

Good Finance Securities Co., Ltd.  
2023 Annual General Meeting Minutes

Time: 10:00 a.m., May 24, 2023 (Wednesday)

Location: Room E, 4th Floor, No. 2, Section 3, Minsheng East Road, Zhongshan District, Taipei City

The total number of shares issued by the company is 311,265,974 shares.

The total number of shares represented by attending shareholders and shareholders' proxies is 256,812,706 shares (including 165,348,272 shares exercised electronically and 8,224 shares exercised by video conferencing).

The number of shares of attending shareholders accounted for 82.50% of the total shares issued.

Chairman: Ku-Han Huang, the Chairman of the Board of Directors

Minute taker: Ching-Hui Chen

Directors attended in person: Ku-Han Huang, Ming-Li Chuang, Fu-Liang Wan, Hsuan-Ching Peng, Shen-Chun Lo, Yu-De Shen

In attendance: Accountant Pei-De Chen and Attorney Chi-Hsiang Wei

**I. Meeting Declaration (the number of shares represented by the attending shareholders had reached the statutory number, and the chairman declared the start of the meeting)**

**II. Chairman's Speech (Omitted)**

**III. Report Items**

1. The Company's 2022 Business Report is submitted for review. (Omitted)
2. The Audit Committee's review report is submitted for review. (Omitted)
3. The report on distribution of employees' compensation and remuneration to directors is submitted for review. (Omitted)

**IV. Proposed Resolutions**

Report No. 1 (Proposed by the board of directors)

Subject: The 2022 Business Report and Financial Statements are submitted for acknowledgement.

Description:

1. The Company's board of directors has prepared the 2022 Business Report, Earnings Distribution Table, Parent Company Only Financial Statements and Consolidated Financial Statements. The same were submitted to 19th meeting of the 4th term of the Audit Committee for review on March 7, 2023, and the Audit Committee issued its audit report thereon accordingly.
2. Please refer to the Attachment 1 and Attachment 3 and 4 of the Handbook for the 2022 Business Report, the Independent Auditors' Report, the aforesaid financial statements and the Earnings Distribution Table, respectively.

Resolution: The voting results of this proposal are as follows:

Total voting rights of the attending shareholders at the time of voting: 253,888,807 rights

voting results	% of Voting Rights of Attending Shareholders
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Rights for in favor of: 249,832,342rights (Including 164,594,605 rights from electronic voting; 110,000 rights from video voting)	98.40%
Rights of opposition: 15,680 rights (Including 15,680 rights from electronic voting; 0 right from video voting)	0.00%
Invalid rights: 0 rights	0.00%
Abstentions/non-voted rights: 4,040,785 rights (Including 737,987 rights from electronic voting; 0 rights from video voting)	1.59%

This proposal was passed by voting as originally proposed.

Report No. 2 (Proposed by the Board of Directors)

Subject: The proposed distribution of earnings 2022 is submitted for acknowledgement.

Description: The proposal for distribution of the Company's 2022 earnings were submitted to 19th meeting of the 4th term of the Audit Committee for review on March 7, 2023, and approved upon resolution of 19th meeting of the 17th term of the board of directors on March 7, 2023. Please refer to Attachment 4 for the earnings distribution table.

Resolution: The voting results of this proposal are as follows:

Total voting rights of the attending shareholders at the time of voting: 253,888,807 rights

voting results	% of Voting Rights of Attending Shareholders
Rights for in favor of: 249,831,871rights (Including 164,594,134 rights from electronic voting; 0 rights from video voting)	98.40%
Rights of opposition: 16,151 rights (Including 16,151 rights from electronic voting; 0 right from video voting)	0.00%
Invalid rights: 0 rights	0.00%
Abstentions/non-voted rights: 4,040,785 rights (Including 737,987 rights from electronic voting; 0 rights from video voting)	1.59%

This proposal was passed by voting as originally proposed.

## V. Discussion

Report No. 1(Proposed by the board of directors)

Subject: The amendments to "Articles of Incorporation" are submitted for discussion.

Description:

1. The highlights of this amendment to the Articles of Incorporation are as follows:

- (1) For the purpose of meeting the Company’s operational needs and motivating employees, the Company’s shareholders’ meeting shall specify the procedures for agreeing on the price of employee stock options and the price of treasury shares to be transferred to employees. Therefore, Article 5, Paragraph 3 of the Company’s Articles of Incorporation is hereby amended.
  - (2) For the purpose of enhancing corporate governance, it is proposed to add that the Board of Directors may establish various functional committees and to specify that the Board of Directors shall decide on the organization for each functional committee. Therefore, Article 25, Paragraph 2 of the Company’s Articles of Incorporation is hereby amended.
  - (3) In considering the possibility to change the title of the managerial officers and to adjust the nomination system in the future, the Company amended Article 27 of the Company’s Articles of Incorporation to allow the flexibility to do so.
  - (4) To specify that the recipients of employee compensation may include the employees of parents or subsidiaries of the company meeting certain specific requirements, therefore, Article 30 of the Company’s Articles of Incorporation shall be amended.
  - (5) For the purpose of enhancing the effectiveness of shareholders’ investment and increasing the operating flexibility of the Company, it is proposed to specify that the distribution of the Company’s earnings or the appropriation of losses shall be made after the end of each semi-annual period. In addition, if the distributable dividends and bonuses or reserves in whole or in part are paid in cash, the Board of Directors is authorized to approve the distribution and report the same to the shareholders’ meeting. Therefore, Article 30-1 of the Company’s Articles of Incorporation is hereby amended.
2. The comparison table for the Company’s Articles of Incorporation Before and After Revision is attached as Attachment 5 on pages 37 to 40 of the Handbook.

Resolution: The voting results of this proposal are as follows:

Total voting rights of the attending shareholders at the time of voting: 253,888,807 rights

voting results	% of Voting Rights of Attending Shareholders
Rights for in favor of: 249,832,341 rights (Including 164,594,604 rights from electronic voting; 0 rights from video voting)	98.40%
Rights of opposition: 15,681 rights (Including 15,681 rights from electronic voting; 0 right from video voting)	0.00%
Invalid rights: 0 rights	0.00%
Abstentions/non-voted rights: 4,040,785 rights (Including 737,987 rights from electronic voting; 0 rights from video voting)	1.59%

This proposal was passed by voting as originally proposed.

Report No. 2 (Proposed by the Board of Directors)

Subject: The amendments to the “Operating Procedure for Acquisition or Disposal of Assets” are submitted for discussion.

Description: The amendments to these Operating Procedures include Article 8, 9 and 11 for the acquisition or disposal of securities, real property and equipment, intangible assets or their right-to-use assets, or the authorization amount and level of transactions of memberships.

The Board of Directors is authorized to set the authority level to approve the transaction.

The comparison table before and after the revision is shown in Attachment 6.

Resolution: The voting results of this proposal are as follows:

Total voting rights of the attending shareholders at the time of voting: 253,888,807 rights

voting results	% of Voting Rights of Attending Shareholders
Rights for in favor of: 249,831,870 rights (Including 164,594,133 rights from electronic voting; 0 rights from video voting)	98.40%
Rights of opposition: 16,152 rights (Including 16,152 rights from electronic voting; 0 right from video voting)	0.00%
Invalid rights: 0 rights	0.00%
Abstentions/non-voted rights: 4,040,785 rights (Including 737,987 rights from electronic voting; 0 rights from video voting)	1.59%

This proposal was passed by voting as originally proposed.

## VI. Election

Subject: Election of directors of the 18th term of Board of Directors (including independent directors).

Description:

- Article 17 of the Articles of Incorporation provides that the Company shall have 7 to 11 directors and shall adopt the nomination system. Directors shall be elected by shareholders from the list of candidates. Among these, the directors shall include no less than three independent directors who shall be no less than one-fifths of all the directors. ”
- As resolved at the 19th meeting of the 17th term of the Board of Directors held on March 7, 2023, eleven directors (including three independent directors) were elected at the shareholders’ meeting for a term of three years commencing on May 24, 2023 and ending on May 23, 2026.
- The Company adopts the candidate nomination system for the election of directors, and the shareholders shall elect the directors and independent directors from among the nominees listed in the roster of director candidates. Independent and non-independent directors elected at the same time, but in separately calculated numbers.
- The candidate list for this election of directors (including independent directors) has been reviewed and approved at the 20th meeting of the 17th term of the Board of Directors held on April 11, 2023. Please refer to Attachment 7 on pages 43 to 45 of this Handbook for their education, experience and other relevant information.

Election Result:

List of new directors:

Position	Shareholder’s number or ID number	Name	Votes Received
Director	23501	Caterpillar Capital Co., Ltd.	365,586,427

		Representative: Ku-Han Huang	
Director	5	Ming-Li Chuang	242,513,306
Director	23501	Caterpillar Capital Co., Ltd. Representative: Yang, Tun-Hsi	238,312,948
Director	23501	Caterpillar Capital Co., Ltd. Representative: Lee, Wei-Chung	238,296,459
Director	23501	Caterpillar Capital Co., Ltd. Representative: Lai, Yang-Juh	238,296,451
Director	23501	Caterpillar Capital Co., Ltd. Representative: Ku Ming-Tao	238,296,448
Director	23501	Caterpillar Capital Co., Ltd. Representative: Hsuan-Ching Peng	238,296,448
Director	J12059****	Fu-Liang Wan	235,336,597
Independent Director	Y12003****	Keng-Chou Lin	238,805,441
Independent Director	A22472****	Li-Yi Cheng	238,301,990
Independent Director	N12120****	Chen, Ching-Hsiu	235,116,438

## VII. Other Matters

Subject: Release of non-competition restrictions for Directors.

