

Tze Shin International Co., Ltd.

Parent Company Only
Financial Statements and
Independent Auditors' Report
2023 and 2022

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Independent Auditors' Report

Shareholders and the Board of Directors of Tze Shin International Co., Ltd.,

Audit opinions

We have reviewed the parent company only balance sheet of Tze Shin International Co., Ltd. as of December 31, 2023 and 2022 and the parent company only statement of comprehensive income, parent company only statement of changes in equity, parent company only statement of cash flows, and notes to parent company only financial statements (including the summary of accounting policies) for the years ended December 31, 2023 and 2022.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements." We are independent of Tze Shin International Co., Ltd. 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. Based on our audit results, we believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for expressing the audit opinion.

Key audit matters

Key audit matters are those, in our professional judgment, the most significant matters in the audit of the 2023 annual parent company only financial statements of Tze Shin International Co., Ltd.. These matters were addressed in our audit of the parent company only financial statements as a whole, and in forming our audit opinion. We do not provide a separate opinion on these matters.

Key audit matters for Tze Shin International Co., Ltd., the Parent Company Only Financial Statements for the year ended December 31, 2023 are stated as follows:

Generation of operating revenue (including operating revenue of subsidiaries invested under the equity method)

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 60% and hence significantly impacts the financial statements of the parent company only for this year. Therefore, we recognized the transportation revenue as a key audit matter during the current year's audit.

We have implemented the main verification procedures for the above key verification items as follows:

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2023, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of revenue recognition.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

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

In preparing the parent company only financial statements, the management is responsible for assessing the ability of the Company in continuing as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting unless the management intends to liquidate the Company or cease the operations without other viable alternatives.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditor's responsibilities for the audit of the parent company only financial statements

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that

an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

We have utilized our professional judgment and maintained professional doubt when performing the audit work in accordance with the auditing standards in the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement arising from fraud or error within the parent company only financial statements; design and execute countermeasures in response to said risks, and obtain sufficient and appropriate audit evidence to provide a basis of our opinion. Fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Therefore, the risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from error.
2. Understand the internal control related to the audit in order to design appropriate audit procedures under the circumstances, while not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and relevant disclosures made by the management.
4. Conclude on the appropriateness of the management's adoption of the going concern basis of accounting based on the audit evidence obtained and whether a material uncertainty exists for events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we are of the opinion that a material uncertainty exists, we shall remind users of the parent company only financial statements to pay attention to relevant disclosures in said statements within our audit report. If such disclosures are inadequate, we need to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the parent company only financial statements (including relevant notes), and whether the parent company only financial statements adequately present the relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities within Tze Shin International Co., Ltd. to express an opinion on the parent company only financial statements. We are responsible for guiding, supervising, and performing the audit and forming an audit opinion on Tze Shin International Co., Ltd.

The matters communicated between us and the governing body include the planned scope and times of the audit and significant audit findings (including any significant deficiencies in internal control identified during the audit).

We also provided the governing body with a declaration that we have complied with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China regarding independence, and communicated with them all relationships and other matters that may possibly be regarded as detrimental to our independence (including relevant protective measures).

From the matters communicated with the governing body, we determined the key audit matters for the audit of the Company's parent company only financial statements for the year ended December 31, 2023. We have clearly indicated such matters in the auditors' report unless legal regulations prohibit the public disclosure of specific matters, or in extremely rare cases, we decided not to communicate over specific items in the auditors' report, for it could be reasonably anticipated that the negative effects of such disclosure would be greater than the public interest it brings forth.

Deloitte & Touche

CPA Han-Ni Fang

CPA Chao-Yu Chen

Approval No. of Financial Supervisory
Commission

Jin-Guan-Zheng-Shen-Zi No.1090347472

Approval No. of Financial Supervisory
Commission

Jin-Guan-Zheng-Shen-Zi No.1110348898

March 13, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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.

Tze Shin International Co., Ltd.
Parent Only Balance Sheets
December 31, 2023 and 2022

Unit: NT\$ thousand

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
Current assets					
1100	Cash (Notes 4 and 6)	\$ 594,515	19	\$ 221,049	9
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	1,107,024	36	1,041,745	41
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 26)	147,000	5	139,900	6
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 26)	50	-	100	-
1150	Net notes receivable (Notes 4, 10, 21 and 25)	70,000	2	2,598	-
1170	Net accounts receivable (Notes 4, 10, 21, and 25)	-	-	9,902	-
1180	Accounts receivable - related parties, net	-	-	44	-
1200	Other receivables, net (Notes 4.10 and 27)	24,827	1	908	-
1210	Other receivables - related parties (Notes 4, 12 and 25)	8	-	8	-
1220	Current income tax assets (Notes 4 and 21)	837	-	817	-
1310	Net inventory (Notes IV, 11 and 26)	185,410	6	166,374	7
1479	Other current assets	<u>15,415</u>	<u>1</u>	<u>5,276</u>	<u>-</u>
11XX	Total current assets	<u>2,145,086</u>	<u>70</u>	<u>1,588,721</u>	<u>63</u>
non-current assets					
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	383	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	213,898	7	165,926	7
1550	Investment under equity method (Notes 4, 5 and 12)	342,109	11	341,360	13
1600	Property, plant and equipment (Notes 4, 13 and 26)	168,660	6	169,250	7
1755	Right-of-use assets (Notes 3, 4 and 14)	6,159	-	4,183	-
1760	Investment property (Notes 4, 15, 19 and 26)	30,026	1	30,026	1
1780	Intangible assets (Note 4)	84	-	45	-
1840	Deferred income tax assets (Notes 4 and 21)	67,468	2	69,596	3
1920	Refundable deposits	<u>80,699</u>	<u>3</u>	<u>150,748</u>	<u>6</u>
15XX	Total non-current assets	<u>909,103</u>	<u>30</u>	<u>931,517</u>	<u>37</u>
1XXX	Total assets	<u>\$ 3,054,189</u>	<u>100</u>	<u>\$ 2,520,238</u>	<u>100</u>
Financial liabilities and equity					
Current liabilities					
2150	Notes payable	\$ -	-	\$ 6,370	-
2170	Accounts payable	18,128	1	6,419	-
2200	Other payables (Notes 17 and 25)	22,048	1	17,377	1
2220	Other payables - related parties	389	-	-	-
2250	Liability reserves - current (Note 4)	-	-	133	-
2280	Lease liabilities - current (Notes 3, 4 and 14)	3,003	-	2,982	-
2399	Other current liabilities	<u>3,695</u>	<u>-</u>	<u>6,846</u>	<u>1</u>
21XX	Total current liabilities	<u>47,263</u>	<u>2</u>	<u>40,127</u>	<u>2</u>
Non-current liabilities					
2570	Deferred tax liabilities	-	-	11	-
2580	Lease liabilities - non-current (Notes 3, 4 and 14)	-	-	1,111	-
2640	Net defined benefit liabilities (Notes 4 and 18)	5,621	-	5,358	-
2645	Guarantee deposits	<u>225</u>	<u>-</u>	<u>175</u>	<u>-</u>
25XX	Total non-current liabilities	<u>5,846</u>	<u>-</u>	<u>6,655</u>	<u>-</u>
2XXX	Total liabilities	<u>53,109</u>	<u>2</u>	<u>46,782</u>	<u>2</u>
Equity					
3110	Ordinary shares	<u>1,890,023</u>	<u>62</u>	<u>1,890,023</u>	<u>75</u>
3200	Capital reserve	<u>20,886</u>	<u>-</u>	<u>20,857</u>	<u>1</u>
Retained earnings					
3310	Legal reserve	309,697	10	309,697	12
3350	Unappropriated earnings	<u>632,367</u>	<u>21</u>	<u>153,135</u>	<u>6</u>
3300	Total retained earnings	<u>942,064</u>	<u>31</u>	<u>462,832</u>	<u>18</u>
3400	Other equity	<u>148,107</u>	<u>5</u>	<u>99,744</u>	<u>4</u>
3XXX	Total Equity	<u>3,001,080</u>	<u>98</u>	<u>2,473,456</u>	<u>98</u>
Total liabilities and equity		<u>\$ 3,054,189</u>	<u>100</u>	<u>\$ 2,520,238</u>	<u>100</u>

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousands; Earnings per share NT\$
Earnings (losses) in NTD

Code		2023		2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 19 and 25)	\$ 29,277	100	\$ 127,728	100
5000	Operating cost (Notes 11, 20 and 25)	<u>24,013</u>	<u>82</u>	<u>102,550</u>	<u>80</u>
5950	Gross profit	<u>5,264</u>	<u>18</u>	<u>25,178</u>	<u>20</u>
	Operating expense				
6200	Administrative expenses (Notes 22 and 25)	65,044	222	54,793	43
6450	Expected credit impairment loss (Note 4 and 10)	<u>1,012</u>	<u>4</u>	<u>3,095</u>	<u>2</u>
6000	Subtotal	<u>66,056</u>	<u>226</u>	<u>57,888</u>	<u>45</u>
6900	Net operating loss	(<u>60,792</u>)	(<u>208</u>)	(<u>32,710</u>)	(<u>25</u>)
	Non-operating income and expenses				
7100	Interest income	4,501	15	1,423	1
7010	Other income (Note 20)	357,513	1,221	176,486	138
7020	Other gains and losses (Note 20)	162,116	554	(411,698)	(322)
7050	Financial costs (Note 20)	(1,537)	(5)	(118)	-
7070	Share of profit or loss of subsidiaries and associates accounted for under the equity method	9,885	34	5,387	4
7055	Expected credit impairment loss (Note 10)	(<u>1,578</u>)	(<u>5</u>)	<u>-</u>	<u>-</u>
7000	Subtotal	<u>530,900</u>	<u>1,814</u>	(<u>228,520</u>)	(<u>179</u>)
7900	Net income (loss) before tax	470,108	1,606	(261,230)	(204)
7950	Income tax expenses (gains) (Notes 4 and 21)	<u>2,144</u>	<u>8</u>	(<u>1,387</u>)	(<u>1</u>)
8000	Net income (loss) of the year	<u>467,964</u>	<u>1,598</u>	(<u>259,843</u>)	(<u>203</u>)

(Cont'd)

(Cont'd.)

Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
	Not to be reclassified to profit or loss in subsequent periods:				
8311	Re-measurement of defined benefit plan (Note 18)	(\$ 135)	-	\$ 2,486	2
8316	Unrealized valuation gains of investments in equity instruments measured at fair value through other comprehensive income	57,888	198	(122,538)	(96)
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method	1,851	6	(4,535)	(4)
8349	Income tax related to items not to be reclassified (Note 23)	<u>27</u>	<u>-</u>	(<u>497</u>)	<u>-</u>
8300	Other comprehensive income of the current year	<u>59,631</u>	<u>204</u>	(<u>125,084</u>)	(<u>98</u>)
8500	Total comprehensive profit and loss for the current year	<u>\$ 527,595</u>	<u>1,802</u>	(<u>\$ 384,927</u>)	(<u>301</u>)
	Earnings (losses) per share (Note 23)				
9710	Basic	<u>\$ 2.48</u>		(<u>\$ 1.37</u>)	
9810	Dilution	<u>\$ 2.47</u>		(<u>\$ 1.37</u>)	

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		Additional paid-in capital (Note 18)				Retained earnings (Notes 8 and 18)			Other equity	Total equity	
		Share capital (Note 18)	Treasury stock trading	Recognition of changes in ownership interests of subsidiaries	Others	Total	Legal reserve	Unappropriated earnings	Total		Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income
A1	Balance as of January 1, 2022	\$ 1,718,202	\$ 20,348	\$ 18	\$ 492	\$ 20,858	\$ 272,218	\$ 698,489	\$ 970,707	\$ 320,438	\$ 3,030,205
	Appropriations and distributions of 2021 earnings										
B1	Legal reserve	-	-	-	-	-	37,479	(37,479)	-	-	-
B5	Cash dividends for shareholders	-	-	-	-	-	-	(171,821)	(171,821)	-	(171,821)
B9	Stock dividends	171,821	-	-	-	-	-	(171,821)	(171,821)	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	(1)	(1)	-	-	-	-	(1)
D1	Net of 2022	-	-	-	-	-	-	(259,843)	(259,843)	-	(259,843)
D3	Other comprehensive income after tax of 2022	-	-	-	-	-	-	2,788	2,788	(127,872)	(125,084)
D5	Total comprehensive profit and loss of 2022	-	-	-	-	-	-	(257,055)	(257,055)	(127,872)	(384,927)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	92,822	92,822	(92,822)	-
Z1	Balance as of December 31, 2022	1,890,023	20,348	18	491	20,857	309,697	153,135	462,832	99,744	2,473,456
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	29	29	-	-	-	-	29
D1	Net of 2023	-	-	-	-	-	-	467,964	467,964	-	467,964
D3	Other comprehensive income after tax of 2023	-	-	-	-	-	-	740	740	58,891	59,631
D5	Total comprehensive profit and loss of 2023	-	-	-	-	-	-	468,704	468,704	58,891	527,595
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	10,528	10,528	(10,528)	-
Z1	Balance as of December 31, 2023	\$ 1,890,023	\$ 20,348	\$ 18	\$ 520	\$ 20,886	\$ 309,697	\$ 632,367	\$ 942,064	\$ 148,107	\$ 3,001,080

