Stock Code: 2611

Tze Shin International Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

2022 and 2021

Address: 1F, No. 16, Ln. 294, Shijian Rd.,Baifu Village,
Qidu Dist., Keelung City
Telephone: (02)2509-0036

Table of Contents

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of Tze Shin International Co., Ltd, which comprise the balance sheets as of December 31, 2022 and 2021, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with the [Regulations Governing the Preparation of Financial Reports by Securities Issuers, [other regulations (please specify),] and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China].

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for Tze Shin International Co., Ltd., the Group's Parent Company Only Financial Statements for the year ended December 31, 2022 are stated as follows:

Income generation

The operating revenue of Tze Shin International Co., Ltd. mainly comes from transportation revenue. Because the operating revenue of this single category has a significant impact on the financial statements of Tze Shin International Co., Ltd. for the current year. Therefore, we recognized the transportation revenue as a key audit matter during the current year's audit. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the Parent Company Only Financial Statements.

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 a sample from transportation revenue in 2022 and perform sub-item confirmation tests to check the transaction vouchers and subsequent collections to confirm the transportation revenue.
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 Financial Statements

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

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

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

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities 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.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Fang, Han-Ni And Chen, Chao-Yu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

<u>*Notice to Readers*</u>

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

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

TZE SHIN INTERNATIONAL CO., LTD.

Parent Only Balance Sheets

December 31, 2022 and 2021

Unit: NT$ thousand

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash (Notes 4 and 6)	$ 221,049	9	$ 777,353	25
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	1,041,745	41	732,789	24
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 26)	139,900	6	421,246	14
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 26)	100	-	50	-
1150	Net notes receivable (Notes 4, 10, 19 and 25)	2,598	-	1,607	-
1170	Net accounts receivable (Notes 4, 10, 19 and 25)	9,902	-	23,960	1
1180	Accounts receivable - related parties, net	44	-	1,980	-
1200	Other receivables, net (Notes 4.10 and 27)	908	-	3,411	-
1210	Other receivables - related parties (Notes 4, 12 and 25)	8	-	13,596	-
1220	Current income tax assets (Notes 4 and 21)	817	-	1,078	-
1310	Net inventory (Notes IV, 11 and 26)	166,374	7	168,118	5
1479	Other current assets	5,276	-	13,239	-
11XX	Total current assets	1,588,721	63	2,158,427	69
	non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	383	-	1,160	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	165,926	7	251,885	8
1550	Investment under equity method (Notes 4 and 12)	341,360	13	412,252	13
1600	Property, plant and equipment (Notes 4, 13 and 26)	169,250	7	181,188	6
1755	Right-of-use assets (Notes 3, 4 and 14)	4,183	-	8,858	-
1760	Investment property (Notes 4, 15, 18 and 26)	30,026	1	30,026	1
1780	Intangible assets (Note 4)	45	-	161	-
1840	Deferred income tax assets (Notes 4 and 21)	69,596	3	71,689	3
1920	Refundable deposits	150,748	6	752	-
1990	Other non-current assets	-	-	1,387	-
15XX	Total non-current assets	931,517	37	959,358	31
1XXX	Total liabilities and equity	$ 2,520,238	100	$ 3,117,785	100
Code	Financial liabilities and equity				
	Current liabilities				
2150	Notes payable	$ 6,370	-	$ 9,586	1
2160	Notes payable - related party (Note 25)	-	-	7,865	-
2170	Accounts payable	6,419	-	4,598	-
2180	Accounts payable - related parties (Note 25)	-	-	9,467	1
2200	Other payables (Notes 17 and 25)	17,377	1	33,247	1
2230	Current income tax liabilities (Notes 4 and 21)	-	-	2,586	-
2250	Liability reserves - current (Note 4)	133	-	118	-
2280	Lease liabilities - current (Notes 4 and 14)	2,982	-	3,953	-
2399	Other current liabilities	6,846	1	6,258	-
21XX	Total current liabilities	40,127	2	77,678	3
	Non-current liabilities				
2570	Deferred income tax liabilities (Notes 4 and 21)	11	-	-	-
2580	Lease liabilities - non-current (Notes 4 and 14)	1,111	-	2,013	-
2640	Net defined benefit liabilities (Notes 4 and 17)	5,358	-	7,714	-
2645	Guarantee deposits	175	-	175	-
25XX	Total non-current liabilities	6,655	-	9,902	-
2XXX	Total liabilities	46,782	2	87,580	3
	Equity				
3110	Common stock	1,890,023	75	1,718,202	55
3200	Capital reserve	20,857	1	20,858	1
	Retained earnings				
3310	Legal reserve	309,697	12	272,218	9
3350	Unappropriated earnings	153,135	6	698,489	22
3300	Total retained earnings	462,832	18	970,707	31
3400	Other equity	99,744	4	320,438	10
3500	Treasury shares	-	-	-	-
3XXX	Total Equity	2,473,456	98	3,030,205	97
	Total Liabilities and Equity	$ 2,520,238	100	$ 3,117,785	100

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: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.

Parent Only Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

Unit: In Thousands of New Taiwan Dollars; Earnings per share (NT$)

		2022		2021	
Code		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 19 and 25)	$ 127,728	100	$ 169,290	100
5000	Operating cost (Notes 11, 20 and 25)	102,550	80	145,818	86
5950	Gross profit	25,178	20	23,472	14
	Operating expense				
6200	Administrative expenses (Notes 20 and 25)	54,793	43	62,266	37
6450	Expected credit impairment loss (reversal benefit) (Notes 4 and 10)	3,095	2	(90)	-
6000	Subtotal	57,888	45	62,176	37
6900	Net operating loss	(32,710)	(25)	(38,704)	(23)
	Non-operating income and expenses				
7010	Other income (Note 20)	176,486	138	72,956	43
7050	Finance costs	(118)	-	(580)	-
7070	Share of profit or loss of subsidiaries and associates accounted for under the equity method (Notes 4 and 12)	5,387	4	(2,808)	(2)
7100	Interest income (Note 25)	1,423	1	5,184	3
7590	Other gains and losses (Notes 4, 14 and 20)	(411,698)	(322)	261,029	154
7000	Subtotal	(228,520)	(179)	335,781	198
7900	Net (loss) profit before tax	(261,230)	(204)	297,077	175
7950	Income tax (gain) expenses (Notes 4 and 21)	(1,387)	(1)	5,876	3
8000	Net (loss) profit for the current year	(259,843)	(203)	291,201	172

(Continue to the next page)

(Cont'd.)

Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income				
	Not to be reclassified to profit or loss in subsequent periods:				
8311	Re-measurement of defined benefit plan (Note 17)	$ 2,486	2	$ 494	-
8316	Unrealized valuation gains of investments in equity instruments measured at fair value through other comprehensive income	(122,538)	(96)	227,719	135
8330	Share of other comprehensive income of subsidiaries, associates, and joint ventures accounted for under the equity method	(4,535)	(4)	575	-
8349	Income tax related to items not to be reclassified (Note 21)	(497)	-	(99)	-
8300	Other comprehensive income of the current year	(125,084)	(98)	228,689	135
8500	Total comprehensive profit and loss for the current year	($ 384,927)	(301)	$ 519,890	307
	Earnings (losses) per share (Note 21)				
9710	Basic	($ 1.37)		$ 1.54	
9810	Diluted	($ 1.37)		$ 1.54	

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: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.