Description: As the Company's newly elected directors and their representatives may invest in or operate a business which is identical or similar to the business scope of the Company and serve as directors or managers, in order to meet actual business needs and without prejudice to any interests of the Company, the Company proposes to explain the significant contents of their activities and obtain the permission from the shareholders in accordance with Article 209 of the Company Act. It is proposed to approve the release of non-competition restrictions for these Directors as follows:

Position	Name	Serves in positions of other companies
Director	Caterpillar Capital Co., Ltd. Representative: Hank Huang	Chairman, Asia Value Asset Management Co., Ltd. Chairman, Asia Value Cornerstone Capital Co., Ltd. Chairman, Xin Yi Ling Co., Ltd. Chairman, Asia Value Capital Co., Ltd. Chairman, Caterpillar Capital Co., Ltd. Chairman, Shanghai Kuhan Investment Management Ltd. Chairman, Asia Value Capital Chairman, Asia Value Capital (Shanghai) Ltd. Chairman, Asia Value Capital (Hangzhou) Ltd. Chairman, Aman Co., Ltd. Chairman, Good Innovation Co., Ltd. Director, Cheng Yu Sheng Investment Co., Ltd. Chairman, Software Innovation Co., Ltd.

Director	Ming-Li Chuang	Chairman, Hsin I Tai Investment Co., Ltd.
Director	Caterpillar Capital Co., Ltd. Representative: Yang, Tun-Hsi	Chairman, Da Han Capital Co., Ltd.
Director	Caterpillar Capital Co., Ltd. Representative: Peng, Hsuan-Ching	Director, Bar Koo Investment Corporation
Independent Director	Lin, Keng-Chou	Chairman, Hsing Chou Investment Co., Ltd.

Resolution: The voting results of this proposal are as follows:

Total voting rights of the attending shareholders at the time of voting: 253,888,807 rights

voting results	% of Voting Rights of Attending Shareholders
Rights for in favor of: 249,772,398 rights (Including 164,534,661 rights from electronic voting; 0 rights from video voting)	98.37%
Rights of opposition: 68,486 rights (Including 68,486 rights from electronic voting; 0 right from video voting)	0.02%
Invalid rights: 0 rights	0.00%
Abstentions/non-voted rights: 4,047,923 rights (Including 745,125 rights from electronic voting; 0 rights from video voting)	1.59%

This proposal was passed by voting as originally proposed.

### Shareholders' questions:

Question of shareholder account number 25269:

1. Last year, a proposal was made at the shareholders' meeting to improve the company's stock trading volume. However, the improvement seems limited in the past year. What improvements have the company made? Are there any further methods or behaviors to improve the company's stock trading volume this year?

Chairman's reply:

Our company is fortunate to have shareholders who identify with value investments. Analyzing the current shareholder structure of our company, other than the original shareholders, there are mostly employee shareholders and long-term investment shareholders. These shareholders are not willing to sell our company's stocks after buying them, and there are therefore no speculative trading opportunities, resulting in a lower trading volume. Because the current trading prices of securities

companies' stocks are far below their expected value, Mr. Warren Buffett will buy back treasury stocks when the company's stock price is undervalued. This is also one of the ways our company discussed improving trading volume, but no specific opinion was made. In recent years, our company has been committed to investing in technology research and talent transformation. After we manage our core business well and bring greater profits to shareholders, we will attract more investors' attention and investment. Then, the trading volume will probably increase significantly.

2. In the first quarter of 2023, there was a significant decrease in cash on hand and a significant increase in investment positions. Is this because the company is optimistic that the worst market situation is over? If the company is optimistic that the worst market situation is over, should it expand its investment position slightly?

Chairman's reply:

Our company's investment position has increased this year mainly due to the investment of over NT\$600 million in bonds. Due to the relatively high interest rates, the opportunity for the Federal Reserve of the United States to significantly raise interest rates is unlikely, making it a suitable time to establish a bond position. The capital adequacy ratio of the company is about 250~280, and that of the average security industry is about 400. Overall, the company has effectively utilized the capital of its shareholders. Our investment department continues to focus on factors such as capital adequacy ratio and overseas securities trading income tax, and studies how to optimize investment allocation to obtain better returns, while expanding the investment department's manpower and establishing a higher-quality investment team.

3. In the second quarter of 2022, the company suffered the most investment losses, but in the third quarter of 2022 when the market dropped the most, the company's losses converged significantly. Can you share with us the investment operations of the company last year?

Chairman's reply:

Last year's investment portfolio did not undergo significant changes, and the investment losses were not entirely consistent with the overall market trend. This was mainly due to the presence of overseas stocks in our company's investment portfolio and the inconsistent bottom-out times of global stock markets and individual stocks.

4. In the report to shareholders, it was mentioned that our company intends to reduce the overseas investment proportion due to the taxation issue. However, the focus of Taiwan is still on technology stocks; in addition to a lack of industrial diversity, there are also geopolitical risks. If better opportunities can be found in overseas investment, can it offset the tax burden?

Chairman's reply:

As previously mentioned, after considering the capital adequacy ratio and overseas securities trading income tax, our company is continuously studying how to optimize our investment portfolio. For

example, if the investment target is ten times the number of stocks over a decade, the internal rate of return on investment is about 26%. If the investment target is overseas stocks, the internal rate of return on investment will decrease to about 20.6% after tax deduction. Therefore, if the internal rate of return on investment of Taiwan stocks exceeds 20.6%, the investment performance will be even higher than that of overseas stocks. Many companies in the Taiwan securities market have undervalued stock prices, and the internal rate of return on investment may be equal to or greater than 20.6%. Of course, there are also high-quality investment targets abroad, and our investment team will continue studying and evaluating them.

5. At present, our company mainly holds the shares of Hon Hai, TSMC, DACIN Construction, MediaTek and Berkshire, and almost all of them are large-weight stocks; can their return be approximately equivalent to large-weight stocks? I think that as far as the size of a company is concerned, many small and medium-sized companies can bring good returns to shareholders. The investment opportunities available to Berkshire are limited due to its size, but there should be more room for development considering the size of our company.

Chairman's reply:

There is still much room for optimization in our current investment portfolio, and the current deployment is relatively safe. Our company's expected rate of return on investment including dividends, is approximately 12% at the moment. In the future, we will continue establishing an investment and other logistics teams, and optimizing the investment portfolio. We believe that once the front, middle, and back office teams are in place, we may work together to increase the expected return to 15~18%.

**VIII. Extraordinary Motion: NIL**

**IX. The meeting adjourned at: 11:17 A.M.**

**Chairman: Ku-Han Huang**

**Minute taker: Ching-Hui Chen**



# Good Finance Securities Co., Ltd.

## 2022 Business Report

### Changes in the financial market environment

As we look back at the global financial markets in 2020 to 2021, global stock markets hit new record highs in a long and optimistic atmosphere. However, because of the Russia-Ukraine war in 2022, the raw material supply worldwide has been disrupted, energy and material prices have risen sharply, causing the inflation to worsen, forcing the US Federal Reserve to take rapid action to raise the interest rate. Subsequently, the central banks in various countries began to initiate austerity and China adopted an aggressive Zero-COVID policy, and the U.S. and China competed in the chip war, etc. As the result, the investors dumped risky assets and the stock and bond markets around the world dropped sharply, such as the Philadelphia half index fell 48% and the S&P 500 fell 29%, and Taiwan stocks fell 22% and closed at 14,137 points for the year.

In 2022, the stock market fluctuated violently, the trading volume also shrank significantly. The average daily volume of the Centralized Ordered Market was NT\$242.1 billion, a 38% decrease from the previous year; and the average daily volume of the OTC market was NT\$60.4 billion, also a 27% decrease from the previous year. The operating profit of the entire securities industry in the market is facing a sharp decline, and the average profit has decreased by 63% compared with last year. The financial industry's 2022 profit before tax was \$479.8 billion, a decrease of \$455.7 billion as compared to 2021, the lowest figure in the past decade.

### Operating results

As a result of the sharp decline in the global financial markets, the Company's operations in 2022 were considered to be difficult. The Company reported consolidated revenue of NT\$869,915 thousand, consolidated net income of NT\$52,496 thousand, and earnings per share after tax of NT\$0.17 for 2022.

Total equity at the end of 2022 was NT\$4,559,950 thousand, with a net value of NT\$14.87 per share. As for financial ratios, the current ratio is 165.75% and the debt ratio is 61.95%, which means that the overall financial structure of the Company is sound.

According to Fitch Ratings, the Company's long-term domestic credit rating for 2022 is BBB+ and its short-term domestic credit rating is F2, both of which remain stable.

### Focus on transformation and development

On January 26, 2022, the Company officially changed its name to "GOOD FINANCE SECURITIES". The new brand name will be more closely related to the core values and future prospects of the Company.

In order to accomplish our mission to create more happiness and goodness in the world through our financial services, we aim to provide more stable and competitive financial products to our customers in order to support their dreams in life. At the same time, we continue to enhance the quality of our services and improve our financial service process to satisfy our customers.

The Company is moving into a phase where it will grow more structurally. In the coming years, we will continue to invest substantially in hardware, bring in technology talent and develop IT management solutions to support the Company's transformation from a securities brokerage firm to a financial technology company. Transformation is not easy, change requires determination and long-term commitment. As the Company continues to invest in its future core competencies, there is a discrepancy between short-term investments and long-term returns. There will be a time lag between input and outcome. However, we believe that this transition period will soon be over as the Company continues to grow.

### Development strategy

The Company used to operate its business primarily in brokerage and securities financing. After the transformation,

we will strengthen our own investment, financial and technology products. We hope to form a positive cycle through diversification.

The Company started its asset management business in 2020, and since then, the scale of the assets entrusted to us by our clients has exceeded NT\$5 billion and we have more than 2,400 clients.

- I. We continue to invest in financial technology and develop digital platform to help our customers have a better digital experience, and we are actively expanding our business scale and recruiting technology talents. The Company aims to provide customers with a more diversified and quality digital service experience by focusing on the development of financial technology, information security, and information innovation.

Our fund management APP has been launched, customers can open an account, subscribe and renew a contract, and view accounts for the bond plus capital guarantee structured commodity PGN online at one time, which is a very meaningful milestone and a big step in the transformation to a fintech company.

- II. We will continue to expand our asset management business. Apart from producing our own fixed income products, we will further explore the overseas bond sub-brokerage market to actively serve our clients and expand our business scale.

## **Future prospect**

The Company aims to integrate the diversified financial services capabilities of the Group and increase its asset management services by adopting the management philosophy of "prudent, steady and decent management" under a long-term prudent management strategy. By providing competitive asset management products and with our professional and reliable investment advisors, we will continue to implement various mechanisms for risk and internal control management, strengthen our business structure, demonstrate our innovation ability, and enhance the competitiveness in each business to create more and better value for our clients and shareholders, and move towards "creating a better brokerage firm for our clients"!

