Stock Code: 2611

Tze Shin International Co., Ltd. and subsidiaries

Consolidated Financial Statements and Auditor's Review Report

Q1 2025 and 2024

Address: 12F, No. 33, Jianguo North Road, Section 2, Zhufu Li,
Zhongshan District, Taipei City
Telephone: (02) 2509-0036

§Table of Contents§

Item		Pages	Notes to Consolidated Financial Statements
I.	Cover	1	-
II.	Table of Contents	2	-
III.	Auditor's Review Report	3	-
IV.	Consolidated Balance Sheet	4	-
V.	Consolidated Statement of Comprehensive Income	5~6	-
VI.	Consolidated Statement of Changes in Equity	8	-
VII.	Consolidated Statement of Cash Flows	8~9	-
VIII.	Notes to Consolidated Financial Statements		
	(I) Corporate history	10	I
	(II) Date and Procedures for Passing the Financial Report	10	II
	(III) Application of New and Revised International Financial Reporting Standards	10~12	III
	(IV) Summary of Significant Accounting Policies	12~13	IV
	(V) Major sources of uncertainty in major accounting judgments, estimates, and assumptions	13	V
	(VI) Contents of Significant Accounts	13~36	VI-XXV
	(VII) Related-Party Transactions	36~39	XXVI
	(VIII) Pledged Assets	39~40	XXVII
	(IX) Material contingent liabilities and unrecognized contractual commitments	40	XXVIII
	(X) Losses Due to Major Disasters	-	-
	(XI) Major Subsequent Issues	-	-
	(XII) Others	40	XXIX
	(XIII) Additional Disclosures		
	1. Significant transactions information	41, 43	XXX
	2. Information on investees	41, 44	XXX
	3. Information on investments in Mainland China	41	XXX
	(XIV) Segment Information	42	XXXI

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, 2025 and 2024 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, 2025 and 2024. 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

We have performed the 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.

Unqualified and qualified conclusion

Based on our review, nothing has come to our attention that causes us to believe the aforementioned consolidated financial statements are not prepared, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS No. 34 "Interim Financial Reporting" as endorsed and put into effect by the FSC. Accordingly, the consolidated financial position of Tze Shin International Co., Ltd. and its subsidiaries as of March 31, 2025 and 2024, as well as the consolidated financial performance for the three months ended March 31, 2025 and 2024, have been fairly presented.

Deloitte & Touche

CPA Han-Ni Fang

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

CPA Chao-Yu Chen

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

May 14, 2025

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

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, 2025, December 31 and March 31, 2024

Unit: NT$ thousand

Code	Assets	March 31, 2025 Amount	%	December 31, 2024 Amount	%	March 31, 2024 Amount	%
	Current assets						
1100	Cash (Note 6)	$ 799,408	19	$ 1,043,765	24	$ 789,166	18
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 27)	1,127,007	27	1,088,035	25	1,215,084	27
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 8 and 27)	92,160	2	110,480	2	138,606	3
1136	Financial assets measured at amortized cost - current (Notes 9 and 27)	67,855	2	23,350	-	23,350	1
1150	Net notes receivable (Notes 10 and 21)	8,322	-	33,884	1	97,895	2
1160	Notes receivable - related parties (Notes 10, 21 and 26)	30,182	1	31,341	1	35,267	1
1170	Net accounts receivable (Notes 10 and 21)	37,817	1	39,394	1	42,118	1
1180	Accounts receivable - related parties (Notes 10, 21 and 26)	26,010	1	35,287	1	27,325	1
1200	Net other receivables (Notes 10)	1,598	-	4,498	-	64,680	1
1310	Net inventory (Notes 11, 26, and 27)	417,857	10	383,156	9	336,314	8
1410	Pre-payments (Note 26)	19,745	-	23,190	-	19,058	-
1476	Other financial assets - current (Note 27)	9,606	-	7,093	-	6,738	-
1479	Other current assets	17,504	-	16,145	-	2,594	-
11XX	Total current assets	2,655,071	63	2,839,618	64	2,798,195	63
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	232,400	5	262,972	6	282,287	7
1600	Property, plant and equipment (Notes 13 and 27)	216,581	5	220,339	5	220,352	5
1755	Right-of-use assets (Note 14)	495,039	12	483,103	11	499,397	11
1760	Investment property (Note 15)	30,026	1	30,026	1	30,026	1
1780	Intangible assets (Notes 16, 27, and 28)	490,709	12	495,788	11	495,352	11
1840	Deferred income tax assets (Notes 4 and 23)	81,852	2	84,616	2	92,373	2
1920	Refundable deposits (Note 28)	1,429	-	1,383	-	1,794	-
1975	Net defined benefit assets (Notes 4 and 19)	5,718	-	5,718	-	2,558	-
1980	Other financial assets - non-current (Note 27)	-	-	3,042	-	3,021	-
1990	Other non-current assets	4,088	-	3,174	-	8,580	-
15XX	Total non-current assets	1,557,842	37	1,590,161	36	1,635,740	37
1XXX	Total assets	$ 4,212,913	100	$ 4,429,779	100	$ 4,433,935	100
Code	**Financial liabilities and equity**						
	Current liabilities						
2100	Short-term borrowings (Notes 17 and 27)	$ 80,000	2	$ 80,000	2	$ 130,000	3
2130	Contract liabilities - current (Note 21)	43,449	1	31,139	1	-	-
2150	Notes payable	15,356	1	20,609	1	18,354	1
2160	Notes payable - related party (Note 26)	14,170	-	12,709	-	12,820	-
2170	Accounts payable	51,620	1	50,600	1	37,380	1
2180	Accounts payable - related parties (Note 26)	4,449	-	5,023	-	4,284	-
2200	Other payables (Note 18)	435,456	10	199,086	5	89,533	2
2220	Other payables - Related parties (Note 26)	45	-	55	-	378	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	592	-	407	-	239	-
2280	Lease liabilities - current (Note 14)	20,908	1	15,631	-	17,581	-
2320	Long-term borrowings due within one year (Notes 17 and 27)	14,610	-	17,299	-	26,841	1
2399	Other current liabilities	14,378	-	15,982	-	14,228	-
21XX	Total current liabilities	695,033	16	448,540	10	351,638	8
	Non-current liabilities						
2540	Long-term borrowings (Notes 17 and 27)	296,626	7	303,073	7	46,699	1
2580	Lease liabilities - non-current (Note 14)	479,012	12	489,997	11	484,591	11
2640	Net defined benefit liabilities (Notes 4 and 19)	3,880	-	3,784	-	5,790	-
2645	Guarantee deposits	307	-	307	-	225	-
2670	Other non-current liabilities	11,222	-	11,222	-	11,307	-
25XX	Total non-current liabilities	791,047	19	808,383	18	548,612	12
2XXX	Total liabilities	1,486,080	35	1,256,923	28	900,250	20
	Equity attributable to owners of the Company (Note 20)						
3110	Ordinary shares	1,890,023	45	1,890,023	43	1,890,023	43
3220	Capital reserve	41,281	1	40,980	1	27,523	1
	Retained earnings						
3310	Legal reserve	357,621	8	357,621	8	309,697	7
3350	Unappropriated earnings	78,054	2	493,808	11	858,195	19
3300	Total retained earnings	435,675	10	851,429	19	1,167,892	26
3400	Other equity	151,748	4	184,782	4	220,581	5
31XX	Total equity of the owner of the Company	2,518,727	60	2,967,214	67	3,306,019	75
36XX	Non-controlling interests	208,106	5	205,642	5	227,666	5
3XXX	Total Equity	2,726,833	65	3,172,856	72	3,533,685	80
	Total liabilities and equity	$ 4,212,913	100	$ 4,429,779	100	$ 4,433,935	100

