31 Dec 110</u>
<u>Financial liabilities</u>		
Bank borrowing	\$ 30,000	\$ —
Other payables	9,988	7,128
Deposit a margin	<u>3,513</u>	<u>3,513</u>
	<u>\$ 43,501</u>	<u>\$ 10,641</u>

(1) Other price risks

The price risk of the Company's equity instruments is primarily derived from investments classified as financial assets measured at fair value through profit or loss and financial assets for sale. All material investments in equity instruments are subject to the approval of the Board of Directors.

(2) The sensitivity analysis of the price risk of equity instruments

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

is calculated on the basis of changes in fair value at the end of the financial reporting period. If the price of equity instruments rises/decreases by five percentage points (5%), the Company's profit or loss on December 31, 111 and 110 will increase/decrease by \$5,644 and \$6,453 thousand, respectively, due to financial assets measured at fair value through profit and loss. The Company's equity interests in 111 and December 31, 110 will increase/decrease by \$810 and \$2,001 thousand respectively due to financial assets measured at fair value through other comprehensive gains and losses.

2. Financial risk management purposes

The Company's financial risk management objectives are to manage exchange rate risk, interest rate risk, credit risk and liquidity risk associated with operating activities. In order to reduce the associated financial risks, the Company is committed to identifying, assessing and avoiding market uncertainties in order to reduce the potential adverse impact of market changes on the Company's financial performance.

The Company's significant financial activities are reviewed by the Board of Directors in accordance with relevant norms and internal control systems. During the implementation of the financial plan, the Company must comply with the relevant financial operating procedures regarding overall financial risk management and the division of rights and responsibilities.

3. Market risk

(1) Interest rate risk

The Company is minimally affected by market risks such as interest rate changes and therefore does not use any derivative financial instruments to manage the related risks.

The Company's interest rate risk is mainly investment in fixed-rate certificates of deposit, and it is not expected to generate material interest rate change risk.

(2) Exchange rate risk

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

Information on financial assets and liabilities affected by significant exchange rate fluctuations is as follows:

	December 31, 111		
	<u>Foreign Currency</u>	<u>exchange rate</u>	<u>Book amount</u>
Monetary items			
Foreign currency assets	\$ <u>88</u>	<u>30.71</u>	\$ <u>2,709</u>

	December 31, 110		
	<u>Foreign Currency</u>	<u>exchange rate</u>	<u>Book amount</u>
Monetary items			
Foreign currency assets	\$ <u>89</u>	<u>27.68</u>	\$ <u>2,475</u>

Sensitivity analysis

When the exchange rate of the US dollar appreciates by 5% against the New Taiwan dollar, the company's pre-tax net profit in the 111th and 110 years of the Republic of China will increase by 135 thousand yuan and 124 thousand yuan respectively; If the US dollar depreciates by 5% against the New Taiwan dollar, the Company's net profit before tax will decrease by 135 thousand dollars and (124 thousand dollars).

4. Credit risk management

Credit risk refers to the risk that a counterparty breaches its contractual obligations and causes financial losses to the Company. The credit risk of the Company is mainly derived from lease receivables arising from operating activities, and bank deposits, fixed income investments and other financial instruments arising from investment activities. Operational-related credit risk and financial credit risk are managed separately.

(1) Operation-related credit risk

In order to maintain the quality of lease receivables, the Company has established procedures for credit risk management related to operations.

The risk assessment of individual customers takes into account a number of factors that may affect the customer's ability

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

to pay, including the customer's financial status, credit rating of credit rating agencies, internal credit rating of the Company, historical transaction records and current economic conditions. The Company may also use certain credit enhancement tools, such as prepayment and credit insurance, at appropriate times to reduce the credit risk of specific customers.

(2) Financial credit risk

The financial credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Company's financial department. Since the company's transaction partners and performance parties are banks with good credit and financial institutions with investment grade and above, corporate organizations and government agencies, there are no major performance doubts, so there is no major credit risk.

5. Liquidity risk management

The Company's objective in managing liquidity risk is to maintain cash and cash equivalents, highly liquid marketable securities and sufficient bank financing lines to ensure that the Company has sufficient financial flexibility.