Chairperson of the board: Hank Huang    President: Chuang, Ta-Hsiu    Accounting manager: Wu, Tzu-Ying

# **[Attachment 3] 2022 Independent Auditor Report and Parent Company Only Financial Statements and Consolidated Financial Statements**

## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors and Shareholders  
Good Finance Securities Co., Ltd

### **Opinion**

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

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2022 and 2021, and its parent company only financial performance and its cash flows for the years then ended in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants".

### **Basis for Opinion**

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

## **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the parent company's financial statements of the current period are stated as follows:

### Recognition of brokerage handling fee revenue

For the year ended December 31, 2022, the Company's brokerage fee revenue amounted to \$542,452 thousand. The Company's brokerage fee revenue arises from the trading of domestic and foreign securities, futures contracts and short sales. Because the accuracy and the amounts of brokerage fee revenue were material and have a significant impact on the financial statements, we have thus assessed the recognition of brokerage fee revenue as the key audit matter in our audit.

Our key audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. Obtained an understanding of and evaluated the internal controls over the brokerage business.
2. Sample tested transaction reports and related vouchers in relation to brokerage fee revenue recognition.
3. Performed analytical review procedures and assessed the appropriateness of accounting policies in relation to brokerage fee revenue recognition.

Refer to Notes 4 and 22 for the related accounting policies and amounts of the Company's brokerage fee revenue.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Firms" and "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants", and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that

were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Pei-De Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying parent company only financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.*

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

ASSETS	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets	4				
111100 Cash and cash equivalents	6 and 28	\$ 865,429	7	\$ 288,057	2
112000 Financial assets at fair value through profit or loss - current	7	647,059	5	259,562	2
113200 Financial assets at fair value through other comprehensive income - current	8, 27 and 28	3,986,072	33	5,142,984	31
114030 Receivables from margin loans	10	2,464,919	21	3,504,807	21
114040 Refinancing margin		25,077	-	4,357	-
114050 Refinancing deposit receivable		17,912	-	3,630	-
114066 Receivables of money lending – without specific purposes	10	116,283	1	166,923	1
114070 Customer margin accounts		238,161	2	292,829	2
114130 Accounts receivable	10	1,621,666	14	3,214,132	20
114150 Prepayments		17,577	-	13,331	-
114170 Other receivables	10	12,726	-	16,499	-
114200 Other financial assets - current	6	51,556	1	10,000	-
119080 Restricted assets - current	28	366,910	3	488,810	3
119120 Underwriting share proceeds collected on behalf of customers		81,537	1	1,640,555	10
119990 Other current assets		6,860	-	3,089	-
110000 Total current assets		10,519,744	88	15,049,565	92

(Continued)

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

ASSETS		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Non-current assets		4				
123200	Financial assets at fair value through other comprehensive income - non-current	8	\$ 90,701	1	\$ 75,545	1
123300	Financial assets measured at amortized cost - non-current	9	50,648	-	50,740	-
124100	Investments accounted for using equity method	11	108,224	1	98,607	1
125000	Property and equipment	12, 27 and 28	566,059	5	551,041	3
125800	Right-of-use assets	13	54,410	-	74,839	-
127000	Intangible assets	14 and 27	66,392	1	60,336	-
128000	Deferred income tax assets	23	92,196	1	70	-
129010	Operating guarantee deposits		295,000	2	295,000	2
129020	Settlement and clearing fund		59,162	-	57,265	-
129030	Refundable deposits	15	79,577	1	76,267	1
129130	Prepayment for equipment		2,156	-	30,635	-
120000	Total non-current assets		1,464,525	12	1,370,345	8
906001	Total assets		\$ 11,984,269	100	\$ 16,419,910	100

(Continued)



GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

LIABILITIES AND EQUITY		Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Current liabilities		4				
211100	Short-term loans	16	550,000	5	\$ 700,000	4
211200	Commercial paper payable	16	1,298,131	11	1,196,388	7
212000	Financial liabilities at fair value through profit or loss - current	7 and 27	1,762,724	15	1,833,662	11
214010	Liabilities for bonds with repurchase agreements	18	100,000	1	256,000	2
214040	Guarantee deposit received from short sales		285,864	2	130,216	1
214050	Deposits payable for short sales		246,534	2	161,820	1
214080	Futures traders' equity	27	238,161	2	292,829	2
214130	Accounts payable	19	1,580,694	13	3,196,511	20
214150	Advance collection		14,789	-	31,244	-
214160	Collections for third parties	19	87,086	1	1,649,023	10
214170	Other payables	19	124,314	1	180,090	1
214180	Other payables - related parties	27	12,530	-	1,080	-
214600	Current income tax liabilities	23	4,574	-	12,056	-
215220	Long-term liabilities - current portion	16	10,152	-	10,509	-
216000	Lease liabilities - current	13	30,610	-	31,432	-
219000	Other current liabilities		437	-	281	-
210000	Total current liabilities		<u>6,346,600</u>	<u>53</u>	<u>9,683,141</u>	<u>59</u>
Non-current liabilities		4				
221100	Bonds payable	17	800,000	7	800,000	5
221200	Long-term loans	16	207,737	2	217,618	2
225100	Provisions - non- current		9,738	-	9,656	-
226000	Lease liabilities - non-current	13	16,820	-	34,574	-
228000	Deferred income tax liabilities	23	8,075	-	41,862	-
229030	Deposits received	27	90	-	79	-
229070	Net defined benefit liabilities-non-current	20	35,259	-	42,676	-
220000	Total non-current liabilities		<u>1,077,719</u>	<u>9</u>	<u>1,146,465</u>	<u>7</u>
906003	Total liabilities		<u>7,424,319</u>	<u>62</u>	<u>10,829,606</u>	<u>66</u>

(Continued)

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY BALANCE SHEETS  
DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
Equity		21				
	Share capital					
301010	Common stock		\$ 3,112,659	26	\$ 3,098,559	19
301080	Shares capital awaiting retirement		500	-	-	-
301000	Total share capital		3,113,159	26	3,098,559	19
	Capital reserve					
302010	Additional paid-in capital		12,128	-	12,128	-
302030	Share-based payment	25	27,409	-	18,688	-
302040	Gains on disposals of assets		29	-	29	-
302000	Total capital reserve		39,566	-	30,845	-
	Retained earnings					
304010	Legal reserve		257,996	2	236,497	1
304020	Special reserve		1,285,969	11	1,221,772	8
304040	Unappropriated earnings		213,407	2	324,528	2
304000	Total retained earnings		1,757,372	15	1,782,797	11
	Other equity interest					
305140	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income		( 301,126 )	( 3 )	718,329	4
305290	Other		( 49,021 )	-	( 40,226 )	-
305000	Total other equity interest		( 350,147 )	( 3 )	678,103	4
906004	Total equity		4,559,950	38	5,590,304	34
906002	Total liabilities and equity		\$ 11,984,269	100	16,419,910	100

The accompanying notes are an integral part of these parent company only financial statements.

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Years ended December 31,					
		2022		2021			
Items	Notes	Amount	%	Amount	%		
Revenue							
	4						
401000	Brokerage fee revenue	22 and 27	\$ 542,452	64	\$ 983,430	76	
404000	Underwriting fee revenue	22	1,726	-	2,264	-	
410000	Net gain (loss) on sales of securities	22	9,981	1	( 953)	-	
421200	Interest income	22	171,746	20	195,860	15	
421300	Dividend income	8 and 27	191,254	23	172,013	13	
421500	Net (loss) gain on trading securities at fair value through profit or loss	22	( 21,106)	( 2)	9,253	1	
424500	Net loss from derivative instruments – OTC	22	( 61,386)	( 2)	( 58,157)	( 5)	
425300	Reversal of credit impairment loss (expected credit impairment loss)	10	883	-	( 2,842)	-	
428000	Other operating gain (loss)	22	8,277	1	( 714)	-	
400000	Total revenues		843,827	100	1,300,154	100	
Costs and expenses							
501000	Handling charges-brokerage		( 39,327)	( 5)	( 67,441)	( 5)	
502000	Handling charge-proprietary trading		( 122)	-	( 64)	-	
503000	Service charge - refinancing		( 293)	-	( 304)	-	
504000	Underwriting charge - refinancing		( 45)	-	( 339)	-	
521200	Financial costs	22 and 27	( 24,062)	( 3)	( 24,616)	( 2)	
524300	Service charge - clearing and settlement		( 3,470)	-	( 3,662)	-	
528000	Other operating expenditure	27	( 20,347)	( 2)	( 16,728)	( 1)	

(Continued)

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

		Years ended December 31,				
		2022		2021		
Items	Notes	Amount	%	Amount	%	
531000	Employee benefit expenses	22 and 27	(\$ 505,201)	( 60)	(\$ 570,293)	( 44)
532000	Depreciation and amortization	22	( 75,549)	( 9)	( 62,803)	( 5)
533000	Other operating expense	22 and 27	( 199,651)	( 24)	( 239,068)	( 19)
500000	Total cost and expenses		( 868,067)	( 103)	( 985,318)	( 76)
5XXXXXX	Operating (loss) profit		( 24,240)	( 3)	314,836	24
601100	Share of profit or loss of subsidiaries accounted for using equity method	11	11,059	2	( 3,141)	-
602000	Other gains and losses	22 and 27	44,383	5	41,262	3
600000	Total non-operating income and expenses		55,442	7	38,121	3
902001	Income before income tax		31,202	4	352,957	27
701000	Income tax benefit (expense)	4 and 23	21,295	2	( 31,970)	( 3)
902005	Net income		52,497	6	320,987	24
	Other comprehensive income (loss)					
	Items that will not be reclassified to profit or loss					
805510	Remeasurements of defined benefit plan		( 11,838)	( 1)	( 19,394)	( 1)
805540	Loss (gain) on equity instruments classified at fair value through other comprehensive income		( 1,187,842)	( 141)	292,337	22
805560	Share of other comprehensive income of associates and joint ventures accounted for under the equity method		( 1,442)	-	372	-

(Continued)

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Years ended December 31,			
			2022		2021	
			Amount	%	Amount	%
805599	Income tax related to items that will not be reclassified to profit or loss		\$ 103,745	12	\$ 9,910	1
805500	Items that will not be reclassified to profit or loss, net of tax		(1,097,377)	(130)	283,225	22
805000	Other comprehensive (loss) income for the year, net of tax		(1,097,377)	(130)	283,225	22
902006	Total comprehensive (loss) income for the year		(\$ 1,044,880)	(124)	\$ 604,212	46
	Earnings per share	24				
975000	Basic		\$ 0.17		\$ 1.05	
985000	Diluted		\$ 0.17		\$ 1.04	

The accompanying notes are an integral part of these separate parent company only financial statements.