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang　　Manager: Hsiu-Chi Chen　　Head of Accounting: Ya-Ling Lin

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2025 and 2024

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

Code		For the three months ended March 31, 2025 Amount	%	For the three months ended March 31, 2024 Amount	%
4000	Net operating revenue (Notes 21 and 26)	$ 168,002	100	$ 167,512	100
5000	Operating cost (Notes 11, 19, 22 and 26)	114,261	68	116,832	70
5950	Operating profit	53,741	32	50,680	30
	Operating expense				
6200	Operating expense (Notes 19, 22, 26, and 28)	45,698	27	49,635	29
6900	Net operating income	8,043	5	1,045	1
	Non-operating income and expenses (Notes 22 and 26)				
7100	Interest income	754	1	522	-
7010	Other income	3,734	2	4,903	3
7020	Other gains and losses	(97,893)	(58)	220,529	131
7050	Finance costs	(4,300)	(3)	(3,672)	(2)
7055	Gain on reversal of expected credit impairment (Note 10)	-	-	1,517	1
7000	Subtotal	(97,705)	(58)	223,799	133
7900	Net (loss) profit before tax	(89,662)	(53)	224,844	134
7950	Income tax expense (Notes 4 and 23)	2,979	2	2,741	2
8000	Net (loss) profit for the period	(92,641)	(55)	222,103	132

(Cont'd)

(Cont'd)

Code		For the three months ended March 31, 2025 Amount	%	For the three months ended March 31, 2024 Amount	%
	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	($ 42,457)	(25)	$ 83,385	50
8500	Total comprehensive income (loss) for the year	($ 135,098)	(80)	$ 305,488	182
	Net (loss) profit attributed to				
8610	Owner of the Company	($ 96,189)	(57)	$ 216,239	129
8620	Non-controlling interests	3,548	2	5,864	3
8600		($ 92,641)	(55)	$ 222,103	132
	Comprehensive income attributable to				
8710	Owner of the Company	($ 138,664)	(82)	$ 299,805	179
8720	Non-controlling interests	3,566	2	5,683	3
8700		($ 135,098)	(80)	$ 305,488	182
	Earnings per share (Note 24)				
9710	Basic	($ 0.51)		$ 1.14	
9810	Dilution	($ 0.51)		$ 1.14	

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang　　Manager: Hsiu-Chi Chen　　Head of Accounting: Ya-Ling Lin

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2025 and 2024

Unit: NT$ thousand

Code		Equity attributable to owners of the Company (Notes 8, 12 and 20)								
				Retained earnings			Other equity			
Code		Share capital	Capital reserve	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Total equity of the owner of the Company	Non-controlling interests	Total equity
A1	Balance as of January 1, 2024	$ 1,890,023	$ 20,886	$ 309,697	$ 632,367	$ 942,064	$ 148,107	$ 3,001,080	$ 237,945	$ 3,239,025
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(1)	-	-	-	-	(1)	-	(1)
D1	Net profit for the three months ended March 31, 2024	-	-	-	216,239	216,239	-	216,239	5,864	222,103
D3	Other comprehensive income after tax for the three months ended March 31, 2024	-	-	-	-	-	83,566	83,566	(181)	83,385
D5	Total comprehensive income after tax for the three months ended March 31, 2024	-	-	-	216,239	216,239	83,566	299,805	5,683	305,488
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	6,638	-	-	-	(1,503)	5,135	(5,135)	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(7,025)	(7,025)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(3,802)	(3,802)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	9,589	9,589	(9,589)	-	-	-
Z1	Balance on March 31, 2024	$ 1,890,023	$ 27,523	$ 309,697	$ 858,195	$ 1,167,892	$ 220,581	$ 3,306,019	$ 227,666	$ 3,533,685
A1	Balance as of January 1, 2025	$ 1,890,023	$ 40,980	$ 357,621	$ 493,808	$ 851,429	$ 184,782	$ 2,967,214	$ 205,642	$ 3,172,856
	Appropriations and distributions of 2024 earnings									
B5	Cash dividends for shareholders of the Company	-	-	-	(309,964)	(309,964)	-	(309,964)	-	(309,964)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(11)	-	-	-	-	(11)	-	(11)
D1	Net income (loss) for the three months ended March 31, 2025	-	-	-	(96,189)	(96,189)	-	(96,189)	3,548	(92,641)
D3	Other comprehensive income after tax for the three months ended March 31, 2025	-	-	-	-	-	(42,475)	(42,475)	18	(42,457)
D5	Total comprehensive income after tax for the three months ended March 31, 2025	-	-	-	(96,189)	(96,189)	(42,475)	(138,664)	3,566	(135,098)
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	312	-	-	-	(160)	152	(152)	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(950)	(950)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	(9,601)	(9,601)	9,601	-	-	-
Z1	Balance on March 31, 2025	$ 1,890,023	$ 41,281	$ 357,621	$ 78,054	$ 435,675	$ 151,748	$ 2,518,727	$ 208,106	$ 2,726,833

The notes below constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Manager: Hsiu-Chi Chen