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Parent Only Statement of Cash Flows
January 1 to December 31, 2023 and 2022

Unit: NT\$ thousand

Code		2023	2022
	Cash flows from operating activities		
A00010	Net income (loss) before tax	\$ 470,108	(\$ 261,230)
	Adjustments to reconcile profit (loss)		
A20100	Depreciation	9,777	14,070
A20200	Amortization expenses	21	116
A20300	Expected credit impairment loss	2,590	3,095
A20400	Net (gain) loss of financial assets at fair value through profit or loss	(162,584)	439,518
A20900	Finance costs	1,537	118
A21200	Interest income	(4,501)	(1,423)
A21300	Dividend income	(277,772)	(169,971)
A22400	Share of profit of subsidiaries and associates accounted for under the equity method	(9,885)	(5,387)
A22500	Gains from the disposal and scrap of property, plant, and equipment	(105)	(9,034)
A23200	Disposal of investment gains using the equity method	-	(18,752)
A23800	Gains on inventory devaluation and obsolescence recovery	(240)	(11,202)
A29900	Others	(69,765)	(322)
	Net changes in operating assets and liabilities		
A31130	Notes receivable	2,598	(1,085)
A31140	Notes receivable - related parties	-	94
A31150	Accounts receivables	9,188	14,058
A31160	Accounts receivable - related parties	44	1,936
A31180	Other receivables	(25,729)	(691)
A31190	Other receivables - related parties	-	13,588
A31200	Inventory	(19,182)	12,946
A31240	Other current assets	(13,854)	7,965
A32130	Notes payable	(6,370)	(3,216)
A32140	Notes payable - related parties	-	(7,865)
A32150	Accounts payable	11,709	1,764
A32160	Accounts payable - related parties	-	(9,410)
A32180	Other payables	4,630	(15,944)
A32190	Other payables - related parties	389	(2)
A32230	Other current liabilities	(3,151)	588
A32240	Net confirmed benefit debt	128	131
A33000	Cash outflow from operating activities	(80,419)	(5,547)
A33300	Interest paid	(1,393)	(26)
A33500	Income tax refunded (paid)	(20)	668
AAAA	Net cash outflow from operating activities	(81,832)	(4,905)

(Cont' d)

(Cont'd.)

Code		2023	2022
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(\$ 56,219)	(\$ 210,132)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	59,035	454,899
B00040	Acquisition of financial assets at amortized cost	(100)	(50)
B00050	Disposal of financial assets measured at amortized cost	150	-
B00100	Acquisition of financial assets at fair value through profit or loss	(632,871)	(1,345,495)
B00200	Disposal of financial assets at fair value through profit or loss	730,559	573,798
B02300	Net cash inflow from disposal of subsidiaries	-	73,778
B02700	Purchase of property, plant and equipment	(1,250)	(1,524)
B02800	Disposal of property, plant and equipment prices	518	16,411
B03700	Increase in refundable deposits	-	(149,997)
B03800	Decrease in refundable deposits	70,049	-
B04500	Acquisition of intangible assets	(60)	-
B06800	Decrease of other non-current assets	-	1,387
B07500	Interest received	4,354	1,523
B07600	Dividends received	288,840	186,690
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	-	24,000
BBBB	Net cash inflows (outflows) from investing activities	<u>463,005</u>	<u>(374,712)</u>
	Cash flows from financing activities		
C03000	Increase in guarantee deposits	50	-
C04020	Lease liability principal repayments	(7,757)	(4,866)
C04500	Cash dividends paid	-	(171,821)
CCCC	Net cash used in financing activities	<u>(7,707)</u>	<u>(176,687)</u>
EEEE	Net cash increase (decrease)	373,466	(556,304)
E00100	Cash balance at the beginning of the year	<u>221,049</u>	<u>777,353</u>
E00200	Year-end cash balance	<u>\$ 594,515</u>	<u>\$ 221,049</u>

The accompanying notes form an integral part of the parent company only financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd.
Notes to Parent Company Only Financial Statements
January 1 to December 31, 2023 and 2022

I. Corporate history

Tze Shin International Co., Ltd. (hereinafter referred to as "the Company") was established in 1973. Its main business includes (1) long-distance container transshipment; (2) shipside transportation operations; (3) container haulage; (4) truck freight: transportation of chemicals, gasoline and diesel tanks and bulk goods; (5) lease of containers, racks, and equipment; and (6) entrust of construction companies to build commercial, industrial buildings, and public housing for sale and leasing.

The Company's stock has been listed on the Taiwan Stock Exchange since October 1993.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

II. Date and Procedures for Passing the Financial Report

The individual financial statements were approved by the Board of Directors on March 13, 2024.

III. Application of New and Revised International Financial Reporting Standards

- (I) For the first time, the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Notes (SIC) (hereinafter referred to as "IFRSs") recognized and issued by the Financial Supervisory Commission ("FSC")

The application of the revised IFRSs approved and issued to effect by the FSC will not result in significant changes in the accounting policies of the Company.

- (II) 2024 IFRSs endorsed by the FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date issued by the IASB</u>
Amendments to IFRS 16 "Lease Liabilities under Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise specified, the aforesaid new/amended/revised standards or interpretations are effective for the annual reporting periods beginning on or after the respective dates.

Note 2: Vendors and lessees should apply the amendments to IFRS 16 retroactively for sale and leaseback transactions entered into after 16 days after the initial application of IFRS 16.

Note 3: When these amendments are applied for the first time, part of the disclosure requirements are exempted

As of the publication date of the parent company only financial statements, the Company has assessed that the above-mentioned standards and amendments to the interpretations will not have a significant impact on the Company's financial position and financial performance.

(III) IFRSs issued by the IASB but not yet endorsed and issued into effect by the FSC

<u>New/amended/revised standards and interpretations</u>	<u>Effective date published by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the aforesaid new/amended/revised standards or interpretations are effective for the annual reporting periods beginning on or after the respective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendment is applied for the first time, the impact will be recognized in the retained earnings on the date of initial application. When the Company uses a non-functional currency as the presentation currency, it will affect the exchange differences of foreign operations under equity on the date of initial application.

As of the publication date of the parent company only financial statements, the Company continues to evaluate the impact of amendments to the above standards and interpretations on the financial position and financial performance, and will disclose relevant impacts when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

Except for the financial instruments measured at fair value and the net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets, the standalone financial statements have been prepared on the historical cost basis.

The fair value measurement is divided into Level 1 to Level 3 according to the observability and significance of the relevant input value:

1. Level 1 input: refers to the quotation (unadjusted) of the same asset or liability in an active market on the measurement date.
2. Level 2 input: in addition to the quoted price in Level 1, the direct (i.e., price) or indirect (i.e., inference from price) observable input of the asset or liability.
3. Level 3 inputs: The unobservable inputs for the asset or liability.

The Company adopts the equity method to account for its investments in subsidiaries and associates when preparing the parent company only financial statements. In order to make the profit or loss, other comprehensive profit or loss, and equity of the current year in the parent company only financial statement and the current year profit or loss, other comprehensive profit or loss, and equity attributable to the owner of the Company in the Company's consolidated financial statement, certain accounting differences between the standalone basis and the consolidated basis are adjusted and made "Investments under the equity method," "Recognized share of profit or loss of subsidiaries, associates, and joint investments under the equity method," "Recognized share of other comprehensive profit or loss of subsidiaries, associates and joint investments ," and related equity items.

(III) Classification of current and non-current asset and liability items

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash (excluding those that are restricted from being exchanged or used to settle a liability for more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held mainly for the purpose of trading;
2. Liabilities due and settled within 12 months after the balance sheet date; and
3. Liabilities for which the settlement period cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

For the construction projects of the Company, where the business cycle is longer than one year, the assets and liabilities related to the construction business are classified as current or non-current based on the normal business cycle.

(IV) Foreign currency

When the Company prepares the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are converted into the functional currency according to the exchange rates on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing exchange rate on each balance sheet date. The exchange difference arising from the settlement of monetary items or the translation of monetary items is recognized in profit or loss in the year of occurrence.

Non-monetary items measured at fair value that are denominated in foreign currencies are converted at the rates prevailing on the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss for the year. in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the exchange rates prevailing on the transaction dates and are not retranslated.

(V) Inventory

Inventories include commodities and supplies. Inventories are measured at the lower of cost and net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances less selling expenses. The cost of inventories is calculated using the weighted average method.

Buildings under construction are measured at the lower of cost and net realizable value. The comparison of cost and net realizable value is based on individual projects. Net realizable value is the estimated selling price under normal circumstances less the remaining costs of completion and selling expenses. When selling, the cost is calculated using the individual identification method.

(VI) Investment in subsidiaries

The Company adopts the equity method to account for its investment in subsidiaries.

A subsidiary is an entity controlled by the Company.

Under the equity method, investments are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive profit or loss of the subsidiaries. In addition, changes in the Company's other equity interests in subsidiaries are recognized based on the shareholding percentage.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are treated as equity transactions. Any difference between the carrying amount of investments and the fair value of the consideration paid or received is directly recognized in equity.

When the Company's share of losses on a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that in substance form part of the Company's net investment in the subsidiary), losses will continue to be recognized proportionally to the Company's shareholding.

The excess of the acquisition cost in excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries that constitute the business on the date of acquisition is recognized as goodwill, which is included in the book value of the investment and shall not be amortized; The excess of the share of the net fair value of the identifiable assets and liabilities of the subsidiary over the acquisition cost as of the date of operation is recognized as the current income.

When the Company assesses the impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the book value. If the recoverable amount of an asset increases subsequently, the reversal of the impairment loss shall be recognized as gains, but the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would be recognized for the asset without the impairment loss not recognized. The book value after amortization. The impairment loss attributed to goodwill shall not be reversed in subsequent periods.

When the Company loses control over a subsidiary, it measures its remaining investment in the former subsidiary according to the fair value on the date of loss of control. Current profit and loss. In addition, all amounts recognized in other comprehensive income related to the subsidiary shall be accounted for on the same basis as the one adopted for the Company's direct disposal of the relevant assets or liabilities.

The unrealized profit or loss of downstream transactions between the Company and its subsidiaries is eliminated in the individual financial statements. The profit or loss generated from the downstream and lateral transactions between the Company and its subsidiaries is recognized in the standalone financial statements only to the extent that they are not related to the Company's equity in the subsidiaries.

(VII) Property, plant and equipment

Property, plant and equipment are recognized at cost less accumulated depreciation and accumulated impairment loss.

The property, plant and equipment under construction is recognized at cost less accumulated impairment loss. Costs include professional service fees and borrowing costs that meet the capitalization conditions. These assets shall be classified into the appropriate category of property, plant and equipment and depreciation shall begin to be provided when they are completed and reach the expected state of use.

Except for the self-owned land that is not depreciated, the remaining properties, plants, and equipment are depreciated separately on a straight-line basis over their useful lives. The Company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and applies the effect of changes in accounting estimates in a deferred application.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Investment property

Investment property is held for the purpose of earning rent or for capital appreciation or both. Investment property also includes the land for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

1. Acquired separately

A separately acquired intangible asset with finite useful life is initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized using the straight-line method over the useful lives. The Company reviews the estimated useful life, residual value, and amortization methods at least at the end of each year, and applies the effects of changes in accounting estimates prospectively. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Removed from Column

When an intangible asset is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in current profit or loss.

(X) Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets

Assess whether there are any signs of possible impairment of property, plant, and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill) at each balance sheet date. If there is any sign of impairment, estimate the amount recoverable from the asset. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to individual cash-generating units on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and not yet available for use are tested for impairment at least annually and when there is a sign of impairment.

The recoverable amount is the higher of the fair value less the selling cost and the value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset, cash-generating unit or contract cost related asset is increased to the revised recoverable amount, but the increased carrying amount does not exceed the asset, cash-generating unit or contract cost. The book value (less amortization or depreciation) of the relevant assets if no impairment loss was recognized in previous years. Reversal of impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities are recognized in the individual balance sheet when the Company becomes a party to the terms and conditions of the instrument contract.

When financial assets and financial liabilities are initially recognized, if financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions in financial assets are recognized and recognized using the transaction date accounting method.