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Share capital (Note 21)			Retained earnings (Note 21)			Other equity items (Note 21)		Total equity		
	Number of shares (Thousand shares)	Amount	Awaiting retirement	Capital reserve (Notes 21 and 25)	Legal reserve	Special reserve	Unappropriated earnings	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Unearned compensation cost	
A1	Balance on January 1, 2021	306,756	\$ 3,067,559	\$ -	\$ 12,157	\$ 232,697	\$ 1,200,642	\$ 134,466	\$ 329,109	\$ -	\$ 4,976,630
	Appropriations of 2020 earnings										
B1	Legal capital reserve	-	-	-	-	3,800	- ( 3,800 )	-	-	-	-
B3	Special capital reserve	-	-	-	-	-	21,130 ( 21,130 )	-	-	-	-
D1	Net income	-	-	-	-	-	320,987	-	-	-	320,987
D3	Other comprehensive (loss) income for the year, net of income tax	-	-	-	-	-	- ( 19,394 )	302,619	-	-	283,225
D5	Total comprehensive income for the year	-	-	-	-	-	301,593	302,619	-	-	604,212
N1	Share-based payment	3,100	31,000	-	18,688	-	-	-	( 40,226 )	-	9,462
	Disposal of equity instruments classified at fair value through other comprehensive income	-	-	-	-	-	- ( 86,601 )	86,601	-	-	-
Z1	Balance on December 31, 2021	309,856	3,098,559	-	30,845	236,497	1,221,772	324,528	718,329	( 40,226 )	5,590,304
	Appropriations of 2021 earnings										
B1	Legal capital reserve	-	-	-	-	21,499	- ( 21,499 )	-	-	-	-
B3	Special capital reserve	-	-	-	-	-	64,197 ( 64,197 )	-	-	-	-
D1	Net income	-	-	-	-	-	52,497	-	-	-	52,497
D3	Other comprehensive loss for the year, net of income tax	-	-	-	-	-	- ( 11,838 )	( 1,085,539 )	-	( 1,097,377 )	-
D5	Total other comprehensive income (loss) for the year	-	-	-	-	-	40,659	( 1,085,539 )	-	( 1,044,880 )	-
N1	Share-based payment	1,535	15,350	-	7,971	-	-	-	( 8,795 )	-	14,526
T1	Restricted stock awards retirement	( 75 )	( 1,250 )	500	250	-	-	-	-	-	-
	Disposal of equity instruments classified at fair value through other comprehensive income	-	-	-	-	-	- ( 66,084 )	66,084	-	-	-
Z1	Balance on December 31, 2022	311,316	\$3,112,659	\$ 500	\$ 39,566	\$ 257,996	\$ 1,285,969	\$ 213,407	( \$ 301,126 )	( \$ 49,021 )	\$ 4,559,950

The accompanying notes are an integral part of these parent company only financial statements.

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
A10000	Profit before tax	\$ 31,202	\$ 352,957
A20010	Adjustments		
A20100	Depreciation	68,832	54,249
A20200	Amortization	6,717	8,554
A20300	(Gain on reversal of credit impairment loss) expected credit impairment loss	( 883 )	2,842
A20400	Net losses (gains) on financial assets or liabilities at fair value through profit or loss	21,106 (	9,253 )
A20900	Financial costs	24,062	24,616
A21200	Interest income and financial income	( 178,513 ) (	197,420 )
A21300	Dividend income	( 194,296 ) (	174,766 )
A21900	Share-based payment	14,526	9,462
A22400	Share of the profit or loss of associates and joint ventures accounted for under the equity method	( 11,059 )	3,141
A22500	Loss on disposal of property and equipment	-	309
A23100	Gain on disposal of investment	- (	399 )
A23300	Loss of non-operating financial instrument measured at fair value	-	88
A29900	Gain on lease modification	- (	143 )
A60000	Changes in operating assets and liabilities		
A61110	(Increase) decrease in financial assets at fair value through profit ( or loss	408,603 )	607,704
A61150	Decrease (increase) in receivable from margin loans	1,040,732 (	1,062,139 )
A61160	(Increase) decrease in refinancing margin	( 20,720 )	541
A61170	(Increase) decrease in refinancing deposits receivable	( 14,282 )	452
A61180	Decrease (increase) in receivables of money lending	50,681 (	152,016 )
A61190	Decrease (increase) in customer margin accounts	54,668 (	17,661 )
A61250	Decrease in accounts receivable	1,594,417	463,506
A61270	(Increase) decrease in prepayments	( 4,246 )	1,510
A61290	Decrease (increase) in other receivables	3,887 (	972 )
A61365	Increase in financial assets at fair value through other comprehensive income	( 46,086 ) (	493,444 )
A61366	Decrease in financial assets measured at amortized cost	92	92
A61370	Decrease (increase) in other current assets	1,555,247 (	1,419,583 )
A62110	Decrease in liabilities for bonds with repurchase agreement	( 156,000 ) (	16,339 )
A62130	(Decrease) increase in financial liabilities at fair value through profit or loss	( 70,938 )	386,937

(Continued)

GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
		2022	2021
A62160	Increase (decrease) in guarantee deposit received from short sales	\$ 155,648	( \$ 70,664 )
A62170	Increase (decrease) in deposits payable for short sales	84,714	( 57,467 )
A62200	(Decrease) increase in futures traders' equity	( 54,668 )	17,661
A62230	Decrease in accounts payable	( 1,615,698 )	( 488,543 )
A62250	Decrease in advance collection	( 16,455 )	( 69,497 )
A62260	(Decrease) increase in collections for third parties	( 1,561,937 )	1,422,251
A62270	(Decrease) increase in other payables	( 55,776 )	58,038
A62280	Increase in other payables – related parties	11,450	180
A62290	Decrease in net defined benefit liabilities	( 19,255 )	( 8,421 )
A62320	Increase (decrease) in other current liabilities	156	( 1,835 )
A33000	Cash generated from (used in) operations	288,722	( 825,472 )
A33100	Interest received	169,793	141,769
A33200	Dividends received	192,561	171,447
A33300	Interest paid	( 24,099 )	( 23,146 )
A33500	Income tax (paid) refunded	( 8,355 )	23,045
AAAA	Net cash flows generated by (used in) operating activities	618,622	( 512,357 )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B01800	Acquisition of investments accounted for using equity method	-	( 50,000 )
B02700	Acquisition of property and equipment	( 14,336 )	( 10,810 )
B03500	Increase in settlement and clearing fund	( 1,897 )	( 4,076 )
B03700	Increase in refundable deposits	( 3,310 )	( 18,683 )
B04500	Acquisition of intangible assets	( 2,615 )	( 3,103 )
B06600	(Increase) decrease in other financial assets	( 41,556 )	20,000
B07100	Increase in prepayment for equipment	( 16,931 )	( 37,173 )
B07500	Interest received	5,346	1,548
B07600	Dividend received	3,042	2,753
B09900	Decrease (increase) in other investing activities	121,900	( 213,210 )
BBBB	Net cash flows generated by (used in) investing activities	49,643	( 312,754 )

(Continued)



GOOD FINANCE SECURITIES CO., LTD.  
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
		2022	2021
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00100	Increase in short-term loans	\$ -	\$ 700,000
C00200	Decrease in short-term loans	( 150,000 )	-
C00700	Increase in commercial paper payable	101,743	-
C00800	Decrease in commercial paper payable		( 146,146 )
C01200	Proceeds from issuance of bonds		300,000
C01700	Decrease in long-term loans	( 10,238 )	( 873 )
C03000	Increase in guarantee deposit received	11	15
C04020	Repayment of principal portion of lease liabilities	( 32,409 )	( 24,433 )
CCCC	Net cash flows generated by (used in) financing activities	( 90,893 )	828,563
EEEE	Net increase in cash and cash equivalents	577,372	3,452
E00100	Cash and cash equivalents at beginning of year	288,057	284,605
E00200	Cash and cash equivalents at end of year	\$ 865,429	\$ 288,057

The accompanying notes are an integral part of these parent company only financial statements.

## INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders  
Good Finance Securities Co., Ltd

### **Opinion**

We have audited the accompanying consolidated financial statements of Good Finance Securities Co., Ltd. and its subsidiaries (collectively, the “Group”), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”. and International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### **Basis for Opinion**

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

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Group’s consolidated financial statements of the current period are stated as follows:

### Recognition of brokerage handling fee revenue

For the year ended December 31, 2022, the Group's brokerage fee revenue amounted to \$542,452 thousand. The Group's brokerage fee revenue arises from the trading of domestic and foreign securities, futures contracts and short sales. Since the accuracy of brokerage handling fee revenue was significant to the Group's financial statements, we identified recognition of brokerage handling fee revenue as a key audit matter.

Our key audit procedures performed in respect of the above-mentioned key audit matter included the following:

1. Obtained an understanding of and evaluated the internal controls over the brokerage business.
2. Selected samples on and tested transaction reports and related vouchers in relation to brokerage handling fee revenue recognition.
3. Performed analytical review procedures and assessed the appropriateness of accounting policies in relation to brokerage handling fee revenue recognition.

Refer to Notes 4 and 22 for the related accounting policies and balances of the Group's brokerage handling fee revenue.