Parent Only Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

Code		Share capital (Note 18)	Additional paid-in capital (Note 18): Treasury stock trading	Additional paid-in capital (Note 18): Recognition of changes in ownership interests in subsidiaries	Additional paid-in capital (Note 18): Others	Additional paid-in capital (Note 18): Total	Retained earnings (Notes 8 and 18): Legal reserve	Retained earnings (Notes 8 and 18): Unappropriated earnings	Retained earnings (Notes 8 and 18): Total	Other equity: Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Treasury shares (Notes 4 and 18)	Total equity
A1	Balance as of January 1, 2021	$ 1,729,942	$ 17,272	$ 18	$ 496	$ 17,786	$ 272,195	$ 323,720	$ 595,915	$ 175,340	($ 8,664)	$ 2,510,319
	Appropriations and distributions of 2020 earnings											
B1	Legal reserve	-	-	-	-	-	23	(23)	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	(4)	(4)	-	-	-	-	-	(4)
D1	Net of 2021	-	-	-	-	-	-	291,201	291,201	-	-	291,201
D3	Other comprehensive income after tax of 2021	-	-	-	-	-	-	(782)	(782)	229,471	-	228,689
D5	Total comprehensive profit and loss of 2021	-	-	-	-	-	-	290,419	290,419	229,471	-	519,890
L3	Treasury stock cancelled	(11,740)	3,076	-	-	3,076	-	-	-	-	8,664	-
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	84,373	84,373	(84,373)	-	-
Z1	Balance as of December 31, 2021	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

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: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD.

Parent Only Statement of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

Code		2022	2021
	Cash flows from operating activities		
A00010	Net (loss) profit before tax	($ 261,230)	$ 297,077
	Adjustments to reconcile profit (loss)		
A20100	Depreciation	14,070	15,320
A20200	Amortization expenses	116	178
A20300	Expected credit impairment loss (reversal benefit)	3,095	(90)
A20400	Net (gain) loss of financial assets at fair value through profit or loss	439,518	(211,573)
A20900	Finance costs	118	580
A21200	Interest income	(1,423)	(5,184)
A21300	Dividend income	(169,971)	(67,559)
A22400	Share of profit and loss on subsidiaries and affiliates accounted for using the equity method	(5,387)	2,808
A22500	Gains from the disposal and scrap of property, plant, and equipment	(9,034)	(282)
A22700	Disposal of interests in investment property	-	(49,342)
A23200	Disposal of investment gains using the equity method	(18,752)	-
A23800	Gains on inventory devaluation and obsolescence recovery	(11,202)	(1,823)
A29900	Others	(322)	-
	Net changes in operating assets and liabilities		
A31130	Notes receivable	(1,085)	(647)
A31140	Notes receivable - related parties	94	-
A31150	Accounts receivables	14,058	(4,390)
A31160	Accounts receivable - related parties	1,936	-
A31180	Other receivables	(691)	(235)
A31190	Other receivables - related parties	13,588	235,896
A31200	Inventory	12,946	2,226
A31240	Other current assets	7,965	313,616
A32130	Notes payable	(3,216)	3,867
A32140	Notes payable - related parties	(7,865)	(35)
A32150	Accounts payable	1,764	1,077
A32160	Accounts payable - related parties	(9,410)	598
A32180	Other payables	(15,944)	(8,997)
A32190	Other payables - related parties	(2)	-
A32230	Other current liabilities	588	(19,337)
A32240	Net confirmed benefit debt	131	114
A33000	Cash flow from operations	(5,547)	503,863
A33300	Interest paid	(26)	(764)
A33500	Income tax refunded	668	418
AAAA	Net cash inflow (outflow) from operating activities	(4,905)	503,517

(Continue to the next page)

(Cont'd.)

Code		2022	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 210,132)	($ 82,938)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	454,899	288,802
B00030	Refunds from decapitalization of financial assets measured at fair value through other comprehensive income	-	28,496
B00040	Acquisition of financial assets at amortized cost	(50)	-
B00050	Disposal of financial assets measured at amortized cost	-	10,400
B00100	Acquisition of financial assets at fair value through profit or loss	(1,345,495)	(651,255)
B00200	Disposal of financial assets at fair value through profit or loss	573,798	557,998
B02300	Net cash inflow from disposal of subsidiaries	73,778	-
B02700	Purchase of property, plant and equipment	(1,524)	(67)
B02800	Disposal of property, plant and equipment prices	16,411	2,294
B03700	Increase in refundable deposits	(149,997)	-
B04500	Acquisition of intangible assets	-	(50)
B05500	Disposal of investment property prices	-	171,550
B06800	Decrease of other non-current assets	1,387	-
B07500	Interest received	1,523	5,304
B07600	Dividends received	186,690	73,598
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	24,000	2,775
BBBB	Net cash generated from (used in) financing activities	(374,712)	406,907
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	(185,000)
C00600	Decrease in short-term notes payable	-	(49,939)
C01700	Decrease in long-term loans	-	(150,000)
C04020	Lease liability principal repayments	(4,866)	(10,702)
C04300	Increase of other non-current liabilities	-	10
C04500	Cash dividends paid	(171,821)	-
C05400	Acquisition of equity in subsidiaries	-	(26,802)
CCCC	Net cash used in financing activities	(176,687)	(422,433)
EEEE	Net (decrease) increase in cash	(556,304)	487,991
E00100	Cash balance at the beginning of the year	777,353	289,362
E00200	Year-end cash balance	$ 221,049	$ 777,353

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: Chien-I Kao

Tze Shin International Co., Ltd.
Notes to Parent Company Only Financial Statements
January 1 to December 31, 2022 and 2021
(Amounts in thousands of New Taiwan Dollars, unless otherwise stated)

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 24, 2023.

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 by the FSC will not result in significant changes in the accounting policies of the Company.

(II) FSC-approved IFRSs applicable from 2023 onwards

New/amended/revised standards and interpretations	Effective date issued by the IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Income Tax Relating to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: This amendment shall apply to the annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments apply to changes in accounting estimates and changes in accounting policies that occur during the annual reporting periods beginning on or after January 1, 2023.

Note 3: In addition to recognizing deferred income tax on the temporary difference between leases and decommissioning obligations on January 1, 2022, the amendment is applicable to transactions that occur after January 1, 2022.

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

New/amended/revised standards and interpretations	Effective date published by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined
Amendments to IFRS 16 "Lease Liabilities under Sale and Leaseback"	January 1, 2024 (Note 2)
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 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

Note 1: Unless otherwise specified, the aforesaid new/amended/revised standards or interpretations is 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.

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," "Share of profit or loss of subsidiaries and associates under the equity method," "Share of other comprehensive profit or loss of subsidiaries," 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) Investment in Affiliated Enterprises

Affiliates are those over which the Company has significant influence but is not a subsidiary or a joint venture.

The Company adopts the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. In addition, the changes in the equity of the affiliated enterprise shall be recognized based on the shareholding percentage.

When the affiliated enterprise issues new shares, if the Company does not subscribe according to the ownership percentage, resulting in a change in the ownership percentage, when the net equity value of the investment increases or decreases, the capital surplus - accounted for by the equity method Changes in the net equity value of the enterprise and investment using the equity method. However, if the shareholding ratio is not subscribed or acquired, resulting in a decrease in the ownership interest of the affiliated enterprise, the amount recognized in other comprehensive income related to the affiliated enterprise shall be reclassified according to the proportion of decrease. The same basis must be followed for the direct disposal of the relevant assets or liabilities; if the aforementioned adjustment should be debited to the capital surplus, and if the balance of the capital surplus generated from the investment by equity method is insufficient, the difference is debited to the retained earnings.

When the Company's share of losses on an associate equals or exceeds its equity in the associate (including the carrying amount of the investment under the equity method in the associate and other long-term interests that in substance form part of the Company's net investment in the associate), that is, stop recognizing further losses. The Company recognizes additional losses and liabilities only within the scope of statutory obligations, constructive obligations, or payments made on behalf of affiliates.

When assessing impairment, the Company treats the entire book value of the investment as a single asset to compare the recoverable amount with the book value, and conducts an impairment test. The recognized impairment loss is not allocated to any assets that constitute an integral part of the book value of the investment. Any reversal of the impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of the investment.

The Company stops adopting the equity method for the investment on the date when it ceases to be an associate, and its retained equity in the original associate is measured at fair value. Included in the current year's profit or loss. In addition, all amounts recognized in other comprehensive income related to the affiliated enterprise shall be accounted for on the same basis as that required for the affiliated enterprise to directly dispose of the relevant assets or liabilities.