The following table summarizes the financial liability analysis of the Company's agreed repayment period by maturity date and undiscounted maturity amount:

	December 31, 111			
	Short-term 1 year	2-5 years	More than 5 years	total
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Bank borrowing	\$ 30,000	\$ —	—	30,000
Other payables	9,988	—	—	9,988
Deposit a margin	1,918	1,595	—	3,513
total	<u>\$ 41,906</u>	<u>\$ 1,595</u>	<u>\$ —</u>	<u>43,501</u>

31 Dec 110

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

	Short-term 1 year	2-5 years	More than 5 years	total
<u>Non-derivative</u>				
<u>financial liabilities</u>				
Other payables	\$ 7,128	\$ —	\$ —	\$ 7,128
Deposit a margin	2,600	913	—	3,513
total	<u>\$ 9,728</u>	<u>\$ 913</u>	<u>\$ —</u>	<u>\$ 10,641</u>

6. Fair Value of Financial Instruments

	December 31, 111		31 Dec 110	
	book value	Fair Value	book value	Fair Value
Financial Assets:				
Financial assets measured at fair value through profit or loss	\$ 112,885	112,885	\$ 129,055	\$ 129,055
Financial assets measured at fair value through other comprehensive gains and losses	16,192	16,192	40,029	40,029

(1) Evaluation techniques and assumptions used to measure fair value

The fair value of the Company's financial assets and financial liabilities is determined using the following methods and assumptions:

A. The above financial products do not include cash and cash equivalents, receivables and payables. The carrying amount of such financial instruments whose maturity date is very close should be a reasonable basis for estimating fair value. The above financial instruments also do not include deposited margin and deposited margin, which are estimated at their carrying value on the balance sheet due to the uncertainty of the return date.

B. Financial assets measured at fair value through profit and loss and financial assets for sale are based on market price as fair value if they are active in the market, and if there is no market price to refer to, the valuation method is used to estimate them. The estimates and assumptions used by the Company using the evaluation method are consistent with the information used by market participants in the pricing of financial instruments as estimates and assumptions.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

(2) Fair value measurement recognized on an individual's balance sheet

The table below provides an analysis of financial instruments measured at fair value after initial recognition, graded into grades 1 to 3 by the degree of observability of fair value.

A. Level 1 fair value measurement refers to the public quotation (unadjusted) of the same assets or liabilities from active markets.

B. Level 2 fair value measurement means deriving fair value from observable inputs belonging to the asset or liability directly (i.e. price) or indirectly (i.e. derived from price), in addition to the public quotation in Tier 1.

C. Level 3 fair value measurement refers to the evaluation technique to derive fair value from the input value of assets or liabilities that are not based on observable market data (unobservable input value).

	December 31, 111			
	First level	Second level	third estate	total
<u>Financial assets measured at fair value</u>				
<u>through profit or loss</u>				
Shares of listed (over-the-counter) companies	\$ 112,885	\$ —	\$ —	\$ 112,885
<u>Financial assets measured at fair value through other</u>				
<u>comprehensive gains and losses</u>				
Shares of listed (over-the-counter) companies	\$ —	\$ 1,524	\$ —	\$ 1,524
It is not a listed (cabinet) or a stock of a building company	—	—	14,668	14,668
subtotal	\$ —	\$ 1,524	14,668	16,192
total	\$ 112,885	\$ 1,524	\$ 14,668	\$ 129,077

	31 Dec 110			
	First level	Second level	third estate	total
<u>Financial assets measured at fair value through</u>				
<u>profit or loss</u>				
Shares of listed (over-the-	\$ 129,055	\$ —	\$ —	\$ 129,055
counter) companies	\$ 129,055	\$ —	\$ —	\$ 129,055

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

counter) companies				
<u>Financial assets measured at fair value through other</u>				
<u>comprehensive gains and losses</u>				
Shares of listed (over-the-	\$	—	\$	13,123
				\$
				13,123
counter) companies				
It is not a listed		—		—
(cabinet) or a stock of				26,906
a building company				26,906
subtotal	\$	—	\$	13,123
				\$
				26,906
				\$
				40,029
total	\$	129,055	\$	13,123
				\$
				26,906
				\$
				169,084

There was no transfer between the first and second level fair value measures in the 111th and 110th years of the Republic of China.

The adjustment of financial assets as measured by fair value in the third level

	<u>111 years</u>	<u>110 years</u>
Opening balance	\$ 26,906	\$ 815
Purchase of financial assets in the current period	—	23,400
Disposition of financial assets in the current period	—	(4,895)
The period is recognized in other consolidated gains and losses	(12,238)	7,586
Closing balance	<u>\$ 14,668</u>	<u>\$ 26,906</u>

7. Related Person Transactions

(1) The names and relationships of the persons involved

<u>The name of the person in question</u>	<u>Relationship with the Company</u>
Tianpin International Co., Ltd. (hereinafter referred to as Tianpin International)	Subsidiary
Eternal Life Business Co., Ltd. (hereinafter referred to as Eternal Life)	Subsidiary
PlayTai Co., Ltd. (hereinafter referred to as PlayTai)	Subsidiary
Tianyi Aluminum Co., Ltd. (hereinafter referred to as Tianyi Aluminum)	Subsidiary