(1) Type of measurement

The financial assets held by the Company include those measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other combined profits or losses.

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

Financial assets measured at FVTPL are those mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI, and debt instruments that are not classified as measured at amortized cost or at FVTOCI.

Financial assets at FVTPL are measured at fair value, and dividends, interest, and remeasurement gains or losses are recognized in other profits and losses. Please refer to Note 24 for how the fair value is determined.

B. Financial assets measured at amortized cost

If the Company's investment in financial assets meets the following two conditions at the same time, it is classified as financial assets measured at amortized cost:

- a. Held under a certain business model, and the purpose of such model is to hold financial assets to collect contractual cash flows; and
- b. The cash flows on specific dates that arise from the terms of the contract are solely payments of the principal and interest on the principal amount outstanding.

Financial assets measured at cost after amortization (including cash, time deposits with original maturity date of more than 3 months, notes receivable at cost after amortization, accounts receivable, other receivables, other financial assets and (guaranteed guarantee) is measured at the amortized cost of the total book value determined by the effective interest method less any impairment loss upon initial recognition. Any foreign currency exchange gain or loss is recognized in profit or loss.

Except under the following two circumstances, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- a. For purchased or originated credit-impaired financial assets, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
- b. For financial assets that are not acquired or originated credit-impaired but subsequently become credit-impaired, interest income shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to the fact that the issuer or debtor has experienced major financial difficulty, default, the debtor is likely to file for bankruptcy or other financial reorganization, or due to financial difficulty, the active market of financial assets has disappeared.

Cash equivalents include time deposits with high liquidity and insignificant risk of changes in value that are highly liquid time deposits that can be converted into known amounts of cash at any time after the acquisition date, and are used to satisfy short-term cash commitments.

C. Equity instrument investment measured at fair value through other comprehensive income

The Company may, at the time of original recognition, make an irrevocable election to designate the investment in equity instrument investment not held for trading and not recognized by the acquirer in the business combination at fair value at the fair value.

Investments in equity instruments measured at FVTOCI are measured at fair value, and subsequent changes in fair value are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed, the accumulated profit or loss is directly transferred to the retained earnings and is not reclassified as profit or loss.

Dividends of investments in equity instruments measured at FVTOCI are recognized in profit or loss when the Company's right to receive payment is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including accounts receivable) based on the expected credit loss on each balance sheet date.

Accounts receivable are recognized in allowance for loss based on the lifetime expected credit losses. Other financial assets are assessed in terms of whether the credit risk has increased significantly since the initial recognition. If there is no significant increase in the credit risk, the loss allowance is recognized at 12-month expected credit losses. If there has been a significant increase, it is recognized at the lifetime expected credit losses. loss allowance.

The expected credit loss is the weighted average credit loss with the risk of default as the weight. The 12-month ECLs represent the ECLs from possible defaults of a financial instrument within 12 months after the reporting date. The lifetime ECLs represent the ECLs from all possible defaults of a financial instrument during the expected life of a financial instrument.

For the purpose of internal credit risk management, the Company, without considering the collaterals held, determines that the following situations represent defaults in financial assets:

- A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.
- B. Overdue for more than 90 days, unless there is reasonable and corroborative information showing that the later default standard is more appropriate.

The impairment loss of all financial assets is recognized by the reduction of the book value of the allowance account. However, the loss allowance of the investment in debt instruments measured at fair value through other comprehensive profit or loss is recognized in other comprehensive profit or loss without reducing the book value.

(3) Removal of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets are transferred and almost all the risks and rewards of the ownership of the assets have been transferred to another enterprise.

When a financial asset measured at amortized cost is derecognized in its entirety, the difference between the book value and the consideration received is recognized in profit or loss. When the investment in equity instrument measured at FVTOCI is derecognized in its entirety, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

The equity instruments issued by the Company are classified as equities according to the contractual agreement and the definition of equity instruments.

Equity instruments issued by the Company are recognized at the amount after deducting direct issuance costs from the obtained proceeds.

The repurchase of the Company's own equity instruments is recognized in and deducted under equity. The purchase, sale, issuance or cancellation of the Company's own equity instruments is not recognized in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities are measured at amortized cost in the effective interest method.

(2) Removal of financial liabilities

When derecognizing financial liabilities, the difference between the book value and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XII) Provision for liabilities

The amount recognized as reserve takes into account the risks and uncertainties of the obligation and is the best estimate of the expenditure required to settle the obligation on the balance sheet date. The reserve for liabilities is measured by the estimated cash flow discount value to settle the obligation.

When it is expected that part or all of the expenses required to settle the liability reserve may be received from another party, and the such refund is almost certain to be received and the amount can be measured reliably, the advance is recognized as an asset.

Warranty

The warranty obligation to ensure that the product conforms to the agreed specifications is based on the management's best estimate of the expenditure required to settle the company's obligation and is recognized when the related product is recognized as income.

(XIII) Revenue Recognition

After the Company identifies its performance obligations in contracts with customers, it allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

For contracts where the time interval between the transfer of goods or services and the collection of consideration is less than one year, no transaction price will be adjusted for the major financial components.

1. Transportation revenue

Transportation income comes from the operation of truck freight and container, and related businesses are recognized as income when the labor services are completed.

2. Product sales revenue

The sales revenue comes from the sale of household electrical appliances. Revenue is recognized when the goods are delivered to the location designated by the customer.

(XIV) Lease

The Company assesses whether the contract is (or contains) a lease on the establishment date of the contract.

1. The Company as lessor

Lease payments under operating leases, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period. The initial direct cost for

acquiring the operating lease is added to the book value of the underlying asset and recognized as expenses on the straight-line basis over the lease period.

2. The Company as the lessee

Except for low-value asset leases and short-term leases to which recognition exemptions apply, where lease payments are recognized as expenses on a straight-line basis over the lease period, right-of-use assets and lease liabilities are recognized for all leases on the starting date of the lease.

The right-of-use asset is measured at its original cost, which includes the initial measurement amount of lease liabilities, lease incentives received deducted from lease payments made before the start of the lease, initial direct costs, and the estimated cost of restoring the underlying asset. Subsequently, it is measured at cost less accumulated depreciation and accumulated impairment losses, and adjustments are made for the remeasurement of lease liabilities. Right-of-use assets are presented separately in the standalone balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease start date to the expiry date of the lease or the lease term, whichever earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments). If the interest rate implicit in the lease is easily determined, the lease payment is discounted at the interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing rate shall be used.

Subsequently, lease liabilities are measured at the amortized cost using the effective interest method, and the interest expenses are amortized over the lease term. If there are changes in future lease payments during the lease period, the expected payment amount under the residual value guarantee, or the index or rate used to determine lease payments, the Company will re-measure the lease liabilities and relatively adjust the right-of-use assets. The book value has been reduced to zero, the remaining re-measurement amount is recognized in profit or loss. For lease modifications that are not treated as separate leases, the re-measurement of the lease liabilities due to the reduced scope of the lease is to reduce the right-of-use assets, and to recognize gains or losses on the partial or full termination of the lease; the re-measurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented separately in the standalone balance sheet.

In light of the rent negotiation directly related to the COVID-19 pandemic between the Company and the lessor, the Company adjusted the rent due before December 31, 2022, resulting in a decrease in rent. These negotiations did not materially change other lease terms. The Company has elected to adopt practical expedients to treat all rent negotiations that meet the aforementioned conditions, without evaluating whether it is a lease modification, and recognizes the reduction in

lease payments in profit or loss (booked in other gains and losses) when the concession or such situation occurs. loss), and decreased lease liabilities accordingly.

(XV) Cost of borrowing

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are treated as part of the cost of the assets until the assets are nearly ready for their intended use or sale.

For specific borrowings, if the investment income earned from the temporary investment before the capital expenditure that meets the requirements is incurred, it is deducted from the borrowing costs that meet the capitalization conditions.

Except for the above, all other borrowing costs are recognized in profit or loss in the year in which they are incurred.

(XVI) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

The pension of the defined contribution plan is the amount of pension contribution recognized as expenses during the period of service provided by the employees.

The defined benefit cost of the defined benefit retirement plan (including the service cost, net interest, and re-measurement) is actuated using the projected unit method. The service cost (including the service cost for the current period) and the net interest of the net defined benefit liability are recognized as employee benefit expenses when they are incurred. The re-measurement (including the actuarial profit or loss and the return on plan assets net of interest) is recognized in other comprehensive income and recognized in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability was the provision for the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of refundable contributions from the plan or reduced contributions to the future.

(XVII) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

The Company determines the income (loss) of the current period in accordance with the laws and regulations of each jurisdiction area for income tax filings, and calculates the income tax payable (recoverable) accordingly.

In accordance with the Income Tax Act of the Republic of China, additional income tax levied on undistributed earnings is recognized in the year resolved by the shareholders' meeting.

Adjustments to income tax payable from previous years are recognized in current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities and the tax bases for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, whereas deferred income tax assets are recognized for taxable income that is probable to deduct temporary differences and deductible losses. It shall be recognized at the time of use.

The taxable temporary difference related to the investment in subsidiaries, associates, and joint agreements shall be recognized as deferred income tax liabilities. However, if the Company can control the time point of the temporary difference reversal, and the temporary difference is likely to Except for those that will not be reversed in the future. The deductible temporary difference related to such investment is recognized as deferred income tax only if it is probable that there will be sufficient taxable income to realize the temporary difference and it is expected to be reversed in the foreseeable future assets.

The book value of deferred income tax assets is reviewed at each balance sheet date, and the book value is reduced if it is no longer probable that there will be sufficient taxable income to recover all or part of the assets. The assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and the carrying amount is increased when it is probable that taxable income will be generated in the future against which all or part of the assets can be recovered.

Deferred income tax assets and liabilities are measured at the tax rates in the year in which the liabilities are expected to be settled or the assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred income tax liabilities and assets are measured to reflect the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income tax are recognized in profit or loss, except for those related to items that are recognized in other comprehensive income or directly in equity, respectively.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When the Company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for the relevant information that is not readily available from other sources. Actual results may differ from these estimates.

VI. Cash

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$ 100	\$ 100
Checks and demand deposits at banks	<u>594,415</u>	<u>220,949</u>
	<u>\$ 594,515</u>	<u>\$ 221,049</u>

The interest rate ranges of deposits in banks at the balance sheet date are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank deposits	0.005% ~ 0.580%	0.005% - 0.455%

VII. Financial instruments at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets - current</u>		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed (OTC Listed) stock	<u>\$ 1,107,024</u>	<u>\$ 1,041,745</u>
<u>Financial assets - non-current</u>		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic unlisted (non-OTC Listed) stock	<u>\$ -</u>	<u>\$ 383</u>

Please refer to Note 26 for information on financial assets at fair value through profit or loss - current pledge.

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Domestic investment		
Listed (OTC Listed) stock	<u>\$ 147,000</u>	<u>\$ 139,900</u>
<u>Non-current</u>		
Domestic investment		
Unlisted (non-OTC Listed) stock	<u>\$ 213,898</u>	<u>\$ 165,926</u>

The Company invests in the common stocks of the above-mentioned domestic and foreign listed (TWSE) and unlisted (OTC) companies based on medium and long-term strategic purposes, and expects to make profits through long-term investments. The management of the Company believes that if the short-term fair value fluctuations of these investments are recognized in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so it has elected to designate these investments as at FVTOCI.

The Company purchased the common shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at NT\$49,423 thousand and NT\$6,796 thousand respectively in 2023. Because they are medium and long-term strategic investments, they are designated to be measured at fair value through other comprehensive income.

For the year ended December 31, 2023, the Company adjusted its investment position to diversify risks and successively sold some ordinary shares of IBF Financial Holdings Co., Ltd., Taisun Enterprise Co., Ltd., and Epoch Electronics Corp. at fair values of NT\$20,026 thousand, NT\$36,431 thousand, and NT2,578 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$10,528 thousand were transferred to retained earnings.

The Company purchased the common shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at NT\$203,208 thousand and NT\$6,924 thousand respectively in 2022. Because they are medium and long-term strategic investments, they are designated to be measured at fair value through other comprehensive income.

In 2022, the Company adjusted the investment positions to diversify risks, and successively sold some of the common stocks of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at fair value of NT\$359,194 thousand and NT\$95,705 thousand, respectively. The related other equity-through other comprehensive income. The unrealized gains of financial assets measured at fair value, NT\$92,822 thousand, were transferred to retained earnings.

The merged company recognized dividend income of NT\$27,835 thousand and NT\$31,414 thousand for the years ended December 31, 2023 and 2022, respectively.

Please refer to Note 26 for information on financial assets measured at fair value through other combined profits or losses - current pledge.