Head of Accounting: Ya-Ling Lin

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Cash Flows

For the three months ended March 31, 2025 and 2024

Unit: NT$ thousand

Code		For the three months ended March 31, 2025	For the three months ended March 31, 2024
	Cash flows from operating activities		
A00010	Net profit before tax	($ 89,662)	$ 224,844
	Adjustments to reconcile profit (loss):		
A20100	Depreciation	10,694	11,137
A20200	Amortization expenses	6,252	5,897
A20300	Expected credit impairment loss (credit)	-	(1,517)
A20400	Net gains from financial assets at fair value through profit or loss	98,514	(220,654)
A20900	Finance costs	4,300	3,672
A21200	Interest income	(754)	(522)
A21300	Dividend income	(1,084)	-
A22500	Net gains from the disposal and scrap of property, plant, and equipment	(625)	5
A22800	Loss of disposal of intangible assets	4	-
A23700	Inventory scrapping loss	84	-
A23800	Price recovery benefit for inventory	(35)	-
A29900	Other items	183	157
	Net change in operating assets and liabilities		
A31130	Notes receivable	25,562	(16,243)
A31140	Notes receivable - related parties	1,159	(5,917)
A31150	Accounts receivables	1,577	4,753
A31160	Accounts receivable - related parties	9,277	5,678
A31180	Other receivables	(608)	(373)
A31200	Inventory	(19,980)	(134,775)
A31230	Prepayments	(1,320)	2,040
A31240	Other current assets	(16,073)	(83)
A32125	Contract liabilities	12,310	-
A32130	Notes payable	(5,253)	(2,022)
A32140	Notes payable - related parties	1,461	(636)
A32150	Accounts payable	1,020	(587)
A32160	Accounts payable - related parties	(574)	(582)
A32180	Other payables	(13,883)	(6,558)
A32190	Other payables - related parties	(10)	(144)
A32230	Other current liabilities	(1,604)	(3,290)
A32240	Net defined benefit assets and liabilities	96	168
A33000	Cash outflow from operating activities	21,028	(135,552)

(Cont’d)

(Cont'd)

Code		For the three months ended March 31, 2025	For the three months ended March 31, 2024
A33300	Interest paid	($ 2,717)	($ 1,571)
A33500	Income tax paid	(86)	(82)
AAAA	Net cash outflow from operating activities	18,225	(137,205)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(5,293)	-
B00020	Disposal of financial assets measured at fair value through other comprehensive income	11,728	43,778
B00040	Acquisition of financial assets at amortized cost	(44,505)	-
B00050	Disposal of financial assets measured at amortized cost	-	300
B00100	Acquisition of financial assets at fair value through profit or loss	(431,380)	(342,588)
B00200	Disposal of financial assets at fair value through profit or loss	238,813	492,196
B02700	Acquisition of property, plant and equipment	(773)	(142)
B02800	Disposal of property, plant and equipment prices	665	-
B03700	Increase in refundable deposits	(46)	-
B03800	Decrease in refundable deposits	-	80,013
B04500	Acquisition of intangible assets	(1,177)	(251)
B06500	Increase in their financial assets	(2,513)	-
B06600	Decrease in other financial assets	3,042	585
B06700	Increase of other non-current assets	(914)	(8,580)
B07500	Interest received	937	811
B07600	Dividends received	499	-
BBBB	Net cash inflows (outflows) from investing activities	(230,917)	266,122
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	(40,000)
C01600	Increase in long-term loans	282,177	-
C01700	Decrease in long-term loans	(291,313)	(6,576)
C04020	Lease liability principal repayments	(21,579)	(21,997)
C05400	Acquisition of equity in subsidiaries	(950)	(7,025)
CCCC	Net cash inflow (outflow) from financing activities	(31,665)	(75,598)
EEEE	Net cash increase (decrease)	(244,357)	53,319
E00100	Cash balance at the beginning of the period	1,043,765	735,847
E00200	Cash balance at the end of the period	$ 799,408	$ 789,166

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang Manager: Hsiu-Chi Chen Head of Accounting: Ya-Ling Lin

Tze Shin International Co., Ltd. and its subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2025 and 2024

(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 (I) long-distance container transshipment; (II) shipside transportation operations; (III) container haulage; (IV) truck freight: transportation of chemicals, gasoline and diesel tanks and bulk goods; (V) lease of containers, racks, and equipment; and (VI) 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

These consolidated financial statements were approved by the Board of Directors on May 14, 2025.

III. Application of New and Revised International Financial Reporting Standards

(I) The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Notes (SIC) (hereinafter referred to as "IFRSs") endorsed and issued by the Financial Supervisory Commission ("FSC") applied for the first time.

Amendments to IAS 21 "Lack of Exchangeability"

The application of the amendments to IAS 21 "Lack of exchangeability" does not have material impact on the merged company's accounting policies.

(II) 2026 IFRSs endorsed by the FSC

New/amended/revised standards and interpretations	Effective date published by IASB
Amendments to IFRS 9 and IFRS 7 “Classification and Measurement of Financial Instruments” regarding the classification and measurement of financial instruments	January 1, 2026 (Note)

Note: Applicable to annual reporting periods beginning on or after January 1, 2026, with earlier application permitted on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the merged company continues to evaluate the impact that the amendments have on its financial position and performance.

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

New/amended/revised standards and interpretations	Effective date published by IASB (Note)
"IFRS Accounting Standards Annual Improvement - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments" regarding liability derecognition	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts referencing nature-dependent electricity".	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Non-Publicly Accountable Subsidiaries: Disclosures"	January 1, 2027

Note: 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.

IFRS 18 "Presentation and Disclosure in Financial Statements"

IFRS 18 will replace IAS 1 "Expression of Financial Statements". The main changes include:

- Classify income and expenses into the categories of operating, investing and financing, the income taxes, and the discontinued operations.
- The income statement shall be reported as operating income, pre-tax income before financing, and the sum and total of profit and loss.
- Provide guidance on the consolidation and division of rules: The merged company must identify the assets, liabilities, equity, income, expenses and cash flows generated from individual transactions or other matters, and classify and consolidate them based on the common characteristics, so as to result in the presentation in the primary financial statements of line items and disclosure in the notes of items that have at least one similar characteristic Items that are dissimilar from other items should be disaggregated. The merged company only labels such items as "other" when no more informative label can be found.
- Increasing the disclosure of the performance measurement defined by management: When the merged company has open communication outside the financial statements, and when management's view of the merged company's overall financial performance on a certain aspect is

communicated with the users of the financial statements, it shall be disclosed in a separate note to the financial statements on performance measurements defined by management, including descriptions of the measurements, how to calculate them, reconciliations between them and any subtotals or totals specified in IFRS, and the impact of relevant adjustments on income tax and non-controlling interests, etc.

In addition to the above effects, as of the release date of this consolidated financial statement, the merged company continues to evaluate the impact of the amendments on the above standards and interpretations on the financial position and financial performance, and the relevant impact will be disclosed 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). The operating profit and loss of the subsidiaries acquired or disposed of in the current period has been included in the consolidated statement of comprehensive income from the date of acquisition or until the date of disposal. 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 2 for details of subsidiaries, shareholding ratio and business items.

(IV) Other material accounting policies

Except for the following descriptions, please refer to the summary of material accounting policies in the 2024 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 2024 consolidated financial statements.

