

Tze Shin International Co., Ltd.
And subsidiaries

Consolidated Financial Statements
and Auditor's Review Report
Q1 2023 and 2022

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§Table of Contents§

	<u>Item</u>	<u>Pages</u>	<u>Notes to Financial statements</u>
I.	Cover page	1	-
II.	Table of Contents	2	-
III.	Auditor’s Review Report	3~4	-
IV.	Consolidated Balance Sheet	5	-
V.	Consolidated Statement of Comprehensive Income	6~7	-
VI.	Consolidated Statement of Changes in Equity	8	-
VII.	Consolidated Statement of Cash Flows	9~10	-
VIII.	Notes to Consolidated Financial Statements		
	(I) Corporate history	11	1
	(II) Date and Procedures for Passing the Financial Report	11	2
	(III) Application of New and Revised International Financial Reporting Standards	11~12	3
	(IV) Summary of Significant Accounting Policies	12~13	4
	(V) Major sources of uncertainty in major accounting judgments, estimates, and assumptions	13	5
	(VI) Contents of Significant Accounts	13~37	6-25
	(VII) Related-Party Transactions	37~40	26
	(VIII) Pledged Assets	40	27
	(IX) Material contingent liabilities and unrecognized contractual commitments	41~43	28
	(X) Losses Due to Major Disasters	-	-
	(XI) Major Subsequent Issues	-	-
	(XII) Others	-	-
	(XIII) Additional Disclosures		
	1. Information on significant transactions	43、46~48	29
	2. Information on investees	43、46~48	29
	3. Information on investments in Mainland China	43~44	29
	4. Information of principal shareholders	44、49	29
	(XIV) Segments information	44~45	30

Auditor's Review Report

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

Introduction

We have reviewed the consolidated balance sheet of Tze Shin International Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and notes to consolidated financial statements (including the summary of accounting policies) for the three months ended March 31, 2023 and 2022. The preparation of fairly presented consolidated financial based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Report" recognized and endorsed to effect by the Financial Supervisory Commission is the responsibility of the management, we are responsible for making conclusions for the consolidated financial statements in accordance with the review results.

Scope

Except for the descriptions in the "Basis for Qualified Conclusion" section, we have performed a review according to the Review Standards No.2410 "Review of Financial Statements." Procedures executed during the review of the consolidated financial statements include inquiries (primarily inquiries with personnel responsible for financial and accounting affairs), analytical procedures, and other review procedures. The scope of review is significantly less than the scope of an audit; therefore, we may not be able to come to notice of material matters that may be identified via an audit. As such, we are unable to express our audit opinion.

Basis for Qualified Conclusion

As described in Note 12 of the consolidated financial statements, the financial statements of non-significant subsidiaries included in the abovementioned financial statements for the same period are not reviewed by CPAs; their total assets as of March 31, 2023 and 2022 were NT\$8,363 thousand and NT\$94,184 thousand, accounted for 0.23% and 2.23% of consolidated total assets, respectively; their liabilities were NT\$122 thousand and NT\$11,393 thousand, accounted for 0.01% and 1.08% of the total consolidated liabilities, respectively; their consolidated comprehensive losses for the three months ended March 31, 2023 and 2022 was NT\$37 thousand and NT\$24,660 thousand, accounted for (0.19%) and (34.77)% of the consolidated total comprehensive income, respectively. Furthermore, information related to the abovementioned non-significant subsidiaries and investees disclosed in Note 29 of the consolidated financial statements has not been reviewed by CPAs.

Qualified Conclusion

Based on our review results, except for the potential adjustments to the consolidated financial statements upon the review of the financial statements and relevant information of the non-significant subsidiaries described in the "Basis for Qualified Conclusion" section accounted for

using the equity method, we have found no circumstances causing the fair presentation of the consolidated financial position of Tze Shin International Co., Ltd. and its subsidiaries as of March 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the three months ended thereof resulting from the inability in preparing the financial statements based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Report” recognized and endorsed to effect by the Financial Supervisory Commission preparing in all material perspectives.

Deloitte & Touche
CPA Han-Ni Fang

CPA Chao-Yu Chen

Approval No. of Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi No.1090347472

Approval No. of Financial Supervisory
Commission
Jin-Guan-Zheng-Shen-Zi No.1110348898

May 12, 2023

Notice to Readers

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

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

Tze Shin International Co., Ltd. and its subsidiaries
Consolidated Balance Sheet
March 31, 2023 and December 31 and March 31, 2022

Unit: NT\$ thousand

Code	Assets	March 31, 2023 (reviewed)		December 31, 2022 (audited)		March 31, 2022 (reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note 6)	\$ 328,389	9	\$ 347,821	10	\$ 426,958	10
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 27)	1,138,905	31	1,103,396	31	1,278,031	30
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 8 and 27)	129,469	4	157,036	4	502,948	12
1136	Financial assets measured at amortized cost - current (Notes 9 and 27)	23,700	1	23,800	1	35,250	1
1150	Net notes receivable (Notes 10 and 21)	6,315	-	7,146	-	5,022	-
1160	Notes receivable - related parties (Notes 10, 21 and 26)	31,932	1	34,753	1	43,104	1
1170	Net accounts receivable (Notes 10 and 21)	40,762	1	39,519	1	68,647	2
1180	Accounts receivable - related parties (Notes 10, 21 and 26)	34,855	1	37,367	1	40,715	1
1200	Net other receivables (Notes 10 and 26)	5,876	-	5,406	-	32,681	1
1210	Other receivables - related parties (Note 10)	-	-	270	-	-	-
1310	Net inventory (Notes 11, 26, and 27)	194,593	5	166,832	5	168,921	4
1410	Pre-payments (Note 26)	17,830	1	19,183	-	24,771	-
1476	Other financial assets - current (Note 27)	15,858	-	7,200	-	3,365	-
1479	Other current assets (Notes 4 and 23)	7,334	-	5,221	-	3,797	-
11XX	Total current assets	<u>1,975,818</u>	<u>54</u>	<u>1,954,950</u>	<u>54</u>	<u>2,634,210</u>	<u>62</u>
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	362	-	383	-	1,083	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	174,061	5	167,587	5	269,207	6
1600	Property, plant and equipment (Notes 13 and 27)	229,969	6	225,360	6	234,440	6
1755	Right-of-use assets (Note 14)	511,105	14	506,851	14	524,906	13
1760	Investment property (Note 15)	30,026	1	30,026	1	30,026	1
1780	Intangible assets (Notes 16, 27, and 28)	501,395	13	416,257	12	431,936	10
1840	Deferred income tax assets (Notes 4 and 23)	100,927	3	96,909	3	96,500	2
1920	Refundable deposits (Note 28)	152,357	4	152,044	4	2,566	-
1975	Net defined benefit assets (Notes 4 and 19)	611	-	610	-	-	-
1980	Other financial assets - non-current (Note 27)	3,005	-	3,005	-	3,000	-
1990	Other non-current assets (Notes 27 and 28)	661	-	39,865	1	455	-
15XX	Total non-current assets	<u>1,704,479</u>	<u>46</u>	<u>1,638,897</u>	<u>46</u>	<u>1,594,119</u>	<u>38</u>
1XXX	Total liabilities and equity	<u>\$ 3,680,297</u>	<u>100</u>	<u>\$ 3,593,847</u>	<u>100</u>	<u>\$ 4,228,329</u>	<u>100</u>
	Financial liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 17 and 27)	\$ 160,000	4	\$ 130,000	4	\$ 100,000	2
2150	Notes payable	17,913	1	30,470	1	29,468	1
2160	Notes payable - related party (Note 26)	11,628	-	10,522	-	15,187	-
2170	Accounts payable	38,354	1	22,726	1	25,834	1
2180	Accounts payable - related parties (Note 26)	4,033	-	5,462	-	7,217	-
2200	Other payables (Notes 18 and 26)	78,797	2	79,090	2	269,415	6
2220	Other payables - related parties	683	-	41	-	-	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	6,640	-	5,664	-	591	-
2280	Lease liabilities - current (Note 14)	22,225	1	17,464	1	20,018	1
2320	Long-term borrowings due within one year (Notes 17 and 27)	19,577	1	10,000	-	10,000	-
2399	Other current liabilities	13,662	-	15,189	-	18,078	1
21XX	Total current liabilities	<u>373,512</u>	<u>10</u>	<u>326,628</u>	<u>9</u>	<u>495,808</u>	<u>12</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 17 and 27)	67,177	2	30,833	1	38,333	1
2570	Deferred tax liabilities	3	-	11	-	-	-
2580	Lease liabilities - non-current (Note 14)	487,946	13	504,763	14	501,293	12
2640	Net defined benefit liabilities (Notes 4 and 19)	5,478	-	5,358	-	9,095	-
2645	Guarantee deposits	225	-	175	-	285	-
2670	Other non-current liabilities (Notes 4 and 23)	11,914	1	11,914	-	12,962	-
25XX	Total non-current liabilities	<u>572,743</u>	<u>16</u>	<u>553,054</u>	<u>15</u>	<u>561,968</u>	<u>13</u>
2XXX	Total liabilities	<u>946,255</u>	<u>26</u>	<u>879,682</u>	<u>24</u>	<u>1,057,776</u>	<u>25</u>
	Equity attributable to owners of the Company (Note 20)						
3110	Ordinary shares	<u>1,890,023</u>	<u>51</u>	<u>1,890,023</u>	<u>53</u>	<u>1,718,202</u>	<u>41</u>
3220	Capital reserve	<u>20,857</u>	<u>1</u>	<u>20,857</u>	<u>-</u>	<u>20,858</u>	<u>-</u>
	Retained earnings						
3310	Legal reserve	309,697	8	309,697	9	272,218	7
3350	Unappropriated earnings	169,849	5	153,135	4	559,499	13
3300	Total retained earnings	<u>479,546</u>	<u>13</u>	<u>462,832</u>	<u>13</u>	<u>831,717</u>	<u>20</u>
3400	Other equity	<u>106,782</u>	<u>3</u>	<u>99,744</u>	<u>3</u>	<u>350,582</u>	<u>8</u>
31XX	Total equity of the owner of the Company	<u>2,497,208</u>	<u>68</u>	<u>2,473,456</u>	<u>69</u>	<u>2,921,359</u>	<u>69</u>
36XX	Non-controlling interests	<u>236,834</u>	<u>6</u>	<u>240,709</u>	<u>7</u>	<u>249,194</u>	<u>6</u>
3XXX	Total Equity	<u>2,734,042</u>	<u>74</u>	<u>2,714,165</u>	<u>76</u>	<u>3,170,553</u>	<u>75</u>
	Total Liabilities and Equity	<u>\$ 3,680,297</u>	<u>100</u>	<u>\$ 3,593,847</u>	<u>100</u>	<u>\$ 4,228,329</u>	<u>100</u>