IX. Financial assets measured at amortized cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Current</u>		
Domestic investment		
Time deposits with an original maturity date of more than 3 months	\$ <u>50</u>	\$ <u>100</u>

As of December 31, 2023 and 2022, the interest rate of time deposits with original maturity over 3 months was 1.565% and 1.440% per annum, respectively.

Please refer to Note 26 for information on pledged financial assets measured at amortized cost.

X. Notes receivable, accounts receivable and other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Measured at amortized cost		
Gross carrying amount		
Notes receivable	\$ 70,000	\$ 2,598
Accounts receivables	\$ 714	\$ 29,572
Less: loss allowance	(714)	(19,670)
	<u>\$ -</u>	<u>\$ 9,902</u>
Accounts receivable - related parties	<u>\$ -</u>	<u>\$ 44</u>
Other receivables	\$ 26,708	\$ 304,784
Less: loss allowance	(1,881)	(303,876)
	<u>\$ 24,827</u>	<u>\$ 908</u>
Other receivables - related parties	<u>\$ 8</u>	<u>\$ 8</u>

The average credit period of the Company to customers is 60 to 90 days, and no interest is accrued on accounts receivable. When determining the recoverability of accounts receivable, the Company Changes in credit quality during the current period.

The Company adopts the allowance for loss of notes receivable, accounts receivable, and other receivables to be recognized based on the expected credit losses throughout the duration. The expected credit losses throughout the duration are calculated using the provision matrix, which takes into account the customer's past default record and current financial position, as well as the industrial economic situation. Because the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the reserve matrix does not further divide the customer groups, but only uses the notes receivable, accounts receivable, and other receivables overdue days to set the expected credit rating. Loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the Company cannot reasonably expect to recover the amount, for example, the counterparty is in liquidation, the Company will directly write off the relevant accounts receivable, but will continue to pursue recovery activities. The amount is recognized in profit or loss.

The allowance for loss of notes receivable, accounts receivable and other receivables measured by the Company based on the reserve matrix is as follows:

December 31, 2023

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	1.64%	-	-	-	100.00%	
Gross carrying amount	\$ 96,413	\$ -	\$ -	\$ -	\$ 1,017	\$ 97,430
Loss allowance (lifetime expected credit losses)	(1,578)	-	-	-	(1,017)	(2,595)
Cost after amortization	<u>\$ 94,835</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 94,835</u>

December 31, 2022

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	0.04%	-	-	-	100.00%	
Gross carrying amount	\$ 13,323	\$ 142	\$ -	\$ -	\$ 323,541	\$ 337,006
Loss allowance (lifetime expected credit losses)	(5)	-	-	-	(323,541)	(323,546)
Cost after amortization	<u>\$ 13,318</u>	<u>\$ 142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,460</u>

Information on changes in the allowance for loss of notes receivable, accounts receivable and other receivables is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the year	\$ 323,546	\$ 320,451
Add: Provision of impairment loss	2,590	3,095
Less: Elimination of actual write-offs (Note 12)	(323,541)	-
Year-end balance	<u>\$ 2,595</u>	<u>\$ 323,546</u>

However, due to significant financial difficulties, Far Eastern Transport Corp. (hereinafter referred to as "Far Eastern Airlines") has entered into a cross-strait and domestic airline cooperative management services contract with Far Eastern Airlines. While the Company management estimates, as of December 31, 2019, the deposit of NT\$4,530 thousand is unlikely to be recovered; therefore, the refundable deposit of NT\$249,500 thousand has been classified as other receivables. Based on the financial position of the counterparty, the group assessed in 2023 that the recoverable amount of the amount could not be reasonably expected. Therefore, the accounts receivable of NT\$4,530 thousand and other receivables of NT\$249,500 thousand and the related allowance losses totaled NT\$254,030 thousand were written off. However, the group will continue to recover the above-mentioned funds through legal channels to maintain the interests of the group.

On June 29, 2010, the Company and CPC Corporation, Taiwan (hereinafter referred to as "CPC") reached a settlement of a lawsuit concerning gains in the distribution of oil products and gas station rental. Both parties agreed to terminate the oil distribution contract and gas station rental contract. According to the settlement agreement, CPC should pay NT\$107,542 thousand and NT\$2,581 thousand of distribution profits - rent income. The above amount is NT\$110,123 thousand, less the court rent of NT\$26,947 thousand deposited by CPC (which was fully recovered in 2011) and NT\$31,655 thousand was recovered, and the remaining uncollected

amount of NT\$51,521 thousand was recognized as other receivables, of which an allowance for losses has been provided in full. In 2023, the Group assessed that the amount was irrecoverable after the liquidation of CPC, and therefore it wrote off the related other receivables of \$51,521 thousand and allowance for losses of \$51,521 thousand.

XI. Inventories - net

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land held for sale	\$ 159,361	\$ 159,361
Building and land under construction	20,421	916
Commodities	5,628	5,711
Materials	-	386
	<u>\$ 185,410</u>	<u>\$ 166,374</u>

The Company signed the joint-construction agreement at the Juguang Section, Wanhua District, Taipei City (Juguang Project) with the landlord in December 2023 (please refer to Note 20), and the invested houses under construction totaling NT\$14,478 thousand were transferred to operating costs and operating expenses.

The inventory-related costs of sales in 2023 and 2022 were NT\$159 thousand and NT\$13,775 thousand, respectively.

For 2023 and 2022, the cost of sales includes NT\$240 thousand and NT\$11,202 thousand of inventory write-downs recovery gains.

Please refer to Note 26 for the amount of buildings under construction land pledged for borrowings.

XII. Investment accounted for under the equity method

	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Investment in subsidiaries	<u>\$ 342,109</u>		<u>\$ 341,360</u>	
	<u>December 31, 2023</u>		<u>December 31, 2022</u>	
Investee	Amount	% of shareholding	Amount	% of shareholding
Non-listed and GTSM-listed company				
Miramar Hospitality Co., Ltd.	\$ 253,494	62.99	\$ 246,379	62.99
SHIN HAI Transportation Co., Ltd.	80,435	47.47	86,703	47.47
Miramar Resort Co., Ltd.	7,867	66.18	7,908	66.18
ACMC TRADING CO., LTD.	<u>313</u>	100.00	<u>370</u>	100.00
	<u>\$ 342,109</u>		<u>\$ 341,360</u>	

In November 2022, the Company sold all of the equity interests in Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd. and Safe Logistics Transportation Co., Ltd. The disposal proceeds and the gains were NT\$73,778 thousand and NT\$18,752 thousand, respectively. Please refer to Note 26 of the Company's consolidated financial statements for information on subsidiaries and affiliates.

The recognized share of profit or loss and other comprehensive income of subsidiaries under the equity method in 2023 and 2022 is recognized based on the financial statements of each subsidiary that have been audited by the independent auditors during the same period.

XIII. Property, plant and equipment

	Land	Building	Transportation equipment	Office equipment	Total
<u>Cost</u>					
Balance as of January 1, 2023	\$ 156,144	\$ 30,509	\$ 3,605	\$ 7,614	\$ 197,872
Addition	-	-	1,250	-	1,250
Disposal	-	-	(3,031)	(373)	(3,404)
Balance as of December 31, 2023	<u>\$ 156,144</u>	<u>\$ 30,509</u>	<u>\$ 1,824</u>	<u>\$ 7,241</u>	<u>\$ 195,718</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2023	\$ -	\$ 20,074	\$ 2,966	\$ 5,582	\$ 28,622
Depreciation	-	476	375	576	1,427
Disposal	-	-	(2,638)	(353)	(2,991)
Balance as of December 31, 2023	<u>\$ -</u>	<u>\$ 20,550</u>	<u>\$ 703</u>	<u>\$ 5,805</u>	<u>\$ 27,058</u>
Net amount as of December 31, 2023	<u>\$ 156,144</u>	<u>\$ 9,959</u>	<u>\$ 1,121</u>	<u>\$ 1,436</u>	<u>\$ 168,660</u>
<u>Cost</u>					
Balance as of January 1, 2022	\$ 156,144	\$ 30,509	\$ 31,021	\$ 6,490	\$ 224,164
Addition	-	-	-	1,524	1,524
Disposal	-	-	(27,416)	(400)	(27,816)
Balance as of December 31, 2022	<u>\$ 156,144</u>	<u>\$ 30,509</u>	<u>\$ 3,605</u>	<u>\$ 7,614</u>	<u>\$ 197,872</u>
<u>Accumulated depreciation</u>					
Balance as of January 1, 2022	\$ -	\$ 19,585	\$ 18,243	\$ 5,148	\$ 42,976
Depreciation	-	489	4,820	776	6,085
Disposal	-	-	(20,097)	(342)	(20,439)
Balance as of December 31, 2022	<u>\$ -</u>	<u>\$ 20,074</u>	<u>\$ 2,966</u>	<u>\$ 5,582</u>	<u>\$ 28,622</u>
Net amount as of December 31, 2022	<u>\$ 156,144</u>	<u>\$ 10,435</u>	<u>\$ 639</u>	<u>\$ 2,032</u>	<u>\$ 169,250</u>

Depreciation expenses are calculated on a straight-line basis over their useful lives as follows:

Buildings	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 5 years

Please refer to Note 26 for the amount of property, plant and equipment pledged for borrowings.

XIV. Lease agreement

(I) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Book value of right-of-use assets		
Land	\$ 6,159	\$ 3,398
Buildings	<u>-</u>	<u>785</u>
	<u>\$ 6,159</u>	<u>\$ 4,183</u>
	<u>2023</u>	<u>2022</u>
Increase in right-of-use assets	<u>\$ 10,873</u>	<u>\$ 3,310</u>
Depreciation expense of right-of-use assets		
Land	\$ 8,112	\$ 7,700
Buildings	<u>238</u>	<u>285</u>
	<u>\$ 8,350</u>	<u>\$ 7,985</u>

(II) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Book value of lease liabilities		
Current	<u>\$ 3,003</u>	<u>\$ 2,982</u>
Non-current	<u>\$ -</u>	<u>\$ 1,111</u>

The range of the discount rate for lease liabilities is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Land	1.7%	1.7%
Buildings	1.7%~1.95%	1.7%

(III) Significant lease activities and terms and conditions

The Company leases certain lands and buildings for office use with a lease term of 1 to 5 years. At the end of the lease term, the Company does not have preferential rights to acquire the leased land and buildings.

Due to the severe impact of COVID-19 on the market economy in 2022, the Company entered into a land lease agreement with TAIWAN SUGAR CORPORATION Kaohsiung Branch, and TAIWAN SUGAR CORPORATION Kaohsiung Branch agreed the 2022 amount was reduced by 20%. The effect of the aforementioned rent concession recognized by the Company in 2022 was NT\$336 thousand (stated as other gains and losses).

(IV)	Other lease information		
		<u>2023</u>	<u>2022</u>
	Lease expenses of low-value assets	\$ <u>150</u>	\$ <u>317</u>
	Total cash (outflow) of leases	(\$ <u>7,907</u>)	(\$ <u>5,183</u>)

XV.	<u>Investment property</u>		
		<u>December 31, 2023</u>	<u>December 31, 2022</u>
	Land		
	Keelung Nuannuan Yuanyuan Section	\$ <u>30,026</u>	\$ <u>30,026</u>

The fair value of the Company's investment property was evaluated by Qing-Tang Li, an independent evaluator who is not a related party. On December 20, 2021, upon the release of the Real Estate Valuation Report for the Nuannuan Yuanyuan Section of Keelung, the Company estimated its fair value to be NT\$40,789 thousand, the evaluation is made with reference to market evidence of real estate transaction prices. Because there is no significant change in the transaction price of real estate in this area, the fair value as of December 31, 2023 and 2022 should not be significantly different from the fair value evaluated by the unrelated independent appraiser.

XVI.	<u>Other payables</u>		
		<u>December 31, 2023</u>	<u>December 31, 2022</u>
	Payroll payable	\$ 6,148	\$ 3,984
	Remuneration payable to directors	4,797	-
	Remuneration payable to employees	4,797	-
	Sales tax payable	1,523	5,481
	Stock settlement payable	-	4,912
	Others	<u>4,783</u>	<u>3,000</u>
		<u>\$ 22,048</u>	<u>\$ 17,377</u>

XVII. Post-employment benefit plan

(I) Defined contribution plan

The Company adopts a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' personal pension accounts at 6% of their monthly salaries.

(II) Defined benefit plan

The pension system implemented by the Company in accordance with the "Labor Standards Act" of R.O.C. is a defined benefit pension plan managed by the government. Employee pension is paid based on years of service and the average salary of the six months prior to the date of approved retirement. The Company appropriates 3.8% of the employees' monthly salary as pension, which is then deposited into a special account at the Bank of

Taiwan in the name of the Labor Pension Reserve Supervisory Committee. Employees who are expected to meet the retirement criteria will be allocated the difference in a lump sum before the end of March of the following year. The special account is managed by the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment management strategy.