When the merged company develops significant accounting estimates, it takes into account the possible impact of inflation, market interest rate fluctuations on cash flow estimates, growth rates, discount rates, and profitability. Management will continue to review the estimates and basic assumptions.

VI. Cash

	March 31, 2025	December 31, 2024	March 31, 2024
Cash on hand and working capital	$ 1,375	$ 1,364	$ 1,309
Checks and demand deposits at banks	798,033	1,042,401	787,857
	$ 799,408	$ 1,043,765	$ 789,166

VII. Financial instruments at fair value through profit or loss

	March 31, 2025	December 31, 2024	March 31, 2024
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
— TWSE/TPEx-listed stocks	$ 1,095,422	$ 1,056,567	$ 1,183,951
— Fund beneficiary certificate	31,585	31,468	31,133
	$ 1,127,007	$ 1,088,035	$ 1,215,084

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

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Domestic investment			
TWSE/TPEx-listed stocks	$ 92,160	$ 110,480	$ 138,606
Non-current			
Domestic investment			
Unlisted (non-OTC Listed) stock	$ 227,671	$ 258,336	$ 278,661
Foreign investment			
Unlisted (non-OTC Listed) stock	4,729	4,636	3,626
	$ 232,400	$ 262,972	$ 282,287

The merged company invests in the ordinary shares of the above-mentioned domestic and foreign listed (TWSE) and unlisted (OTC Listed) 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, 2025, the merged company adjusted its investment position to diversify risks and sold some ordinary shares of China Petrochemical Development Corporation and Megaful Co., Ltd. at fair values of NT$11,728 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT$9,601 thousand were transferred to retained earnings.

For the three months ended March 31, 2024, the merged company adjusted its investment position to diversify risks and sold some ordinary shares of IBF Financial Holdings Co., Ltd. at fair values of NT$43,778 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT$9,589 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

	March 31, 2025	December 31, 2024	March 31, 2024
Current			
Domestic investment			
Time deposits with an original maturity date of more than 3 months	$ 23,350	$ 23,350	$ 23,350
Other financial assets (Note)	44,505	-	-
	$ 67,855	$ 23,350	$ 23,350

Note: Other financial assets are restricted assets, such as trust accounts for bank deposits.

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

X. Notes receivable, accounts receivable and other receivables

	March 31, 2025	December 31, 2024	March 31, 2024
Measured at amortized cost			
Gross carrying amount			
Notes receivable	$ 8,322	$ 33,884	$ 97,895
Notes receivable - related parties	$ 30,182	$ 31,341	$ 35,267
Accounts receivables	$ 37,817	$ 39,394	$ 42,832
Less: loss allowance	-	-	(714)
	$ 37,817	$ 39,394	$ 42,118
Accounts receivable - related parties	$ 26,010	$ 35,287	$ 27,325
Other receivables	$ 1,598	$ 4,498	$ 65,044
Less: loss allowance	-	-	(364)
	$ 1,598	$ 4,498	$ 64,680

The merged company terminated its cooperation with the landlord on the joint construction project of Shijian Section, Wenshan District, Taipei City (Shijian Project) in August 2024. According to the joint construction contract, due to the landowner's failure to integrate the land as expected, both parties agreed to terminate the contract. The land owner paid a fine of NT$80,000 thousand (recorded as other income) and NT$24,620 thousand (recorded as notes receivable) to the Company as compensation in September 2024. The compensation was paid in full in March 2025.

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, 2025

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 103,929	$ -	$ -	$ -	$ -	$ 103,929
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	$ 103,929	$ -	$ -	$ -	$ -	$ 103,929

December 31, 2024

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
Expected credit loss rate	-	-	-	-	-	
Gross carrying amount	$ 144,404	$ -	$ -	$ -	$ -	$ 144,404
Loss allowance (lifetime expected credit losses)	-	-	-	-	-	-
Cost after amortization	$ 144,404	$ -	$ -	$ -	$ -	$ 144,404

March 31, 2024

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
Expected credit loss rate	0.02%	-	-	-	100%	
Gross carrying amount	$ 267,346	$ -	$ -	$ -	$ 1,017	$ 268,363
Loss allowance (lifetime expected credit losses)	(61)	-	-	-	(1,017)	(1,078)
Cost after amortization	$ 267,285	$ -	$ -	$ -	$ -	$ 267,285

Information on changes in loss allowances is as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Balance at the beginning of the period	$ -	$ 2,595
Less: Reversal impairment loss	-	(1,517)
Balance at the end of the period	$ -	$ 1,078

XI. Net inventories

	March 31, 2025	December 31, 2024	March 31, 2024
Land held for sale	$ 159,361	$ 159,361	$ 159,361
Building and land under construction	251,627	216,597	169,868
Commodities	5,761	5,812	5,612
Food and beverage	1,108	1,386	1,473
	$ 417,857	$ 383,156	$ 336,314

In December 2023, the merged company signed a contract with a non-related natural person to purchase land and property under construction, and acquired lands located at Datong Section, Zhunan Town, Miaoli County with an area of 1,480 square meters for the total contract price of NT$147,750 thousand. All considerations were fully paid with the completion of transfer in March 2024.

The inventory-related costs of sales for the three months ended March 31, 2025 and 2024, were NT$17,660 thousand and NT$15,113 thousand, respectively.

The cost of sales for the three months ended March 31, 2025 and 2024 included the loss on inventory obsolescence NT$84 thousand and NT$0 thousand, respectively; the gains on the reversal of inventory obsolescence were NT$35 thousand and NT$0 thousand, respectively.

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:

Name of the investors	Name of subsidiaries	Main Business Activity	Percentage of shareholding			Explanation
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	73.03%	72.77%	65.94%	1. 2.
	Miramar Resort Co., Ltd. (Miramar Resort)	Management of hotels and water recreation activities	66.18%	66.18%	66.18%	3.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses	47.47%	47.47%	47.47%	4.
	ACMC Trading Co., Ltd. (ACMC Trading)	International trade management	-	-	100.00%	5.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	13.33%	3.