The notes constitute a part of the financial statements.
(Please refer to the review report of Deloitte & Touche dated May 12, 2023)

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

Tze Shin International Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the three months ended March 31, 2023 and 2022
(only reviewed, instead of being audited according to the audit standards)

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

Code		For the three months ended March 31, 2023		For the three months ended March 31, 2022	
		Amount	%	Amount	%
4000	Net operating revenue (Notes 21 and 26)	\$ 130,000	100	\$ 208,058	100
5000	Operating cost (Notes 11, 19, 22 and 26)	<u>116,495</u>	<u>89</u>	<u>154,395</u>	<u>74</u>
5950	Gross profit	<u>13,505</u>	<u>11</u>	<u>53,663</u>	<u>26</u>
	Operating expense				
6200	Operating expense (Notes 19, 22, 26, and 28)	36,485	28	44,505	22
6450	Expected credit impairment loss (Note 10)	<u>78</u>	<u>-</u>	<u>-</u>	<u>-</u>
6000	Subtotal	<u>36,563</u>	<u>28</u>	<u>44,505</u>	<u>22</u>
6900	Net operating (loss) profit	(<u>23,058</u>)	(<u>17</u>)	<u>9,158</u>	<u>4</u>
	Non-operating income and expenses				
7100	Interest income	269	-	434	-
7010	Other income (Notes 22 and 26)	5,086	4	13,673	7
7020	Other gains and losses (Note 22)	24,625	19	21,578	10
7050	Financial costs (Note 22)	(<u>3,694</u>)	(<u>3</u>)	(<u>2,975</u>)	(<u>1</u>)
7000	Subtotal	<u>26,286</u>	<u>20</u>	<u>32,710</u>	<u>16</u>

(Cont'd)

(Cont'd)

Code		For the three months ended March 31, 2023		For the three months ended March 31, 2022	
		Amount	%	Amount	%
7900	Net profit before tax	\$ 3,228	3	\$ 41,868	20
7950	Income tax (gains) expenses (Notes 4 and 23)	(3,050)	(2)	1,341	1
8000	Net profit for the period	<u>6,278</u>	<u>5</u>	<u>40,527</u>	<u>19</u>
	Other comprehensive income				
8310	Not to be reclassified to profit or loss in subsequent periods:				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	<u>13,599</u>	<u>10</u>	<u>30,392</u>	<u>15</u>
8500	Total comprehensive income (loss) for the year	<u>\$ 19,877</u>	<u>15</u>	<u>\$ 70,919</u>	<u>34</u>
	Net profit attributable to				
8610	Owner of the Company	\$ 10,216	8	\$ 31,940	15
8620	Non-controlling interests	(3,938)	(3)	8,587	4
8600		<u>\$ 6,278</u>	<u>5</u>	<u>\$ 40,527</u>	<u>19</u>
	Comprehensive income attributable to				
8710	Owner of the Company	\$ 23,752	18	\$ 62,974	30
8720	Non-controlling interests	(3,875)	(3)	7,945	4
8700		<u>\$ 19,877</u>	<u>15</u>	<u>\$ 70,919</u>	<u>34</u>
	Earnings per share (Note 24)				
9710	Basic	<u>\$ 0.05</u>		<u>\$ 0.17</u>	
9810	Diluted	<u>\$ 0.05</u>		<u>\$ 0.17</u>	

The notes constitute a part of the financial statements.

(Please refer to the review report of Deloitte & Touche dated May 12, 2023)

Chairman:
Chun-Fa Huang

Managerial Officer:
Ming-Tan Hsu

Head-Finance & Accounting:
Chien-I Kao

Tze Shin International Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the three months ended March 31, 2023 and 2022
(only reviewed, instead of being audited according to the audit standards)

Unit: NT\$ thousand

Equity attributable to owners of the Company (Notes 8 and 20)													
Code		Share capital	Capital reserve				Retained earnings			Other equity	Total equity of the owner of the Company	Non-controlling interests (Note 20)	Total equity
			Treasury stock trading	Statement for the recognition of changes in ownership interests of subsidiaries	Others	Total	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income			
A1	Balance as of January 1, 2022	\$ 1,718,202	\$ 20,348	\$ 18	\$ 492	\$ 20,858	\$ 272,218	\$ 698,489	\$ 970,707	\$ 320,438	\$ 3,030,205	\$ 241,249	\$ 3,271,454
B5	Appropriations and distributions of 2021 earnings Cash dividends for shareholders of the Company	-	-	-	-	-	-	(171,820)	(171,820)	-	(171,820)	-	(171,820)
D1	Net profit for the three months ended March 31, 2022	-	-	-	-	-	-	31,940	31,940	-	31,940	8,587	40,527
D3	Other comprehensive income after tax for the three months ended March 31, 2022	-	-	-	-	-	-	-	-	31,034	31,034	(642)	30,392
D5	Total comprehensive income after tax for the three months ended March 31, 2022	-	-	-	-	-	-	31,940	31,940	31,034	62,974	7,945	70,919
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	890	890	(890)	-	-	-
Z1	Balance as of March 31, 2022	\$ 1,718,202	\$ 20,348	\$ 18	\$ 492	\$ 20,858	\$ 272,218	\$ 559,499	\$ 831,717	\$ 350,582	\$ 2,921,359	\$ 249,194	\$ 3,170,553
A1	Balance as of January 1, 2023	\$ 1,890,023	\$ 20,348	\$ 18	\$ 491	\$ 20,857	\$ 309,697	\$ 153,135	\$ 462,832	\$ 99,744	\$ 2,473,456	\$ 240,709	\$ 2,714,165
D1	Net profit for the three months ended March 31, 2023	-	-	-	-	-	-	10,216	10,216	-	10,216	(3,938)	6,278
D3	Other comprehensive income after tax for the three months ended March 31, 2023	-	-	-	-	-	-	-	-	13,536	13,536	63	13,599
D5	Total comprehensive income after tax for the three months ended March 31, 2023	-	-	-	-	-	-	10,216	10,216	13,536	23,752	(3,875)	19,877
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	6,498	6,498	(6,498)	-	-	-
Z1	Balance as of March 31, 2023	\$ 1,890,023	\$ 20,348	\$ 18	\$ 491	\$ 20,857	\$ 309,697	\$ 169,849	\$ 479,546	\$ 106,782	\$ 2,497,208	\$ 236,834	\$ 2,734,042

The notes below constitute a part of the financial statements.

(Please refer to the review report of Deloitte & Touche dated May 12, 2023)

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Cash Flows

For the three months ended March 31, 2023 and 2022

(only reviewed, instead of being audited according to the audit standards)

Unit: NT\$ thousand

Code		For the three months ended March 31, 2023	For the three months ended March 31, 2022
	Cash flows from operating activities		
A00010	Net profit before tax	\$ 3,228	\$ 41,868
	Adjustments to reconcile profit (loss):		
A20100	Depreciation	11,422	13,639
A20200	Amortization expenses	5,129	5,227
A20300	Expected credit impairment loss	78	-
A20400	Net gains from financial assets at fair value through profit or loss	(24,124)	(21,684)
A20900	Finance costs	3,694	2,975
A21200	Interest income	(269)	(434)
A22500	Gains from the disposal and scrap of property, plant, and equipment	(597)	-
A22800	Loss of disposal of intangible assets	1	-
A23800	Price recovery benefit for inventory	(112)	(25)
A29900	Others	230	356
	Net change in operating assets and liabilities		
A31130	Notes receivable	831	1,409
A31140	Notes receivable - related parties	2,821	3,010
A31150	Accounts receivables	(1,279)	2,423
A31160	Accounts receivable - related parties	2,512	5,518
A31180	Other receivables	(609)	(15,107)
A31190	Other receivables - related parties	270	-
A31200	Inventories	(27,649)	300
A31230	Prepayments	(2,584)	8,469
A31240	Other current assets	(2,100)	(335)
A32130	Notes payable	(12,557)	(12,590)
A32140	Notes payable - related parties	1,106	1,656
A32150	Accounts payable	15,628	(2,919)
A32160	Accounts payable - related parties	(1,429)	(810)
A32180	Other payables	(128)	(22,811)
A32190	Other payables - related parties	642	-
A32230	Other current liabilities	(1,534)	(8,457)
A32240	Net defined benefit assets and liabilities	119	208
A33000	Cash flow from operations	(27,260)	1,886