The amount of the defined benefit plan included in the parent-only balance sheet is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Defined benefit obligation	\$ 21,967	\$ 23,262
Fair value of plan assets	(16,346)	(17,904)
Net confirmed benefit debt	<u>\$ 5,621</u>	<u>\$ 5,358</u>

Changes in the net defined benefit liability are as follows:

	<u>Defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net confirmed benefit debt</u>
Balance as of January 1, 2023	<u>\$ 23,262</u>	(\$ 17,904)	<u>\$ 5,358</u>
Current period service costs	252	-	252
Interest expense (income)	<u>154</u>	(133)	<u>21</u>
Recognized in remeasurement of profit and loss	<u>406</u>	(133)	<u>273</u>
Return on plan assets (except for the amount included in net interest)	-	(271)	(271)
Actuarial gains or losses			
- Changes in financial assumptions	131	-	131
- Experience-based adjustments	<u>275</u>	<u>-</u>	<u>275</u>
Deferred tax income (expense) recognized in other comprehensive income	<u>406</u>	(271)	<u>135</u>
Contributions by employer	-	(145)	(145)
Plan asset payment	(2,107)	<u>2,107</u>	<u>-</u>
Balance as of December 31, 2023	<u>\$ 21,967</u>	(\$ 16,346)	<u>\$ 5,621</u>
Balance as of January 1, 2022	<u>\$ 27,153</u>	(\$ 19,439)	<u>\$ 7,714</u>
Current period service costs	293	-	293
Interest expense (income)	<u>109</u>	(79)	<u>30</u>
Recognized in remeasurement of profit and loss	<u>402</u>	(79)	<u>323</u>
Return on plan assets (except for the amount included in net interest)	-	(1,559)	(1,559)

(Cont'd)

(Cont'd.)

	<u>Defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Net confirmed benefit debt</u>
Actuarial gains or losses			
- Changes in financial assumptions	(\$ 949)	\$ -	(\$ 949)
- Experience-based adjustments	<u>22</u>	<u>-</u>	<u>22</u>
Deferred tax income (expense) recognized in other comprehensive income	(<u>927</u>)	(<u>1,559</u>)	(<u>2,486</u>)
Contributions by employer	-	(193)	(193)
Plan asset payment	(<u>3,366</u>)	<u>3,366</u>	<u>-</u>
Balance as of December 31, 2022	<u>\$ 23,262</u>	(<u>\$ 17,904</u>)	<u>\$ 5,358</u>

Due to the pension system under the Labor Standards Act, the Company is exposed to the following risks:

1. Investment risk: The Bureau invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits on its own use and through commissioned management. However, the income is calculated based on the interest rate not lower than the local bank for 2-year time deposit.
2. Interest rate risk: The decrease in the interest rate of government bonds will increase the present value of the defined benefit obligation; however, the return on the debt investment of the plan assets will also increase, which will partially offset the effect of the net defined benefit liability.
3. Salary risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, the increase in the salary of the plan members will increase the present value of the defined benefit obligation.

The actuarial calculation of the present value of the Company's defined benefit obligation was carried out by qualified actuaries. The significant assumptions made on the measurement date are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.3000%	1.4000%
Expected rate of increase in salary	1.8750%	1.8750%
Turnover rate	2.000% ~ 27.000%	2.000% ~ 27.000%

If there are reasonably possible changes to the major actuarial assumptions, and all other assumptions remain unchanged, the present value of the defined benefit obligation will be increased (decreased) by the following amounts:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate		
Increase by 0.25%	(\$ <u>339</u>)	(\$ <u>375</u>)
Decrease by 0.25%	<u>\$ 347</u>	<u>\$ 384</u>
Expected rate of increase in salary		
Increase by 0.25%	<u>\$ 334</u>	<u>\$ 370</u>
Decrease by 0.25%	(<u>\$ 328</u>)	(<u>\$ 362</u>)

Due to the fact that actuarial assumptions may be related to each other, and it is unlikely that only a single assumption will change, the sensitivity analysis above may not reflect the actual changes in the present value of defined benefit obligations.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Expected contribution amount within 1 year	<u>\$ -</u>	<u>\$ 192</u>
Average duration of defined benefit obligations	5 years	6 years

XVIII. Equity

(I) Share capital

Common stock

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Number of shares (thousand)	<u>250,000</u>	<u>250,000</u>
Authorized capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and fully paid (thousand shares)	<u>189,002</u>	<u>189,002</u>
Issued capital stock	<u>\$ 1,890,023</u>	<u>\$ 1,890,023</u>

The ordinary shares issued with a par value of NT\$10 per share are entitled to one voting right and the right to receive dividends.

On June 24, 2022, the shareholders' meeting resolved to recapitalize earnings by issuing new 171,821 thousand shares were issued for capital increase, and 17,182 thousand new shares were issued with a par value of NT\$10. The record date for recapitalization of earnings was set by the Financial Supervisory Commission on July 5, 2022, and the change registration was completed on August 22, 2022.

(II) Capital reserve

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>May be used to offset losses, distribute cash or capitalize on capital (1)</u>		
Treasury shares transaction	\$ 20,348	\$ 20,348
<u>Can only be used to offset a deficit</u>		
Recognition of changes in ownership interests of subsidiaries (2)	18	18
Unclaimed dividends after expiry date	<u>520</u>	<u>491</u>
	<u>\$ 20,886</u>	<u>\$ 20,857</u>

1. Such capital surplus may be used to offset a deficit, and may be distributed as cash or applied to share capital when the Company has no deficits, provided that the capital surplus shall not exceed a certain percentage of the Company's paid-in share capital each year.
2. This type of capital surplus is the effect of equity transactions recognized due to changes in the company's equity when the Company does not actually acquire or dispose of the equity of the subsidiary, or the adjustment to the capital surplus of the company adopting the equity method to recognize.

(III) Retained earnings and dividend policy

According to the earnings appropriation policy of the Company, any earnings at the end of the year are subject to taxes and taxes, and after offsetting the accumulated losses, and then 10% of the earnings are set aside as legal reserve, and the remainder is appropriated or reversed as special reserves. If there is any remaining balance, together with the accumulated undistributed earnings, the Board of Directors shall draft a motion for earnings distribution and propose to the shareholders' meeting for resolution of distribution of dividends to shareholders. Please refer to Note 20 (6) regarding the policy for the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

In order to meet the needs of diversified business development, sound financial structure, and protection of investors' rights and interests, the Company's dividend policy is based on the Company's future capital needs and long-term financial planning. The cash dividends are distributed except for the retained earnings to be used as funds for the Company's growth. The percentage of dividends distributed shall not be less than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution and when

making distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders' meeting.

The legal reserve shall be appropriated until the balance reaches the Company's paid-in capital. Legal reserves may be used to offset losses. If the Company has no deficit, the portion exceeding 25% of the paid-in capital by the legal reserve may be appropriated into capital or distributed in cash.

The Company held its annual shareholders' meeting on June 30, 2023 and resolved to approve the 2022 proposal for loss compensation without distributing dividends.

The Company held a shareholders' meeting on June 24, 2022 and resolved to pass the 2021 earnings appropriation as follows:

	<u>2021</u>
Legal reserve	\$ <u>37,479</u>
Cash dividends	\$ <u>171,821</u>
Stock dividends	\$ <u>171,821</u>
Cash dividend per share (NTD)	\$ 1
Dividends per share (NTD)	\$ 1

The Company's 2023 earnings appropriation was proposed by the Board of Directors on March 13, 2024 as follows:

	<u>2023</u>
Legal reserve	\$ <u>47,923</u>
Cash dividends	\$ <u>434,705</u>
Cash dividend per share (NTD)	\$ 2.3

The 2023 earnings distribution proposal is pending a resolution at the shareholders' meeting to be held on June 25, 2024.

XIX. Income

	<u>2023</u>	<u>2022</u>
Revenue from contracts with customers		
Transportation revenue	\$ 17,690	\$ 115,481
Rental income	11,574	10,834
Others	<u>13</u>	<u>1,413</u>
	<u>\$ 29,277</u>	<u>\$ 127,728</u>

XX. Net profit (loss)

(I) Others

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 277,772	\$ 169,971
Income from Counter-Party		
Default	70,000	-
Rental income	5,487	4,236
Others	<u>4,254</u>	<u>2,279</u>
	<u>\$ 357,513</u>	<u>\$ 176,486</u>

The Company terminated its cooperation with the landlord on the joint construction project of Juguang Section, Wanhua District, Taipei City (Juguang Project) in December 2023. According to the agreement in the joint construction contract, because the landlord did not complete the land integration within the time limit and it was not feasible to plan for a joint building, both parties agreed to terminate the joint construction contract, and the landlord should pay a liquidated damage of NT\$70,000 thousand to the Company. As of December 31, 2023, the above liquidated damages were listed under notes receivable. As of March 13, 2024, the day the financial statements were approved by the Board of Directors, the amount of NT\$20,000 thousand had been cashed as scheduled.

(II) Finance costs

	<u>2023</u>	<u>2022</u>
Interest on bank borrowings	\$ 1,388	\$ 24
Interest on lease liabilities	144	92
Imputed interest on deposits	<u>5</u>	<u>2</u>
	<u>\$ 1,537</u>	<u>\$ 118</u>

(III) Other gains and losses

	<u>2023</u>	<u>2022</u>
Net (gain) loss of financial assets at fair value through profit or loss	\$ 162,584	(\$ 439,518)
Net gains on disposal of property, plant and equipment	105	9,034
Net gain from foreign currency exchange	76	55
Disposal of investment gains using the equity method	-	18,752
Others	<u>(649)</u>	<u>(21)</u>
	<u>\$ 162,116</u>	<u>(\$ 411,698)</u>

(IV) Depreciation and amortization

	<u>2023</u>	<u>2022</u>
Depreciation expenses by function		
Operating cost	\$ 5,812	\$ 11,499
Operating expense	<u>3,965</u>	<u>2,571</u>
	<u>\$ 9,777</u>	<u>\$ 14,070</u>
Amortization expenses are summarized by function		
Operating expense	<u>\$ 21</u>	<u>\$ 116</u>

(V) Employee benefits expense

	<u>2023</u>	<u>2022</u>
Post-employment benefits		
Defined contribution plan	\$ 563	\$ 1,113
Defined benefit plan	<u>273</u>	<u>323</u>
	836	1,436
Other employee benefits	<u>33,134</u>	<u>30,410</u>
Total employee benefit expenses	<u>\$ 33,970</u>	<u>\$ 31,846</u>
Summary by function		
Operating expense	<u>\$ 33,970</u>	<u>\$ 31,846</u>

(VI) Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at 1% and no more than 1% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. 2022 was the net loss before tax, which has not been estimated as employees' remuneration and directors' remuneration. The 2023 estimated remuneration of employees and remuneration of directors for the year ended March 13, 2024 was resolved by the board of directors as follows:

Estimated allowance

	<u>2023</u>
Employee remuneration	1%
Remuneration to directors	1%

Amount

	<u>2023</u>	
	<u>Cash</u>	<u>Stock</u>
Employee remuneration	\$ 4,797	\$ -
Remuneration to directors	4,797	-

There is no difference between the actual amount of employees' compensation and remuneration of directors paid and the amount recognized in this financial report for the year.

If there is still a change in the amounts after the annual individual financial statements were approved for issue, they are treated as changes in accounting estimates and adjusted and accounted for in the following year.