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

Xin Tianlan Co., Ltd. Eternal Life (hereinafter referred to as Xin Tianlan) Affiliates

(2) The details of the transactions between the Company and related persons are disclosed as follows:

1. Commission income

	<u>111 years</u>	<u>110 years</u>
Tianpin International	\$ 24,731	\$ 26,767

The company acts as an agent for subsidiaries to sell its Tianpin Mountain Villa Spirit Bone Tower products. A certain percentage of commission is charged according to the sales products, and the proportion charged is equivalent to that of the same industry. The Company's trading conditions are 45 days at the end of the month, but the actual decision will be made with reference to the working capital situation of the subsidiary. The balance of accounts receivable arising from the above transactions in 111 and December 31, 110 was 4,950 thousand yuan and 4,551 thousand yuan respectively.

2. Rental income

	<u>111 years</u>	<u>110 years</u>
Tianpin International	\$ 144	\$ 145
Xin sky blue	144	145
	<u>\$ 288</u>	<u>\$ 290</u>

The office lease agreement between the company and the related party is negotiated with reference to market conditions and collected according to the general collection conditions, and as of December 31, 111 and 110 of the Republic of China, the deposit deposit arising from the above lease contract is 313 thousand yuan.

3. Cash capital increase

The cash capital increase and increased investment of the 110 years of the Company that did not participate in the original shareholding ratio are as follows:

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

	110 year of the Republic of China			
	Increase investment		Shareholding ratio	
	Number of shares (100 shares)	gold forehead	Before the capital increase	After the capital increase
Tianpin International Play Tai	11,000	\$ 110,000	99.80%	99.85%
	300	3,000	0.00%	13.04%

4. Capital and Finance

The circumstances under which the Company's affiliates may finance funds with the Company for operational needs are as follows:

Relationship p e r s o n	111 years			
	Maximum balance	Closing balance	Interest rate r a n g e	Interest income
Tianyi Aluminum	\$ 30,044	\$ 30,044	1.6%-1.8%	\$ 254

The above receivables are accounted for under "Other receivables - related persons".

5. Advance money

In the 111th year of the Republic of China, the company paid 13 thousand yuan for the training fee and 326 thousand yuan for the subsidiary Tianpin International (excluding business tax; As of December 31, 111, the outstanding balances of the above-mentioned training fees and rental expenses were 14 thousand yuan and 0 yuan respectively, which were shown under "other receivables - related persons".

In the 110th year of the Republic of China, the company paid 593 thousand yuan and 593 thousand yuan (excluding business tax) for its subsidiaries Tianpin International and Eternal Life, respectively; As of December 31, 110, the outstanding balances payable for the cost of computer software were 612 thousand yuan and 209 thousand yuan respectively, which were accounted for under "other receivables - related persons".

6. Rewards for key management

The remuneration information paid to directors and other management members in the 111th and 110th years of the Republic of China is as follows:

111 years	110 years
-----------	-----------

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.

(continued)

Short-term employee benefits	\$	1,400	\$	1,400
Retirement welfare		—		—
	\$	<u>1,400</u>	\$	<u>1,400</u>

8. Assets pledged and pledged:

The Company provides asset allocation collateral or pledge, and the details of asset items, security objects and their book value are as follows:

<u>asset</u>	<u>Subject matter of</u>	<u>December 31, 111</u>	<u>31 Dec 110</u>
Other financial assets -	False seizure of	\$ 800	\$ —
Investment real estate	Bank loan	133,102	—
		<u>\$ 133,902</u>	<u>\$ —</u>

9. Significant contingent liabilities and unrecognized contractual commitments: None.

10. Major disaster losses: none.

11. Matters after the major period:

The cash capital increase and increased investment of the Company's participating related persons in the 112th year of the Republic of China are as follows:

	<u>Republic of China 112 year</u>			
	<u>Increase investment</u>		<u>Shareholding ratio</u>	
	<u>Number of shares</u> <u>(100 shares)</u>	<u>gold forehead</u>	<u>Before the</u> <u>capital</u> <u>increase</u>	<u>After the</u> <u>capital</u> <u>increase</u>
PlayTai Co., Ltd	700	\$ 7,000	13.04%	33.33%

On December 1, 111, the board of directors approved the proposed issuance of 700 thousand ordinary shares, a total of 7,000 thousand yuan, all of which were subscribed by the company, and the company remitted the share money on January 3, 112, and the above cash capital increase case completed the relevant change registration on January 31, 112 of the Republic of China.