### **Other matter – Scope of the Audit**

We have audited and expressed an unqualified opinion on the parent company only financial statements of Good Finance Securities Co., Ltd at and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Firms” and “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants”, and International Financial Reporting Standards(IFRS), International Accounting Standards(IAS), IFRIC Interpretations(IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Pei-De Chen.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China

March 7, 2023

Notice to Readers

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

*For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.*

GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022		December 31, 2021			
			Amount	%	Amount	%		
	Current assets	4						
111100	Cash and cash equivalents	6 and 28	\$	937,981	8	\$	330,288	2
112000	Financial assets at fair value through profit or loss - current	7		647,059	5		279,578	2
113200	Financial assets at fair value through other comprehensive income - current	8, 27 and 28		4,001,610	33		5,163,500	31
114030	Receivables from margin loans	10		2,464,919	21		3,504,807	21
114040	Refinancing margin			25,077	-		4,357	-
114050	Refinancing deposit receivable			17,912	-		3,630	-
114066	Receivables of money lending – without specific purposes	10		116,283	1		166,923	1
114070	Customer margin accounts			238,161	2		292,829	2
114130	Accounts receivable	10		1,623,717	14		3,215,406	20
114150	Prepayments			17,721	-		13,380	-
114170	Other receivables	10		12,726	-		16,499	-
114200	Other financial assets - current	6		63,840	1		10,000	-
114600	Current income tax assets	23		76	-		76	-
119080	Restricted assets - current	28		366,910	3		488,810	3
119120	Underwriting share proceeds collected on behalf of customers			81,537	1		1,640,555	10
119990	Other current assets-others			6,860	-		3,089	-
110000	Total current assets			10,622,389	89		15,133,727	92
	Non-current assets	4						
123200	Financial assets at fair value through other comprehensive income - non-current	8	\$	90,701	1	\$	82,010	1
123300	Financial assets measured at amortized cost - non-current	9		50,648	-		50,740	-
125000	Property and equipment	12, 27 and 28		566,742	5		551,838	3
125800	Right-of-use assets	13		54,410	-		74,839	1
127000	Intangible assets	14 and 27		66,392	1		60,336	-
128000	Deferred income tax assets	23		93,242	1		767	-
129010	Operating guarantee deposits			305,000	2		305,000	2
129020	Settlement and clearing fund			59,162	-		57,265	-
129030	Refundable deposits	15		79,577	1		76,267	1
129130	Prepayment for equipment			2,156	-		30,635	-
120000	Total non-current assets			1,368,030	11		1,289,697	8
906001	Total assets		\$	11,990,419	100	\$	16,423,424	100

(Continued)

**GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**  
**DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

	LIABILITIES AND EQUITY	Notes	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	<b>Current liabilities</b>	4				
211100	Short-term loans	16	\$ 550,000	5	\$ 700,000	4
211200	Commercial paper payable	16	1,298,131	11	1,196,388	7
212000	Financial liabilities at fair value through profit or loss - current	7 and 27	1,762,724	15	1,833,662	11
214010	Liabilities for bonds with repurchase agreements	18	100,000	1	256,000	2
214040	Guarantee deposit received from short sales		285,864	2	130,216	1
214050	Deposits payable for short sales		246,534	2	161,820	1
214080	Futures traders' equity	27	238,161	2	292,829	2
214130	Accounts payable	19	1,580,694	13	3,196,511	20
214150	Advance collection		14,789	-	31,244	-
214160	Collections for third parties	19	87,195	1	1,649,132	10
214170	Other payables	19	128,981	1	184,654	1
214180	Other payables-related parties	27	11,130	-	-	-
214600	Current income tax liabilities	23	7,438	-	12,056	-
215220	Long-term liabilities - current portion	16	10,152	-	10,509	-
216000	Lease liabilities - current	13	30,610	-	31,432	-
219000	Other current liabilities		437	-	281	-
210000	Total current liabilities		6,352,840	53	9,686,734	59
	<b>Non-current liabilities</b>	4				
221100	Bonds payable	17	800,000	7	800,000	5
221200	Long-term loans	16	207,737	2	217,618	2
225100	Provisions - non-current		9,738	-	9,656	-
226000	Lease liabilities - non-current	13	16,820	-	34,574	-
228000	Deferred income tax liabilities	23	8,075	-	41,862	-
229070	Net defined benefit liabilities-non-current	20	35,259	-	42,676	-
220000	Total non-current liabilities		1,077,629	9	1,146,386	7
906003	Total liabilities		7,430,469	62	10,833,120	66
	<b>Equity attributable to owners of the parent</b>	4 and 21				
	Share capital					
301010	Ordinary share capital		3,112,659	26	3,098,559	19
301080	Awaiting retirement		500	-	-	-
301000	Total share capital		3,113,159	26	3,098,559	19
	Capital reserve					
302010	Additional paid-in capital		12,128	-	12,128	-
302030	Share-based payment	25	27,409	-	18,688	-
302040	Gains on disposals of assets		29	-	29	-
302000	Total capital reserve		39,566	-	30,845	-
	Retained earnings					
304010	Legal reserve		257,996	2	236,497	2
304020	Special reserve		1,285,969	11	1,221,772	7
304040	Unappropriated earnings		213,407	2	324,528	2
304000	Total retained earnings		1,757,372	15	1,782,797	11
	Other equity interest					
305140	Unrealised gains from financial assets measured at fair value through other comprehensive income		( 301,126 )	( 3 )	718,329	4
305290	Other		( 49,021 )	-	( 40,226 )	-
305000	Total other equity		( 350,147 )	( 3 )	678,103	4
906004	Total equity		4,559,950	38	5,590,304	34
906002	Total liabilities and equity		\$ 11,990,419	100	\$ 16,423,424	100

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

GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

				Years ended December 31,				
				2022		2021		
Items	Notes	Amount	%	Amount	%			
Revenue		4						
401000	Brokerage fee revenue	22 and 27	\$	542,452	62	\$	983,430	75
404000	Underwriting fee revenue	22		1,726	-		2,264	-
410000	Net gains (losses) on sales of securities	22		9,981	1	( 953 )		-
421200	Interest income	22		171,746	20		195,860	15
421300	Dividend income	8 and 27		191,254	22		172,013	13
421500	Net (losses) gains on trading securities at fair value through profit or loss	22		( 21,106 )	( 2 )		9,253	1
424500	Net loss from derivative instruments – OTC	22		( 61,386 )	( 7 )	( 58,157 )	( 4 )	
424800	Management fee revenue			26,088	3		4,873	-
425300	Reversal of credit impairment losses (expected credit impairment losses)	10		883	-	( 2,842 )		-
428000	Other operating gains and losses	22		7,711	1	( 714 )		-
400000	Total revenue			<u>869,349</u>	<u>100</u>	<u>1,305,027</u>		<u>100</u>
Costs and expenses								
501000	Handling charges-brokerage			( 39,327 )	( 4 )	( 67,441 )	( 5 )	
502000	Handling charge-proprietary trading			( 122 )	-	( 64 )		-
503000	Service charge - refinancing			( 293 )	-	( 304 )		-
504000	Underwriting charge - refinancing			( 45 )	-	( 339 )		-
521200	Financial costs	22 and 27		( 24,062 )	( 3 )	( 26,675 )	( 2 )	
524300	Service charge - clearing and settlement			( 3,470 )	-	( 3,662 )		-
528000	Other operating expenditure			( 5,562 )	( 1 )	( 5,498 )		-
531000	Employee benefit expenses	20, 22 and 27		( 525,195 )	( 60 )	( 583,555 )	( 45 )	
532000	Depreciation and amortization	22		( 75,763 )	( 9 )	( 62,895 )	( 5 )	
533000	Other operating expense	22 and 27		( 206,481 )	( 24 )	( 243,437 )	( 19 )	
500000	Total cost and expenses			<u>( 880,320 )</u>	<u>( 101 )</u>	<u>( 993,870 )</u>	<u>( 76 )</u>	
5XXXXX	Operating (losses) profits			<u>( 10,971 )</u>	<u>( 1 )</u>	<u>311,157</u>		<u>24</u>
602000	Other gains and losses	22		44,694	5	41,124		3
600000	Total non-operating income and expenses			<u>44,694</u>	<u>5</u>	<u>41,124</u>		<u>3</u>

(Continued)



GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars, except for earnings per share)

	Items	Notes	Years ended December 31,			
			2022		2021	
			Amount	%	Amount	%
902001	Income before income tax		\$ 33,723	4	\$ 352,281	27
701000	Income tax benefit (expense)	4 and 23	18,774	2	( 31,294 )	( 3 )
902005	Net income		52,497	6	320,987	24
	Other comprehensive income (loss)					
	Items that will not be reclassified to profit or loss					
805510	Remeasurements of defined benefit plan		( 11,838 )	( 1 )	( 19,394 )	( 1 )
805540	(Loss) gain on equity instruments classified at fair value through other comprehensive income		( 1,189,284 )	( 137 )	292,709	22
805599	Income tax related to items that will not be reclassified to profit or loss		103,745	12	9,910	1
805500	Items that will not be reclassified to profit or loss, net of tax		( 1,097,377 )	( 126 )	283,225	22
805000	Other comprehensive (loss) income for the year, net of tax		( 1,097,377 )	( 126 )	283,225	22
902006	Total comprehensive (loss) income for the year		( \$ 1,044,880 )	( 120 )	\$ 604,212	46
	Profit, attributable to:					
913100	Owners of the parent		\$ 52,497	6	\$ 320,987	25
	Total comprehensive (loss) income attributable to:					
914100	Owners of the parent		( \$ 1,044,880 )	( 120 )	\$ 604,212	46
	Earnings per share	24				
975000	Basic		\$ 0.17		\$ 1.05	
985000	Diluted		\$ 0.17		\$ 1.04	

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

GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
YEARS ENDED DECEMBER 31, 2022 AND 2021  
(Expressed in thousands of New Taiwan dollars)