Gains and losses arising from upstream, downstream, and lateral transactions between the Company and its associates are recognized in the standalone financial statements only to the extent that they are unrelated to the Company's interests in the associates.

(VIII) 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.

(IX) 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.

(X) 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 profit or loss.

(XI) 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.

(XII) 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.

(XIII) 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.

(XIV) 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.

(XV) 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.

The Company and the lessor engaged in rent reduction directly related to the COVID- 19 pandemic, and adjusted the payments due before December 31, 2022, resulting in a decrease in the rent, and there was no substantive change in other lease terms and conditions. The Company has elected to adopt practical expedients to treat all rent concessions 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.

(XVI) 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.

(XVII) 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.

(XVIII) 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.

The Company has taken the recent development of COVID-19 in Taiwan and the possible impact on the economic environment into its consideration of important accounting estimates such as cash flow estimation, growth rate, discount rate, and profitability. The management will continue to Review estimates and basic assumptions. If the estimate revision affects only the current period, it shall be recognized in the current period; if the amendment to the accounting estimate affects the current period and future periods at the same time, it is recognized in the current period and future periods.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 100	$ 161
Checks and demand deposits at banks	220,949	777,192
	$ 221,049	$ 777,353

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

	December 31, 2022	December 31, 2021
Bank deposits	0.005%～0.455%	0.001%～0.29%

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed (OTC) stock	$ 1,041,745	$ 732,789
Financial assets - non-current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic unlisted (non-OTC) stock	$ 383	$ 1,160

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

	December 31, 2022	December 31, 2021
Liquidity		
Domestic investment		
Listed (OTC) stock	$ 139,900	$ 421,246
Non-current		
Domestic investment		
Unlisted (non-OTC) stock	$ 165,926	$ 251,885

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$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 Company purchased the common stock of Cheng Mei Materials Technology Corporation for NT$20,073 thousand in 2021. Because it is a medium and long-term strategic purpose investment, it is designated to be measured at fair value through other comprehensive income.

During the 2021 fiscal year, the company adjusted its investment portfolio to diversify risk. The company sold portions of common stocks in four subsidiaries, namely, SIRTEC INTERNATIONAL CO., LTD. (for a fair value of NT$10,514 thousand), IBF Financial Holdings Co., Ltd. (for a fair value of NT$201,664 thousand), Taisun Enterprise Co., Ltd. (for a fair value of NT$55,420 thousand), and Cheng Mei Materials Technology Corporation (for a fair value of NT$21,204 thousand), respectively. As a result of these sales, unrealized gains in financial assets held through other comprehensive income, amounting to NT$84,373 million, were transferred to retained earnings.

The Company recognized dividend income of NT$31,414 thousand and NT$31,293 in 2022 and 2021, 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

	December 31, 2022	December 31, 2021
Liquidity		
Domestic investment		
Time deposits with original maturity date of more than 3 months	$ 100	$ 50

As of December 31, 2022 and 2021, the interest rates of time deposits with original maturity date of more than 3 months were 1.440% and 0.815% 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

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
Gross carrying amount	$ 2,598	$ 1,607
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 29,572	$ 43,630
Less: loss allowance	(19,670)	(19,670)
	$ 9,902	$ 23,960
Other receivables		
Measured at amortized cost		
Gross carrying amount	$ 304,784	$ 304,192
Less: loss allowance (Note 27)	(303,876)	(300,781)
	$ 908	$ 3,411

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, 2022

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
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	$ 13,318	$ 142	$ -	$ -	$ -	$ 13,460

December 31, 2021

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
Expected credit loss rate	-	-	-	-	100.00%	
Gross carrying amount	$ 44,554	$ -	$ -	$ -	$ 320,451	$ 365,005
Loss allowance (lifetime expected credit losses)	-	-	-	-	(320,451)	(320,451)
Cost after amortization	$ 44,554	$ -	$ -	$ -	$ -	$ 44,554

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

	2022	2021
Balance at the beginning of the year	$ 320,451	$ 333,186
Add: Provision of impairment loss	3,095	-
Less: Elimination of actual write-offs (Note 12)	-	(12,645)
Less: Reversal impairment loss	-	(90)
Year-end balance	$ 323,546	$ 320,451

The cross-strait and domestic route cooperation and management service contract between our company and (Far Eastern Air Transport (hereinafter referred to as "FAT") has been signed. However, due to the significant financial difficulties faced by Far Eastern Air Transport, our management evaluated that as of December 31, 2019, the possibility of recovering the accounts receivable of NTD 4,530 thousand and the deposited guarantee of NTD 249,500 thousand was slim. Therefore, the deposited guarantee was reclassified as other accounts receivable, and the full amount of accounts receivable was provisioned for impairment losses. Please refer to Note 27 for further information.

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 from the oil product revenue-rent and NT$2,581 thousand from distribution profit. The above amount is NT$110,123 thousand, after deducting the rent of NT$26,947 thousand from the court provided by CPC (which was fully recovered in 2011). As of the end of December 2022, NT$31,655 thousand had been recovered. As of December 31, 2022 and 2021, NT$51,521 thousand and NT$51,281 thousand were recognized as other receivables in the aggregate amount uncollected, which was fully recognized as loss.

XI. Inventories - net

	December 31, 2022	December 31, 2021
Building and land under construction	$ 160,277	$ 159,361
Commodities	5,711	8,295
Materials	386	462
	$ 166,374	$ 168,118

The inventory-related costs of sales in 2022 and 2021 were NT$2,573 thousand and NT$940 thousand, respectively.

In 2022 and 2021, the cost of goods sold, including the gains on falling value of inventories and obsolete recovery, were NT$11,202 thousand and NT$1,823 thousand, which were due to the sale of inventories of obsolete home appliances in the year.

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

XII. Investment accounted for under the equity method

	December 31, 2022	December 31, 2021
Investment in subsidiaries	$ 341,360	$ 412,252
Investment in Affiliated Enterprises	-	-
	$ 341,360	$ 412,252

(I) Investment in subsidiaries

Investee	December 31, 2022 Amount	December 31, 2022 % of shareholding	December 31, 2021 Amount	December 31, 2021 % of shareholding
Non-listed and GTSM-listed company				
Miramar Hospitality Co., Ltd.	$ 246,379	62.99	$ 251,478	62.99
Hsin Hai Transportation & Terminal Co., Ltd.	86,703	47.47	82,989	47.47
Miramar Resort Co., Ltd.	7,908	66.18	5,340	66.18
Acmc Trading Co., Ltd.	370	100.00	437	100.00
Safe Cargo Transportation Co., Ltd.	-	-	6,451	100.00
Safe Petroleum Transportation Co., Ltd.	-	-	35,276	100.00
Safe Container Transportation Co., Ltd.	-	-	25,918	100.00
Safe Logistics Transportation Co., Ltd.	-	-	4,363	100.00
	$ 341,360		$ 412,252	

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 the year ended December 31, 2022 for information on subsidiaries and affiliates.

Miramar Resort Co., Ltd. had an after-tax loss of NT$162 thousand in 2022. The Company recognized a gain on recovery of the net value of NT$2,568 thousand based on the number of preferred shares.

In 2021, Miramar Resort Co., Ltd. had an after-tax loss of NT$45,305 thousand. The Company recognized investment losses of NT$21,462 thousand and NT$12,875 thousand based on the share of common shares and preferred shares, respectively, for a total of NT$34,337 thousand.

The share of profit or loss and other comprehensive income of subsidiaries under the equity method in 2022 and 2021 is recognized based on the financial statements of each subsidiary that have been audited by the independent auditors during the same period.

(II) Investment in Affiliated Enterprises

Aggregate information on affiliates that are not individually material

	2022	2021
The Company's share		
Net loss for the year	$ -	($ 1,116)

Since Super Nova Optoelectronics Corporation was liquidated on September 30, 2021, as of December 31, 2021, the other receivables on the account were NT$98,530 thousand, Accounts receivable of NT$12,646 thousand were determined to be irrecoverable, so related other receivables of NT$12,646 thousand were written off against loss allowance of NT$12,646 thousand.