XII. Others: None.

XIII. Notes on Disclosure

(1) Information related to major transaction matters:

The relevant information on major transactions in the 111th year of the Republic of China of the Company is listed as follows:

1. Lending funds to others: Please refer to Schedule 1.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd.  
(continued)

2. Endorsement Warranties for Others: See Schedule II.
  3. Holdings of marketable securities at the end of the period: refer to Schedule III.
  4. Cumulative purchase or sale of the same marketable security amounting to NT\$300 million or more than 20% of the paid-up capital: none.
  5. The amount of real estate acquired reaches NT\$300 million or more than 20% of the paid-up capital: none.
  6. The amount of disposed immovable property reaches NT\$300 million or more than 20% of the paid-up capital: none.
  7. The amount of purchase and sale transactions with related persons reaches NT\$100 million or more than 20% of the paid-up capital: none.
  8. Receivables of related persons amounting to NT\$100 million or more than 20% of paid-in capital: None.
  9. Engage in derivatives trading: none.
- (2) Information related to the reinvestment business: Please refer to Appendix 4.
- (3) Mainland investment information: none.
- (4) Information on major shareholders: Please refer to Schedule 5.

14. Departmental information

The Company has disclosed relevant operating department information in the consolidated financial statements in accordance with the requirements.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Funds are lent to others

December 31, 111 of the Republic of China

Schedule I

Unit: New Taiwan dollar thousand

Numbering (Note 1)	Lend funds of companies	Credits and objects	Correspondence subjects	Yes or not Relationship person	Maximum amount for the current period	Closing balance (board quota)	The actual amount of expenditure in the current period	Interest rate interval	Funding loans and nature (Note 3)	The amount of business transactions	There are reasons why short-term financing is necessary	Provision is made for the amount of doubtful debts	Collateral		Credits and limits for individual objects	Funds are credited with limits	Remarks
													Name	Value			
0	The Company	Tianyi Aluminum (shares) Company	Other receivables	be	\$30,000	\$60,000	\$30,000	1.6%-1.8%	2	\$ -	Operational turnaround	\$ -	-	\$ -	\$ 74,944	\$299,776	

Note 1: The numbering column is described as follows:

1. Issuer fill in 0.
2. Investee companies are numbered sequentially starting with the Arabic numeral 1.

Note 2: According to the provisions of the Company's "Operating Procedures for Capital Lending to Others", when there are capital loans and subsidiaries with necessary short-term financing funds, the amount of individual loans shall not exceed 10% of the net value of the Company, and the total amount of capital loans shall not exceed 40% of the net value of the Company. When a foreign company that directly and indirectly holds 100% of the voting shares of the Company, or a foreign company that directly and indirectly holds 100% of the voting shares of the Company, the limit of the total amount of loans and individual objects shall not exceed 100% of the net value of the company.

Note 3: The nature of the fund loan is filled in as follows:

1. Fill in 1 for those who do business.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

2. Fill in 2 if there is a need for short-term financing funds.

Note 4: The above transactions were written off at the time of preparation of the consolidated financial statements.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Endorse the guarantee for others

December 31, 111 of the Republic of China

Schedule II  
thousand

Unit: New Taiwan dollar

Numbering (Note 1)	Endorsement guarantee Witness public Division name	Endorsed guarantee object		To a single enterprise Endorsement guarantee limit (Note 3)	The highest in this issue Endorsement guarantee balance	Final endorsement Guaranteed balance	Actual amount of expenditure	Secured by property Endorsement Guarantee amount	Cumulative endorsement deposit Amount accounts for the most recent financials The ratio of the net value of the statement	Endorsement guarantee Maximum Limit	Parent company To subsidiaries Endorsement guarantee	It is a subsidiary To the parent company Endorsement guarantee	Genus to the continent Regional endorsement guarantee	remark
		Company name	Relationships (Note 2)											
0	The Company	Tianpin International (shares) company	1	\$ 149,888	\$ 100,000	\$ 100,000	\$ -	\$ -	-	\$ 100,000	And	N	N	

Note 1: The numbering column is described below:

1. Issuer fill in 0.
2. Investee companies are numbered sequentially by the Arabic number 1.

Note 2: The relationship between the endorsement guarantor and the endorsed guarantor is as follows:

1. Companies in which the company directly and indirectly holds more than 50% of the voting shares.

Note 3: According to the Company's "Endorsement Guarantee Operating Procedures", the limit of the Company's endorsement guarantee for a single enterprise shall not exceed 20% of the net value of the current period, except for subsidiaries where the Company directly holds more than 90% of the common shares, and the rest shall not exceed 10% of the net value of the current period.