Information on employees' compensation and remuneration of directors resolved by the Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

XXI. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expense (income) are as follows:

	<u>2023</u>	<u>2022</u>
Current income tax		
Adjustments made in previous years	\$ -	(\$ 2,994)
Deferred income tax		
Incurred in the current year	<u>2,144</u>	<u>1,607</u>
Income tax expenses recognized in profit or loss (gains)	<u>\$ 2,144</u>	(\$ <u>1,387</u>)

The accounting income and income tax expenses are reconciled as follows:

	<u>2023</u>	<u>2022</u>
Net income (loss) before tax	<u>\$ 470,108</u>	(\$ <u>261,230</u>)
Income tax expense (profit) on net income (loss) before tax calculated at statutory tax rate	\$ 94,022	(\$ 52,246)
Non-deductible expense loss for tax purposes	146	20
Tax-exempted income	(94,367)	49,082
Adjustments to current income tax expenses of previous years	-	(2,994)
Unrecognized deductible temporary differences and loss carryforwards	<u>2,343</u>	<u>4,751</u>
Income tax expenses (gain) recognized in profit or loss	<u>\$ 2,144</u>	(\$ <u>1,387</u>)

(II) Income tax recognized in other comprehensive income

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Deferred income tax		
Re-measurement of defined benefit plan	<u>\$ 27</u>	(\$ <u>497</u>)

(III) Current income tax assets and liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Income tax assets for the current year		
Tax refund receivable	\$ <u>837</u>	\$ <u>817</u>

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

	<u>Balance at the beginning of the year</u>	<u>Deferred tax income (expense) recognized in profit or loss</u>	<u>Deferred tax income (expense) recognized in other comprehensive income</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>				
Temporary difference				
Unrealized inventory valuation losses	\$ 36	(\$ 36)	\$ -	\$ -
Allowance for doubtful debts	14,634	(14,169)	-	465
Re-measurement of defined benefit plan	5,026	25	27	5,078
Loss deduction	-	61,925	-	61,925
Impairment loss	49,900	(49,900)	-	-
	<u>\$ 69,596</u>	<u>(\$ 2,155)</u>	<u>\$ 27</u>	<u>\$ 67,468</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Unrealized gain on exchange	\$ <u>11</u>	(\$ <u>11</u>)	\$ -	\$ -

2022

	<u>Balance at the beginning of the year</u>	<u>Deferred tax income (expense) recognized in profit or loss</u>	<u>Deferred tax income (expense) recognized in other comprehensive income</u>	<u>Year-end balance</u>
<u>Deferred tax assets</u>				
Temporary difference				
Unrealized inventory valuation losses	\$ 2,277	(\$ 2,241)	\$ -	\$ 36
Allowance for doubtful debts	13,986	648	-	14,634
Unrealized exchange loss	30	(30)	-	-
Re-measurement of defined benefit plan	5,496	27	(497)	5,026
Impairment loss	49,900	-	-	49,900
	<u>\$ 71,689</u>	<u>(\$ 1,596)</u>	<u>(\$ 497)</u>	<u>\$ 69,596</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Unrealized gain on exchange	\$ -	\$ <u>11</u>	\$ -	\$ <u>11</u>

- (V) Deductible temporary differences and unused loss credits of deferred income tax assets not recognized in the parent company only balance sheet

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Loss deduction		
Due 2026	\$ 104,484	\$ 106,680
Due 2030	127,678	5,856
Due 2031	<u>181,949</u>	<u>363,898</u>
	<u>\$ 414,111</u>	<u>\$ 476,434</u>
Deductible temporary differences		
Impairment loss of financial assets	\$ 180,283	\$ 192,469
Impairment of long-term equity investment under equity method	<u>-</u>	<u>45,990</u>
	<u>\$ 180,283</u>	<u>\$ 238,459</u>

- (VI) Authorization of income tax

The Company's profit-seeking enterprise income tax returns up to 2021 have been approved by the tax collection authority.

XXII. Earnings (losses) per share

<u>Number of shares</u>	<u>2023</u>	<u>2022</u>
		Unit: NTD per share
Basic earnings (losses) per share	<u>\$ 2.48</u>	(\$ <u>1.37</u>)
Diluted earnings (losses) per share	<u>\$ 2.47</u>	(\$ <u>1.37</u>)

The earnings (loss) and the weighted average number of ordinary shares issued for calculating the earnings (loss) per share are as follows:

Net income (loss) of the year

	<u>2023</u>	<u>2022</u>
Net income (loss) of the year	<u>\$ 467,964</u>	(\$ <u>259,843</u>)

Number of shares

	<u>2023</u>	<u>2022</u>
		Unit: Thousand shares
Weighted average number of ordinary shares used in the computation of basic earnings per share	189,002	189,002
Effect of potential dilutive ordinary shares:		
Employee remuneration	<u>289</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>189,291</u>	<u>189,002</u>

If the Company may choose to distribute the compensation to employees in shares or cash, for the calculation of diluted earnings per share, it is assumed that the compensation to employees will be distributed in shares, and the ordinary shares may be included in the weighted average number of shares outstanding when there is a dilution effect to calculate the diluted earnings per share. In the calculation of diluted earnings per share before the number of shares to be distributed to employees is resolved in the following year, the dilutive effect of these potentially dilutive ordinary shares will also be considered.

For the period from January 1 to December 31, 2022, the employee compensation of the Company was not included in the calculation of diluted loss per share due to its anti-dilutive effect.

XXIII. Capital risk management

The Company's capital structure management strategy is based on the characteristics of the current operating industry, future growth and development blueprint, calculates the required working capital and the size of various assets for long-term development, and makes a holistic plan, taking into account changes in the external environment, industry The Company also ensures that the Group's invested companies can continue to operate and grow by optimizing debt and equity balances to provide shareholders with sufficient returns and maintain the most appropriate capital structure.

The Company's management reviews the capital structure on a regular basis, and takes into account the costs and risks that may be involved in different capital structures, and monitors funds through the asset-liability ratio to adopt prudent risk management strategies.

XXIV. Financial instruments

(I) Information on fair value - financial instruments not measured at fair value

The Company's management believes that the book value of financial assets and financial liabilities not measured at fair value is close to its fair value, or its fair value cannot be measured reliably.

(II) Information on fair value - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) stock	\$ 1,107,024	\$ -	\$ -	\$ 1,107,024
Domestic unlisted (non-OTC Listed) stock	-	-	-	-
	<u>\$ 1,107,024</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,107,024</u>

(Cont'd)

(Cont'd.)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Domestic listed (OTC Listed) stock	\$ 147,000	\$ -	\$ -	\$ 147,000
Domestic unlisted (non-OTC Listed) stock	-	213,898	-	213,898
	<u>\$ 147,000</u>	<u>\$ 213,898</u>	<u>\$ -</u>	<u>\$ 360,898</u>

December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) stock	\$ 1,041,745	\$ -	\$ -	\$ 1,041,745
Domestic unlisted (non-OTC Listed) stock	-	383	-	383
	<u>\$ 1,041,745</u>	<u>\$ 383</u>	<u>\$ -</u>	<u>\$ 1,042,128</u>
<u>Financial assets measured at fair value through other comprehensive income</u>				
Domestic listed (OTC Listed) stock	\$ 139,900	\$ -	\$ -	\$ 139,900
Domestic unlisted (non-OTC Listed) stock	-	165,926	-	165,926
	<u>\$ 139,900</u>	<u>\$ 165,926</u>	<u>\$ -</u>	<u>\$ 305,826</u>

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Valuation techniques and inputs for Level 2 fair value measurement

<u>Type of financial instrument</u>	<u>Valuation techniques and inputs</u>
Domestic unlisted (non-OTC Listed) stock	Market method: For companies in the same industry and with similar operating and financial conditions, the transaction price of their stocks in an active market, and the corresponding value multiplier, and consider the liquidity risk to calculate the liquidity discount to convert the value of the target. Asset method: Fair value is derived from inputs that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable, which is belonging to the assets or liabilities.

(III) Types of Financial Instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	\$ 1,107,024	\$ 1,042,128
Financial assets at amortized cost (Note 1)	770,099	385,357

(Cont'd)

(Cont'd.)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	\$ 360,898	\$ 305,826
<u>Financial liabilities</u>		
Measured at amortized cost (Note 2)	41,090	30,399

Note 1: The balance includes cash, financial assets measured at amortized cost, notes receivable, accounts receivable net, accounts receivable - related parties net, other receivables net, other receivables - related parties, Other financial assets - current and refundable deposits - non-current financial assets measured at amortized cost.

Note 2: The balance includes notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, guarantee deposits received - current (recognized as other current liabilities), and guarantee deposits received, which are measured at amortized cost. and financial liabilities.

(IV) Financial Risk Management Objectives and Policies

The Company's main financial instruments include cash, investment in equity instruments, accounts receivable, accounts payable, and borrowings. The Company's financial strategy is mainly based on the principle of conservatism and stability. The goal of financial risk management is to manage the interest rate risk, credit risk, and liquidity risk related to operating activities. In order to reduce related financial risks, the Company has established a complete range of approval authorities to establish financial policies and supervision procedures with clear authorities and responsibilities to reduce potential adverse effects of market changes on the Company's financial performance.

The Company's important financial activities are reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the execution of a financial plan, the Company must strictly follow the relevant financial operating procedures for financial risk management and division of responsibilities.

1. Market risk

The main financial risks that the Company is exposed to as a result of the Company's operating activities are the interest rate risk (see (1) below) and other price risks (see (2) below).

The Company's exposure to the market risk of financial instruments and the management and measurement of such exposure have not changed.

(1) Interest rate risk

Because the Company borrows funds at fixed and floating interest rates at the same time, the interest rate risk is generated. The Company manages the interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. The Company regularly evaluates hedging activities to make it consistent with the view on interest rates and the established risk preference to ensure that the most cost-effective hedging strategy is adopted.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to the interest rate risk at the balance sheet date are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
- Financial assets	\$ -	\$ 100
- Financial liabilities	3,003	4,093
Cash flow interest rate risk		
- Financial assets	594,412	220,759

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. Assets and liabilities with floating interest rates are analyzed on the assumption that the amount of liabilities outstanding on the balance sheet date is outstanding throughout the reporting period. The rate of change used when the interest rate is reported to key management within the Company is 100 basis points for increase or decrease in interest rate, which also represents management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the Company's net loss before tax for 2023 and 2022 would increase/decrease by NT\$5,944 thousand and NT\$2,208 thousand, mainly due to the Company's variable interest rate deposits and variable interest rate borrowings.

(2) Other pricing risks

The exposure to the equity price is incurred due to the Company's holding of TWSE/TPEX-listed and unlisted stocks. The Company does not actively trade these investments, but assigns relevant personnel to supervise the price risk and assess when it is necessary to increase the risk-averse position.

Sensitivity analysis

The sensitivity analysis below was conducted based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT\$11,070 thousand in 2023 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2023 would have increased/decreased by NT\$3,609 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT\$10,421 thousand in 2022 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2022 would have increased/decreased by NT\$3,058 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of a counterparty defaulting on its contractual obligations resulting in financial losses to the Company. As of the balance sheet date, the Company's maximum credit risk exposure of financial losses that may be caused by the counterparty's failure to perform its obligations is mainly from the book value of the financial assets recognized in the standalone balance sheet.

In order to mitigate the credit risk, the management of the Company assigns a dedicated team responsible for the determination of credit limits, credit approval, and other monitoring procedures to ensure that appropriate actions have been taken in the recovery of overdue receivables. In addition, the Company will review the recoverable amount of the receivables one by one at the balance sheet date to ensure that the appropriate impairment loss has been recognized for the irrecoverable receivables. Accordingly, the management of the Company believes that the Company's credit risk has been significantly reduced.

Those subject to accounts receivable cover many customers of different industries and sectors. The Company continues to evaluate the financial status of customers with accounts receivable.

In addition, the credit risk is minor because the counterparties of the liquid capital transaction are financial institutions and companies with a good credit rating.

3. Liquidity risk

The Company manages and maintains sufficient positions of cash to finance operations and mitigate the impact of fluctuating cash flows. The management of the Company supervises the utilization of the bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company. For the Company's unused financing facilities as of the end of 2023 and 2022, please refer to the description of (2) financing facilities below.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is based on the earliest date at which the Company may be required to repay and is compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings for which the Company may be required to repay immediately were included in the earliest period in the table below, regardless of the probability of the bank exercising the right immediately; the maturity analysis of other non-derivative financial liabilities was compiled according to the agreed repayment date.

For the interest cash flow paid with floating interest rates, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

December 31, 2023

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years
<u>Non-derivative financial instruments</u>				
Non-interest- bearing liabilities	\$ 22,271	\$ 465	\$ 564	\$ -
Lease liabilities	<u>87</u>	<u>507</u>	<u>2,425</u>	<u>-</u>
	<u>\$ 22,358</u>	<u>\$ 972</u>	<u>\$ 2,989</u>	<u>\$ -</u>

December 31, 2022

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years
<u>Non-derivative financial instruments</u>				
Non-interest- bearing liabilities	\$ 11,928	\$ 8,048	\$ 724	\$ -
Lease liabilities	<u>112</u>	<u>644</u>	<u>2,270</u>	<u>1,119</u>
	<u>\$ 12,040</u>	<u>\$ 8,692</u>	<u>\$ 2,994</u>	<u>\$ 1,119</u>

The bank borrowings for which the Company may be required to repay immediately were included in the period shorter than 1 month in the maturity analysis above. As of December 31, 2023 and 2022, the undiscounted capital of such bank borrowings All cash balances were \$0.

The amount of floating rate instruments for the above non-derivative financial assets and liabilities will change due to the difference between the floating rate and the estimated rate on the balance sheet date.