Remarks:

1. For the three months ended March 31, 2025, the Company acquired 95 thousand shares of Miramar Hospitality Co., Ltd. for the price of NT$950 thousand, resulting in an increase of shareholding to 73.03%, and the difference between the price and book value of the subsidiary's equity acquired or disposed was recognized for NT$312 thousand. For the three months ended March 31, 2024, the Company acquired 1,099 thousand shares of Miramar Hospitality Co., Ltd. for the price of NT$7,025 thousand, resulting in an increase of shareholding to 65.94%, and the difference between the price and book value of the subsidiary's equity acquired or disposed was recognized for NT$6,638 thousand.
2. It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
3. 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.
4. 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.
5. The Company's subsidiary, ACMC Trading Co., Ltd., resolved to liquidate and dissolve on August 31, 2023, and completed the liquidation on August 21, 2024.
6. As of March 31, 2025, except for the financial statements of Hsin Hai Transportation and Miramar Hospitality Co., Ltd. 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, 2025	December 31, 2024	March 31, 2024
Miramar Hospitality Co., Ltd.	Taipei City	26.97%	27.23%	34.06%

XIII. Property, plant and equipment

	March 31, 2025	December 31, 2024	March 31, 2024
Land	$ 156,144	$ 156,144	$ 156,144
Buildings	9,374	9,491	9,841
Transportation equipment	32,897	35,916	36,691
Office equipment	5,654	5,960	5,379
Restaurant and hotel equipment	12,512	12,828	12,297
	$ 216,581	$ 220,339	$ 220,352

Except for 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, 2025 and 2024. Depreciation expenses are calculated on a straight-line basis over their estimated useful lives, as shown in the following:

Buildings	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 9 years
Restaurant and hotel equipment	2 to 10 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

	March 31, 2025	December 31, 2024	March 31, 2024
Book value of right-of-use assets			
Land	$ 491,995	$ 479,986	$ 497,925
Buildings	1,300	1,279	1,472
Office equipment	1,744	1,838	-
	$ 495,039	$ 483,103	$ 499,397

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Increase in right-of-use assets		
Land	$ 18,050	$ -

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Buildings	89	-
	$ 18,139	$ -
Depreciation expense of right-of-use assets		
Land	$ 6,041	$ 6,518
Buildings	68	63
Office equipment	94	-
	$ 6,203	$ 6,581

Except for the additions and recognition of depreciation expenses, there were no significant subleases or impairments of the merged company's right-of-use assets for the three months ended March 31, 2025 and 2024.

(II) Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
Book value of lease liabilities			
Current	$ 20,908	$ 15,631	$ 17,581
Non-current	$ 479,012	$ 489,997	$ 484,591

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

	March 31, 2025	December 31, 2024	March 31, 2024
Land	1.76%~2.63%	1.76%	1.70%~1.76%
Buildings	1.70%	1.70%	1.70%~1.95%
Office equipment	2.63%	2.63%	-

(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.

The merged company leases equipment with a lease term of 5 years. At the end of the lease term, the merged company has no preferential right to acquire the lease agreement.

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 "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects" dated May 7, 2020, which the 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.

(IV) Other lease information

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Expenses relating to short-term leases	$ 334	$ 365
Lease expenses of low-value assets	$ 208	$ 151
Total cash (outflow) of leases	($ 22,121)	($ 22,513)

XV. Investment property

	March 31, 2025	December 31, 2024	March 31, 2024
Land			
Keelung Nuan-Nuan Yuanyuan Section	$ 30,026	$ 30,026	$ 30,026

The fair value of the merged company's investment property was evaluated by Qing-Tang Li, an independent evaluator who is not a related party. On December 20, 2021, upon the release of the Real Estate Valuation Report for the Far-end Section of Keelung, the Company estimated its fair value to be NT$40,789 thousand, the evaluation is made with reference to market evidence of real estate transaction prices. Since there is no significant change in the real estate transaction price in the area, the fair value on March 31, 2025, and December 31 and March 31, 2024 was appraised and the aforementioned fair value evaluated by an independent appraiser who is not a related party. There should be no significant difference.

XVI. Intangible assets

	March 31, 2025	December 31, 2024	March 31, 2024
Operating concession	$ 490,497	$ 495,558	$ 495,228
Computer software	212	230	124
	$ 490,709	$ 495,788	$ 495,352

Except for 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, 2025 and 2024. Amortization expenses are accrued on a straight-line basis over the following useful years:

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

The cost and cumulative amortization of the abovementioned operating royalty on March 31, 2025 in the amount of NT$490,497 thousand were NT$964,874 thousand and NT$474,377 thousand, respectively. 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$935,484 thousand.

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

XVII. Borrowings

(I) Short-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowings			
Bank loan	$ 80,000	$ 80,000	$ 130,000

The bank borrowings are secured by pledges of the merged company's bank deposits, certificates of deposit, listed shares, land, buildings and operating concessions (see Note 27). The interest rate of bank revolving borrowings as of March 31, 2025, and December 31 and March 31, 2024 were 2.250%, 2.100%~2.520% and 2.225%, respectively.

(II) Long-term borrowings

	March 31, 2025	December 31, 2024	March 31, 2024
Secured borrowings (Note 27)			
Bank mortgage	$ 301,236	$ 313,705	$ 47,984
Unsecured borrowings			
Borrowings against credit lines	10,000	6,667	25,556
	311,236	320,372	73,540
Less: Portion of long-term borrowings due within one year	(14,610)	(17,299)	(26,841)
	$ 296,626	$ 303,073	$ 46,699
Maturity date of mortgage repayment	2027.9.30~ 2029.8.1	2027.4.29~ 2029.8.1	2025.1.17~ 2028.1.30
Repayment maturity date of unsecured borrowings	2027.4.29	2026.9.3	2026.9.3~12.28

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, 2025, and December 31 and March 31, 2024, the effective interest rate was 2.220%-3.500%, 2.220%-3.500% and 2.325-2.720%.

The interest rate of the unsecured borrowings was 2.220%, 2.720% and 2.220%-2.595% as of March 31, 2025, and December 31 and March 31, 2024, respectively, of the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XVIII. Other payables

	March 31, 2025	December 31, 2024	March 31, 2024
Payroll payable	$ 21,438	$ 38,870	$ 25,256
Premium payable	33,676	26,555	25,203
Remuneration payable to directors	5,649	5,507	7,521
Remuneration payable to employees	7,259	7,117	7,521
Stock settlement payable	36,753	95,744	-
Dividends payable	309,964	-	-
Others	20,717	25,293	24,032
	$ 435,456	$ 199,086	$ 89,533

XIX. Post-employment benefit plan

Relevant pension costs recognized under the defined benefit plan for the three months ended March 31, 2025 and 2024 were calculated based on the pension cost rate determined through an actuary as of December 31, 2024 and 2023, and the amount was NT$136 thousand and NT$194 thousand, respectively.

XX. Equity

(I) Share capital

Common stock

	March 31, 2025	December 31, 2024	March 31, 2024
Number of shares (thousand)	250,000	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	189,002	189,002
Issued capital stock	$ 1,890,023	$ 1,890,023	$ 1,890,023

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.