XIII. Property, plant and equipment

	Land	Building	Transportation equipment	Office equipment	Total
Balance as of January 1, 2022	$ 156,144	$ 30,509	$ 31,021	$ 6,490	$ 224,164
Increase	-	-	-	1,524	1,524
Disposition	-	-	(27,416)	(400)	(27,816)
Balance as of December 31, 2022	$ 156,144	$ 30,509	$ 3,605	$ 7,614	$ 197,872
Accumulated depreciation					
Balance as of January 1, 2022	$ -	$ 19,585	$ 18,243	$ 5,148	$ 42,976
Depreciation	-	489	4,820	776	6,085
Disposition	-	-	(20,097)	(342)	(20,439)
Balance as of December 31, 2022	$ -	$ 20,074	$ 2,966	$ 5,582	$ 28,622
Net amount as of December 31, 2022	$ 156,144	$ 10,435	$ 639	$ 2,032	$ 169,250
Cost					
Balance as of January 1, 2021	$ 156,144	$ 30,509	$ 33,962	$ 7,087	$ 227,702
Increase	-	-	-	67	67
Disposition	-	-	(2,941)	(664)	(3,605)
Balance as of December 31, 2021	$ 156,144	$ 30,509	$ 31,021	$ 6,490	$ 224,164
Accumulated depreciation					
Balance as of January 1, 2021	$ -	$ 19,068	$ 13,220	$ 4,865	$ 37,153
Depreciation	-	517	5,989	910	7,416
Disposition	-	-	(966)	(627)	(1,593)
Balance as of December 31, 2021	$ -	$ 19,585	$ 18,243	$ 5,148	$ 42,976
Net amount as of December 31, 2021	$ 156,144	$ 10,924	$ 12,778	$ 1,342	$ 181,188

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

Building	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

	December 31, 2022	December 31, 2021
Book value of right-of-use assets		
Land	$ 3,398	$ 7,788
Building	785	1,070
	$ 4,183	$ 8,858

	2022	2021
Increase in right-of-use assets	$ 3,310	$ 13,194
Depreciation expense of right-of-use assets		
Land	$ 7,700	$ 7,619
Building	285	285
	$ 7,985	$ 7,904

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Book value of lease liabilities		
Liquidity	$ 2,982	$ 3,953
Non-current	$ 1,111	$ 2,013

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

	December 31, 2022	December 31, 2021
Land	1.7%	1.7%
Building	1.7%	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 and 2021, the Company entered into a land lease agreement with Taiwan Sugar Corporation Kaohsiung Branch, and Taiwan Sugar Corporation Kaohsiung Branch agreed The amount was reduced by 20%. The effect of the aforementioned rent concessions recognized by the Company in 2022 and 2021 were both NT$336 thousand (stated as other gains and losses).

(IV) Other lease information

	2022	2021
Lease expenses of low-value assets	$ 317	$ 164
Total cash (outflow) of leases	($ 5,183)	($ 11,022)

XV. Investment property

	December 31, 2022	December 31, 2021
Land		
Keelung Nuan-Nuanyuan Section	$ 30,026	$ 30,026

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 Far-end 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, 2022 and December 31, 2021 should not be significantly different from the fair value evaluated by the unrelated independent appraiser.

XVI. Other payables

	December 31, 2022	December 31, 2021
Sales tax payable	$ 5,481	$ 3,112
Stock settlement payable	4,912	14,592
Payroll payable	3,984	6,602
Remuneration payable to directors	-	3,031
Remuneration payable to employees	-	3,031
Others	3,000	2,879
	$ 17,377	$ 33,247

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:

	December 31, 2022	December 31, 2021
Defined benefit obligation	$ 23,262	$ 27,153
Fair value of plan assets	(17,904)	(19,439)
Net confirmed benefit debt	$ 5,358	$ 7,714

Changes in the net defined benefit liability are as follows:

	Defined benefit obligation	Fair value of plan assets	Net confirmed benefit debt
Balance as of January 1, 2022	$ 27,153	($ 19,439)	$ 7,714
Current period service costs	293	-	293
Interest expense (income)	109	(79)	30
Deferred tax income (expense) recognized in profit or loss	402	(79)	323
Re-measurement			
Return on plan assets (except for the amount included in net interest)	-	(1,559)	(1,559)
Actuarial gains or losses			
- Changes in financial assumptions	(949)	-	(949)
- Experience-based adjustments	22	-	22
Deferred tax income (expense) recognized in other comprehensive income	(927)	(1,559)	(2,486)
Contributions by employer	-	(193)	(193)
Plan asset payment	(3,366)	3,366	-
Balance as of December 31, 2022	$ 23,262	($ 17,904)	$ 5,358
Balance as of January 1, 2021	$ 27,006	($ 18,912)	$ 8,094
Current period service costs	291	-	291
Interest expense (income)	50	(35)	15
Deferred tax income (expense) recognized in profit or loss	341	(35)	306
Re-measurement			
Return on plan assets (except for the amount included in net interest)	-	(300)	(300)
Actuarial gains or losses			
- Changes in demographic assumptions	960	-	960
- Changes in financial assumptions	(749)	-	(749)
- Experience-based adjustments	(405)	-	(405)
Deferred tax income (expense) recognized in other comprehensive income	(194)	(300)	(494)
Contributions by employer	-	(192)	(192)
Balance as of December 31, 2021	$ 27,153	($ 19,439)	$ 7,714

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:

	December 31, 2022	December 31, 2021
Discount rate	1.4000%	0.7500%
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:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 375)	($ 480)
Decrease by 0.25%	$ 384	$ 493
Expected rate of increase in salary		
Increase by 0.25%	$ 370	$ 472
Decrease by 0.25%	($ 362)	($ 462)

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.

	December 31, 2022	December 31, 2021
Expected contribution amount within 1 year	$ 192	$ 192
Average duration of defined benefit obligations	6 years	6 years

XVIII. Equity

(I) Share capital

Common stock

	December 31, 2022	December 31, 2021
Number of shares (thousand)	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	171,820
Issued capital stock	$ 1,890,023	$ 1,718,202

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

	December 31, 2022	December 31, 2021
May be used to offset losses, distribute cash or capitalize on capital (1)		
Treasury shares transaction	$ 20,348	$ 20,348
Can only be used to offset a deficit		
Recognition of ownership interests in subsidiaries Changes (2)	18	18
Unclaimed dividends after expiry date	491	492
	$ 20,857	$ 20,858

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 a shareholders' meeting on June 24, 2022 and August 26, 2021, respectively, and resolved to pass the 2021 earnings appropriation and the 2020 loss appropriation proposal as follows:

	2021	2020
Legal reserve	$ 37,479	$ 23
Cash dividends	$ 171,821	$ -
Stock dividends	$ 171,821	$ -
Cash dividend per share (NTD)	$ 1	$ -
Dividends per share (NTD)	$ 1	$ -

On March 24, 2023, the board of directors of the company proposed the 2022 loss compensation plan which is yet to be resolved at the shareholders' regular meeting expected to be held on June 30, 2023.

(IV) Treasury shares

Reason(s) for recall	Repurchase for cancellation (thousand shares)
Number of shares on January 1, 2021	1,174
Decrease in the current year	(1,174)
Number of shares on December 31, 2021	-

According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the distribution of dividends and voting rights.

The Company canceled the treasury stock repurchased in March 2021. A total of 1,174 thousand shares were cancelled at a par value of NT$10 per share. The capital reduction amounted to NT$11,740 thousand. The change registration was completed on April 14, 2021.