(2) Financing limit

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Unsecured bank facilities (reviewed every year)		
- Amount used	\$ -	\$ -
- Unutilized amount	<u>115,000</u>	<u>115,000</u>
	<u>\$ 115,000</u>	<u>\$ 115,000</u>
Guaranteed bank facilities		
- Amount used	\$ -	\$ -
- Unutilized amount	<u>298,000</u>	<u>218,000</u>
	<u>\$ 298,000</u>	<u>\$ 218,000</u>

XXV. Related-Party Transactions

The transactions between the Company and related parties are as follows

(I) Names of related parties and their relationships

<u>Name of the related parties</u>	<u>Relationship with the Company</u>
Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Subsidiary
Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Subsidiary
Safe Cargo Transportation Co., Ltd.	Subsidiary (Note)
Safe Petroleum Transportation Co., Ltd.	Subsidiary (Note)
Safe Container Transportation Co., Ltd.	Subsidiary (Note)
Safe Logistics Transportation Co., Ltd.	Subsidiary (Note)
ACMC Trading Co., Ltd.	Subsidiary
Miramar Resort Co., Ltd.	Subsidiary
Durban Development Co., Ltd.	Substantially related party
Mayer Steel Pipe Corporation	Substantially related party
TienPin Development Co., Ltd.	Associates
Yuan Chuan Steel Co. Ltd.	Associates

Note: The Company sold 100% of its equity to a non-related party on November 16, 2022.

(II) Operating revenue

<u>Accounting item</u>	<u>Type of related parties</u>	<u>2023</u>	<u>2022</u>
Transportation revenue	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	\$ 369	\$ 475
	An Ho Transportation Co., Ltd.	-	9,955
		<u>\$ 369</u>	<u>\$ 10,430</u>

The price of sales between the Company and related parties is not significantly different from that of non-related parties.

(III) Operating cost

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>2023</u>	<u>2022</u>
Transportation cost	Subsidiary		
	An Ho Transportation Co., Ltd.	\$ -	\$ 54,162
	Safe Petroleum Transportation Co., Ltd.	-	3,064
	Others	-	32
		<u>\$ -</u>	<u>\$ 57,258</u>

There is no significant difference between the transaction price between the Company and the related party and that between the non-related party.

(IV) Operating expense

<u>Type of related parties</u>	<u>2023</u>	<u>2022</u>
Subsidiary		
Miramar Hospitality Co., Ltd.	\$ 98	\$ 11
An Ho Transportation Co., Ltd.	-	91
	<u>\$ 98</u>	<u>\$ 102</u>

(V) Rental agreement

Operating leases

The Company leases the right-of-use of the building to its subsidiaries for operating lease with a lease term of 1 year. The lease income recognized for 2023 and 2022 was NT\$128 thousand and NT\$1,889 thousand, respectively.

The Company leases the right-to-use of the building to the substantially related party for operating lease with a lease term of 1 year. The lease income recognized in 2023 and 2022 was both NT\$24 thousand.

In the lease contract with the related party, the rent is negotiated based on the agreed price and the payment is collected by the agreed method. The price and payment terms are equivalent to those of the non-related party.

(VI)	Interest income		
	Category/name of related party	2023	2022
	Associates		
	Mayer Steel Pipe Corporation	\$ 2,630	\$ -
	Subsidiary		
	An Ho Transportation Co., Ltd.	-	397
		<u>\$ 2,630</u>	<u>\$ 397</u>

(VII)	Receivables from related parties (excluding loans to related parties)		
	Accounting item	Type/Name of related parties	December 31, 2023
	Accounts receivable - related parties	Subsidiary	December 31, 2022
		Hsin Hai Transportation & Terminal Co., Ltd.	\$ -
			\$ 44
	Other receivables - related parties	Subsidiary	
		Hsin Hai Transportation & Terminal Co., Ltd.	\$ 8
			\$ 8

No guarantee is collected for accounts receivable from related parties.

(VIII)	Payables to related parties (excluding loans from related parties)		
	Accounting item	Type/Name of related parties	December 31, 2023
	Other payables - related parties	Substantially related party	December 31, 2022
		Durban Development Co., Ltd.	\$ 389
			\$ -

The balance of outstanding accounts payable to related parties is not provided as collateral and will be settled in cash.

(IX)	Acquisition of property, plant and equipment		
	Type/Name of related parties	Proceeds from acquisition	
		2023	2022
	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	\$ 1,250,000	\$ -
(X)	Dividend income		
	Type/Name of related parties	2023	2022
	Substantially related party		
	Mayer Steel Pipe Corporation	\$ 20,750	\$ 55,500
	Associates		
	Yuanquan Steel	27,835	15,814
		<u>\$ 48,585</u>	<u>\$ 71,314</u>

(XI) Compensation of key management personnel

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 7,119	\$ 9,896
Post-employment benefits	344	520
Termination benefits	<u>210</u>	<u>-</u>
	<u>\$ 7,673</u>	<u>\$ 10,416</u>

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXVI. Pledged Assets

The following assets have been provided to financial institutions and the State-owned Property Bureau of the Ministry of Finance as collateral for short-term bank borrowings, long-term bank borrowings, leased land, and shipping contracts:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets measured at fair value through profit or loss - current	\$ 294,860	\$ 211,140
Property, plant and equipment	110,964	111,436
Financial assets measured at fair values through other comprehensive income - current	80,850	-
Land under construction (stated as inventories)	74,618	74,618
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	<u>50</u>	<u>100</u>
	<u>\$ 561,342</u>	<u>\$ 397,294</u>

XXVII. Material contingent liabilities and unrecognized contractual commitments

Commitments

In November 2022, the Company signed the joint construction contract for the Shi Jian Section (Practical Plan), Wenshan District, Taipei City, with the landowner. The total joint construction deposit provided was NT\$350,000 thousand, and the Company issued checks in the amount of NT\$80,000 thousand and NT\$80,000, respectively, as the guarantee for phase 1. The landowner provided a promissory note of NT\$160,000 thousand as collateral, and the landowners consolidated them. The guarantee checks for phase 2 are expected to be issued based on the consolidation progress of the landowner. The Company shall deliver guarantee checks in the amount of NT\$95,000 thousand (demand) and NT\$95,000 thousand (one-year), totaling NT\$190,000 thousand of guarantee, when the guarantee checks for phase 1 are cashed and obtain the promissory note of NT\$190,000 thousand as collateral. The ownership of all houses and parking spaces acquired by the Company under the co-building contract is sold to buyers designated by the landlord. As of December 31, 2023, the Company's checks for guarantee deposits have been cashed for NT\$80,000 thousand (recognized as refundable deposits).

In February 2024, the Company and the landlord signed a supplementary agreement regarding the Practice Project, in which both parties agreed to update the scope of joint construction and change the total amount of the original joint construction deposits from NT\$350,000 thousand to NT\$160,000 thousand. After deducting the cashed security deposits of NT\$80,000 thousand, the remaining security deposit of NT\$80,000 thousand will be paid after the landlords' integration and joint construction of land is completed. In addition to providing the original promissory note of NT\$160,000 thousand as collateral, the landowner also wrote a cheque for the guarantee deposit of NT\$180,000 thousand face value as collateral.

XXVIII. Others

In consideration of the Company's future long-term development strategies encompassing future business development plans, strengthening the overall businesses and adjusting its business strategies and to raise its operating efficiencies, the Company's subsidiary, MIRAMAR HOSPITALITY CO., LTD., has on March 12, 2024 filed with TPEX for an application on termination of trading of emerging stocks with the approval by board resolution.

XXIX. Additional Disclosures

(I) Information on significant transactions and (II) investees:

1. Loans to others: Table 1.
2. Endorsements/guarantees provided for others: None.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 2.
4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate at a cost of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount exceeding NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 3.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
9. Engagement in derivative transactions: None.
10. Information on investees: Table 4.

(III) Information on investments in Mainland China:

1. Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding percentage, investment income and recognized investment income, carrying amount of the investment at the end of the year, Regional investment limit: None.

2. Any of the following material transactions with the investee in Mainland China, either directly or indirectly through a third party, and their prices, terms of payment, and unrealized gains or losses: None.
 - (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the year.
 - (2) The amount and percentage of sales at year-end.
 - (3) The value of the property transaction and the amount of profit or loss thereupon.
 - (4) Year-end balance of endorsements/guarantees or collateral provided and the purpose thereof.
 - (5) The maximum balance of financing, year-end balance, interest rate range, and total interest of the current year.
 - (6) Other transactions that have a significant impact on the profit or loss or financial position of the current year, such as the provision or acceptance of labor services.
- (IV) Information of principal shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage (Attachment 5).

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Loans to others

January 1 to December 31, 2023

Table 1

Unit: NT\$ thousand

No.	Name of financing provider	Name of counterparty	Current account	Related party?	Maximum balance in the current year (Note 2)	Year-end balance (Note 2)	Actual amount provided	Interest rates	Nature of financing activity	Amount of sales to (purchase from) counterparty	Reason for short-term financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counterparty	Maximum loan amount	Remarks
													Company Name	Value			
0	Tze Shin International Co., Ltd.	Miramar Hospitality Co., Ltd.	Other receivables - related parties	Yes	\$ 50,000	\$ -	\$ -	0%	Short-term financing	\$ -	Operating turnover	\$ -	None	None	\$ 900,324 (30% of Tze Shin's net worth)	\$ 1,200,432 (40% of Tze Shin's net worth)	
		Mayer Steel Pipe Corporation	Other receivables - related parties	Yes	200,000	-	-	0%	Short-term financing	-	Operating turnover	-	None	None	900,324 (30% of Tze Shin's net worth)	1,200,432 (40% of Tze Shin's net worth)	

Note 1: "0" indicates that the parent company and subsidiaries are numbered sequentially starting from Arabic numerals.

Note 2: Refers to the loaning of funds amount approved by the board of directors.

Note 3: All transactions listed in the above table have been eliminated in full when the consolidated financial statements were prepared.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Marketable securities held at the end of the year

December 31, 2023

Table 2

Unit: NT\$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	Year-end				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/net equity value (Note 1)	
Tze Shin International Co., Ltd.	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,900	\$ 669,845	9.39	\$ 669,845	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	2,300	330,050	0.11	330,050	
	Yang Ming Marine Transport Corp.	—	Financial assets measured at fair value through profit or loss - current	700	35,910	0.02	35,910	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	150	15,450	0.05	15,450	
	Aerospace Industrial Development Corporation	—	Financial assets measured at fair value through profit or loss - current	900	48,240	0.10	48,240	
	S-Tech Corp	—	Financial assets measured at fair value through profit or loss - current	63	2,249	0.03	2,249	
	INVENTEC CORPORATION	—	Financial assets measured at fair value through profit or loss - current	100	5,280	-	5,280	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	12,000	147,000	0.35	147,000	Note 2
	HERMOSA OPTOELECTRONICS CORPORATION	—	Financial assets measured at fair value through profit or loss - Current-Non-current	4,088	-	5.37	-	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	213,898	18.57	213,898	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
II HOLDING LLC.TAIWAN BRANCH (U.S.A)	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-		
ROSA FOODS CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-		
Miramar Hospitality Co., Ltd.	Stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	1,350	43,268	0.61	43,268	
	China Petrochemical Development Corporation	—	Financial assets measured at fair value through profit or loss - current	1,734	16,945	0.05	16,945	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	3,443	10.00	3,443	
SHIN HAI Transportation Co., Ltd.	Fund beneficiary certificate							
	Hua Nan Kirin Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	422	5,196	-	5,196	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,172	-	5,172	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,174	-	5,174	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,162	-	5,162	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,167	-	5,167	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,164	-	5,164	

Note 1: Marketable securities in this table refer to ordinary shares and fund beneficiary certificates that fall within the scope of IFRS 9 "Financial Instruments."

Note 2: Among them, 9,200 thousand shares of Mayer Steel Pipe Corporation and 6,600 thousand shares of IBF Financial Holdings Co., Ltd. have been pledged as collateral for short-term bank loans and short-term notes payable.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Total purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital.

January 1 to December 31, 2023

Table 3

Unite: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Purchase (sale) company	Name of counterparty	Relationship	Transaction status				Conditions and causes of difference from general transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale) of goods	Amount	Percentage of total purchase (sale)	Duration of credit extension	Unit price	Duration of credit extension	Balance	Percentage of total notes and accounts receivable (payable)	
Hsin Hai Transportation & Terminal Co., Ltd.	T&W Transportation Service	Substantially related party	Transportation revenue	(\$ 187,401)	53%	(Note)	\$ -	—	\$ 62,283	61%	

Note: Payment terms are equivalent to those of non-related parties.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
The name and location of the investee company and other relevant information
January 1 to December 31, 2023

Table 4

Unit: NT\$ thousand

Name of the investors	Name of the investees	Location	Main business and products	Original / investment amount		Held at the end of the year			Gains of investees for the current year (Loss)	Investment gains (losses) recognized in the current year	Remarks
				December 31, 2023	December 31, 2022	Shares (Thousands)	Percentage (%)	Carrying amount			
Tze Shin International Co., Ltd.	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	\$ 260,040	\$ 260,040	23,442	62.99	\$ 253,494	\$ 9,704	\$ 6,112	Subsidiary (Note 1)
	SHIN HAI Transportation Co., Ltd.	New Taipei City	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	80,435	9,206	3,871	Subsidiary (Note 1)
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,867	(41)	(41)	Subsidiary (Notes 1, 2)
	ACMC TRADING CO., LTD.	Taipei City	International trade management	22,500	22,500	2,500	100.00	313	(57)	(57)	Subsidiary (Note 1)
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	71,400	71,400	3,540	13.33	-	(41)	-	Subsidiary (Note 1)

Note 1: The calculation is based on the financial statements audited by the CPA in the same period.