(II) Capital reserve

	March 31, 2025	December 31, 2024	March 31, 2024
May be used to offset losses, distribute cash or capitalize on capital (1)			
Treasury shares transaction	$ 20,348	$ 20,348	$ 20,348
Difference between the price and book value of the subsidiary's equity acquired or disposed actually	20,344	20,032	6,638
Can only be used to offset a deficit			
Recognition of changes in ownership interests of subsidiaries (2)	18	18	18
Unclaimed dividends after expiry date	571	582	519
	$ 41,281	$ 40,980	$ 27,523

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

(III) Retained earnings and dividend policy

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. In principle, the cash dividends distributed for retained earnings shall not be less than 20% of the distributable earnings, and the percentage of dividends distributed shall not be less than 50% of the total dividends distributed in the current year. 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. However, when earnings are paid in the form of cash, the Board of Directors is authorized to do so with the approval of a majority of directors attending the meeting and at least two-thirds of the directors are present voting to approve the resolution, and the matter shall be reported to the shareholders' meeting. 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.

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 appropriation of earnings for 2023 was approved during the general shareholders' meeting on June 25, 2024, as follows:

	2023
Legal reserve	$ 47,923
Cash dividends	$ 434,705
Cash dividend per share (NTD)	$ 2.3

The Company's 2024 earnings appropriation was proposed by the Board of Directors on March 11, 2025 as follows:

	2024
Legal reserve	$ 34,407
Cash dividends	$ 309,964
Cash dividend per share (NTD)	$ 1.64

The above cash dividends were resolved by the Board of Directors on March 11, 2025. The other earnings distribution items for 2024 are still pending resolution at the shareholders' meeting to be held on June 20, 2025.

XXI. Revenue

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Revenue from contracts with customers		
Transportation revenue	$ 76,034	$ 83,309
Hospitality revenue	88,973	81,305
Rental income	2,995	2,898
	$ 168,002	$ 167,512

Contract balance

	March 31, 2025	December 31, 2024	March 31, 2024	January 1, 2024
Total notes and accounts receivable (Notes 10 and 26)	$ 102,331	$ 139,906	$ 203,319	$ 138,455
Contract liabilities - current				
Real estate sales	$ 43,449	$ 31,139	$ -	$ -

For the breakdown of revenue from contracts with customers, please refer to Note 31.

XXII. Net profit (loss)

(I) Others

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Rental income	$ 2,115	$ 2,411
Dividend income	1,084	-
Others	535	2,492
	$ 3,734	$ 4,903

(II) Other gains and losses

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Net loss (gain) on financial assets at fair value through profit or loss	($ 98,514)	$ 220,654
Net gain (loss) from disposal and scrap of property, plant and equipment	625	(5)
Others	(4)	(120)
	($ 97,893)	$ 220,529

(III) Finance costs

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Interest on lease liabilities	$ 2,314	$ 2,295
Interest on bank borrowings	1,986	1,377
	$ 4,300	$ 3,672

Information on capitalization of interest is as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Amount of capitalized interest	$ 595	$ -
Interest rate of capitalized interest	3.250%~3.500%	-

(IV) Depreciation and amortization

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Depreciation expenses by function		
Operating cost	$ 6,626	$ 6,081
Operating expense	4,068	5,056
	$ 10,694	$ 11,137
Amortization expenses are summarized by function		
Operating cost	$ 5,987	$ 5,645
Operating expense	265	252
	$ 6,252	$ 5,897

(V) Employee benefits expense

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Post-employment benefits		
Defined contribution plan	$ 1,464	$ 1,651
Defined benefit plan	136	194
Other employee benefits	37,819	43,584
Total	$ 39,419	$ 45,429
Summary by function		
Operating cost	$ 23,661	$ 26,843
Operating expense	15,758	18,586
	$ 39,419	$ 45,429

(VI) Employees' compensation and remuneration of directors

Per resolution passed at the June 25, 2024 shareholders’ meeting approving an amendment to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at between 1-5% and no more than 3% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. The net loss before tax for the three months ended March 31, 2025, is the unappropriated remuneration to employees and directors. Remuneration of employees and remuneration of directors estimated for the three months ended March 31, 2024 are as follows:

Estimated allowance

	For the three months ended March 31, 2024
Employee remuneration	1%
Remuneration to directors	1%

Amount

	For the three months ended March 31, 2024
Employee remuneration	$ 2,209
Remuneration to directors	$ 2,209

The Board of Directors of the Company resolved to distribute the remuneration to employees and directors for 2024 and 2023, respectively, as follows:

Amount

	2024	2023
	Cash	Cash
Employee remuneration	$ 6,441	$ 4,797
Remuneration to directors	4,830	4,797

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.

There is no difference between the actual amount of employees' compensation and remuneration of directors paid in 2024 and 2023 and the amount recognized in the 2024 and 2023 consolidated financial statements.

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 expenses are as follows:

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Current income tax		
Generated during the period	$ 215	$ 219
Deferred income tax		
Generated during the period	2,764	2,522
Income tax expenses recognized in profit or loss	$ 2,979	$ 2,741

(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 2023.

XXIV. Earnings per share (EPS)

Unit: NTD per share

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Basic earnings (loss) per share	($ 0.51)	$ 1.14
Diluted earnings (loss) per share	($ 0.51)	$ 1.14

The net profit (loss) and the weighted average number of ordinary shares used to calculate the earnings (losses) per share are as follows:

Net profit for the period

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Net income (loss) attributable to the Company's shareholders	($ 96,189)	$ 216,239

Number of shares

Unit: Thousand shares

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
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	-	290
Weighted average number of ordinary shares used in the computation of diluted earnings per share	189,002	189,292

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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
TWSE/TPEx-listed stocks	$ 1,095,422	$ -	$ -	$ 1,095,422
Fund beneficiary certificate	31,585	-	-	31,585
	$ 1,127,007	$ -	$ -	$ 1,127,007
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC Listed) stock	$ 92,160	$ -	$ -	$ 92,160
- Domestic unlisted stocks	-	227,671	-	227,671
- Foreign unlisted stocks	-	4,729	-	4,729
	$ 92,160	$ 232,400	$ -	$ 324,560

December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
TWSE/TPEx-listed stocks	$ 1,056,567	$ -	$ -	$ 1,056,567
Fund beneficiary certificate	31,468	-	-	31,468
	$ 1,088,035	$ -	$ -	$ 1,088,035
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC Listed) stock	$ 110,480	$ -	$ -	$ 110,480
- Domestic unlisted stocks	-	258,336	-	258,336
- Foreign unlisted stocks	-	4,636	-	4,636
	$ 110,480	$ 262,972	$ -	$ 373,452

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
TWSE/TPEx-listed stocks	$ 1,183,951	$ -	$ -	$ 1,183,951
Fund beneficiary certificate	31,133	-	-	31,133
	$ 1,215,084	$ -	$ -	$ 1,215,084
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC Listed) stock	$ 138,606	$ -	$ -	$ 138,606
- Domestic unlisted stocks	-	278,661	-	278,661
- Foreign unlisted stocks	-	3,626	-	3,626
	$ 138,606	$ 282,287	$ -	$ 420,893

There were no transfers between Level 1 and Level 2 fair value measurements during the three months ended March 31, 2025 and 2024.