XIX. Revenue

	2022	2021
Revenue from contracts with customers		
Transportation revenue	$ 115,481	$ 157,039
Rental income	10,834	10,847
Others	1,413	1,404
	$ 127,728	$ 169,290

XX. Net profit (loss)

(I) Others

	2022	2021
Dividend income	$ 169,971	$ 67,559
Rental income	4,236	4,011
Others	2,279	1,386
	$ 176,486	$ 72,956

(II) Finance costs

	2022	2021
Interest on lease liabilities	$ 92	$ 156
Interest on bank borrowings	24	422
Imputed interest on deposits	2	2
	$ 118	$ 580

(III) Other gains and losses

	2022	2021
Disposal of investment gains using the equity method	$ 18,752	$ -
Net gains on disposal of property, plant and equipment	9,034	282
Net foreign exchange gain (loss)	55	(149)
Disposal of interests in investment property	-	49,342
Gains (losses) on financial assets at FVTPL	(439,518)	211,573
Others	(21)	(19)
	($ 411,698)	$ 261,029

In November 2020, the Company sold the Linkou Zhulin Section (formerly the Jingpu Section) and the Bali Changkeng Section for a total price of NT$171,550 thousand. The transfer was completed in February 2021, and the disposal gain was recognized at NT$49,342 thousand.

(IV) Depreciation and amortization

	2022	2021
Depreciation expenses by function		
Operating cost	$ 11,499	$ 12,584
Operating expense	2,571	2,736
	$ 14,070	$ 15,320
Amortization expenses are summarized by function		
Operating expense	$ 116	$ 178

(V) Employee benefits expense

	2022	2021
Post-employment benefits		
Defined contribution plan	$ 1,113	$ 1,199
Defined benefit plan	323	306
	1,436	1,505
Other employee benefits	30,410	38,149
Total employee benefit expenses	$ 31,846	$ 39,654
Summary by function		
Operating expense	$ 31,846	$ 39,654

(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 2021 estimated remuneration of employees and remuneration of directors for the year ended March 28, 2022 was resolved by the board of directors as follows:

Estimated allowance

	2021
Employee remuneration	1%
Remuneration to directors	1%

Amount

	2021	
	Cash	Stock
Employee remuneration	$ 3,031	$ -
Remuneration to directors	3,031	-

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:

	2022	2021
Current income tax		
Incurred in the current year	$ -	$ 3,006
Adjustments made in previous years	(2,994)	-
	(2,994)	3,006
Deferred income tax		
Incurred in the current year	1,607	2,870
Income tax expenses (gain) recognized in profit or loss	($ 1,387)	$ 5,876

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

	2022	2021
Net (loss) profit before tax	($ 261,230)	$ 297,077
Income tax (gain) for net profit (loss) before tax calculated at statutory tax rate	($ 52,246)	$ 59,415
Non-deductible expense loss for tax purposes	20	587
Tax-exempted income	49,082	(62,853)
Basic tax difference payable	-	3,006
Unrecognized deductible temporary difference	-	(70,063)
Unrecognized loss carryforwards	-	75,784
Adjustments to current income tax expenses of previous years	(2,994)	-
Others	4,751	-
Income tax (gain) expenses recognized in profit or loss	($ 1,387)	$ 5,876

(II) Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Income tax assets for the current year		
Tax refund receivable	$ 817	$ 1,078
Current income tax liabilities		
Income tax payable	$ -	$ 2,586

(III) Deferred income tax assets and liabilities

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

2022

Deferred tax assets	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
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)	-	-
Exceeding the pension limit	5,496	27	(497)	5,026
Impairment loss	49,900	-	-	49,900
	$ 71,689	($ 1,596)	($ 497)	$ 69,596
Deferred tax liabilities				
Temporary difference				
Unrealized gain on exchange	$ -	$ 11	$ -	$ 11

2021

Deferred tax assets	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Temporary difference				
Unrealized inventory valuation losses	$ 2,642	($ 365)	$ -	$ 2,277
Allowance for doubtful debts	16,544	(2,558)	-	13,986
Unrealized exchange loss	-	30	-	30
Exceeding the pension limit	5,572	23	(99)	5,496
Impairment loss	49,900	-	-	49,900
	$ 74,658	($ 2,870)	($ 99)	$ 71,689

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

	December 31, 2022	December 31, 2021
Loss deduction		
Due 2026	$ 106,680	$ 106,680
Due 2030	5,856	5,856
Due 2031	363,898	364,775
	$ 476,434	$ 477,311
Deductible temporary differences		
Impairment loss of financial assets	$ 192,469	$ 254,921
Impairment of long-term equity investment under equity method	45,990	45,990
	$ 238,459	$ 300,911

(V) Authorization of income tax

The Company's profit-seeking enterprise income tax returns up to 2020 have been approved by the tax collection authority.

XXII. Earnings (losses) per share

Shares

Unit: NTD per share

	2022	2021
Basic earnings (loss) per share	($ 1.37)	$ 1.54
Diluted earnings (loss) per share	($ 1.37)	$ 1.54

The effect of stock dividends has been adjusted retrospectively in the calculation of earnings per share. Due to the retrospective adjustment, changes in basic and diluted earnings per share are as follows:

Shares — Unit: NTD per share

	Before retrospective adjustment	After retrospective adjustment
	2021	2021
Basic earnings per share	$ 1.69	$ 1.54
Diluted earnings per share	$ 1.69	$ 1.54

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

Net (loss) profit for the current year

	2022	2021
Net (loss) profit for the current year	($ 259,843)	$ 291,201

Shares — Unit: Thousand shares

	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	189,002	189,002
Effect of potential dilutive common stock:		
Employee remuneration	-	106
Weighted average number of ordinary shares used in the computation of diluted earnings per share	189,002	189,108

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 potential common stock may be included into the weighted average number of shares outstanding when there is a dilution effect. 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 potential common 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, 2022

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

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value through profit or loss				
Domestic listed (OTC) stock	$ 732,789	$ -	$ -	$ 732,789
Domestic unlisted (non-OTC) stock	-	1,160	-	1,160
	$ 732,789	$ 1,160	$ -	$ 733,949
Financial assets measured at fair value through other comprehensive income				
Domestic listed (OTC) stock	$ 421,246	$ -	$ -	$ 421,246
Domestic unlisted (non-OTC) stock	-	251,885	-	251,885
	$ 421,246	$ 251,885	$ -	$ 673,131

There were no transfers between Level 1 and Level 2 fair value measurements in 2022 and 2021.

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

Type of financial instrument	Valuation techniques and inputs
Domestic unlisted (non-OTC) 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

	December 31, 2022	December 31, 2021
Financial assets		
Measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	$ 1,042,128	$ 733,949
Financial assets at amortized cost (Note 1)	385,357	822,709
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	305,826	673,131
Financial liabilities		
Measured at amortized cost (Note 2)	30,399	64,997

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:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 100	$ 50
- Financial liabilities	4,093	5,966
Cash flow interest rate risk		
- Financial assets	220,759	775,804

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 2022 and 2021 would increase/decrease by NT$2,208 thousand and NT$7,758 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$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.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT$7,339 thousand in 2021 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2021 would have increased/decreased by NT$6,731 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 2022 and 2021, 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 rate, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

December 31, 2022

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

December 31, 2021

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years
Non-derivative financial instruments				
Non-interest-bearing liabilities	$ 29,305	$ 14,650	$ 5,492	$ 23
Lease liabilities	112	644	3,260	2,046
	$ 29,417	$ 15,294	$ 8,752	$ 2,069

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, 2022 and 2021, 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

	December 31, 2022	December 31, 2021
Unsecured bank facilities (reviewed every year)		
- Amount used	$ -	$ -
- Unutilized amount	115,000	85,000
	$ 115,000	$ 85,000
Guaranteed bank facilities		
- Amount used	$ -	$ -
- Unutilized amount	218,000	310,000
	$ 218,000	$ 310,000

XXV. Related-Party Transactions

The transactions between the Company and related parties are as follows

(I) Names of related parties and their relationships

Name of the related parties	Relationship with the Company
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)

(Continue to the next page)

(Cont'd.)