(Cont'd)

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<u>Code</u>		<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
A33300	Interest paid	(\$ 1,547)	(\$ 2,975)
A33500	Income tax (paid) received	(13)	334
AAAA	Net cash outflow from operating activities	(28,820)	(755)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(11,993)	(43,797)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	46,685	2,428
B00040	Acquisition of financial assets at amortized cost	(300)	-
B00050	Disposal of financial assets measured at amortized cost	400	-
B00100	Acquisition of financial assets at fair value through profit or loss	(91,994)	(540,241)
B00200	Disposal of financial assets at fair value through profit or loss	80,630	137,446
B02700	Acquisition of property, plant and equipment	(9,434)	(1,683)
B02800	Disposal of property, plant and equipment prices	619	-
B03700	Increase in refundable deposits	(313)	(391)
B04500	Acquisition of intangible assets	(90,268)	(70)
B06500	Increase in their financial assets	(8,658)	(2,690)
B06700	Decrease of other non-current assets	39,204	1,387
B07500	Interest received	366	514
BBBB	Net cash outflow from financing activities	(45,056)	(447,097)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	30,000	-
C00200	Decrease in short-term borrowings	-	(30,000)
C01600	Increase in long-term loans	45,921	28,333
C03100	Increase (decrease) in guarantee deposits	50	(194)
C04020	Lease liability principal repayments	(21,527)	(20,160)
C04300	Increase of other non-current liabilities	-	152
CCCC	Net cash inflow (outflow) from financing activities	54,444	(21,869)
EEEE	Net decrease in cash	(19,432)	(469,721)
E00100	Cash balance at the beginning of the period	347,821	896,679
E00200	Cash balance at the end of the period	\$ 328,389	\$ 426,958

The notes constitute a part of the financial statements.

(Please refer to the review report of Deloitte & Touche dated May 12, 2023)

Chairman:
Chun-Fa Huang

Managerial Officer:
Ming-Tan Hsu

Head-Finance & Accounting:
Chien-I Kao

Tze Shin International Co., Ltd. and its subsidiaries
Notes to Consolidated Financial Statements
For the three months ended March 31, 2023 and 2022
(only reviewed, instead of being audited according to the audit standards)
(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 consolidated financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

II. Date and Procedures for Passing the Financial Report

The financial statements were approved by the board of directors on May 12, 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 to effect by the FSC will not result in significant changes in the accounting policies of the merged company.

- (II) 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

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New/amended/revised standards and interpretations	Effective date published by IASB (Note 1)
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 are effective for the annual reporting periods beginning on or after the respective dates.

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

As of the publication date of the consolidated financial statements, the merged company continues to evaluate the impact of amendments to the above standards and interpretations on its 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 consolidated financial statements have been prepared in accordance with the IAS 34 “Interim Financial Report” endorsed and issued into effect by the FSC. The consolidated statements do not include all IFRSs disclosure information stated for the financial statements of the entire year.

(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 consolidated 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.

(III) Basis of consolidation

The consolidated financial statements contain the financial statements of the Company and the entities controlled by the Company (subsidiaries). Adjustments have been made to the financial statements of subsidiaries to bring their accounting policies into line with those of the merged company. All intra-group transactions, balances, income, and expenses are eliminated in full in the consolidated financial statements. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if the non-controlling interests become a deficit.

Please refer to Note 12 and Table 3 for details of subsidiaries, ownership percentage and business items.

(IV) Other material accounting policies

Except for the following descriptions, please refer to the summary of material accounting policies in the 2022 consolidated financial statements.

1. Defined benefits and post-employment benefits

The pension costs for the interim period adopt the pension cost rate determined based on the actuary at the end of the preceding year and is calculated based on the period from the beginning of the year to the end of the current period and adjusted in accordance with material plan modifications, settlements, or other significant one-off matters.

2. Income tax expenses

Income tax expense represents the sum of current income tax and deferred income tax. Income tax for the interim period is evaluated based on the year and calculated for the interim gains before tax by adopting the tax rate that is expected to be applicable to the annual total earnings.

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

Major sources of uncertainty in major accounting judgments, estimates, and assumptions adopted by the consolidated financial statements are equivalent to that of the 2022 consolidated financial statements.

VI. Cash

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand and working capital	\$ 1,484	\$ 1,390	\$ 1,490
Checks and demand deposits at banks	<u>326,905</u>	<u>346,431</u>	<u>425,468</u>
	<u>\$ 328,389</u>	<u>\$ 347,821</u>	<u>\$ 426,958</u>

VI. Financial instruments at fair value through profit or loss

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Financial assets - current</u>			
Mandatory measurement at fair value through profit or loss			
Non-derivative financial assets			
— Domestic listed (OTC) stock	\$ 1,108,150	\$ 1,072,727	\$ 1,198,828
— Fund beneficiary certificate	<u>30,755</u>	<u>30,669</u>	<u>79,203</u>
	<u>\$ 1,138,905</u>	<u>\$ 1,103,396</u>	<u>\$ 1,278,031</u>
<u>Financial assets - non-current</u>			
Mandatory measurement at fair value through profit or loss			
Non-derivative financial assets			
— Domestic unlisted (non-OTC) stock	<u>\$ 362</u>	<u>\$ 383</u>	<u>\$ 1,083</u>

Please refer to Note 27 for information on financial assets at fair value through profit or loss - current pledge.

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Liquidity</u>			
Domestic investment			
Listed (OTC) stock	<u>\$ 129,469</u>	<u>\$ 157,036</u>	<u>\$ 502,948</u>
<u>Non-current</u>			
Domestic investment			
Unlisted (non-OTC) stock	\$ 172,180	\$ 165,926	\$ 264,751
Foreign investment			
Unlisted (non-OTC) stock	<u>1,881</u>	<u>1,661</u>	<u>4,456</u>
	<u>\$ 174,061</u>	<u>\$ 167,587</u>	<u>\$ 269,207</u>

The merged company invests in the ordinary shares 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 merged company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

For the three months ended March 31, 2023, the merged company purchased ordinary shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at a price of NT\$5,197 thousand and NT\$6,796 thousand, respectively. As it is a mid- and long-term strategic investment, it is designated to be measured at fair value through other comprehensive gains and losses.

For the three months ended March 31, 2023, the merged company adjusted its investment position to diversify risks and successively sold some ordinary shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at fair values of NT\$10,254 thousand and NT\$36,431 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$6,498 thousand were transferred to retained earnings.

For the three months ended March 31, 2022, the merged company adjusted its investment position to diversify risks and successively sold some ordinary shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at fair values of NT\$2,240 thousand and NT\$188 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT\$890 thousand were transferred to retained earnings.

Please refer to Note 27 for information on financial assets measured at fair value through other combined profits or losses - current pledge.

IX. Financial assets at amortized cost

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Liquidity</u>			
Domestic investment			
Time deposits with an original maturity date of more than 3 months	\$ <u>23,700</u>	\$ <u>23,800</u>	\$ <u>35,250</u>

Please refer to Note 27 for information on pledged financial assets measured at amortized cost.

X. Notes receivable, accounts receivable and other receivables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Notes receivable</u>			
Measured at amortized cost			
Gross carrying amount	\$ <u>6,315</u>	\$ <u>7,146</u>	\$ <u>5,022</u>
<u>Notes receivable - related parties</u>			
Measured at amortized cost			
Gross carrying amount	\$ <u>31,932</u>	\$ <u>34,753</u>	\$ <u>43,104</u>

(Cont'd)

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	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Accounts receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 60,468	\$ 59,189	\$ 88,317
Less: loss allowance	(19,706)	(19,670)	(19,670)
	<u>\$ 40,762</u>	<u>\$ 39,519</u>	<u>\$ 68,647</u>
 <u>Accounts receivable - related parties</u>			
Measured at amortized cost			
Gross carrying amount	<u>\$ 34,855</u>	<u>\$ 37,367</u>	<u>\$ 40,715</u>
 <u>Other receivables</u>			
Measured at amortized cost			
Gross carrying amount	\$ 334,794	\$ 334,282	\$ 358,462
Less: loss allowance (Note 28)	(328,918)	(328,876)	(325,781)
	<u>\$ 5,876</u>	<u>\$ 5,406</u>	<u>\$ 32,681</u>
 <u>Other receivables - related parties</u>			
Measured at amortized cost			
Gross carrying amount	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ -</u>

The merged company's average credit period to customers is 60 to 90 days, and no interest is accrued on accounts receivable. When determining the recoverability of accounts receivable, the merged company considers the time from the original credit date to when the accounts receivable is presented in the balance sheet. Changes in credit quality during the current period.

The merged company adopts the allowance for loss of notes receivable, accounts receivable, and other receivables 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. As the merged company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the reserve matrix has not further divided the customer groups, but only uses the overdue days of notes receivable, accounts receivable, and other receivables overdue to set the ECL rate.

