Stock Code: 2611

Tze Shin International Co., Ltd.
and subsidiaries

Consolidated Financial Statements and Auditor’s Review Report

Q1 2024 and 2023

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§Table of Contents§

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, 2024 and 2023 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, 2024 and 2023. The preparation of fairly presented consolidated financial based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Report" recognized and endorsed to effect by the Financial Supervisory Commission is the responsibility of the management, we are responsible for making conclusions for the consolidated financial statements in accordance with the review results.

Scope

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

Basis for Qualified Conclusion

As described in Note 12 of the consolidated financial statements, the financial statements of non-significant subsidiaries included in the abovementioned financial statements for the same period are not reviewed by CPAs; their total assets as of March 31, 2023 were NT$8,363 thousand, accounted for 0.23% of consolidated total assets; their total liabilities were NT$122 thousand, accounted for 0.01% of the total consolidated liabilities; their consolidated comprehensive losses for the three months ended March 31, 2023 was NT$37 thousand, accounted for (0.19%) of the consolidated total comprehensive income.

Unqualified and qualified conclusion

Based on our review results, except for the potential adjustments to the consolidated financial statements upon the review of the financial statements and relevant information of the non-significant subsidiaries described in the “Basis for Qualified Conclusion” section accounted for using the equity method, we have found no circumstances causing the fair presentation of the consolidated financial position of Tze Shin International Co., Ltd. and its subsidiaries as of March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the three months ended thereof resulting from the inability in preparing the financial statements based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Report” recognized and endorsed to effect by the Financial Supervisory Commission preparing in all material perspectives.

Deloitte & Touche

CPA Han-Ni Fang	CPA Chao-Yu Chen
Approval No. of Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No.1090347472	Approval No. of Financial Supervisory Commission Jin-Guan-Zheng-Shen-Zi No.1110348898