Note 4: Sponsors of endorsement by the parent company to the subsidiary, endorsement guarantors from subsidiaries to the parent company, and endorsement guarantors

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

belonging to the mainland region must fill in Y.

Note 5: The above transactions were written off at the time of preparation of the consolidated financial statements.



Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

A detailed statement of securities held at the end of the period

Schedule III

December 31, 111 of the Republic of China

Unit: Thousand shares/Ne

Taiwan dollar Thousand Dollars

Hold of companies	Types and names of securities (Note 1)	Relationship with the issuer of securities	Ledger accounts	Final				remark
				Number of shares/units	Book amount	ratio	Market price/equity	
The Company	Stocks-Jiada World (shares) company	Note 5	Financial assets measured at fair value through profit or loss - liquidity	5,107	80,435	6.33%	80,435	Note 2
The Company	Stock-Hongjie Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	25	1,703	0.01%	1,703	Note 2
The Company	Stock-Taiji Energy Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	15	417	0.01%	417	Note 2
The Company	Stock-Guangyun Mechanical Engineering (Shares) Company	not	Financial assets measured at fair value through profit or loss - liquidity	240	6,096	0.10%	6,096	Note 2
The Company	Stock-Koyo Applied Materials Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	100	3,205	0.02%	3,205	Note 2
The Company	Shares - China Iron and Steel (Shares) Corporation	not	Financial assets measured at fair value through profit or loss - liquidity	300	8,940	0.00%	8,940	Note 2
The Company	Stock-Jilin Technology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	50	3,010	0.05%	3,010	Note 2
The Company	Stocks-Guoding Biotechnology (shares) company	not	Financial assets measured at fair value through profit or loss - liquidity	53	9,079	0.04%	9,079	Note 2

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

The Company	Shares - Hebang Electronics (shares) Company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	336	1,524	3.86%	1,524	Notes 3, 5
The Company	Shares - Beast State (shares) company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	396	14,668	2.44%	14,668	Note 4
Eternal Life Business (Shares) Company	Shares - British Cayman Islands Commercial Nano (Shares) Company	not	Financial assets measured at fair value through profit or loss - liquidity	25	396	0.02%	396	Note 3
Eternal Life Business (Shares) Company	Shares - Beast State (shares) company	not	Financial assets measured at fair value through other comprehensive gains and losses - non-current	396	14,668	2.44%	14,668	Note 4

Note 1: For the purposes of this table, marketable securities refer to stocks, bonds, beneficiary certificates and securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments".

Note 2: The market price is calculated based on the closing price of the Taiwan Stock Exchange or the over-the-counter trading center on December 31, 111.

Note 3: The underlying stock held by the Company is a private placement stock, and the market price is calculated based on the closing price of the over-the-counter trading center on December 31, 111 and taking into account liquidity factors.

Note 4: The fair value of the unactive market public quotation of the subject held by the company as of December 31, 111 was calculated using evaluation technology.

Note 5: The company passed the capital reduction to make up for the loss through the ordinary meeting of shareholders on June 16, 111, and the base date for capital reduction was set as December 28, 111, and the capital reduction ratio was 84.79%.

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Information about the investee company

December 31, 111 of the Republic of China

Schedule IV  
dollar Thousand Dollars

Unit: Thousand shares/New Taiwan

The name of the investment company	Be invested Company name	location region	Main business project	Original investment amount		Hold at the end of the period			The investee company's profit or loss for the current period	Investment (loss) profit and loss recognized in the current period	remark
				This issue Final	Previous issue Final	Number of shares	ratio	Book amount			
The Company	Tianpin International (shares) company	New Taipei City	Funeral facilities Business business	\$ 452,834	\$ 452,834	40,941	99.85%	\$ 429,938	\$ 10,796	\$ 10,173	
The Company	Eternal Life Business (Shares) Company	New Taipei City	Funeral etiquette serve	18,620	18,620	2,000	66.67%	17,997	1,115	743	
The Company	Play Tai (shares) company	New Taipei City	Toy manufacturing and other plastic products manufacturing, etc	3,000	3,000	300	13.04%	572	(9,519)	(1,241)	
The Company	Tianyi Aluminum (shares) firm	Changhua County	Aluminum production and sales business	24,000	—	2,400	80.00%	21,272	(3,410)	(2,728)	