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

Type of financial instrument	Valuation techniques and inputs
Domestic and foreign unlisted (OTC Listed) 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, 2025	December 31, 2024	March 31, 2024
Financial assets			
Measured at fair value through profit or loss			
Mandatory measurement at fair value through profit or loss	$ 1,127,007	$ 1,088,035	$ 1,215,084
Financial assets at amortized cost (Note 1)	982,227	1,223,037	1,091,354
Investments in financial asset equity instruments measured at fair value through other comprehensive income	324,560	373,452	420,893
Financial liabilities			
Measured at amortized cost (Note 2)	912,839	688,961	366,814

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 and other financial assets - non-current.

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 merged 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:

	March 31, 2025	December 31, 2024	March 31, 2024
Fair value interest rate risk			
- Financial liabilities	$ 499,920	$ 505,628	$ 502,172
Cash flow interest rate risk			
- Financial assets	830,223	1,074,756	820,557
- Financial liabilities	391,236	400,372	203,540

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, 2025 and 2024 would have increased /decreased by NT$1,097 thousand and increased/decreased by NT$1,543 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$11,270 thousand for the three months ended March 31, 2025 due to the increase/decrease in the fair value of financial assets measured at fair value through profit or loss. Other comprehensive income before/after tax for the three months ended March 31, 2025 would have increased/decreased by NT$3,246 thousand due to the increase/decrease in the fair value of financial assets at fair value through other comprehensive income.

If the equity price increased/decreased by 1%, the profit or loss before/after tax would have increased/decreased by NT$12,151 thousand for the three months ended March 31, 2024 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, 2024 would have increased/decreased by NT$4,209 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, 2025, and December 31 and March 31, 2024, 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, 2025

	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	$ 107,216	$ 52,816	$ 322,343	$ 4,095	$ -
Lease liabilities	1,069	4,857	33,112	165,136	590,690
Floating interest rate instruments	80,949	2,642	11,850	25,261	-
	$ 189,234	$ 60,315	$ 367,305	$ 194,492	$ 590,690

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liabilities	$ 39,038	$ 165,136	$ 109,297	$ 131,027	$ 124,284	$ 226,082

December 31, 2024

	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	$ 159,406	$ 42,843	$ 29,202	$ 1,000	$ -
Lease liabilities	21,533	2,264	9,935	158,852	612,988
Floating interest rate instruments	81,296	2,503	14,534	31,608	-
	$ 262,235	$ 47,610	$ 53,671	$ 191,460	$ 612,988

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liabilities	$ 33,732	$ 158,852	$ 109,536	$ 131,351	$ 124,637	$ 247,464

March 31, 2024

	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	$ 71,041	$ 38,844	$ 11,186	$ 988	$ -
Lease liabilities	1,032	4,657	30,224	130,252	649,524
Floating interest rate instruments	133,308	4,682	20,498	48,091	-
	$ 205,381	$ 48,183	$ 61,908	$ 179,331	$ 649,524

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

	Less than 1 year	1 to 5 years	5 to 10 years	10 to 15 years	15 to 20 years	More than 20 years
Lease liabilities	$ 35,913	$ 130,252	$ 141,166	$ 132,307	$ 125,680	$ 250,371

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, 2025, and December 31 and March 31, 2024, the balance of undiscounted principal of these bank loans is NT$80,826 thousand, NT$81,155 thousand and NT$133,001 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

	March 31, 2025	December 31, 2024	March 31, 2024
Unsecured bank facilities (reviewed every year)			
- Amount used	$ 10,000	$ 41,528	$ 25,556
- Unutilized amount	80,000	80,000	119,444
	$ 90,000	$ 121,528	$ 145,000
Guaranteed bank facilities			
- Amount used	$ 381,236	$ 358,844	$ 177,984
- Unutilized amount	352,123	532,123	535,016
	$ 733,359	$ 890,967	$ 713,000

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

Name of the related parties	Relationship with the merged company
Durban Development Co., Ltd.	Substantially related party
T&W Transportation Services	Substantially related party
Mayer Steel Pipe Corporation	Substantially related party
Mayer Inn Corporation	Substantially related party
Athena Information Systems International Co., Ltd.	Substantially related party
Durban Dive Corporation	Substantially related party
Yu-hung Investment Co., Ltd.	Substantially related party
Ying Shun Construction Co., Ltd.	Substantially related party
Hsiang-Hua Li	Substantially related party
Yi-Wei Chen	Substantially related party
Yuan Chuan Steel Co. Ltd.	Associates
TienPin Development Co., Ltd.	Associates
Miramar Hotel Taipei Co., Ltd.	Associates

(II) Operating revenue

Accounting item	Type/Name of related parties	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Transportation revenue	Substantially related party		
	T&W Transportation Services	$ 37,726	$ 43,538
Hospitality revenue	Substantially related party		
	Athena Information Systems International Co., Ltd.	323	256
	Others	134	253
	Associates		
	TienPin Development Co., Ltd.	26	-
		$ 38,209	$ 44,047

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

Accounting item	Type/Name of related parties	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Transportation cost	Substantially related party		
	T&W Transportation Services	$ 13,071	$ 11,919
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	107	103
		$ 13,178	$ 12,022

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

Accounting item	Type/Name of related parties	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	$ 134	$ 158
Transportation expenses	Substantially related party		
	T&W Transportation Services	30	26
		$ 164	$ 184

(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, 2025 and 2024, lease income recognized was NT$266 thousand and NT$195 thousand, respectively.

The merged company leased the right-of-use of the building to the related party - TienPin Development Co., Ltd., for a period of 1 year, under an operating lease. For the three months ended March 31, 2025 and 2024, 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 gains

Type/Name of related parties	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Substantially related party		
T&W Transportation Services	$ 109	$ 110

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

Accounting item	Type/Name of related parties	March 31, 2025	December 31, 2024	March 31, 2024
Notes receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 30,182	$ 31,341	$ 35,258
	Others	-	-	9
		$ 30,182	$ 31,341	$ 35,267
Accounts receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 25,967	$ 35,212	$ 27,276
	Others	36	75	49
	Associates			
	TienPin Development Co., Ltd.	7	-	-
		$ 26,010	$ 35,287	$ 27,325

No guarantee is collected for accounts receivable from related parties.