May 14, 2024

Notice to Readers

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

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

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Balance Sheet

March 31, 2024 and December 31 and March 31, 2023

Unit: NT$ thousand

		March 31, 2024		December 31, 2023		March 31, 2023	
Code	Assets	Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash (Note 6)	$ 789,166	18	$ 735,847	18	$ 328,389	9
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 27)	1,215,084	27	1,181,327	28	1,138,905	31
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 8 and 27)	138,606	3	163,945	4	129,469	4
1136	Financial assets measured at amortized cost - current (Notes 9 and 27)	23,350	1	23,650	1	23,700	1
1150	Net notes receivable (Notes 10 and 21)	97,895	2	81,652	2	6,315	-
1160	Notes receivable - related parties (Notes 10, 21 and 26)	35,267	1	29,350	1	31,932	1
1170	Net accounts receivable (Notes 10 and 21)	42,118	1	46,871	1	40,762	1
1180	Accounts receivable - related parties (Notes 10, 21 and 26)	27,325	1	33,003	1	34,855	1
1200	Net other receivables (Notes 10)	64,680	1	25,089	1	5,876	-
1310	Net inventory (Notes 11, 26, and 27)	336,314	8	186,769	4	194,593	5
1410	Pre-payments (Note 26)	19,058	-	21,255	-	17,830	1
1476	Other financial assets - current (Note 27)	6,738	-	7,323	-	15,858	-
1479	Other current assets	2,594	-	17,230	-	7,334	-
11XX	Total current assets	2,798,195	63	2,553,311	61	1,975,818	54
	Non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	-	-	362	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	282,287	7	217,341	5	174,061	5
1600	Property, plant and equipment (Notes 13 and 27)	220,352	5	224,771	5	229,969	6
1755	Right-of-use assets (Note 14)	499,397	11	490,749	12	511,105	14
1760	Investment property (Note 15)	30,026	1	30,026	1	30,026	1
1780	Intangible assets (Notes 16, 27, and 28)	495,352	11	500,998	12	501,395	13
1840	Deferred income tax assets (Notes 4 and 23)	92,373	2	94,895	2	100,927	3
1920	Refundable deposits (Note 28)	1,794	-	81,807	2	152,357	4
1975	Net defined benefit assets (Notes 4 and 19)	2,558	-	2,558	-	611	-
1980	Other financial assets - non-current (Note 27)	3,021	-	3,021	-	3,005	-
1990	Other non-current assets	8,580	-	-	-	661	-
15XX	Total non-current assets	1,635,740	37	1,646,166	39	1,704,479	46
1XXX	Total assets	$ 4,433,935	100	$ 4,199,477	100	$ 3,680,297	100
Code	Financial liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Notes 17 and 27)	$ 130,000	3	$ 170,000	4	$ 160,000	4
2150	Notes payable	18,354	1	20,376	1	17,913	1
2160	Notes payable - related party (Note 26)	12,820	-	13,456	-	11,628	-
2170	Accounts payable	37,380	1	37,967	1	38,354	1
2180	Accounts payable - related parties (Note 26)	4,284	-	4,866	-	4,033	-
2200	Other payables (Note 18)	89,533	2	91,771	2	78,797	2
2220	Other payables - Related parties (Note 26)	378	-	522	-	683	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	239	-	51	-	6,640	-
2280	Lease liabilities - current (Note 14)	17,581	-	17,738	1	22,225	1
2320	Long-term borrowings due within one year (Notes 17 and 27)	26,841	1	27,214	1	19,577	1
2399	Other current liabilities	14,228	-	17,518	-	13,662	-
21XX	Total current liabilities	351,638	8	401,479	10	373,512	10
	Non-current liabilities						
2540	Long-term borrowings (Notes 17 and 27)	46,699	1	52,902	1	67,177	2
2570	Deferred tax liabilities	-	-	-	-	3	-
2580	Lease liabilities - non-current (Note 14)	484,591	11	488,917	12	487,946	13
2640	Net defined benefit liabilities (Notes 4 and 19)	5,790	-	5,622	-	5,478	-
2645	Guarantee deposits	225	-	225	-	225	-
2670	Other non-current liabilities	11,307	-	11,307	-	11,914	1
25XX	Total non-current liabilities	548,612	12	558,973	13	572,743	16
2XXX	Total liabilities	900,250	20	960,452	23	946,255	26
	Equity attributable to owners of the Company (Note 20)						
3110	Ordinary shares	1,890,023	43	1,890,023	45	1,890,023	51
3220	Capital reserve	27,523	1	20,886	-	20,857	1
	Retained earnings						
3310	Legal reserve	309,697	7	309,697	7	309,697	8
3350	Unappropriated earnings	858,195	19	632,367	15	169,849	5
3300	Total retained earnings	1,167,892	26	942,064	22	479,546	13
3400	Other equity	220,581	5	148,107	4	106,782	3
31XX	Total equity of the owner of the Company	3,306,019	75	3,001,080	71	2,497,208	68
36XX	Non-controlling interests	227,666	5	237,945	6	236,834	6
3XXX	Total Equity	3,533,685	80	3,239,025	77	2,734,042	74
	Total liabilities and equity	$ 4,433,935	100	$ 4,199,477	100	$ 3,680,297	100

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang   Managerial Officer: Ming-Tan Hsu   Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Comprehensive Income

For the three months ended March 31, 2024 and 2023

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

Code		For the three months ended March 31, 2024 Amount	%	For the three months ended March 31, 2023 Amount	%
4000	Net operating revenue (Notes 21 and 26)	$ 167,512	100	$ 130,000	100
5000	Operating cost (Notes 11, 19, 22 and 26)	116,832	70	116,495	89
5950	Gross profit	50,680	30	13,505	11
	Operating expense				
6200	Operating expense (Notes 19, 22, 26, and 28)	49,635	29	36,485	28
6450	Expected credit impairment loss (Note 10)	-	-	78	-
6000	Subtotal	49,635	29	36,563	28
6900	Net operating income (loss)	1,045	1	(23,058)	(17)
	Non-operating income and expenses (Notes 22 and 26)				
7100	Interest income	522	-	269	-
7010	Others	4,903	3	5,086	4
7020	Other gains and losses	220,529	131	24,625	19
7050	Financial costs	(3,672)	(2)	(3,694)	(3)
7055	Expected credit impairment loss (Note 10)	1,517	1	-	-
7000	Subtotal	223,799	133	26,286	20