If there is evidence that the counterparty is facing serious financial difficulties and the merged company cannot reasonably expect to recover the amount, such as the counterparty is in liquidation, the merged company directly writes off the relevant accounts receivable, but will continue to pursue recovery activities, and the amount recovered from the recovery activities is recognized in profit or loss.

The merged company measures the loss allowance for notes receivable, accounts receivable and other receivables based on the reserve matrix as follows:

March 31, 2023

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	0.027%	5.268%	5.000%	-	100.00%	
Gross carrying amount	\$ 118,801	\$ 5	\$ 1,017	\$ -	\$ 348,541	\$ 468,364
Loss allowance (lifetime expected credit losses)	(32)	-	(51)	-	(348,541)	(348,624)
Cost after amortization	<u>\$ 118,769</u>	<u>\$ 5</u>	<u>\$ 966</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 119,740</u>

December 31, 2022

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	0.004%	-	-	-	100.00%	
Gross carrying amount	\$ 124,324	\$ 142	\$ -	\$ -	\$ 348,541	\$ 473,007
Loss allowance (lifetime expected credit losses)	(5)	-	-	-	(348,541)	(348,546)
Cost after amortization	<u>\$ 124,319</u>	<u>\$ 142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 124,461</u>

March 31, 2022

	<u>Not overdue</u>	<u>Past due by 1 to 60 days</u>	<u>Past due by 61 to 90 days</u>	<u>Past due by 91 to 180 days</u>	<u>Overdue for more than 180 days</u>	<u>Total</u>
Expected credit loss rate	0.004%	-	-	-	100.00%	
Gross carrying amount	\$ 190,169	\$ -	\$ -	\$ -	\$ 345,451	\$ 535,620
Loss allowance (lifetime expected credit losses)	-	-	-	-	(345,451)	(345,451)
Cost after amortization	<u>\$ 190,169</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 190,169</u>

Information on changes in loss allowances is as follows:

	<u>2023</u>	<u>2022</u>
Balance at the beginning of the period	\$ 348,546	\$ 345,451
Add: Provision of impairment loss	<u>78</u>	<u>-</u>
Balance at the end of the period	<u>\$ 348,624</u>	<u>\$ 345,451</u>

However, due to significant financial difficulties, Far Eastern has entered into a cross-strait and domestic airline cooperative management services contract with Far Eastern Airlines. According to the estimation of the management of the Company, as of December 31, 2019, the accounts receivable of NT\$4,530 thousand and refundable deposits of NT\$249,500 thousand are unlikely to be recovered; therefore, loss allowance had been fully provided for refundable deposits transferred to classified other receivable, together with accounts receivable. For relevant description, please refer to Note 28.

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 March 31, 2023 and December 31 and March 31, 2022, NT\$51,521 thousand, NT\$51,521 thousand, and NT\$51,281 thousand were recognized as other receivables in the aggregate amount uncollected with loss allowance fully provided for.

XI. Net inventories

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Building and land under construction	\$ 186,710	\$ 160,277	\$ 159,361
Commodities	5,677	5,713	8,277
Food and beverage	1,820	456	896
Materials	386	386	387
	<u>\$ 194,593</u>	<u>\$ 166,832</u>	<u>\$ 168,921</u>

For the three months ended March 31, 2023 and 2022, the cost of goods sold, including the gains on the falling value of inventories and obsolete recovery, were NT\$112 thousand and NT\$25 thousand, which were due to the sale of inventories of obsolete home appliances in the year.

Please refer to Note 27 for the amount of buildings under construction and land pledged for borrowings.

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements

The entities preparing the consolidated financial statements are as follows:

<u>Name of the investors</u>	<u>Name of subsidiaries</u>	<u>Main Business Activity</u>	<u>Percentage of shareholding</u>			<u>Explanation</u>
			<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>	
The company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	62.99%	62.99%	62.99%	1.
	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	66.18%	66.18%	66.18%	2.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses	47.47%	47.47%	47.47%	3.
	ACMC TRADING CO., LTD. (ACMC Trading)	International trade management	100.00%	100.00%	100.00%	-
	Safe Cargo Transportation Co., Ltd. (An Ho Transportation)	Operation and investment of automobile freight, container and related businesses	-	-	100.00%	4.
	Safe Petroleum Transportation Co., Ltd. (Safe Petroleum Transportation)	Operation and investment of automobile freight and related businesses	-	-	100.00%	4.
	Safe Container Transportation Co., Ltd. (Safe Container Transportation)	Operation and investment of automobile container and related businesses	-	-	100.00%	4.
	Safe Logistics Transportation Co., Ltd. (Safe Logistics Transportation)	Operation and investment of automobile freight and related businesses	-	-	100.00%	4.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	13.33%	2.

Remarks:

1. It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
2. The Company directly and indirectly holds 79.51% of the shares of Miramar Resort Co., Ltd., so it has the ability to control, so it is included in the consolidated financial statements as an entity.
3. As the legal representative of our company occupies more than half of the director seats in Hsin Hai Transportation, we have control over the company and therefore include it as a subsidiary in our consolidated financial statements.
4. The Company disposed of the entire equity 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. The proceeds from the disposal and the profits were NT\$73,778 thousand and NT\$18,752 thousand, respectively, which were completed and recovered at the end of November 2022.
5. As of March 31, 2023 and 2022, except for the financial statements of Hsin Hai Transportation and Miramar Hospitality that were reviewed by CPAs as they are material subsidiaries, financial statements of other non-material subsidiaries were not reviewed by CPAs.

(II) Subsidiaries with significant non-controlling equity

Name of subsidiaries	Principal place of business	Percentage of shareholding and voting rights held by non-controlling interests		
		March 31, 2023	December 31, 2022	March 31, 2022
Miramar Hospitality Co., Ltd.	Taipei City	37.01%	37.01%	37.01%

XIII. Property, plant and equipment

	March 31, 2023	December 31, 2022	March 31, 2022
Land	\$ 156,144	\$ 156,144	\$ 156,144
Building	10,314	10,434	10,799
Transportation equipment	45,843	49,891	56,593
Office equipment	5,280	5,507	6,873
Restaurant and hotel equipment	12,388	3,384	4,031
	<u>\$ 229,969</u>	<u>\$ 225,360</u>	<u>\$ 234,440</u>

On October 21, 2022, in line with the government's deregulation policy, Miramar Hospitality withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operations. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. For the three months ended

March 31, 2023, there was an addition of restaurant and hotel equipment in the amount of NT\$9,400.

Except for the abovementioned descriptions and the depreciation expenses recognized, the property, plant and equipment of the merged company had no material addition, disposal, or impairment for the three months ended March 31, 2023 and 2022. Depreciation expenses are calculated on a straight-line basis over their estimated useful lives, as shown in the following:

Building	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 20 years
Restaurant and hotel equipment	5 to 15 years

Please refer to Note 27 for the amount of property, plant and equipment pledged by the merged company as collateral for borrowings.

XIV. Lease agreement

(I) Right-of-use assets

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Book value of right-of-use assets			
Land	\$ 508,665	\$ 504,275	\$ 521,733
Building	2,440	2,576	2,982
Power-saving equipment	-	-	191
	<u>\$ 511,105</u>	<u>\$ 506,851</u>	<u>\$ 524,906</u>

	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Increase in right-of-use assets		
Land	<u>\$ 10,873</u>	<u>\$ -</u>
Depreciation expense of right-of-use assets		
Land	\$ 6,484	\$ 6,883
Building	135	135
Power-saving equipment	-	286
	<u>\$ 6,619</u>	<u>\$ 7,304</u>

(II) Lease liabilities

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Book value of lease liabilities			
Liquidity	<u>\$ 22,225</u>	<u>\$ 17,464</u>	<u>\$ 20,018</u>
Non-current	<u>\$ 487,946</u>	<u>\$ 504,763</u>	<u>\$ 501,293</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Land	1.70%~1.95%	1.70%~1.76%	1.70%~1.76%
Building	1.70%	1.70%	1.70%
Power-saving equipment	1.81%	1.81%	1.81%

(III) Significant lease activities and terms and conditions

The merged company rents certain lands and buildings for office use with lease terms of 1 to 50 years. The merged company does not have preferential rights to acquire the land and buildings leased at the end of the lease term.

On March 11, 2004, Miramar Hospitality Co., Ltd. leased 3,810 square meters of land from the Tourism Bureau, Ministry of Transportation and Communications. The rental was calculated and charged at 5% per annum based on the land price announced for the current period as stated in the contract according to the “Operation Directions for Establishment of Superficies on National Non-public Use Land.” The aforementioned rent shall be adjusted when the land price adjustment is announced. However, if the difference between the land price increase announced in the future and the land price increase estimated in the financial plan of the investment implementation plan is too large, one may refer to the newly added Paragraph 3 of Article 2 of “Guidelines for Promoting Private Participation in Public Construction, Lease of Public Land and Setting Preferential Rents for Superficial Rights” which stipulates that “During the construction and operation of public construction, if the reported land price of the required land for the year and the land price estimated in the original financial plan increase by more than 50%, the sponsoring authority may reduce the payable rent at its discretion.” a separate version was drafted in consultation with the State-owned Property Bureau, Ministry of Finance. The duration of the surface right is 50 years from the date of development and operation.