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin International (shares) company	Eternal Life Business (Shares) Company	New Taipei City	Funeral etiquette serve	10,000	10,000	1,000	33.33%	8,997	1,115	372	
---	---	--------------------	----------------------------	--------	--------	-------	--------	-------	-------	-----	--

Notes to the individual financial statements of Tianpin Joint Enterprise Co., Ltd. (continued)

Tianpin United Enterprise Co., Ltd  
 (formerly known as: Tianpin Investment Holdings Co., Ltd.)  
 Information on major shareholders  
 December 31, 111 of the Republic of China

Schedule V

share		
Name of the major shareholder	Number of shares held	Shareholding ratio
FX Investment Co., Ltd	33,487,829	54.22%
Jely International Investment Co., Ltd	4,359,841	7.05%

Note 1: The information on major shareholders in this table is calculated by CHEP on the last business day at the end of each quarter, with shareholders holding more than 5% of the company's ordinary shares and special shares (including treasury shares) that have been delivered without physical registration. As for the share capital recorded in the company's financial report and the number of shares actually completed by the company without physical registration, there may be differences depending on the basis of the preparation and calculation.

Note 2: If the above information is a shareholder who delivers the shares to the trust, it is revealed by the individual sub-accounts of the settlor who opened a special trust account by the trustee. As for shareholders who declare their shareholding of more than 10% of the shares held by shareholders in accordance with the Securities Exchange Act, including their own shareholdings plus their shares handed over to the trust and have the right to use the trust property, please refer to the Public Information Observatory for information on insider equity declarations.

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

A list of important accounting item schedules

p r o j e c t n g	Numbering/Indexi
Itemized statement of assets, liabilities and equity	
Cash and approximate cash statements	Schedule 1
Financial Assets - Schedule of Flows as measured at Fair Value by Profit and Loss	Schedule 2
Financial assets as measured at fair value through other comprehensive gains and losses - a non-current schedule	Schedule 3
A detailed statement of changes in investments using the equity method	Schedule 4
Accounts receivable schedule	Schedule 5
Other receivables schedule	Schedule 6
Schedule of advances	Schedule 7
Detailed statement of changes in real estate, plant and equipment	Note VI (v)
Schedule of accumulated depreciation and accumulated impairment changes in real estate, plant and equipment	Note VI (v)
Breakdown of changes in right-of-use assets	Note VI (vii)
Schedule of changes in accumulated depreciation of right-of-use assets	Note VI (vii)
Schedule of changes in investment real estate	Note VI (vi)
Breakdown of changes in accumulated depreciation of investment real estate	Note VI (vi)
Bank loan schedule	Schedule 8
Other payables schedules	Schedule 9
Schedule of liabilities prepared	Note VI (x)
Schedule of lease liabilities	Schedule 10
Breakdown of profit and loss items	
Breakdown of operating income	Note VI (xv)
Breakdown of operating costs	Note VI (xvi)
A breakdown of marketing expenses	Schedule 11
Manage a breakdown of expenses	Schedule 11
Other income breakdowns	Note VI (xvii)
Schedule of other benefits and losses	Note VI (xviii)

Summary table of employee benefits, depreciation, depreciation and amortization Note VI (xx)  
expenses incurred in the current period

## Schedule 1

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings  
Co., Ltd.)

## Cash and approximate cash statements

December 31, 111 of the Republic of China

Unit: New Taiwan dollar  
thousand

<u>p r o j e c t</u>	<u>s u m m a r y</u>	<u>a m o u n t</u>
Cash	Cash on hand and petty cash	\$ 122
About cash	demand deposit	
	Yushan Commercial Bank - Zhongli Branch #0130-440-039368	9,891
	Yuanta Commercial Bank - Nankan Branch #0345-21-14918-4-0	6,692
	Banxin Commercial Bank - Minzu Branch #118-0066-5-00898888-9	1,238
	Cathay United Bank-Itabashi Branch #017-14-000051-5	1,158
	Others (none of which reaches 5% of the balance)	<u>1,024</u>
	subtotal	<u>20,003</u>
	Foreign currency deposits	
	Yushan Commercial Bank - Zhongli Branch #0107441229931 (USD\$78,716.21 × 30.71)	2,417
	Yuanta Commercial Bank - Nankan Branch #0345-28-149187-0 (USD\$ 9,496.81 × 30.71)	292
	Others (none of which reaches 5% of the balance)	<u>—</u>
	subtotal	<u>2,709</u>
	total	<u>\$ 22,834</u>



Schedule 2

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Financial Assets - Schedule of Flows as measured at Fair Value by Profit and Loss