	Share capital(Note 21)			Retained earnings (Note 21)			Other equity items (Note 21)		Total equity		
	Number of shares (Thousand shares)	Amount	Awaiting retirement	Capital reserve (Notes 21 and 25)	Legal reserve	Special reserve	Unappropriated earnings	Unrealised gains (losses) on financial assets measured at fair value through other comprehensive income		Unearned compensation cost	
A1	Balance on January 1, 2021	306,756	\$3,067,559	\$ -	\$ 12,157	\$ 232,697	\$ 1,200,642	\$ 134,466	\$ 329,109	\$ -	\$ 4,976,630
	Appropriations of 2020 earnings										
B1	Legal capital reserve	-	-	-	-	3,800	- ( 3,800 )	-	-	-	-
B3	Special capital reserve	-	-	-	-	-	21,130 ( 21,130 )	-	-	-	-
D1	Net income	-	-	-	-	-	320,987	-	-	-	320,987
D3	Other comprehensive (loss) income for the year, net of income tax	-	-	-	-	-	- ( 19,394 )	302,619	-	-	283,225
D5	Total comprehensive income for the year	-	-	-	-	-	301,593	302,619	-	-	604,212
N1	Share-based payment	3,100	31,000	-	18,688	-	-	-	-	( 40,226 )	9,462
Q1	Disposal of equity instruments classified at fair value through other comprehensive income	-	-	-	-	-	- ( 86,601 )	86,601	-	-	-
Z1	Balance on December 31, 2021	309,856	3,098,559	\$ -	30,845	236,497	1,221,772	324,528	718,329	( 40,226 )	5,590,304
	Appropriations of 2021 earnings										
B1	Legal capital reserve	-	-	-	-	21,499	- ( 21,499 )	-	-	-	-
B3	Special capital reserve	-	-	-	-	-	64,197 ( 64,197 )	-	-	-	-
D1	Net income	-	-	-	-	-	52,497	-	-	-	52,497
D3	Other comprehensive loss for the year, net of income tax	-	-	-	-	-	- ( 11,838 )	( 1,085,539 )	-	( 1,097,377 )	
D5	Total other comprehensive income (loss) for the year	-	-	-	-	-	40,659 ( 40,659 )	( 1,085,539 )	-	( 1,044,880 )	
N1	Share-based payment	1,535	15,350	-	7,971	-	-	-	-	( 8,795 )	14,526
T1	Restricted stock awards retirement	( 75 )	( 1,250 )	500	250	-	-	-	-	-	-
Q1	Disposal of equity instruments classified at fair value through other comprehensive income	-	-	-	-	-	- ( 66,084 )	66,084	-	-	-
Z1	Balance on December 31, 2022	311,316	\$3,112,659	\$ 500	\$ 39,566	\$ 257,996	\$ 1,285,969	\$ 213,407	( \$ 301,126 )	( \$ 49,021 )	\$ 4,559,950

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

**GOOD FINANCE SECURITIES CO., LTD. AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2022 AND 2021**  
(Expressed in thousands of New Taiwan dollars)

		Years ended December 31,	
		2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
A10000	Profit before tax	\$ 33,723	\$ 352,281
A20010	Adjustments		
A20100	Depreciation	69,046	54,341
A20200	Amortization	6,717	8,554
A20300	(Gain on reversal of impairment loss) expected credit impairment loss	( 883 )	2,842
A20400	Net losses (gains) on financial assets or liabilities at fair value through profit or loss	21,106 (	9,253 )
A20900	Financial costs	24,062	26,675
A21200	Interest income and financial income	( 178,600 ) (	197,442 )
A21300	Dividend income	( 195,001 ) (	174,766 )
A21900	Share-based payment	14,526	9,462
A22500	Losses on disposal of property and equipment	-	119
A23100	Gain on disposal of investment	-	( 403 )
A23300	Gain of non-operating financial instrument measured at fair value	( 39 )	-
A29900	Gain on lease modification	( - ) (	143 )
A60000	Changes in operating assets and liabilities		
A61110	(Increase) decrease in financial assets at fair value through profit or loss	( 388,548 )	607,896
A61150	Decrease (increase) in receivable from margin loans	1,040,732 (	1,062,139 )
A61160	(Increase) decrease in refinancing margin	( 20,720 )	541
A61170	(Increase) decrease in refinancing deposits receivable	( 14,282 )	452
A61180	Decrease (increase) in receivables of money lending – without specific purposes	50,681 (	152,016 )
A61190	Decrease (increase) in customer margin accounts	54,668 (	17,661 )
A61250	Decrease in accounts receivable	1,593,640	462,232
A61270	(Increase) decrease in prepayments	( 4,341 )	1,461
A61290	Decrease (increase) in other receivables	3,887 (	972 )
A61365	Increase in financial assets at fair value through other comprehensive income	( 36,085 ) (	520,053 )
A61366	Decrease in financial assets measured at amortized cost	92	92
A61370	Decrease (increase) in other current assets	1,555,247 (	1,419,583 )
A62110	Decrease in liabilities for bonds with repurchase agreement	( 156,000 ) (	16,339 )
A62130	(Decrease) increase in financial liabilities at fair value through profit or loss	( 70,938 )	386,937
A62160	Increase (decrease) in guarantee deposit received from short sales	155,648 (	70,664 )
A62170	Increase (decrease) in deposits payable for short sales	84,714 (	57,467 )
A62200	(Decrease) increase in futures traders' equity	( 54,668 )	17,661
A62230	Decrease in accounts payable	( 1,615,698 ) (	488,543 )
A62250	Decrease in advance collection	( 16,455 ) (	69,497 )
A62260	(Decrease) increase in collections for third parties	( 1,561,937 )	1,422,259
A62270	(Decrease) increase in other payables	( 55,673 )	61,059
A62280	Increase in other payables – related parties	11,130	-
A62290	Decrease in net defined benefit liabilities	( 19,255 ) (	8,421 )
A62320	Increase (decrease) in other current liabilities	156	( 1,835 )
A33000	Cash flows generated by (used in) operations	330,652 (	852,333 )
A33100	Interest received	169,793	141,769
A33200	Dividends received	192,561	171,447
A33300	Interest paid	( 24,099 ) (	25,205 )
A33500	Income tax (paid) refunded	( 8,361 )	22,754
AAAA	Net cash flows generated by (used in) operating activities	<u>660,546</u> (	<u>541,568</u> )
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
B02700	Acquisition of property and equipment	( 14,436 ) (	11,699 )
B02800	Proceeds from disposal of property and equipment	-	240
B03500	Increase in settlement and clearing fund	( 1,897 ) (	4,076 )
B03700	Increase in refundable deposits	( 3,310 ) (	18,683 )
B04500	Acquisition of intangible assets	( 2,615 ) (	3,103 )
B06500	Increase in other financial assets	( 53,840 )	-
B06600	Decrease in other financial assets	-	31,600
B07100	Increase in prepayment for equipment	( 16,931 ) (	37,173 )
B07500	Interest received	5,433	1,570
B07600	Dividend received	3,747	2,753
B09900	Decrease (increase) in other investing activities	121,900 (	213,210 )
BBBB	Net cash flows generated by (used in) investing activities	<u>38,051</u> (	<u>251,781</u> )
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
C00100	Increase in short-term loans	-	700,000
C00200	Decrease in short-term loans	( 150,000 )	-
C00700	Increase in commercial paper payable	101,743	-
C00800	Decrease in commercial paper payable	-	( 146,146 )
C01200	Proceeds from issuance of bonds	-	300,000
C01700	Repayment of long-term loan	( 10,238 ) (	873 )
C04020	Repayment of principal portion of lease liabilities	( 32,409 ) (	24,433 )
CCCC	Net cash flows (used in) generated by financing activities	( 90,904 )	828,548
EEEE	Net increase in cash and cash equivalents	607,693	35,199
E00100	Cash and cash equivalents at beginning of year	330,288	295,089
E00200	Cash and cash equivalents at end of year	<u>\$ 937,981</u>	<u>\$ 330,288</u>

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

**[Attachment 4] 2022 Earnings Distribution Table**Good Finance Securities Co., Ltd.  
2022 Earnings Distribution Table

Unit: NT\$

Item	Amount	
Undistributed retained earnings, beginning		\$238,830,999
Profit after tax 2022	\$ 52,496,867	
Defined benefit plan rereasurement recognized into retained earnings	(11,838,265)	
Disposal of investments in equity instruments at fair value through other comprehensive income, and accumulated income transferred to retained earnings	(66,083,220)	
Current profit after tax plus items other than the current profit after tax included into the undistributed earnings for the current year		(25,424,618)
Provision of legal reserve (10%)		
Provision of special reserve (20%)		
Provision of special reserve - OCI Deductions <sup>Note</sup>		(213,406,381)
Current distributable earnings		0
<b>Distributable items</b>		
Stock dividend to shareholders	0	
Bonus to shareholders	0	
Undistributed retained earnings, end of the period		\$ 0

**Note:** As of December 31, 2022, the net unrealized loss on financial assets at fair value through other comprehensive income was NT\$301,126,392, which was required to be recognized as a special reserve in accordance with Jin-Guan-Zheng-Fa-Zi No. 1090150022.

The employees compensation provided under the Articles of Incorporation for 2022 is NT\$318,388 and the remuneration to directors and supervisors is NT\$318,388.