Due to the impact of the COVID-19 epidemic on the market economy, Miramar Hospitality Co., Ltd. negotiated with the Tourism Bureau, MOTC, on a land lease agreement. The Tourism Bureau MOTC agreed to unconditionally adjust and reduce the rent amount from January 1 to December 31, 2022 by 20%. Hsin Hai Transportation & Terminal Co., Ltd. has negotiated a land lease with Taiwan Sugar Corporation Kaohsiung Branch. Taiwan Sugar Corporation Kaohsiung Branch agreed to unconditionally reduce the rent by 20% for the year ended December 31, 2022. The effect of the aforementioned rent concessions recognized by the merged company for the three months ended on March 31, 2022 was NT\$1,027 thousand (stated as other gains and losses), respectively.

(IV) Other lease information

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Expenses relating to short-term leases	\$ <u>382</u>	\$ <u>120</u>
Lease expenses of low-value assets	\$ <u>144</u>	\$ <u>90</u>
Total cash (outflow) of leases	(\$ <u>22,053</u>)	(\$ <u>22,746</u>)

XV. Investment property

	March 31, 2023	December 31, 2022	March 31, 2022
Land			
Keelung Nuan-Nuanyuan Section	\$ <u>30,026</u>	\$ <u>30,026</u>	\$ <u>30,026</u>

The fair value of the merged company's investment property was evaluated by Ching-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. As there is no significant change in the transaction price of real estate in this area, the fair value as of March 31, 2023, December 31, 2022, and March 31, 2022 should not be significantly different from the fair value evaluated by the unrelated independent appraiser.

XVI. Intangible assets

	March 31, 2023	December 31, 2022	March 31, 2022
Operating concession	\$ 501,356	\$ 416,208	\$ 431,814
Computer software	<u>39</u>	<u>49</u>	<u>122</u>
	<u>\$ 501,395</u>	<u>\$ 416,257</u>	<u>\$ 431,936</u>

On October 21, 2022, in line with the government's deregulation policy, Miramar Hospitality withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operations. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. For the three months ended March 31, 2023, there was an addition of operating royalty cost in the amount of NT\$90,268 thousand.

Except for the abovementioned descriptions and the amortization expenses recognized, the intangible assets of the merged company had no material addition, disposal, or impairment for the three months ended March 31, 2023 and 2022. Amortization expenses are accrued on a straight-line basis over the following useful years:

Computer software	3-5 years
Operating concession	2-48 years

The abovementioned operating royalty cost was NT\$501,356 thousand and cumulative amortization was NT\$973,316 thousand and NT\$471,960 thousand, respectively, on March 31, 2023. The cost includes the royalty of NT\$27,000 thousand and the planning fee of NT\$2,390 thousand that was paid for signing the “Development and Operation Agreement for Private Participation in the Construction of Affordable Hotels in Taipei” with the Tourism Bureau of Ministry of Transportation and Miramar Hospitality Co., Ltd. Also, the construction cost was NT\$943,926 thousand.

Please refer to Note 27 for the amount of intangible assets pledged for borrowings.

XVII. Borrowings

(I) Short-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Secured borrowings (Note 27)			
Bank loan	<u>\$ 160,000</u>	<u>\$ 130,000</u>	<u>\$ 100,000</u>

The interest rate of secured borrowings as of March 31, 2023 and December 31 and March 31, 2022 was 2.100%~2.734%, 2.035%~2.604%, and 1.71%.

(III) Long-term borrowings

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>Secured borrowings</u> (Note 27)			
Bank mortgage	\$ 66,754	\$ 20,833	\$ 28,333
<u>Unsecured borrowings</u>			
Borrowings against credit lines	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>
	86,754	40,833	48,333
Less: Portion of long-term borrowings due within one year	<u>(19,577)</u>	<u>(10,000)</u>	<u>(10,000)</u>
	<u>\$ 67,177</u>	<u>\$ 30,833</u>	<u>\$ 38,333</u>
Maturity date of mortgage repayment	114.1.17~ 117.1.30	113.1.17	113.1.17
Repayment maturity date of unsecured borrowings	115.9.3	115.5.4~9.3	115.5.4~9.3

Secured bank borrowings are secured by the certificates of term deposits, land, buildings, operating royalty, and development royalty (please refer to Note 27) of the merged company; as of March 31, 2023 and December 31 and March 31, 2022, the effective interest rate was 2.325%~2.595%, 2.47% and 2.10%, respectively.

The interest rate of the unsecured borrowings was 2.47%, 1.85%, and 1.85% as of March 31, 2023 and December 31 and March 31, 2022, respectively, belongs to the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XVIII. Other payables

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Payroll payable	\$ 24,281	\$ 33,547	\$ 27,007
Premium payable	17,955	15,557	23,075
Tax payable	912	6,471	-
Remuneration payable to directors	845	740	3,618
Remuneration payable to employees	845	740	3,618
Dividends payable	-	-	173,958
Stock settlement payable	-	4,912	-
Others	33,959	17,123	38,139
	<u>\$ 78,797</u>	<u>\$ 79,090</u>	<u>\$ 269,415</u>

XIX. Post-employment benefit plan

Relevant pension costs recognized under the defined benefit plan for the three months ended March 31, 2023 and 2022 were calculated based on the pension cost rate determined through an actuary as of December 31, 2023 and 2022, and the amount was NT\$287 thousand and NT\$224 thousand, respectively.

XX. Equity

(I) Share capital

Ordinary shares

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Number of shares (thousand)	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Authorized capital	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>	<u>\$ 2,500,000</u>
Number of shares issued and fully paid (thousand shares)	<u>189,002</u>	<u>189,002</u>	<u>171,820</u>
Issued capital stock	<u>\$ 1,890,023</u>	<u>\$ 1,890,023</u>	<u>\$ 1,718,202</u>

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

On June 24, 2022, the Company passed the capitalization of retained earnings for issuance of NT\$171,821 thousand new shares, and 17,182 thousand new shares with a par value of NT\$10 per share. The record date for recapitalization of earnings was

set by the Financial Supervisory Commission on July 5, 2022, and the change registration was completed on August 22, 2022.

(II) Capital reserve

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
<u>May be used to offset losses, distribute cash or capitalize on capital</u> (1)			
Treasury shares transaction	\$ 20,348	\$ 20,348	\$ 20,348
<u>Can only be used to offset a deficit</u>			
Recognition of changes in ownership interests of subsidiaries (2)	18	18	18
Unclaimed dividends after expiry date	<u>491</u>	<u>491</u>	<u>492</u>
	<u>\$ 20,857</u>	<u>\$ 20,857</u>	<u>\$ 20,858</u>

- 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.
- 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 22(6) for the policy on 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 on 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 resolved to pass the 2021 earnings appropriation as follows:

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

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) Non-controlling interests

	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Balance at the beginning of the period	\$ 240,709	\$ 241,249
Net (loss) profit for the period	(3,938)	8,587
Other comprehensive income (loss)		
Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	<u>63</u>	<u>(642)</u>
Balance at the end of the period	<u>\$ 236,834</u>	<u>\$ 249,194</u>

XXI. Revenue

	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Revenue from contracts with customers		
Transportation revenue	\$ 97,141	\$ 137,254
Hospitality revenue	29,937	68,069
Rental income	2,892	2,704
Others	<u>30</u>	<u>31</u>
	<u>\$ 130,000</u>	<u>\$ 208,058</u>

For the breakdown of revenue from contracts with customers, please refer to Note 30.

XXII. Net profits

(I) Others

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Rental income	\$ 1,934	\$ 2,617
Subsidies income	16	10,362
Others	<u>3,136</u>	<u>694</u>
	<u>\$ 5,086</u>	<u>\$ 13,673</u>

(II) Other gains and losses

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Net gains from financial assets at fair value through profit or loss	\$ 24,124	\$ 21,684
Foreign exchange gains	15	15
Gains from the disposal and scrap of property, plant, and equipment	597	-
Others	(<u>111</u>)	(<u>121</u>)
	<u>\$ 24,625</u>	<u>\$ 21,578</u>

(III) Finance costs

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Interest on lease liabilities	\$ 2,329	\$ 2,376
Interest on bank borrowings	<u>1,365</u>	<u>599</u>
	<u>\$ 3,694</u>	<u>\$ 2,975</u>

(IV) Depreciation and amortization

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Depreciation expenses by function		
Operating cost	\$ 6,684	\$ 8,566
Operating expense	<u>4,738</u>	<u>5,073</u>
	<u>\$ 11,422</u>	<u>\$ 13,639</u>
Amortization expenses are summarized by function		
Operating cost	\$ 4,890	\$ 4,947
Operating expense	<u>239</u>	<u>280</u>
	<u>\$ 5,129</u>	<u>\$ 5,227</u>

(V) Employee benefits expense

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Post-employment benefits		
Defined contribution plan	\$ 1,938	\$ 2,553
Defined benefit plan	287	224
Other employee benefits	<u>42,506</u>	<u>59,222</u>
Total	<u>\$ 44,731</u>	<u>\$ 61,999</u>
Summary by function		
Operating cost	\$ 28,599	\$ 38,082
Operating expense	<u>16,132</u>	<u>23,917</u>
	<u>\$ 44,731</u>	<u>\$ 61,999</u>

(VI) Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at 1% and no more than 1% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. Remuneration of employees and remuneration of directors estimated for the three months ended March 31, 2023 and 2022 are as follows:

Estimated allowance

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Employee remuneration	1%	1%
Remuneration to directors	1%	1%

Amount

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Employee remuneration	<u>\$ 104</u>	<u>\$ 298</u>
Remuneration to directors	<u>\$ 104</u>	<u>\$ 298</u>

The Company recorded a loss before tax in 2022; therefore, there was no estimation of employees' remuneration and directors' remuneration.