Note 2: The number of shares held by Tze Shin International Co., Ltd. in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT\$41 thousand is recognized.

Tze Shin International Co., Ltd.
Information of principal shareholders
December 31, 2023

Table 5

Name of major shareholder	Share	
	Shares held	Percentage
TienPin Development Co., Ltd.	43,791,000	23.16%
Yuan Chuan Steel Co. Ltd.	15,000,762	7.93%

Note 1: The information on principal shareholders presented in this schedule is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital recorded in the Company's financial statements and the actual number of shares that have completed the dematerialized registration and delivery may be different due to different calculation bases.

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Tze Shin International Co., Ltd.

Statement of Cash

December 31, 2023

Table 1

Unite: In Thousands of New Taiwan Dollars,
Unless Stated Otherwise

Company Name	Annual interest rate (%)	Amount
Cash on hand and working capital		\$ 100
Check deposit with bank		53
Bank demand deposits	0.005%~0.580%	<u>594,362</u>
		<u>\$ 594,515</u>

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTPL - Current

December 31, 2023

Table 2

Unit: Except for the unit price in NTD, the remainder in NT\$1,000

Type and name of securities	Shares (Thousand)	Acquisition cost	Accumulated income	Fair value	
				Unit price (Note 1)	Total price
Domestic listed (OTC Listed) stock					
Mayer Steel Pipe Corporation	20,900	\$ 375,307	\$ 294,538	32.05	\$ 669,845
EVERGREEN MARINE CORP. (TAIWAN) LTD.	2,300	395,999	(65,949)	143.50	330,050
Yang Ming Marine Transport Corp.	700	56,935	(21,025)	51.30	35,910
AADATA Technology Co., LTD.	150	14,718	732	103.00	15,450
Aerospace Industrial Development Corporation	900	52,002	(3,762)	53.60	48,240
S-Tech Corp	63	2,344	(95)	35.70	2,249
INVENTEC CORPORATION	100	<u>5,193</u>	<u>87</u>	52.80	<u>5,280</u>
		<u>\$ 902,498</u>	<u>\$ 204,526</u>		<u>\$ 1,107,024</u>

Note 1: The fair value of domestically listed shares was calculated based on the closing price at the end of 2023.

Note 2: Among them, Mayer Steel Pipe Corporation pledged 9,200 thousand shares as the collateral for short-term bank borrowings.

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTOCI - Current

December 31, 2023

Table 3

Unit: Except for the unit price in NTD, the remainder in NT\$1,000

	Number of shares (in thousands)	Acquisition cost	Accumulated other comprehensive income	Fair value	
				Unit price (Note 1)	Total price
Domestic listed (OTC Listed) stock					
IBF Financial Holdings Co., Ltd.	12,000	<u>\$ 128,215</u>	<u>\$ 18,785</u>	12.25	<u>\$ 147,000</u>

Note 1: The fair value of domestically listed shares was calculated based on the closing price at the end of 2023.

Note 2: IBF Financial Holdings Co., Ltd. pledged 6,600 thousand shares as the collateral for short-term bank borrowings.

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTPL - Non-current
December 31, 2023

Unit: Except for the unit price in NTD, the remainder in NT\$1,000

Table 4

Name of financial instrument	Beginning		Increase in the current period		Decrease in current period		End of period		Remarks
	Number of shares or number of 1000-share lots	Fair value	Number of shares or number of 1000-share lots	Amount	Number of shares or number of 1000-share lots	Amount	Number of shares or number of 1000-share lots	Fair value	
Domestic unlisted (non-OTC Listed) stock									
Yuhua Venture Capital Co., Ltd.	20	\$ 243	-	\$ -	(20)	(\$ 243)	-	\$ -	Note 2
Ouhua Venture Capital Co., Ltd.	20	140	-	-	(20)	(140)	-	-	Note 2
HERMOSA OPTOELECTRONICS CORPORATION	4,088	-	-	-	-	-	4,088	-	
		<u>\$ 383</u>		<u>\$ -</u>		<u>(\$ 383)</u>		<u>\$ -</u>	

Note 1: As of the end of 2023, the Company had not provided any collateral or pledged financial assets at fair value through profit or loss - non-current.

Note 2: The decrease this year is due to the fair value valuation adjustment and disposal of equity.

Tze Shin International Co., Ltd.
Statement of Financial Assets at FVTOCI - Non-current
December 31, 2023

Unit: Except for the unit price in NTD, the remainder in NT\$1,000

Table 5

Company Name	Beginning		Increase in the current period		Decrease in current period		End of period		Remarks
	Number of shares or number of 1000-share lots	Fair value	Number of 1000- share lots	Amount	Number of shares or number of 1000-share lots	Amount	Number of shares or number of 1000-share lots	Fair value	
Domestic unlisted (non-OTC Listed) stock									
Yuan Chuan Steel Co. Ltd.	4,457	\$ 165,538	-	\$ 48,360	-	\$ -	4,457	\$ 213,898	Note 2
Du Centre Co., Ltd.	1,438	388	-	-	-	(388)	1,438	-	Note 3
Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	5	-	-	-	-	-	5	-	
Taiwan Youli Co., Ltd.	33	-	-	-	-	-	33	-	
CPC Corporation, Taiwan	5,460	-	-	-	-	-	5,460	-	
MEGAFUL CO., LTD.	368	-	-	-	-	-	368	-	
I1 HOLDING LLC.TAIWAN BRANCH (U.S.A)	200	-	-	-	-	-	200	-	
Epoch Electronics Corp.	249	-	-	-	(249)	-	-	-	Note 4
ROSA FOODS CO., LTD.	1,837	-	-	-	-	-	1,837	-	
		<u>\$ 165,926</u>		<u>\$ 48,360</u>		<u>(\$ 388)</u>		<u>\$ 213,898</u>	

Note 1: As of the end of 2023, the Company's financial assets measured at fair value through other comprehensive income - non-current had not been provided as collateral or pledged.

Note 2: The increase this year is due to the adjustment of fair value valuation.

Note 3: The decrease this year is due to the fair value valuation adjustment.

Note 4: The decrease this year is due to the disposal of equity.

Tze Shin International Co., Ltd.
Statement of Changes in Investment Using the Equity Method
2023

Table 6

Unit: NT\$ thousand

Investee	Balance at the beginning of the year		Changes in the current year				Investment income (loss) (Note 1)	Year-end balance			Remarks
	Shares (Thousand)	Amount	Increase		Decrease			Shares (Thousand)	% of shareholding	Amount	
			Shares (Thousand)	Amount	Shares (Thousand)	Amount					
Investment accounted for under the equity method											
Non-listed and GTSM-listed company											
Miramar Hospitality Co., Ltd.	23,442	\$ 246,379	-	\$ 1,003	-	\$ -	\$ 6,112	23,442	62.99	\$ 253,494	Note 2
SHIN HAI Transportation Co., Ltd.	2,452	86,703	-	-	-	10,139	3,871	2,452	47.47	80,435	Note 3
Miramar Resort Co., Ltd.	40,070	7,908	-	-	-	-	(41)	40,070	66.18	7,867	Note 4
ACMC TRADING CO., LTD.	2,500	<u>370</u>	-	<u>-</u>	-	<u>-</u>	(<u>57</u>)	2,500	100.00	<u>313</u>	
		<u>\$ 341,360</u>		<u>\$ 1,003</u>		<u>\$ 10,139</u>	<u>\$ 9,885</u>			<u>\$ 342,109</u>	

Note 1: The calculation was based on the financial statements audited by CPAs and the Company's shareholding ratio.

Note 2: The increase in current period is the component of other comprehensive income (loss) of the subsidiaries and affiliated enterprises recognized by the investee under the equity method of NT\$1,003 thousand.

Note 3: The decrease this year is due to the cash dividends distributed by the investee of NT\$10,987 thousand and the other comprehensive income (loss) of subsidiaries and associates recognized under the equity method of NT\$848 thousand.

Note 4: The number of shares held by the Company in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT\$41 thousand is recognized.

Tze Shin International Co., Ltd.
Statement of Net Operating Income

2023

Table 7

Unit: NT\$ thousand

Item	Amount
Total operating revenue	
Transportation revenue	
Container transportation	\$ 17,320
Others	<u>370</u>
	17,690
Rental income	11,574
Others	<u>30</u>
Total operating revenue	29,294
Less: Operating discount	(<u>17</u>)
Net revenue	<u>\$ 29,277</u>

Tze Shin International Co., Ltd.
Statement of Operating Costs
2023

Table 8

Unit: NT\$ thousand

Item	Amount
Transportation cost	
Freight expenses	\$ 12,144
Others	<u>791</u>
	12,935
Lease cost	5,214
Construction cost	5,945
Other costs	(<u>81</u>)
	<u>\$ 24,013</u>

Tze Shin International Co., Ltd.
Statement of Operating Expenses
2023

Table 9

Unit: NT\$ thousand

Item	Transportation expenses	Construction expenses	Lease expense	Other expenses	Total
Salaries and wages (Note 1)	\$ 24,714	\$ 3,367	\$ 299	\$ 2,943	\$ 31,323
Labor service expense	4,644	1,019	62	681	6,406
Commission expenses	-	5,238	-	-	5,238
Depreciation	3,695	141	10	119	3,965
Management fee	-	-	4,514	-	4,514
Others (Note 2)	<u>7,596</u>	<u>5,044</u>	<u>163</u>	<u>1,807</u>	<u>14,610</u>
	<u>\$ 40,649</u>	<u>\$ 14,809</u>	<u>\$ 5,048</u>	<u>\$ 5,550</u>	<u>\$ 66,056</u>

Note 1: Includes salaries and remuneration to employees.

Note 2: All amounts did not exceed 5% of the amounts in this account.

Tze Shin International Co., Ltd.

Summary table of employee benefits, depreciation, and amortization expenses incurred in the current year, by function

2023 and 2022

Table 10

Unit: NT\$ thousand

	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salary expenses	\$ -	\$ 26,524	\$ 26,524	\$ -	\$ 25,580	\$ 25,580
Labor and health insurance	-	1,798	1,798	-	3,143	3,143
Pension costs	-	836	836	-	1,436	1,436
Profit sharing from earnings for directors	-	4,797	4,797	-	-	-
Other employee benefits expense	-	15	15	-	1,687	1,687
	<u>\$ -</u>	<u>\$ 33,970</u>	<u>\$ 33,970</u>	<u>\$ -</u>	<u>\$ 31,846</u>	<u>\$ 31,846</u>
Depreciation	<u>\$ 5,812</u>	<u>\$ 3,965</u>	<u>\$ 9,777</u>	<u>\$ 11,499</u>	<u>\$ 2,571</u>	<u>\$ 14,070</u>
Amortization expenses	<u>\$ -</u>	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ -</u>	<u>\$ 116</u>	<u>\$ 116</u>

Note 1: In 2023 and 2022, the number of employees during the year was 28 and 47, respectively, of which the number of directors who did not serve as employees concurrently was 5. The calculation basis is consistent with the employee benefit expense.

- Note 2: (1) In 2023 and 2022, the average employee benefit expenses for the year were NT\$1,268 thousand and NT\$758 thousand, respectively.
- (2) In 2023 and 2022, the average employee salaries and wages for the year were NT\$1,153 thousand and NT\$609 thousand, respectively.
- (3) Average employee salaries and wages increased by 89.32% over the two years.
- (4) The Company no longer has supervisors, and the Audit Committee has replaced the supervisors in accordance with the laws.
- (5) Compensation and remuneration policy (including directors, independent directors, managerial officers, and employees).

Remuneration to directors: according to the Company's Articles of Incorporation, the Compensation and Remuneration Committee decides and the remuneration is paid after the resolution of the board of directors.

Remuneration to managerial officers and employees: Approved according to their respective job descriptions, education background, and expertise. Salary adjustments or bonuses are made based on the Company's operating conditions and employee performance. Remuneration to managerial officers is resolved by the Remuneration Committee and reported to the Board of Directors for approval.