Chairperson of the board: Hank Huang

President: Chuang, Ta-Hsiu

Accounting manager: Wu, Tzu-Ying

**[Attachment 5] Comparison Table for the Articles of Incorporation Before and After Revision**

Good Finance Securities Co., Ltd.  
Comparison Table for the Articles of Incorporation Before and After Revision

Articles	Before the revision	After the revision	Reasons for revision
Article 5	<p>The Company’s authorized capital is NT\$20 billion, divided into 2 billion shares with NT\$10 per share. The board of directors has been authorized to issue the shares in installments. Within the total capital mentioned in the preceding paragraph, NT\$35 million, divided into 3.5 million shares of NT\$10 per share, shall be reserved ready for issuance of employee stock warrants, which may be issued in installments upon resolution of the board of directors.</p> <p>The targets entitled to receive the Company’s employee treasury stocks, employee stock warrants, new shares and restricted share awards include the employees of controlled companies or subsidiaries of the Company meeting certain specific requirements.</p>	<p>The Company’s authorized capital is NT\$20 billion, divided into 2 billion shares with NT\$10 per share. The board of directors has been authorized to issue the shares in installments. Within the total capital mentioned in the preceding paragraph, NT\$35 million, divided into 3.5 million shares of NT\$10 per share, shall be reserved ready for issuance of employee stock warrants, which may be issued in installments upon resolution of the board of directors.</p> <p>The targets entitled to receive the Company’s employee treasury stocks, employee stock warrants, new shares and restricted share awards include the employees of controlled companies or subsidiaries of the Company meeting certain specific requirements.</p> <p><u>If the price of the stock options issued to employees is lower than the closing price of the Company's stock on the date of issuance, or if the price of treasury shares transferred to employees is lower than the average price of the Company's shares actually bought back, it shall be done with a resolution adopted by a majority of the shareholders present who represent two-thirds or more of the total number of its outstanding shares.</u></p>	<p>For the purpose of meeting the Company's operational needs and motivating employees, the Company's shareholders' meeting shall specify the procedures for agreeing on the price of employee stock options and the price of treasury shares to be transferred to employees.</p>
Article 25	<p>The Company has established the Audit Committee pursuant to the Securities and Exchange Act. The Committee members shall include all independent</p>	<p>The Company has established the Audit Committee pursuant to the Securities and Exchange Act. The Committee members shall include all independent directors.</p>	<p>The second paragraph of this Article provides for the establishment of various functional committees and</p>

	<p>directors. The Audit Committee is responsible for exercising the powers as a supervisor pursuant to the Company Act, Securities and Exchange Act and other laws and regulations.</p>	<p>The Audit Committee is responsible for exercising the powers as a supervisor pursuant to the Company Act, Securities and Exchange Act and other laws and regulations.  <u>The Board of Directors may, depending on the administrative needs, establish other functional committees. The number of members, terms of office, powers and duties, rules of procedure, and resources to be provided by the Company in exercising its powers and duties shall be specified in the charter of each committee and resolved by the Board of Directors.</u></p>	<p>specifies that the Board of Directors shall determine the organizational matters for each functional committee.</p>
Article 27	<p>The Company may appoint one president to execute the resolutions made by the board of directors and take charge of the Company's business. <del>The appointment/discharge is subject to resolution made by the board of directors.</del> In addition, the Company may appoint several <del>vice presidents, department heads and branch managers, who shall be nominated by the president and appointed/dismissed subject to resolution made by the board of directors.</del></p>	<p>The Company may appoint one president to execute the resolutions made by the board of directors and take charge of the Company's business. In addition, the Company may appoint several other managerial officers. <u>Appointment and discharge and the remuneration of these managerial officers shall be decided in accordance with the Company Act or other relevant laws and regulations.</u></p>	<p>In considering the possibility to change the title of the managerial officers and to adjust the nomination system in the future, the current wording is revised to allow for flexibility; in addition, it is specified that the appointment, discharge and remuneration of the managerial officers shall be in accordance with the Company Act and other relevant laws and regulations.</p>
Article 30	<p>If the Company records a profit in a year, the Company shall set aside no less than 1% of the profit for employee's remuneration, which shall be distributed in shares or cash by resolution of the board of directors. The Company may, by resolution of the board meeting, set aside no more than 1% of the said profit for directors' remuneration. The motions for distribution of remuneration to employees and directors shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside the remuneration to employees and directors</p>	<p>When the Company makes a profit in a year, it shall set aside not less than 1% of such profit as employees' compensation, which shall be distributed in the form of stock or cash as determined by the Board of Directors. <u>The recipients of employee compensation may include the employees of parents or subsidiaries of the company meeting certain specific requirements.</u> The Company may set aside not more than 1% of the aforesaid profits as remuneration to directors <u>as determined by the Board of Directors in accordance with the relevant regulations established by the Board of Directors.</u> The motions for distribution of remuneration to employees and</p>	<p>To specify that the recipients of employee compensation may include the employees of parents or subsidiaries of the company meeting certain specific requirements.</p>

	according to the aforementioned percentages.	directors shall be submitted to the shareholders' meeting for reporting. If, however, the Company has accumulated losses, profit shall first be used to offset accumulated losses and then to set aside the remuneration to employees and directors according to the aforementioned percentages.	
Article 30-1	<p>If the Company has earnings from the annual account settlement, it shall first appropriate for the payment of corporate income tax and covering of carryforward loss. Then, it shall contribute 10% of the balance to the legal reserve, and also make a contribution to the special reserve at the percentage defined by the competent authority, as well as make a provision/reversal of special reserves pursuant to the laws. The residual balance shall be added to undistributed earnings carried from previous years. The board shall draft a motion for the allocation of the residual balance plus the undistributed earnings, and submit the same to a shareholders' meeting to resolve whether a <del>shareholder bonus shall be allocated</del>.</p> <p>The Company's earnings and cash flow were primarily affected by fluctuations in the economic cycle. In order to seek sustainable and stable business development, the Company adopted the balanced dividend policy. The cash dividend distributed by the Company, if any, shall account for at least 10% of the whole dividends for the year.</p>	<p><u>The Company's earnings distribution or losses offset may be made at the end of each semi-annual period.</u></p> <p>If the Company has earnings from <u>the first half of the fiscal year</u> and from the annual account settlement, it shall first appropriate for the payment of corporate income tax and covering of carryforward loss. Then, it shall contribute 10% of the balance to the legal reserve, and also make a contribution to the special reserve at the percentage defined by the competent authority, as well as make a provision/reversal of special reserves pursuant to the laws. The residual balance shall be added to undistributed earnings carried from previous years. <u>Distributions to shareholders shall be made in the following methods: (1) by issuance of new shares,</u> the board of directors shall prepare an earnings distribution proposal and submit it to the shareholders' meeting for approval <u>before the distribution is made; (2) by distribution in cash, the board of directors is authorized to make the distribution with at least two-thirds of the directors present and a resolution approved by a majority of the directors present, and shall report to the shareholders' meeting.</u></p> <p>The Company's earnings and cash flow were primarily affected by fluctuations in the economic cycle. In order to seek sustainable and stable business development, the Company adopted the balanced dividend policy. The cash dividend distributed by the Company, if</p>	For the purpose of enhancing the effectiveness of shareholders' investment and increasing the operating flexibility of the Company, the Company specifies that the distribution of the Company's earnings or the appropriation of losses shall be made after the end of each semi-annual period in accordance with the Article 228-1 of the Company Act. In addition, when the Company's distributable dividends and bonuses or reserves in whole or in part are paid in cash in accordance with the Article 228-1, paragraph 5 of the Article 240 and Article 241 of the Company Act, the Board of Directors is authorized to approve the distribution and report the same to the shareholders' meeting.

		<p>any, shall account for at least 10% of the whole dividends for the year.</p> <p><u>When the Company has no earnings to be distributed, or the remaining earnings is substantially lower than the Company's distributions in the prior year, or if considering the Company's finance, sales, and operations, the Company can distribute all or a portion of its retained earnings in accordance with applicable laws or rules issued by the competent authority. If the distribution is made in the form of cash, the board of directors is authorized to make the distribution with at least two-thirds of the directors present and a resolution approved by a majority of the directors present, and shall report to the shareholders' meeting.</u></p>	
Article 32	These Articles were enacted on April 21, 1988. .... the 35th amendments hereto were made on June 2, 2022.	These Articles were enacted on April 21, 1988. .... the 35th amendments hereto were made on June 2, 2022. <u>The 36th amendments hereto were made on May 24, 2023.</u>	Added the date for this amendment.



## [Attachment 6] Comparison Table for the “Operating Procedure for Acquisition or Disposal of Assets” Before and After Revision

Good Finance Securities Co., Ltd.

Comparison Table for the “Operating Procedure for Acquisition or Disposal of Assets” Before and After Revision

Articles	Before the revision	After the revision	Reasons for revision
Article 8	<p>Evaluation and operating procedures for the acquisition or disposal of securities (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level The transaction amount <del>shall be within the range stipulated in Article 18 of the Regulations Governing Securities Firms, and shall be approved by the Company's President through internal approval unless otherwise provided by the law.</del> IV. The Units Responsible for Implementation The Finance Department is responsible for the acquisition and disposal of the Company's long-term and short-term investments in securities.</p> <p>(omitted below)</p>	<p>Evaluation and operating procedures for the acquisition or disposal of securities (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level The transaction amount of the <u>acquisition or disposal of securities is authorized to the Board of Directors to establish the decision-making and delegation of authority.</u></p> <p>IV. The Units Responsible for Implementation The Finance Department and <u>relevant responsible units</u> are responsible for the acquisition and disposal of the Company's long-term and short-term investments in securities.</p> <p>(omitted below)</p>	<p>The Company amended the authorized limits and authorized levels to approve the transactions for the acquisition or disposal of securities according to the actual operating conditions, the Board of Directors was authorized to establish the relevant decision-making and delegation of authority and to add the relevant responsible units to be the implementation units.</p>
Article 9	<p>Evaluation and operating procedures for the acquisition or disposal of real property and equipment (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level For the acquisition or disposal of real property, equipment or right-to-use assets thereof, <del>where the transaction amount is less than NT\$100 million (inclusive), the transaction must be approved by the Company's President through internal approval; where the transaction amount exceeds NT\$100 million, the transaction must be approved by the Board of Directors before it can be made.</del> <del>When the Company and its parent or subsidiaries, or between its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital acquire or dispose of real property, equipment or right to use assets thereof held for business use, and the transaction amount is less than NT\$200 million, the Board Chairman is authorized to decide such matters when the transaction is within a certain amount and have the decisions</del></p>	<p>Evaluation and operating procedures for the acquisition or disposal of real property and equipment (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level The transaction amount of the acquisition or disposal of real property, equipment or right-of-use assets thereof <u>is authorized to the Board of Directors to establish the decision-making and delegation of authority.</u></p> <p>(omitted below)</p>	<p>The Company amended the authorized limits and authorized levels to approve the transactions for the acquisition or disposal of real property and equipment according to the actual operating conditions, the Board of Directors was authorized to establish the relevant decision-making and delegation of authority.</p>