On March 28, 2022, the board of directors resolved the compensation for employees and directors for 2021 as follows:

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 the consolidated financial statements.

If there is a change in the amount after the annual consolidated financial statements were authorized for issue, the difference is treated as a change in accounting estimate 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.

XXIII. Income tax

(I) Income tax recognized in profit or loss

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

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Current income tax		
Generated during the period	\$ 888	\$ 1,611
Adjustments made in previous years	<u>88</u>	(<u>3,006</u>)
	<u>976</u>	(<u>1,395</u>)
Deferred income tax		
Generated during the period	(<u>4,026</u>)	<u>2,736</u>
Income tax expenses recognized in profit or loss (gains)	(<u>\$ 3,050</u>)	<u>\$ 1,341</u>

(II) Authorization of income tax

The profit-seeking enterprise income tax returns of the Company and its subsidiaries have been approved by the tax collection authority up to 2021.

XXIV. Earnings per share (EPS)

	Unit: NTD per share	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Basic earnings per share	<u>\$ 0.05</u>	<u>\$ 0.17</u>
Diluted earnings per share	<u>\$ 0.05</u>	<u>\$ 0.17</u>

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:

	Before retrospective adjustment	After retrospective adjustment
	For the three months ended March 31, 2022	For the three months ended March 31, 2022
Basic earnings per share	<u>\$ 0.19</u>	<u>\$ 0.17</u>
Diluted earnings per share	<u>\$ 0.19</u>	<u>\$ 0.17</u>

The net profit and the weighted average number of ordinary shares used in the calculation of earnings per share are as follows:

Net profit for the period

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Net profit attributable to owners of the Company	<u>\$ 10,216</u>	<u>\$ 31,940</u>

Shares

Unit: Thousand shares

	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	189,002	189,002
Effect of potential dilutive ordinary shares:		
Employee remuneration	<u>8</u>	<u>155</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>189,010</u>	<u>189,157</u>

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

XXV. Financial instruments

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

The merged company's management believes that the book values of financial assets and financial liabilities not measured at fair value are close to their fair values, or their fair values cannot be measured reliably.

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

1. Fair value hierarchy

March 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) stock	\$ 1,108,150	\$ -	\$ -	\$ 1,108,150
Domestic unlisted (non-OTC) stock	-	362	-	362
Fund beneficiary certificate	30,755	-	-	30,755
	<u>\$ 1,138,905</u>	<u>\$ 362</u>	<u>\$ -</u>	<u>\$ 1,139,267</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed (OTC) stock	\$ 129,469	\$ -	\$ -	\$ 129,469
- Domestic unlisted (non-OTC) stock	-	172,180	-	172,180
- Foreign unlisted (non-OTC) stocks	-	1,881	-	1,881
	<u>\$ 129,469</u>	<u>\$ 174,061</u>	<u>\$ -</u>	<u>\$ 303,530</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) stock	\$ 1,072,727	\$ -	\$ -	\$ 1,072,727
Domestic unlisted (non-OTC) stock	-	383	-	383
Fund beneficiary certificate	30,669	-	-	30,669
	<u>\$ 1,103,396</u>	<u>\$ 383</u>	<u>\$ -</u>	<u>\$ 1,103,779</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed (OTC) stock	\$ 157,036	\$ -	\$ -	\$ 157,036
- Domestic unlisted (non-OTC) stock	-	165,926	-	165,926
- Foreign unlisted (non-OTC) stocks	-	1,661	-	1,661
	<u>\$ 157,036</u>	<u>\$ 167,587</u>	<u>\$ -</u>	<u>\$ 324,623</u>

March 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets measured at fair value through profit or loss</u>				
Domestic listed (OTC) stock	\$ 1,198,828	\$ -	\$ -	\$ 1,198,828
Domestic unlisted (non-OTC) stock	-	1,083	-	1,083
Fund beneficiary certificate	79,203	-	-	79,203
	<u>\$ 1,278,031</u>	<u>\$ 1,083</u>	<u>\$ -</u>	<u>\$ 1,279,114</u>
<u>Financial assets at fair value through other comprehensive income</u>				
Investment in equity instruments				
- Domestic listed (OTC) stock	\$ 502,948	\$ -	\$ -	\$ 502,948
- Domestic unlisted (non-OTC) stock	-	264,751	-	264,751
- Foreign unlisted (non-OTC) stocks	-	4,456	-	4,456
	<u>\$ 502,948</u>	<u>\$ 269,207</u>	<u>\$ -</u>	<u>\$ 772,155</u>

There were no transfers between Level 1 and Level 2 fair value measurements during the three months ended March 31, 2023 and 2022.

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

Type of financial instrument	Valuation techniques and inputs
Domestic and foreign unlisted (OTC) stocks	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

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets</u>			
Measured at fair value through profit or loss			
Mandatory measurement at fair value through profit or loss	\$ 1,139,267	\$ 1,103,779	\$ 1,279,114
Financial assets at amortized cost (Note 1)	643,049	658,331	661,308
Financial assets measured at fair value through other comprehensive income			
Investment in equity instruments	303,530	324,623	772,155
<u>Financial liabilities</u>			
Measured at amortized cost (Note 2)	398,437	319,377	495,798

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

Note 2: The balance includes short-term borrowings, notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term borrowings (including the portion due within one year), guarantee deposits - current (accounted for as other current liabilities, guarantee deposits - non-current and other financial liabilities measured at amortized costs.

(IV) Financial Risk Management Objectives and Policies

Major financial instruments of the merged company include cash and cash equivalents, investment in equity instruments, accounts receivable, accounts payable and borrowings. The merged 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 mitigate related financial risks, the merged company has established a complete approval authority to stipulate a financial policy with clear powers and responsibilities and supervise the implementation process to reduce the potential adverse impact of market changes on the merged company's financial performance.

The important financial activities of the merged company are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the merging company must strictly abide by the relevant financial operating procedures for sorting out financial risk management and division of powers and responsibilities.

1. Market risk

The main financial risks borne by the merged company's operating activities are interest rate change risk (see (1) below) and other price risks (see (2) below).

There is no change in the merged company's exposure to financial instrument market risk and the way it manages and measures such exposure.

(1) Interest rate risk

Interest rate exposure risk arises because individuals within the merged company borrow funds at both fixed and floating rates. The merged company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates. The merged company regularly evaluates hedging activities to align them with interest rate views and established risk appetites to ensure the most cost-effective hedging strategies are employed.

The carrying amount of the financial assets and financial liabilities of the merged company subject to interest rate exposure on the balance sheet date is as follows:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Fair value interest rate risk			
- Financial assets	\$ 20,700	\$ 20,400	\$ 35,250
- Financial liabilities	510,172	522,227	521,311
Cash flow interest rate risk			
- Financial assets	347,843	359,102	431,408
- Financial liabilities	246,754	170,833	148,333

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 assets and 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 Group is 100 basis points for an increase or decrease in interest rate, which also represents management's assessment of the scope of reasonable and possible changes in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the merged company's net profit before tax for the three months ended March 31, 2023 and 2022 would have increased/decreased by NT\$253 thousand and NT\$708 thousand, mainly due to the variable interest rate deposits of the merged company and variable interest rate borrowings.

(2) Other pricing risks

The merged company is exposed to equity price risk due to the merged company's holding of domestic and foreign stocks, beneficiary certificates of funds and equity securities. The merged company does not trade these investments actively, but assigns relevant personnel to monitor the price risk and assess when it is necessary to increase the risk-averse positions.

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 profit or loss before/after tax would have increased/decreased by NT\$11,393 thousand for the three months ended March 31, 2023 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax for the three months ended March 31, 2023 would have increased/decreased by NT\$3,035 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the profit or loss before tax/after tax would have increased/decreased by NT\$12,791 thousand for the three months ended March 31, 2022 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax for the three months ended March 31, 2022 would have increased/decreased by NT\$7,722 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 the financial loss of the merged company caused by the counterparty defaulting on the contractual obligations. As of the balance sheet date, the largest credit risk exposure of the merged company that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

In order to mitigate credit risk, the management of the merged company assigned a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the merged company will review the recoverable amount of receivables one by one on the balance sheet date to ensure that unrecoverable receivables have been appropriately listed for impairment loss. Accordingly, the management level of the merged company believes that the credit risk of the merged company has been significantly mitigated.

Those subject to accounts receivable cover many customers of different industries and sectors. The merged company conducts ongoing assessments of the financial condition of customers of 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 merged company manages and maintains sufficient cash to support the merged company's operations and mitigate the impact of cash flow fluctuations. The management level of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank loans are an important source of liquidity for the merged company. For the merged company's unused financing facilities as of March 31, 2023 and December 31 and March 31, 2022, please refer to the description of (2) financing facilities below.