Name of the related parties	Relationship with the Company
Acmc Trading Co., Ltd.	Subsidiary
Miramar Resort Co., Ltd.	Subsidiary
Yuan Chuan Steel Co. Ltd.	Associates
Super Nova Optoelectronics Corporation	Associates
TienPin Development Co., Ltd.	Type of related parties
Mayer Steel Pipe Corporation	Type of related parties

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

(II) Operating revenue

Accounting item	Type of related parties	2022	2021
Transportation revenue	Subsidiary	$ 10,430	$ 12,388

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

(III) Operating cost

Accounting item	Type/Name of related parties	2022	2021
Transportation cost	Subsidiary		
	An Ho Transportation Co., Ltd.	$ 54,162	$ 81,968
	Safe Petroleum Transportation Co., Ltd.	3,064	19,072
	Others	32	74
		$ 57,258	$ 101,114

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

Type of related parties	2022	2021
Subsidiary	$ 102	$ 112

(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 in 2022 and 2021 was NT$1,889 thousand and NT$2,258 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 2022 and 2021 were 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	2022	2021
Subsidiary		
Miramar Resort Co., Ltd.	$ -	$ 3,150
Others	397	222
Associates		
Super Nova Optoelectronics Corporation	-	1,025
	$ 397	$ 4,397

(VII) Receivables from related parties (excluding loans to related parties)

Accounting item	Type/Name of related parties	December 31, 2022	December 31, 2021
Notes receivable - related parties	Subsidiary	$ -	$ 94
Accounts receivable - related parties	Subsidiary	$ 44	$ 1,980
Other receivables - related parties	Subsidiary	$ 8	$ 496

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, 2022	December 31, 2021
Notes payable - related parties	Subsidiary		
	An Ho Transportation Co., Ltd.	$ -	$ 6,278
	Safe Petroleum Transportation Co., Ltd.	-	1,587
		$ -	$ 7,865
Accounts payable - related parties	Subsidiary		
	An Ho Transportation Co., Ltd.	$ -	$ 7,303
	Safe Petroleum Transportation Co., Ltd.	-	2,107
	Others	-	57
		$ -	$ 9,467
Other payables - related parties	Subsidiary	$ -	$ 2

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

(IX) Loans to related parties

Category/name of related party	December 31, 2022	December 31, 2021
Subsidiary		
An Ho Transportation Co., Ltd.	$ -	$ 13,100

The Company's loans to subsidiaries are all unsecured loans, and the interest rate is similar to the market interest rate.

(X) Dividend income

Type/Name of related parties	2022	2021
Type of related parties		
Mayer Steel Pipe Corporation	$ 55,500	$ 29,920
Associates		
Yuanquan Steel	15,814	13,561
	$ 71,314	$ 43,481

(XI) Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 9,896	$ 8,269
Post-employment benefits	520	535
	$ 10,416	$ 8,804

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, shipping contracts, and litigations:

	December 31, 2022	December 31, 2021
Financial assets measured at fair value through profit or loss - current	$ 211,140	$ 291,180
Property, plant and equipment	111,436	111,918
Building and land under construction (stated as inventory)	74,618	74,618
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	100	50
Financial assets measured at fair values through other comprehensive income - current	-	212,470
	$ 397,294	$ 690,236

XXVII. Material contingent liabilities and unrecognized contractual commitments

(I) Significant contract

Cooperative management contract

The Company has signed a distribution management service contract with Far Eastern Airways to provide passenger transportation and cargo transportation for cross-strait and domestic routes. The contract period is from November 1, 2019 to October 31, 2020, and the contract margin is managed at NTD 249,500 thousand.

The Company signed the cross-strait and domestic route cooperation management service contract with Far Eastern Airline. Due to the major financial difficulty of Far Eastern Airline, the Company terminated the related service for Far Eastern Airline on December 12, 2019. The Company obtained the check from Far Eastern Airlines according to the contract. Commercial paper issued by Mr. Gang-Wei Chang, the person-in-charge, with an amount of NT$249,500 thousand, and the mortgage on the real estate is the second priority; the Company has discussed the corresponding legal procedures with a lawyer to ensure the Company's equity. After the termination of the business, the management of the Company has assessed that the accounts receivable of NT$4,530 thousand and the deposit of NT$249,500 thousand on the 2019 account are unlikely to be recovered. All accounts receivable are recognized as impairment loss.

(II) Commitments

In November 2022, the Company signed the joint construction contract for the Shi Shi Section (Practical Plan), Wenshan District, Taipei City, with the landowner. The total joint construction deposit provided was NT$350,000 thousand, and the Company issued NT$ 80,000 thousand respectively for the first integration payment and NT$80,000 thousand of promissory notes from the landowner. The landowner provided a promissory note of NT$160,000 thousand as collateral, and the landowners consolidated them. As of December 31, 2022, NT$80,000 thousand of notes payable have been cashed (booked in the book as deposits). The check for the remainder of the first tranche of NT$80,000 thousand is expected to be cashed on May 28, 2023. The second tranche will be issued according to the development progress.

In December 2022, the Company signed a joint construction contract with the landowner for the construction of the Juguang Section (Juguang Project) in Wanhua District, Taipei City. delivered a check for NT$100,000 thousand into the trust account according to the progress of the consolidation, and obtained a promissory note of NT$170 thousand as collateral for the consolidation. As of December 31, 2022, the notes payable had been cashed. NT$70,000 thousand (recognized as guarantee deposits). The check for the second instalment of $170,000 thousand is expected to be cashed on September 30, 2023.

XXVIII. <u>Additional Disclosures</u>

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

1. Loans to others: Table 1.
2. Endorsements/guarantees provided: Table 2
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 3.
4. Accumulated purchase or sale of the same marketable securities for an amount exceeding NT$300 million or 20% of the paid-in capital Above: Table 4.
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 5.
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 6.

(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 on major shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage. (Table 7)

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Loans to others

January 1 to December 31, 2022

Table 1 Unit: NT$ thousand

No.	Name of financing provider	Name of counter party	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) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party	Maximum loan amount	Remarks
													Company Name	Value			
0	Tze Shin International Co., Ltd.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	Yes	$ 50,000	$ -	$ -	2.75%	Short-term financing	$ -	Operating turnover	$ -	None	None	$ 742,036 (30% of Tze Shin's net worth)	$ 989,382 (40% of Tze Shin's net worth)	
		Miramar Resort Co., Ltd.	Other receivables - related parties	Yes	148,000	-	-	3.00%	Short-term financing	-	Operating turnover	-	None	None	742,036 (30% of Tze Shin's net worth)	989,382 (40% of Tze Shin's net worth)	
		Miramar Hospitality Co., Ltd.	Other receivables - related parties	Yes	50,000	50,000	-	3.00%	Short-term financing	-	Operating turnover	-	None	None	742,036 (30% of Tze Shin's net worth)	989,382 (40% of Tze Shin's net worth)	
1	Safe Petroleum Transportation Co., Ltd.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	No	13,000	-	-	2.75%	Short-term financing	-	Operating turnover	-	None	None	Note 4	Note 4	
2	Safe Container Transportation Co., Ltd.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	No	10,000	-	-	2.75%	Short-term financing	-	Operating turnover	-	None	None	Note 4	Note 4	

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.

Note 4: Tze Shin International Co., Ltd. sold all the shares of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd. and Safe Container Transportation Co., Ltd. in November 2022 and the loaning of the funds was cancelled.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Making endorsements/guarantees for others

January 1 to December 31, 2022

Table 2

Unit: NT$ thousand

No.	Endorsing/guaranteeing company name	Endorsee		Limit of endorsements/guarantees made to a single enterprise (Note 2)	Maximum endorsement/guarantee balance for the current year (Note 4)	Endorsement/guarantee balance at year-end (Note 4)	Actual amount provided	Endorsement/guarantee amount secured by property	Ratio of cumulative endorsement and guarantee amount to net worth in the most recent financial statements (%)	Ceiling on total amount of endorsements/guarantees provided (Note 3)	Endorsement/guarantee made by parent company to subsidiary	Endorsement/guarantee provided by the subsidiary to the parent company	Provision of endorsements/guarantees to the party in China	Remarks
		Company name	Relationship (Note 5)											
0	Tze Shin International Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	(2)	$ 2,473,456	$ 5,000	$ -	$ -	$ -	-	$ 3,710,184	Y	—	—	Note 6
1	Safe Petroleum Transportation Co., Ltd.	Tze Shin International Co., Ltd.	(3)	Note 6	5,000	-	-	-	-	Note 6	—	Y	—	

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

Note 2: The limits are 100% and 30% of the net worth in the most recent financial statements of Tze Shin and Aetna, respectively.