	<p><del>subsequently submitted to and ratified by the next board of directors meeting-</del></p> <p>(omitted below)</p>		
Article 11	<p>Evaluation and operating procedures for the acquisition or disposal of intangible assets or right-to-use assets thereof or memberships (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level (I) For the acquisition or disposal of memberships, where the transaction amount <del>is less than NT\$50 million (inclusive), the transaction must be approved by the Company's President through internal approval; where the transaction amount exceeds NT\$50 million, the transaction must be approved by the Board of Directors before it can be made.</del> (II) For the acquisition or intangible assets or right to use assets thereof, where the transaction amount is less than NT\$50 million (inclusive), the transaction must be approved by the Company's Chairman of the Board through internal approval before it can be made and submitted to the next board of directors meeting; where the transaction amount exceeds NT\$50 million, the transaction must be approved by the Board of Directors before it can be made.</p> <p>(omitted below)</p>	<p>Evaluation and operating procedures for the acquisition or disposal of intangible assets or right-to-use assets thereof or memberships (The first and second paragraphs are omitted)</p> <p>III. Authorized limit and authorized level The transaction amount of <u>the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships is authorized to the Board of Directors to establish the decision-making and delegation of authority.</u></p> <p>(omitted below)</p>	<p>The Company amended the authorized limits and authorized levels to approve the transactions for the acquisition or disposal of intangible assets or right-of-use assets thereof or memberships according to the actual operating conditions, the Board of Directors was authorized to establish the relevant decision-making and delegation of authority.</p>
Article 20	<p>Dates of amendments These Procedures were approved at the shareholders' meeting held on April 11, 2003. The 1st amendments were approved at the shareholders' meeting held on June 15, 2007. The 2nd amendments were approved at the shareholders' meeting held on June 28, 2012. The 3rd amendments were approved at the shareholders' meeting held on June 12, 2014. The 4th amendments were approved at the shareholders' meeting held on June 14, 2017. The 5th amendments were approved at the shareholders' meeting held on June 21, 2019. The 6th amendments were approved at the shareholders' meeting held on June 19, 2020. The 7th amendments were approved at the shareholders' meeting held on June 2, 2022.</p>	<p>Dates of amendments These Procedures were approved at the shareholders' meeting held on April 11, 2003. The 1st amendments were approved at the shareholders' meeting held on June 15, 2007. The 2nd amendments were approved at the shareholders' meeting held on June 28, 2012. The 3rd amendments were approved at the shareholders' meeting held on June 12, 2014. The 4th amendments were approved at the shareholders' meeting held on June 14, 2017. The 5th amendments were approved at the shareholders' meeting held on June 21, 2019. The 6th amendments were approved at the shareholders' meeting held on June 19, 2020. The 7th amendments were approved at the shareholders' meeting held on June 2, 2022. <u>The 8th amendments were approved at the shareholders' meeting held on May 24, 2023.</u></p>	<p>Added the date for this amendment.</p>

**[Attachment 7] Director Candidate List (including Independent Directors) of the Company**

Position	Name	No. of shares held	Academic background	Experience and Current Job Title
Director	Caterpillar Capital Co., Ltd.	114,670,000	Department of Japanese Language, Fu Jen Catholic University	Experience: <ul style="list-style-type: none"> <li>●Deputy Manager, Yuanta Securities Co., Ltd.</li> <li>●Director, CTBC Hong Kong</li> </ul>
	Representative: Hank Huang			Current Job title: <ul style="list-style-type: none"> <li>●Chairman, Good Finance Securities Co., Ltd.</li> <li>●Director, Asia Value Asset Management Co., Ltd.</li> <li>●Chairman, Asia Value Cornerstone Capital Co., Ltd.</li> <li>●Chairman, Infinite Bliss Financial Technology Co., Ltd.</li> <li>●Chairman, Xin Yi Ling Co., Ltd.</li> <li>●Chairman, Asia Value Capital Co., Ltd.</li> <li>●Chairman, Caterpillar Capital Co., Ltd.</li> <li>●Chairman, Shanghai Kuhan Investment Management Ltd.</li> <li>●Chairman, Asia Value Capital</li> <li>●Chairman, Asia Value Capital (Shanghai) Ltd.</li> <li>●Chairman, Asia Value Capital (Hangzhou) Ltd.</li> <li>●Chairman, Aman Co., Ltd.</li> <li>●Chairman, Innovation Universe Co., Ltd.</li> <li>●Chairman, Good Land Co., Ltd.</li> <li>●Chairman, Good Innovation Co., Ltd.</li> <li>●Director, Cheng Yu Sheng Investment Co., Ltd.</li> <li>●Chairman, Software Innovation Co., Ltd.</li> <li>●Chairman, Chien Kuan Consultants, Inc.</li> </ul>
Director	Ming-Li Chuang	8,992,202	Master in Political Science, Chinese Culture University	Experience: <ul style="list-style-type: none"> <li>●Chairman, Ta Ching Securities Co., Ltd.</li> <li>●Director, Ta Ching Securities Co., Ltd.</li> </ul>
				Current Job title: <ul style="list-style-type: none"> <li>●Chairman, Cheer Time Enterprise Co., Ltd.</li> <li>●Vice Chairman, Good Finance Securities Co., Ltd.</li> <li>●Director, Medigen Biotechnology Corp.</li> <li>●Chairman, Hsin I Tai Investment Co., Ltd.</li> <li>●Chairman, Ta Chun Development and Construction Co., Ltd.</li> <li>●Chairman, Tsao Ching Construction Co., Ltd.</li> <li>●Director, Ta Ching Construction Co., Ltd.</li> <li>●Chairman, TSC Electronic Co., Ltd.</li> <li>●Supervisor, Hsin Ching Construction Co., Ltd.</li> </ul>
Director	Caterpillar Capital Co., Ltd.	114,670,000	Master, Department of Electrical Engineering National Cheng Kung University	Experience: <ul style="list-style-type: none"> <li>●Head of Internet Technology Team, Information and Communication Institute, ITRI</li> </ul>
	Representative: Lai, Yang-Juh			Current Job title: <ul style="list-style-type: none"> <li>●Chairman &amp; President, Hyweb Technology Co., Ltd.</li> </ul>
Director	Caterpillar Capital Co., Ltd.	114,670,000	Department of Electrical Engineering (majoring in electronics and communications), Dahua Junior College M.S. (dropping out) in Electrical and Electronic Engineering, California State University, Long Beach, USA	Experience: <ul style="list-style-type: none"> <li>●Vice President of R&amp;D Department, Trend Micro Inc.</li> </ul>
	Representative: Lee, Wei-Chung			Current Job title: <ul style="list-style-type: none"> <li>●Advisor, Good Finance Securities Co., Ltd.</li> </ul>

Director	Caterpillar Capital Co., Ltd.	114,670,000	Bachelor, Department of Biology and Public Health of Duke University	Experience: ●Business Planner and Analyst, Citibank ● Founder, TEDxTaipei Current Job title: ●Director, Bar Koo Investment Corporation ●Founder & Executive Director, Pace Hotel ●Director, Good Finance Securities Co., Ltd.
	Representative: Hsuan-Ching Peng			
Director	Caterpillar Capital Co., Ltd.	114,670,000	M.S. in Computer Engineering, Cornell University, USA MBA, University of California, Los Angeles, USA B.S. in Computer Science & Information Engineering, National Central University	Experience: ●Senior Consultant, HP Technology Solutions ●Senior Product Manager, ArcSoft ●Senior Product Manager, New Products and Strategy, Baidu Research Institute, USA ●Senior Product Manager, Criteo Current Job title: ●Global Product Director, AI and Advertising Products, LinkedIn, Microsoft
	Representative: Ku Ming-Tao			
Director	Caterpillar Capital Co., Ltd.	114,670,000	BS in Business Administration, Chung Yuan Christian University	Experience: ●Wealth Management Manager, Standard Chartered Bank Taichung Branch ●President, South China Region, Asia Value Capital Current Job title: ●Vice President, Good Finance Securities Co., Ltd. ●Chairman, Da Han Capital Co., Ltd.
	Representative: Yang, Tun-Hsi			
Director	Fu-Liang Wan	0	MBA, Saint Louis University	Experience: ●Vice President, Ta Ching Securities Co., Ltd. Current Job title: ●Director, Good Finance Securities Co., Ltd. ●Vice President, Good Finance Securities Co., Ltd.
Independent Director	Chen, Ching-Hsiu	0	Doctor of Law, National Taiwan University	Experience: ●Visiting Scholar, Georgetown University School of Law, USA (1995.9 - 1996.8) ●Chairman, Law and Regulation Commission, Taipei City Government (1999.10 to 2006.12) ●Attorney, Partner, Chen Shyuu & Pun Law Offices (1982-1999) ●Adjunct Associate Professor, Department of Accounting, Soochow University (2003) ●Deputy Secretary General, Taiwan Administrative Law Association (1998-present) ●Chairman of the Financial Law Committee and Deputy Secretary General, the Taiwan Bar Association ●Chairman of the Financial Law Committee, Administrative Law Committee of Taipei Bar Association ●Independent Director, Hua Nan Financial Holdings Co., Ltd. (2010.07.01~2019.06.30) Current Job title: ●Professor, Department of Law, Soochow University
Independent Director	Cheng, Li-Yi	0	MBA, University of Washington B.S. in International Business, National Taiwan University	Experience: ●Associate Marketing Director, Johnson & Johnson China ●Chief Brand Officer, Royal Friesland Campina China ●Chief Marketing Officer, Nutricia Early Life Nutrition Management (Shanghai) Co., Ltd. Current Job title:

				<ul style="list-style-type: none"> <li>•Director of Marketing, ABBOTT LABORATORIES SERVICES LLC TAIWAN BRANCH (U.S.A.)</li> </ul>
Independent Director	Lin, Keng-Chou	0	Department of Accounting, National Chengchi University	<ul style="list-style-type: none"> <li>Experience:</li> <li>•CPA, KPMG</li> <li>•Supervisor, ASEC International Corporation</li> <li>•Director, Posiflex Technology, Inc.</li> <li>Current Job title:</li> <li>•CPA of Kuang Ho Accounting Firm</li> <li>•Independent Director, Answer Technology Co., Ltd.</li> <li>•Chairman, Hsing Chou Investment Co., Ltd.</li> </ul>

**Note: The number of shares held is calculated as of March 26, 2023.**