December 31, 111 of the Republic of China

Unit: New Taiwan dollar thousand

F i n a n c i a l i n s t r u m e n t s n a m e s	s u m m a r y	Number of shares (Stock)	f a c e v a l u e	T o t a l	i n t e r e s t C o s t o f a c q u i s i t i o n	F a i r V a l u e		r e m a r k	
						u n i t p r i c e	T o t a l		
Shares of listed companies	Jiada World (shares) company	5,107	10	\$ 51,070	-	\$ 89,192	\$ 15.75	\$ 80,435	
OTC company stock	Hongjie Technology (shares) company	25	10	250	-	2,127	68.10	1,703	
Shares of listed companies	Taiji Energy Technology (shares) company	15	10	150	-	437	27.80	417	
OTC company stock	Guangyun Mechanical Engineering (shares) company	240	10	2,400	-	8,793	25.40	6,096	
OTC company stock	Koyo Applied Materials Technology (shares) company	100	10	1,000	-	5,960	32.05	3,205	
Shares of listed companies	China Iron and Steel (Shares) Corporation	300	10	3,000	-	12,310	29.80	8,940	
Shares of listed companies	Jilin Technology (shares) company	50	10	500	-	6,650	60.20	3,010	

Shares of Xingshu Guoding Biotechnology (shares)	53	10	530	-	5,275	170.00	9,079
Company							
					<u>130,744</u>		<u>112,885</u>
					\$		\$

## Schedule 3

## Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Financial assets as measured at fair value through other comprehensive gains and losses - a non-current schedule

December 31, 111 of the Republic of China

Unit: New Taiwan dollar  
thousand

Financial instruments n a m e s u m m a r y	Number of shares (Stock)	f a c e v a l u e	T o t a l	intere st rate	C o s t o f a c q u i s i t i o n	F a i r V a l u e		r e m a r k
						u n i t p r i c e	T o t a l	
OTC company stock Hebang Electronics (shares) company	336	10	\$ 3,360	—	\$ 44,200	\$ 4.54	\$ 1,524	concentrate
Shares of unlisted (over- the-counter) companies Beast State (shares) company	396	10	3,960	—	23,400	37.04	14,668	
total					\$ 67,600		\$ 16,192	

Note: The investee company passed the capital reduction to make up for the loss through the regular meeting of shareholders on June 16, 111, and the base date for capital reduction was set as December 28, 111, with a capital reduction ratio of 84.79%.

## Schedule 4

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings Co.,  
Ltd.)

A detailed statement of changes in investments using  
the equity method

From January 1, 111 to December 31, the Republic of  
China

Unit: Thousand shares/New  
Taiwan dollar Thousand  
Dollars

<u>Investee companies</u>	<u>Opening balance</u>		<u>Increased in the current period</u>		<u>Decrease in the current period</u>		<u>The increase (decrease) amount denominated using the equity method (Note)</u>	<u>Closing balance</u>		<u>Market price or Net equity</u>			
	<u>Number of shares</u>	<u>amount</u>	<u>Number of shares</u>	<u>amount</u>	<u>Number of shares</u>	<u>amount</u>		<u>Number of shares</u>	<u>Holdings of proportion amount</u>	<u>unit price</u>	<u>Price</u>	<u>pledge</u>	
Tianpin International Co., Ltd	40,941	\$ 423,838	—	—	—	—	\$ 6,100	40,941	99.85%	\$ 429,938	10.50	\$ 429,938	not
Eternal Life Business (Shares) Company	2,000	25,413	—	—	—	—	(7,416)	2,000	66.67%	17,997	9.00	17,997	not
Tianyi Aluminum (shares) Company	—	—	2,400	24,000	—	—	(2,728)	2,400	80.00%	21,272	8.86	21,272	not
PlayTai Co., Ltd	300	1,813	—	—	—	—	(1,241)	300	13.04%	572	1.85	572	not
<b>total</b>		<u>\$ 451,064</u>		<u>\$ 24,000</u>			<u>\$ —</u>			<u>\$ 469,779</u>		<u>\$ 469,779</u>	

Note: The main ones are the profit and loss shares of subsidiaries and affiliates recognized by the equity method, and other comprehensive profit and loss shares.

Schedule 5

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings  
Co., Ltd.)

Accounts receivable schedule

December 31, 111 of the Republic of China

Unit: New Taiwan  
dollar thousand

<u>C u s t o m e r   n a m e</u>	<u>s u m m a r y</u>	<u>a m o u n t</u>
<u>Accounts receivable - non-related</u>		
<u>persons</u>		
Suncheon International Limited	Rental income	\$ 714
Reduction: Allowance for loss		<u>(114)</u>
		<u>\$ 600</u>
 <u>Accounts receivable - related</u>		
<u>persons</u>		
Tianpin International (shares) company	Affiliate referral commissions	<u>\$ 4,950</u>

## Schedule 6

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings  
Co., Ltd.)