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

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

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

March 31, 2023

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest- bearing liabilities	\$ 69,956	\$ 48,781	\$ 4,687	\$ 1,101	\$ -
Lease liabilities	366	3,745	27,253	97,172	542,670
Floating interest rate instruments	12,077	4,115	166,324	69,684	-
	<u>\$ 82,399</u>	<u>\$ 56,641</u>	<u>\$ 198,264</u>	<u>\$ 167,957</u>	<u>\$ 542,670</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 31,364</u>	<u>\$ 97,172</u>	<u>\$ 105,794</u>	<u>\$ 99,290</u>	<u>\$ 99,290</u>	<u>\$ 238,296</u>

December 31, 2022

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest- bearing liabilities	\$ 58,551	\$ 29,334	\$ 17,928	\$ 1,000	\$ -
Lease liabilities	366	1,320	24,915	95,417	563,457
Floating interest rate instruments	1,131	2,256	138,653	32,384	-
	<u>\$ 60,048</u>	<u>\$ 32,910</u>	<u>\$ 180,496</u>	<u>\$ 128,801</u>	<u>\$ 563,457</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 26,601</u>	<u>\$ 95,417</u>	<u>\$ 106,723</u>	<u>\$ 99,290</u>	<u>\$ 99,290</u>	<u>\$ 258,154</u>

March 31, 2022

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest- bearing liabilities	\$ 243,200	\$ 49,791	\$ 10,745	\$ 5,870	\$ -
Lease liabilities	522	4,207	25,102	96,431	566,244
Floating interest rate instruments	1,057	2,108	108,062	40,126	-
	<u>\$ 244,779</u>	<u>\$ 56,106</u>	<u>\$ 143,909</u>	<u>\$ 142,427</u>	<u>\$ 566,244</u>

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	<u>\$ 29,831</u>	<u>\$ 96,431</u>	<u>\$ 109,510</u>	<u>\$ 99,290</u>	<u>\$ 99,290</u>	<u>\$ 258,154</u>

The bank loans that the merged company can be required to repay immediately are included in the above-mentioned maturity analysis table within a period shorter than 1 month. As of March 31, 2023 and December 31 and March 31, 2022, the balance of undiscounted principal of these bank loans is NT\$11,623 thousand, NT\$833 thousand and NT\$833 thousand, respectively.

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

(2) Financing limit

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured bank facilities (re-examine each year)			
- Amount used	\$ 20,000	\$ 20,000	\$ 20,000
- Unutilized amount	<u>115,000</u>	<u>115,000</u>	<u>65,000</u>
	<u>\$ 135,000</u>	<u>\$ 135,000</u>	<u>\$ 85,000</u>
Guaranteed bank facilities			
- Amount used	\$ 226,754	\$ 150,833	\$ 128,333
- Unutilized amount	<u>358,000</u>	<u>388,000</u>	<u>475,000</u>
	<u>\$ 584,754</u>	<u>\$ 538,833</u>	<u>\$ 603,333</u>

XXVI. Related-Party Transactions

The transactions between the merged company and other related parties are disclosed as follows.

(I) Names of related parties and their relationships

<u>Name of the related parties</u>	<u>Relationship with the merged company</u>
Durban Development Co., Ltd.	Type of related parties
T&W Transportation Services	Type of related parties
Mayer Steel Pipe Corporation	Type of related parties
Athena Information Systems International Co., Ltd.	Type of related parties
Durban Dive Corporation	Type of related parties
Yu-hung Investment Co., Ltd.	Type of related parties
Ying Shun Construction Co., Ltd.	Type of related parties
Mayer Inn Corporation	Type of related parties
Yuan Chuan Steel Co. Ltd.	Associates
TienPin Development Co., Ltd.	Associates
Miramar Hotel Taipei Co., Ltd.	Associates

(II) Operating revenue

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Transportation revenue	Type of related parties		
	T&W Transportation Services	\$ 46,613	\$ 59,388
Hospitality revenue	Type of related parties		
	Others	<u>193</u>	<u>52</u>
		<u>\$ 46,806</u>	<u>\$ 59,440</u>

There was no significant difference in the price of sales between the merged company and the related party and the non-related party.

(III) Operating cost

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Transportation cost	Type of related parties		
	T&W Transportation Services	\$ 10,696	\$ 13,619
Dining and travel expenses	Type of related parties		
	Athena Information Systems International Co., Ltd.	<u>93</u>	<u>90</u>
		<u>\$ 10,789</u>	<u>\$ 13,709</u>

There was no significant difference in the price of sales between the merged company and the related party, and the non-related party.

(IV) Operating expense

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Dining and travel expenses	Type of related parties		
	Athena Information Systems International Co., Ltd.	\$ 157	\$ 131
Transportation expenses	Type of related parties		
	T&W Transportation Services	<u>26</u>	<u>-</u>
		<u>\$ 183</u>	<u>\$ 131</u>

(V) Rental agreement

Operating leases

The merged company leases the right to use transportation equipment and buildings to the substantially related party, T&W Transportation Services, by operating leases with a lease period of 1 year. For the three months ended March 31, 2023 and

2022, lease income recognized was NT\$190 thousand and NT\$198 thousand, respectively.

The merged company leases the right to use buildings to the substantially related party, TienPin Development Co., Ltd., by operating leases with a lease period of 1 year. For the three months ended March 31, 2023 and 2022, the lease income recognized was NT\$6 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) Other benefits

<u>Type/Name of related parties</u>	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Type of related parties		
T&W Transportation Services	<u>\$ 95</u>	<u>\$ 102</u>

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

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable - related parties	Type of related parties			
	T&W Transportation Services	<u>\$ 31,932</u>	<u>\$ 34,753</u>	<u>\$ 43,104</u>
Accounts receivable - related parties	Type of related parties			
	T&W Transportation Services	\$ 34,809	\$ 37,367	\$ 40,662
	Others	46	-	53
		<u>\$ 34,855</u>	<u>\$ 37,367</u>	<u>\$ 40,715</u>
Other receivables - related parties	Type of related parties			
	Mayer Inn Corporation	\$ -	\$ 270	\$ -

No guarantee is collected for accounts receivable from related parties.

(VIII) Payables to related parties (excluding loans from related parties)

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes payable - related parties	Type of related parties			
	T&W Transportation Services	<u>\$ 11,628</u>	<u>\$ 10,522</u>	<u>\$ 15,187</u>
Accounts payable - related parties	Type of related parties			
	T&W Transportation Services	\$ 3,955	\$ 5,462	\$ 7,217
	Others	78	-	-
		<u>\$ 4,033</u>	<u>\$ 5,462</u>	<u>\$ 7,217</u>
Other payables - related parties	Type of related parties			
	Durban Development Co., Ltd.	\$ 630	\$ -	\$ -
	Athena Information Systems International Co., Ltd.	<u>53</u>	<u>41</u>	<u>41</u>
		<u>\$ 683</u>	<u>\$ 41</u>	<u>\$ 41</u>

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

(IX) Building and land under construction

<u>Accounting item</u>	<u>Type/Name of related parties</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Inventories	Type of related parties			
	Durban Development Co., Ltd.	\$ 1,800	\$ 300	\$ -

Refer to the increase in house and land under construction (accounted for as inventories) during the period from engineering management outsourced by the merged company to related parties for contracting.

(X) Prepayments

<u>Type/Name of related parties</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Type of related parties			
Athena Information Systems International Co., Ltd.	\$ 148	\$ 129	\$ 128

(XI) Compensation of key management personnel

	<u>For the three months ended March 31, 2023</u>	<u>For the three months ended March 31, 2022</u>
Short-term employee benefits	\$ 4,962	\$ 5,674
Post-employment benefits	167	205
	<u>\$ 5,129</u>	<u>\$ 5,879</u>

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

XXVII. Pledged Assets

The following assets have been provided to financial institutions and the State-owned Property Bureau, Ministry of Finance as collateral for short-term bank loan facilities, long-term bank loan facilities, leased land, and gift certificate trust:

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Operating concession (stated as intangible assets)	\$ 482,929	\$ 397,790	\$ 412,800
Financial assets measured at fair value through profit or loss - current	217,120	211,140	297,620
Property, plant and equipment	111,317	111,436	111,796
Financial assets measured at fair values through other comprehensive income - current	81,510	-	221,737
Building and land under construction (stated as inventory)	74,618	74,618	74,618
Bank deposits (booked in other financial assets - current and non-current)	18,863	10,205	6,365
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,050	3,100	3,450
	<u>\$ 989,407</u>	<u>\$ 808,289</u>	<u>\$ 1,128,386</u>

XXVIII. Material contingent liabilities and unrecognized contractual commitments

Significant contract

(I) The company

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 refundable deposit of NT\$249,500 thousand on the 2019 account are unlikely to be recovered. All accounts receivable is recognized as impairment losses.

Commitments

In November 2022, the Company signed the joint construction contract for the Shi Jian Section (Practical Plan), Wenshan District, Taipei City, with the landowner. The total joint construction deposit provided was NT\$350,000 thousand, and the Company issued NT\$80,000 thousand respectively, for the first integration payment and NT\$80,000 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 March 31, 2023, NT\$80,000 of notes payable have been cashed (accounted for as refundable deposits). The remaining first integration payment of NT\$80,000 in check is expected to be cashed on May 28, 2023 based on the contract progress, and the second integration payment will be issued based on the development progress. The Company will sell the ownership of all houses and parking spaces allocated to it based on the joint construction contract to buyers designated by the landlord.

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, with a provision of total joint construction guarantee of NT\$340,000 thousand. A check of NT\$700,000 thousand was issued as the first installment payment to the landlord, and an amount of NT\$100,000 thousand was deposited into the trust account according to the progress of the consolidation, and obtained a promissory note of NT\$170,000 thousand as collateral for the consolidation.