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

Accounting item	Type/Name of related parties	March 31, 2025	December 31, 2024	March 31, 2024
Notes payable - related parties	Substantially related party			
	T&W Transportation Services	$ 14,170	$ 12,709	$ 12,820
Accounts payable - related parties	Substantially related party			
	T&W Transportation Services	$ 4,449	$ 4,961	$ 4,241
	Others	-	62	43
		$ 4,449	$ 5,023	$ 4,284
Other payables - related parties	Substantially related party			
	Durban Development Co., Ltd.	$ -	$ -	$ 315
	Athena Information Systems International Co., Ltd.	45	55	63
		$ 45	$ 55	$ 378

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

Accounting item	Type/Name of related parties	March 31, 2025	December 31, 2024	March 31, 2024
Inventory	Substantially related party Durban Development Co., Ltd.	$ -	$ -	$ 4,800

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

Type/Name of related parties	March 31, 2025	December 31, 2024	March 31, 2024
Substantially related party Athena Information Systems International Co., Ltd.	$ 136	$ 145	$ 109

(XI) Equity trading

For the three months ended March 31, 2025, the Company acquired the equity of Miramar Hospitality Co., Ltd. from a related party for an amount of U$500 thousand.

(XII) Compensation of key management personnel

	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Short-term employee benefits	$ 4,858	$ 3,931
Post-employment benefits	154	105
	$ 5,012	$ 4,036

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:

	March 31, 2025	December 31, 2024	March 31, 2024
Operating concession (stated as intangible assets)	$ 490,497	$ 495,586	$ 477,390
Financial assets measured at fair value through profit or loss - current	252,080	257,600	351,900
Property, plant and equipment	110,380	110,497	110,846
Financial assets measured at fair values through other comprehensive income - current	-	-	91,740
Building and land under construction (stated as inventory)	251,283	216,253	74,618

(Cont'd)

(Cont'd)

	March 31, 2025	December 31, 2024	March 31, 2024
Bank deposits (booked in other financial assets - current and non-current)	$ 9,606	$ 10,135	$ 9,759
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,050	3,050	3,050
	$ 1,116,896	$ 1,093,121	$ 1,119,303

XXVIII. Material contingent liabilities and unrecognized contractual commitments

Significant contract

Operating concession contract

On March 11, 2004, the Company's subsidiary 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 Company's average room price 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 on March 31, 2025 and 2024 were NT$7,003 thousand and NT$6,399 thousand (included under the operating expenses).

XXIX. Others

On March 11, 2025, the Board of Directors proposed to sell the office at Zhongshan District, Taipei City, with a land area of 30.3831 pings and a building area of 371.18 pings, in order to activate assets and enrich working capital. The proposal is expected to be submitted to the AGM on June 20, 2025 for resolution. If the transaction is successful, the relevant information will be announced as required.

Considering future business development plans, strengthening overall operations, adjusting business strategies, and enhancing operational efficiency to align with long-term development strategies, the Company's subsidiary, Miramar Hospitality Co., Ltd., resolved at its board meeting on March 12, 2024, and received approval from the Taipei Exchange to terminate the trading of its Emerging Stock Board shares effective March 30, 2024. Subsequently, as resolved at the shareholders' meeting on June 13, 2024, and upon receiving approval from the FSC, the Company ceased public issuance of its shares effective June 25, 2024.

XXX. <u>Additional Disclosures</u>

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

1. Loans to others: None.
2. Endorsements/guarantees provided for others: None.
3. Significant marketable securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): Table 1.
4. Total purchases from and sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
5. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
6. Others: Business relationships and significant transactions between the parent company and its subsidiaries: none.
7. Information on investees: Table 2.

(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.

XXXI. 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, 2025	For the three months ended March 31, 2024	For the three months ended March 31, 2025	For the three months ended March 31, 2024
Transportation segment	$ 76,034	$ 83,309	($ 334)	($ 854)
Hotel segment	88,973	81,305	15,624	12,024
Other segments	2,995	2,898	(1,842)	(4,439)
Construction segment	-	-	(5,405)	(5,686)
Net worth of continuing operations	$ 168,002	$ 167,512	8,043	1,045
Interest income			754	522
Other income			3,734	4,903
Other gains and losses			(97,893)	220,529
Finance costs			(4,300)	(3,672)
Expected credit impairment income			-	1,517
Net (loss) profit before tax			($ 89,662)	$ 224,844

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, 2025 and 2024.

Segment income is the profit earned by each segment, excluding the share of loss, interest income, other income, other gains and losses, finance costs, expected credit impairment gains, and income tax expenses of affiliates using the equity method. 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

Marketable securities held at the end of the period

March 31, 2025

Table 1

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)	
The Company	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,500	$ 561,700	7.68	$ 561,700	Note 2
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	421	35,812	0.13	35,812	
	QUANTA COMPUTER INC.	—	Financial assets measured at fair value through profit or loss - current	500	112,250	0.01	112,250	
	TATUNG COMPANY	—	Financial assets measured at fair value through profit or loss - current	2,000	81,400	0.09	81,400	
	Formosa Plastics Corporation	—	Financial assets measured at fair value through profit or loss - current	700	25,620	0.01	25,620	
	HON HAI PRECISION IND. CO., LTD.	—	Financial assets measured at fair value through profit or loss - current	650	94,900	-	94,900	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	140	127,400	-	127,400	
	Gold Circuit Electronics Ltd.	—	Financial assets measured at fair value through profit or loss - current	40	8,040	0.01	8,040	
	PCL TECHNOLOGIES, INC.	—	Financial assets measured at fair value through profit or loss - current	300	30,300	0.37	30,300	
	Delta Electronics, Inc.	—	Financial assets measured at fair value through profit or loss - current	50	18,000	-	18,000	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	7,200	92,160	0.20	92,160	
	HERMOSA OPTOELECTRONICS CORPORATION	—	Financial assets measured at fair value through profit or loss - Current- Non-current	4,088	-	5.37	-	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	227,671	18.57	227,671	
	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	-	
	I1 E-Commerce Network Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
	ROSA FOODS CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-	
Miramar Hospitality Co., Ltd.	Stock							
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	4,729	10.00	4,729	
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	5,285	-	5,285	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,265	-	5,265	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,269	-	5,269	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,250	-	5,250	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,260	-	5,260	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,256	-	5,256	

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

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, 2025

Table 2

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 of investees for the current period (Loss)	Investment gains (losses) recognized in the current period	Remarks
				March 31, 2025	December 31, 2024	Shares (Thousands)	Percentage (%)	Carrying amount			
The Company	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	$ 288,352	$ 287,402	27,177	73.03	$ 322,232	$ 11,148	$ 8,137	Subsidiary
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	80,515	945	485	Subsidiary
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,808	(10)	(10)	Subsidiary (Note 2)
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	-	(10)	-	Subsidiary (Note 3)

Note 1: Investment gains or losses from investees, investments accounted for under the equity method and equity in investees are written off.

Note 2: The number of shares held by the Company in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT$10 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.