Other receivables schedule

December 31, 111 of the Republic of China

Unit: New Taiwan  
dollar thousand

<u>p r o j e c t</u>	<u>s u m m a r y</u>	<u>a m o u n t</u>
Other receivables - related persons	Capital loan and principal of Tianyi Aluminum (shares) Company	\$ 30,000
"	Capital loan and interest receivable from Tianyi Aluminum (shares) Company	44
"	Cover the training fee of Tianpin International (Shares) Company	14
total		<u>\$ 30,058</u>

## Schedule 7

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings  
Co., Ltd.)

## Schedule of advances

December 31, 111 of the Republic of China

Unit: New Taiwan  
dollar thousand

<u>p r o j e c t</u>	<u>s u m m a r y</u>	<u>a m o u n t</u>
Upfront Fees	Various ad spend	\$ 319
"	Office renovations	195
"	insurance	61
Other prepayments	Prepayment of computer software fees	289
Retained tax credits		95
Others (none of which reaches 5% of the balance)		23
total		<u>\$ 982</u>

## Schedule 8

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Bank loan schedule

December 31, 111 of the Republic of China

Unit: New Taiwan dollar thousand

Type of borrowing	illustrate	Closing balance	Term of the contract	Interest rate range	Financing amount	Mortgage or guarantee	remark
Mortgage borrowing	Yuanta Bank	<u>\$ 30,000</u>	111.6.29-112.6.23	1.75%	<u>\$ 100,000</u>	Note VIII	concentrate

Note: The Company provides investment real estate to Yuanta Bank as collateral for the above bank loans.



## Schedule 9

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings  
Co., Ltd.)

Other payables schedules

December 31, 111 of the Republic of China

Unit: New Taiwan  
dollar thousand

p r o j e c t s	s u m m a r y	a m o u n t
Labor fees payable	Professional Services Fees	\$ 2,996
Salary and bonuses payable	Salaries and bonuses	732
Others (none of which reaches 5% of the balance)		2,776
total		\$ 6,504

Schedule 10

Tianpin United Enterprise Co., Ltd  
(formerly known as: Tianpin Investment Holdings Co., Ltd.)

Schedule of lease liabilities

December 31, 111 of the Republic of China

Unit: New Taiwan dollar thousand

<u>p r o j e c t s u m m a r y</u>	<u>R e n t a l p e r i o d</u>	<u>D i s c o u n t</u> <u>r a t e</u>	<u>Closing balance</u>	<u>r e m a r k</u>
Lease liabilities - Official Car A current	110/07/16 to 113/07/15	2.52%	\$ 991	
Lease liabilities - Office B current	109/06/19 to 112/06/20	2.52%	536	
Lease liabilities - Office C current	109/09/11 至 114/08/05	2.52%	486	
			<u>\$ 2,013</u>	

<u>p r o j e c t s u m m a r y</u>	<u>R e n t a l p e r i o d</u>	<u>D i s c o u n t</u> <u>r a t e</u>	<u>Closing balance</u>	<u>r e m a r k</u>
Lease liabilities - non- Official Car A current	110/07/16 to 113/07/15	2.52%	\$ 505	
Lease liabilities - non- Office C current	109/09/11 to 114/08/05	2.52%	838	
			<u>\$ 1,343</u>	

Schedule 11

Tianpin United Enterprise Co., Ltd

(formerly known as: Tianpin Investment Holdings

Co., Ltd.)

Detailed statement of marketing expenses/overhead

costs

From January 1, 111 to December 31, the Republic  
of China

Unit: New Taiwan  
dollar thousand

<u>p r o j e c t</u>	<u>P r o m o t i o n a l</u>	<u>M a n a g e m e n t f e e s</u>	<u>t o t a l</u>
Payroll expenses	\$ 3,916	\$ 5,506	\$ 9,422
Advertising fees	1,562	10	1,572
Communication fees	—	908	908
donation	—	850	850
depreciation	—	2,856	2,856
Commission payouts	7,270	—	7,270
worker	—	1,032	1,032
Other costs	86	911	997
Others (none of which reaches 5% of	968	4,044	5,012
total	<u>\$ 13,802</u>	<u>\$ 16,117</u>	<u>\$ 29,919</u>

TienPin United Enterprise Co., Ltd

Li Zhenkuan