Note 3: The caps are 150% and 50% of the net worth in the most recent financial statements of Tze Shin and Aetna, respectively.

Note 4: The amount of the endorsement and guarantee approved by the board of directors.

Note 5: There are seven types of relationship between the endorser/guarantee and the endorsed/guaranteed object, and it is sufficient to indicate the type:

(1) A business associate.

(2) Subsidiaries with more than 50% common shares held directly.

(3) A company in which more than 50% of its voting shares are held directly or indirectly by the company.

(4) A company in which the Company directly or indirectly holds more than 90% of its shares with voting rights.

(5) A company that provides mutual insurance between peers in accordance with the contract for the needs of undertaking construction projects.

(6) A company that has been endorsed and guaranteed by each of the contributing shareholders in proportion to their shareholding ratio due to a joint investment relationship.

(7) The joint and several guarantees for the performance of the pre-sale housing contract are provided by the peers in accordance with the Consumer Protection Act.

Note 6: In November 2022, Tze Shin International Co., Ltd. sold the entire equity of Safe Petroleum Transportation Co., Ltd. and canceled the endorsement and guarantee balance.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
Marketable securities held at the end of the year
December 31, 2022

Table 3 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/equity net value (Note 1)	
Tze Shin International Co., Ltd.	Common stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,100	$ 461,295	9.03	$ 461,295	Note 2
	Evergreen Marine Corp. (Taiwan) Ltd.	—	Financial assets measured at fair value through profit or loss - current	2,570	418,910	0.12	418,910	
	Yang Ming Marine Transport Corp.	—	Financial assets measured at fair value through profit or loss - current	1,100	72,050	0.03	72,050	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	500	28,500	0.19	28,500	
	Taiwan Navigation Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	600	16,140	0.14	16,140	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	100	44,850	-	44,850	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	9,500	107,350	0.28	107,350	
	Taisun Enterprise Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	1,000	32,550	0.20	32,550	
	Hermosa Optoelectronics Corporation	—	Financial assets measured at fair value through profit or loss - Current-Non-current	4,088	-	5.37	-	
	Yuhua Venture Capital Co., Ltd.	—	Financial assets measured at fair value through profit or loss - Current-Non-current	20	243	5.00	243	
	Ouhua Venture Capital Co., Ltd.	—	Financial assets measured at fair value through profit or loss - Current-Non-current	20	140	2.50	140	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	165,538	18.57	165,538	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	388	4.79	388	
	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	-	
	iOne E-Commerce Network Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
	Epoch Electronics Corp.	—	Financial assets measured at fair value through other comprehensive income - Non-current	249	-	3.83	-	
	ROSA FOODS CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-	
Miramar Hospitality Co., Ltd.	Common stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	1,350	30,982	0.61	30,982	
	China Petrochemical Development Corporation	—	Financial assets measured at fair values through other comprehensive income - current	1,734	17,136	0.05	17,136	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	1,661	10.00	1,661	
Hsin Hai Transportation & Terminal Co., Ltd.	Fund beneficiary certificate							
	Hua Nan Kirin Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	422	5,136	-	5,136	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,112	-	5,112	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,111	-	5,111	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,105	-	5,105	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,104	-	5,104	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,101	-	5,101	

Note 1: Marketable securities in this table refer to common stocks 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 have been pledged as collateral for short-term bank loans and short-term notes payable.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital.

January 1 to December 31, 2022

Table 4

Unit: Unless otherwise stated
, in Thousands of New Taiwan Dollars

Buying and selling company	Types and names of securities (Note 1)	Presentation account	Trading counterpart	Relationship	Beginning		Purchase (Note 2)		Sold (Note 2)				End of period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Book cost	Gains and Losses from Disposal	Shares	Amount
Tze Shin International Co., Ltd.	Common stock Evergreen Marine Corp. (Taiwan) Ltd.	Financial assets measured at fair value through profit or loss - current	-	-	200	$ 28,500	4,170 (Note 3)	$ 763,310 (Note 4)	1,800	$ 258,501	$ 372,900 (Note 5)	($ 114,399)	2,570	$ 418,910
Tze Shin International Co., Ltd.	Common stock IBF Financial Holdings Co., Ltd.	Financial assets measured at fair values through other comprehensive income - current	-	-	20,000	321,000	18,620	74,834 (Note 6)	29,120	359,193	288,484 (Note 5)	70,709	9,500	107,350

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and marketable securities derived from the above.

Note 2: The cumulative amount of purchases and sales should be separately calculated at the market price to determine whether it reaches NT$300 million or 20% of the paid-in capital.

Note 3: Including the 6,570 thousand shares purchased and the 2,400 thousand shares reduced by 60%.

Note 4: Including the purchase amount of NT$859,442 thousand, valuation gains and losses of NT$72,132 thousand, and refund of capital reduction of NT$ (24,000) thousand.

Note 5: Based on the cost price.

Note 6: Including the purchase amount of NT$203,208 thousand and valuation gains and losses of NT$ (128,374) thousand in the current period.

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, 2022

Table 5

Unit: Unless otherwise stated
, in Thousands of New Taiwan Dollars

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 Services	Type of related parties	Transportation revenue	($ 230,815)	57%	(Note)	$ -	—	$ 72,120	68%	

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, 2022

Table 6

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 (losses) of investees for the current year	Investment gains (losses) recognized in the current year	Remarks
				December 31, 2022	December 31, 2021	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	$ 246,379	$ 10,051	$ 6,331	Subsidiary (Note 1)
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City, TW	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	86,703	24,015	11,400	Subsidiary (Note 1)
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,908	(162)	2,568	Subsidiary (Notes 1, 2)
	Acmc Trading Co., Ltd.	Taipei City	International trade management	22,500	22,500	2,500	100.00	370	(67)	(67)	Subsidiary (Note 1)
	Safe Cargo Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight, container and related businesses	-	58,205	-	-	-	(15,429)	(15,569)	Subsidiary (Note 1, 3); The difference of NT$140 thousand is the effect of upstream trading.
	Safe Petroleum Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight and related businesses	-	26,950	-	-	-	646	648	Subsidiary (Note 1, 3); The shortfall of NT$20 thousand was the effect of upstream trading.
	Safe Container Transportation Co., Ltd.	Keelung City	Operation and investment of automobile container and related businesses	-	30,000	-	-	-	(22)	93	Subsidiary (Note 1, 3); The difference of NT$115 thousand is the effect of lateral and upstream transactions.
	Safe Logistics Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight and related businesses	-	25,000	-	-	-	(388)	(17)	Subsidiary (Note 1, 3); The difference of NT$371 thousand is the effect of lateral and upstream transactions.
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	-	(162)	-	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, the net equity recovery benefit of NT$2,568 thousand is recognized.

Note 3: Tze Shin International Co., Ltd. sold all the shares of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd. and Safe Logistics Transportation Co., Ltd. in November 2022.

TZE SHIN INTERNATIONAL CO., LTD.

Information of principal shareholders

December 31, 2022

Table 7

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.

§Table of Contents of Significant Accounting Items§

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Cash

December 31, 2022

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		190
Bank demand deposits (Note)	0.005%~0.455%	220,759
		$ 221,049

Note: Including EUR 39 thousand, converted at the exchange rate of EUR$1 = NT$32.72.

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Financial Assets at FVTPL - Current

December 31, 2022

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)	Fair value: Total price
Domestic listed (OTC) stock					
Mayer Steel Pipe Corporation	20,100	$ 350,581	$ 110,714	22.95	$ 461,295
Evergreen Marine Corp. (Taiwan) Ltd.	2,570	490,574	(71,664)	163.00	418,910
Yang Ming Marine Transport Corp.	1,100	105,178	(33,128)	65.50	72,050
ADATA Technology Co., LTD.	500	49,512	(21,012)	57.00	28,500
Taiwan Navigation Co., Ltd.	600	19,120	(2,980)	26.90	16,140
Taiwan Semiconductor Manufacturing Co., Ltd.	100	46,967	(2,117)	448.50	44,850
		$1,061,932	($ 20,187)		$1,041,745

Note 1: The fair value of domestically listed shares was calculated based on the closing price at the end of 2022.