As of March 31, 2023, the notes payable had been cashed. NT\$70,000 thousand (accounted for as refundable deposits). The second integrated payment of NT\$170,000 in check is expected to be cashed on September 30, 2023. The Company will sell the ownership of all houses and parking spaces allocated to it based on the joint construction contract to buyers designated by the landlord.

(II) Miramar Hospitality Co., Ltd.

1. Operating concession contract

On March 11, 2004, Miramar Hospitality Co., Ltd. signed the “Development and Operation Contract for the Promotion of Private Participation in the Construction of Taipei City Affordable Hotels” with the Tourism Bureau, Ministry of Transportation and Communications. The operating period was from April 12, 2004 to April 12, 2054. The operating concession amounted to NT\$27,000 thousand (included in the intangible assets), which had been paid at the time of signing the contract. According to the contract, the average room price of Miramar Hospitality Co., Ltd. shall not exceed the agreed price. The Company shall not increase the room rate within 3 years after the formal signing of the contract and may adjust the price index according to the commodity price index after the fourth year, but the adjustment range is subject to the consent of the Tourism Bureau. to be processed. The operating royalty is calculated based on 8% of the annual operating revenue. The operating royalties during the three months ended March 31, 2023 and 2022 were NT\$2,358 thousand and NT\$5,355 thousand (included under the operating expenses).

2. Memorandum of Sale of Shares

On November 20, 2018, the board of directors of Miramar Hospitality Co., Ltd. approved the authorization of the Chairman to sign a memorandum of purchase and sale of shareholdings with ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd., and the signing of the memorandum was completed on November 23, 2018. The three parties have signed a memorandum of understanding on on-site audits and other matters. However, the parties may decide according to their own considerations and are not obliged to execute a formal agreement for the purchase and sale of shares. According to the MOU, Miramar Hospitality Co., Ltd. shall pay NT\$5,000 thousand and NT\$20,000 thousand as security deposits to ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd., respectively. In addition, the Company also secured promissory notes of NT\$50,000 thousand issued by the responsible persons of the two companies.

Due to a lack of refundable deposit in March 2019, ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd. and their joint guarantors had the deposit amount recognized as other receivables. Miramar Hospitality Co., Ltd. was assessed that the recovery is unlikely, so the entire amount was provided as a loss allowance.

This share trading memorandum expired on April 23, 2019. The Company’s board of directors resolved to terminate the above investment plan; the Company

applied to the Taipei District Court on May 31, 2019 for the promissory notes of the joint guarantor, and the ruling was finalized on December 2, 2019. However, the debtor has no property to execute, so the Company turned to ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd. After informing ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd. that the joint liquidator Attorney Wu Yi-Hsuan must include the creditor's rights of Millikin Corporation into the scope of liquidation, the court submitted the "Certificate of Confirmation" and "Certificate of Confirmation" to the court on December 21, 2022. The Company applied for compulsory execution and issued the claim certificate directly. So far, the Company has received the claim certificate issued by the court on December 28, 2022, and is awaiting the notice from the liquidator for subsequent claims negotiation.

XXIX. Additional Disclosures

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

1. Loans to others: Table 1.
2. Endorsements/guarantees provided for others: None.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 2.
4. Acquisition or sale of the same security with the accumulated cost reaching NT\$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate at a cost of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount exceeding NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from and sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
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. Others: Business relationships and significant transactions between the parent company and its subsidiaries: none.
11. Information on investees: Table 3.

(III) Information on investments in Mainland China:

1. Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and the limit on investment in Mainland China: 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 period.
 - (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period.
 - (3) The value of the property transaction and the amount of profit or loss thereupon.
 - (4) Period-end balance of endorsements/guarantees or collateral provided and the purpose thereof.
 - (5) The maximum balance of financing, period-end balance, interest rate range, and total interest of the current period.
 - (6) Other transactions that have a significant impact on the profit or loss or financial position of the current period, such as the provision or acceptance of labor services.

(IV) Information of principal shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage. (Table 4)

XXX. Segments information

The information provided to the major operational decision-makers for the purpose of allocating resources and evaluating the segment's performance, with emphasis on each type of product or service delivered or provided. The segments of the merged company to be reported are as follows:

(I) Segment revenue and operating results

The following is an analysis of the merged company's revenue and results by the reporting segment:

	Segment revenue		Segment profit	
	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the three months ended March 31, 2023	For the three months ended March 31, 2022
Transportation segment	\$ 97,141	\$ 137,254	(\$ 3,875)	(\$ 3,233)
Hotel segment	29,937	68,069	(17,311)	14,740
Other segments	2,922	2,735	(723)	(1,204)
Construction segment	-	-	(1,149)	(1,145)
Net worth of continuing operations	<u>\$ 130,000</u>	<u>\$ 208,058</u>	(23,058)	9,158
Interest income			269	434
Others			5,086	13,673
Other gains and losses			24,625	21,578
Finance costs			(3,694)	(2,975)
Net profit before tax			<u>\$ 3,228</u>	<u>\$ 41,868</u>

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales during the three months ended March 31, 2023 and 2022.

Segment profit or loss is the profit earned by each segment, excluding the share of loss, interest income, other income, other gains and losses and finance costs. This measure is provided to the chief operating decision-makers for allocating resources to segments and measuring their performance.

(II) Total assets of segments

The measured amount of the merged company's assets is not provided to the operating decision-maker, so the measured amount of segment assets is zero.

Tze Shin International Co., Ltd. and its subsidiaries

Loans to others

For the three months ended March 31, 2023

Table 1

Unit: NT\$ thousand

No. (Note 1)	Name of financing provider	Name of counterparty	Current account	Related party?	Maximum balance during the current period (Note 2)	Balance at the end of the period (Note 2)	Actual amount provided	Interest rates	Nature of financing activity	Amount of sales to (purchase from) counterparty	Reason for short-term financing	Amount of loss allowance provided for	Assets pledged		Limit of financing amount for individual counterparty	Maximum loan amount	Remarks
													Company Name	Value			
0	Tze Shin International Co., Ltd.	Miramar Hospitality Co., Ltd.	Other receivables - related parties	Yes	\$ 50,000	\$ 50,000	\$ -	3.15%	Short-term financing	\$ -	Operating turnover	\$ -	None	None	\$ 749,162 (30% of Tze Shin's net worth)	\$ 998,883 (40% of Tze Shin's net worth)	
		Mayer Steel Pipe Corporation	Other receivables - related parties	Yes	200,000	200,000	(Note 4)	5.00%	Short-term financing	-	Operating turnover	-	None	None	749,162 (30% of Tze Shin's net worth)	998,883 (40% of Tze Shin's net worth)	

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

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

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

Note 4: A drawdown of NT\$200,000 thousand was made on April 6, 2023.

Tze Shin International Co., Ltd. and its subsidiaries
 Marketable securities held at the end of the period
 March 31, 2023

Table 2 Unit: NT\$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/net equity value (Note 1)	
Tze Shin International Co., Ltd.	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,750	\$ 489,700	9.32	\$ 489,700	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	2,590	410,515	0.12	410,515	
	Yang Ming Marine Transport Corp.	—	Financial assets measured at fair value through profit or loss - current	1,800	115,740	0.05	115,740	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	670	53,265	0.25	53,265	
	Ruentex Development Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	200	7,070	0.01	7,070	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	9,100	112,385	0.26	112,385	Note 2
	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	231	5.00	231	
	Ouhua Venture Capital Co., Ltd.	—	Financial assets measured at fair value through profit or loss - Current- Non-current	20	131	2.50	131	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	172,180	18.57	172,180	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
	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.	Ordinary shares						
Mayer Steel Pipe Corporation		Chairman	Financial assets measured at fair value through profit or loss - current	1,350	31,860	0.61	31,860	
China Petrochemical Development Corporation		—	Financial assets measured at fair values through other comprehensive income - current	1,734	17,084	0.05	17,084	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	1,881	10.00	1,881	
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	5,150	-	5,150	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,126	-	5,126	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,127	-	5,127	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,118	-	5,118	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,119	-	5,119	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,115	-	5,115	

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

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

Tze Shin International Co., Ltd. and its subsidiaries
The name and location of the investee company and other relevant information
For the three months ended March 31, 2023

Table 3

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 period			Gains (losses) of investees for the current period	Investment gains (losses) recognized in the current period	Remarks
				March 31, 2023	December 31, 2022	Shares (Thousands)	Percentage (%)	Carrying amount			
Tze Shin International Co., Ltd.	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	\$ 260,040	\$ 260,040	23,442	62.99	\$ 236,732	(\$ 15,262)	(\$ 9,614)	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	88,249	3,257	1,546	Subsidiary (Note 1)
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,882	(26)	(26)	Subsidiary (Notes 2 and 4)
	Acme Trading Co., Ltd.	Taipei City	International trade management	22,500	22,500	2,500	100.00	358	(11)	(11)	Subsidiary (Note 4)
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	-	(26)	-	Subsidiary (Note 3)

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

Note 2: The number of shares held by Tze Shin International Co., Ltd. in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT\$26 thousand is recognized.

Note 3: When the share of loss in an associate of Miramar Hospitality Co., Ltd., as stated in IAS, equals to or exceeds its interest in the associate, it immediately discontinues the recognition of further losses.

Note 4: The calculation is based on the financial statements not reviewed by the CPA in the same period.

Note 5: Investment gains or losses from investees, investments accounted for under the equity method and equity in investees are written off.

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

Table 4

Name of major shareholder	Share	
	Shares held (share)	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 in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.