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

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Financial Assets at FVTPL - Non-current

December 31, 2022

Table 3

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 at year-end
Domestic unlisted (non-OTC) stock				
Yuhua Venture Capital Co., Ltd.	20	$ -	$ 243	$ 243
Ouhua Venture Capital Co., Ltd.	20	84	56	140
Hermosa Optoelectronics Corporation	4,088	16,501	(16,501)	-
		$ 16,585	($ 16,202)	$ 383

Note 1: As of the end of 2022, the Company had not provided any collateral or pledged financial assets at fair value through profit or loss - non-current.

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Changes in Investment Using the Equity Method

2022

Table 4 | Unit: NT$ thousand

Investee	Balance at the beginning of the year		Changes in the current year: Increase		Changes in the current year: Decrease		Changes in the current year: Investment income (loss)	Year-end balance			Remarks
	Shares (Thousand)	Amount	Shares (Thousand)	Amount	Shares (Thousand)	Amount	(Note 1)	Shares (Thousand)	% of shareholding	Amount	
Investment accounted for under the equity method											
Non-listed and GTSM-listed company											
Miramar Hospitality Co., Ltd.	23,442	$ 251,478	-	$ -	-	$ 11,430	$ 6,331	23,442	62.99	$ 246,379	Note 2
Hsin Hai Transportation & Terminal Co., Ltd.	2,452	82,989	-	-	-	7,686	11,400	2,452	47.47	86,703	Note 3
Miramar Resort Co., Ltd.	40,070	5,340	-	-	-	-	2,568	40,070	66.18	7,908	Note 4
Acmc Trading Co., Ltd.	2,500	437	-	-	-	-	(67)	2,500	100.00	370	
Safe Cargo Transportation Co., Ltd.	5,500	6,451	-	-	5,500	(9,118)	(15,569)	-	-	-	Note 6
Safe Petroleum Transportation Co., Ltd.	2,500	35,276	-	-	2,500	35,924	648	-	-	-	Notes 5 and 6
Safe Container Transportation Co., Ltd.	3,000	25,918	-	-	3,000	26,011	93	-	-	-	Note 6
Safe Logistics Transportation Co., Ltd.	2,500	4,363	-	-	2,500	4,346	(17)	-	-	-	Note 6
		$ 412,252		$ -		$ 76,279	$ 5,387			$ 341,360	

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

Note 2: The decrease this year is due to the cash dividends distributed by the investee of NT$6,096 thousand and the other comprehensive income (loss) of subsidiaries, associates and joint ventures recognized under the equity method of NT$5,334 thousand.

Note 3: The decrease this year is due to the cash dividends distributed by the investee of NT$8,485 thousand and the other comprehensive income (loss) of subsidiaries, associates and joint ventures recognized under the equity method of NT$799 thousand.

Note 4: The Company's shares of Miramar Resort Co., Ltd. include 17,570 thousand common shares and 22,500 thousand preferred shares, of which NT$2,568 thousand was recognized as the net value recovery gain.

Note 5: The decrease this year is due to the cash dividend distributed by the investee of NT$2,137 thousand and the book value of disposal of the investee of NT$33,787 thousand.

Note 6: The decrease this year is due to the Company's disposal of the entire equity of the investee in November 2022.

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Short-Term Bank Borrowings

December 31, 2022

Table 5

Unit: NT$ thousand

Type of borrowings and creditors	Duration of the loan	Annual interest rate (%)	Amount	Financing limit	Assets pledged
Bank mortgage					
First Bank	—	-	$ -	$ 20,000	Financial assets measured at fair value through profit or loss - current (Note 1)
Hua Nan Bank	—	-	-	35,000	Lease of land (Lungjing-Chungho Section, Taichung)
Chang Hwa Bank	—	-	-	50,000	Building and land under construction (Additional investment section, Wanli District, New Taipei City)
Chang Hwa Bank	—	-	-	50,000	Financial assets measured at fair value through profit or loss - current (Note 2)
Bank of Panshin	—	-	-	30,000	Financial assets at fair value through profit or loss - current (Note 3)
The Shanghai Commercial & Savings Bank, Ltd.	—	-	-	33,000	Financial assets measured at FVTPL - current or financial assets measured at FVTPL - current (Note 4)
			-	218,000	
Bank credit loan					
Taiwan Cooperative Bank	—	-	-	55,000	
Bank of Taiwan	—	-	-	30,000	
Bank of Panshin	—	-	-	20,000	
Hua Nan Bank	—	-	-	10,000	
			-	115,000	
			$ -	$ 333,000	

Note 1: 2,800 thousand shares in Mayer Steel Pipe Corporation.
Note 2: 4,000 thousand shares in Mayer Steel Pipe Corporation.
Note 3: 2,400 thousand shares in Mayer Steel Pipe Corporation.
Note 4: The stocks of IBF Financial Corporation or Evergreen Maritime will be used as collateral, with a pledge of 50%.
Note 5: As of the end of 2022, the Company's short-term financing facilities offered by all banks amounted to approximately NT$333,000 thousand, and the unused short-term financing facilities amounted to approximately NT$333,000 thousand.

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Net Operating Income

2022

Table 6 Unit: NT$ thousand

Item	Amount
Total operating revenue	
Transportation revenue	
Container transportation	$ 103,901
Others	11,580
	115,481
Rental income	10,834
Others	1,518
Total operating revenue	127,833
Less: Operating discount	(105)
Net revenue	$ 127,728

Tze Shin International Co., Ltd.

Statement of Operating Costs

2022

Table 7 Unit: NT$ thousand

Item	Amount
Transportation cost	
Freight expenses	$ 86,207
Others	8,910
	95,117
Lease cost	4,859
Other costs	2,574
	$ 102,550

TZE SHIN INTERNATIONAL CO., LTD.

Statement of Operating Expenses

2022

Table 8

Unit: NT$ thousand

Item	Transportation expenses	Construction expenses	Lease expenses	Other expenses	Total
Salaries and wages (Note 1)	$ 20,317	$ 2,195	$ 214	$ 2,854	$ 25,580
Taxation	3,176	604	45	756	4,581
Management fee	-	-	4,334	-	4,334
Service charge	2,775	561	40	683	4,059
Insurance premiums - Labor and National Health Insurance	2,589	231	22	301	3,143
Expected credit impairment loss	3,095	-	-	-	3,095
Others (Note 2)	10,250	1,020	86	1,740	13,096
	$ 42,202	$ 4,611	$ 4,741	$ 6,334	$ 57,888

Note 1: Includes salaries and directors' remuneration.

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

2022 and 2021

Table 9 Unit: NT$ thousand

	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salary expenses	$ -	$ 25,580	$ 25,580	$ -	$ 28,774	$ 28,774
Labor and health insurance	-	3,143	3,143	-	3,228	3,228
Pension costs	-	1,436	1,436	-	1,505	1,505
Profit sharing from earnings for directors	-	-	-	-	3,031	3,031
Other employee benefits expense	-	1,687	1,687	-	3,116	3,116
	$ -	$ 31,846	$ 31,846	$ -	$ 39,654	$ 39,654
Depreciation	$ 11,499	$ 2,571	$ 14,070	$ 12,584	$ 2,736	$ 15,320
Amortization expenses	$ -	$ 116	$ 116	$ -	$ 178	$ 178

Note 1: In 2022 and 2021, the number of employees during the year was 47 and 51, 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 2022 and 2021, the average employee benefit expenses for the year were NT$758 thousand and NT$796 thousand, respectively.

(2) In 2022 and 2021, the average employee salaries and wages for the year were NT$609 thousand and NT$626 thousand, respectively.

(3) Average employee salary expense adjustment (2.7%).

(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, 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.