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Code		For the three months ended March 31, 2024 Amount	%	For the three months ended March 31, 2023 Amount	%
7900	Net profit before tax	$ 224,844	134	$ 3,228	3
7950	Income tax expenses (gains) (Notes 4 and 23)	2,741	2	(3,050)	(2)
8000	Net profit for the period	222,103	132	6,278	5
	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	83,385	50	13,599	10
8500	Total comprehensive income (loss) for the year	$ 305,488	182	$ 19,877	15
	Net profit attributable to				
8610	Owner of the Company	$ 216,239	129	$ 10,216	8
8620	Non-controlling interests	5,864	4	(3,938)	(3)
8600		$ 222,103	133	$ 6,278	5
	Comprehensive income attributable to				
8710	Owner of the Company	$ 299,805	179	$ 23,752	18
8720	Non-controlling interests	5,683	3	(3,875)	(3)
8700		$ 305,488	182	$ 19,877	15
	Earnings per share (Note 24)				
9710	Basic	$ 1.14		$ 0.05	
9810	Dilution	$ 1.14		$ 0.05	

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang　　Managerial Officer: Ming-Tan Hsu　　Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Changes in Equity

For the three months ended March 31, 2024 and 2023

Unit: NT$ thousand

		Equity attributable to owners of the Company (Notes 8 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, 2023	$ 1,890,023	$ 20,857	$ 309,697	$ 153,135	$ 462,832	$ 99,744	$ 2,473,456	$ 240,709	$ 2,714,165
D1	Net profit for the three months ended March 31, 2023	-	-	-	10,216	10,216	-	10,216	(3,938)	6,278
D3	Other comprehensive income after tax for the three months ended March 31, 2023	-	-	-	-	-	13,536	13,536	63	13,599
D5	Total comprehensive income after tax for the three months ended March 31, 2023	-	-	-	10,216	10,216	13,536	23,752	(3,875)	19,877
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	6,498	6,498	(6,498)	-	-	-
Z1	Balance as of March 31, 2023	$ 1,890,023	$ 20,857	$ 309,697	$ 169,849	$ 479,546	$ 106,782	$ 2,497,208	$ 236,834	$ 2,734,042
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

The notes below constitute a part of the financial statements.

Chairman: Chun-Fa Huang   Managerial Officer: Ming-Tan Hsu   Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Cash Flows

For the three months ended March 31, 2024 and 2023

Unit: NT$ thousand

Code		For the three months ended March 31, 2024	For the three months ended March 31, 2023
	Cash flows from operating activities		
A00010	Net profit before tax	$ 224,844	$ 3,228
	Adjustments to reconcile profit (loss):		
A20100	Depreciation	11,137	11,422
A20200	Amortization expenses	5,897	5,129
A20300	Expected credit impairment loss (credit)	(1,517)	78
A20400	Net gains from financial assets at fair value through profit or loss	(220,654)	(24,124)
A20900	Finance costs	3,672	3,694
A21200	Interest income	(522)	(269)
A22500	Net gains from the disposal and scrap of property, plant, and equipment	5	(597)
A22800	Loss of disposal of intangible assets	-	1
A23800	Price recovery benefit for inventory	-	(112)
A29900	Others	157	230
	Net change in operating assets and liabilities		
A31130	Notes receivable	(16,243)	831
A31140	Notes receivable - related parties	(5,917)	2,821
A31150	Accounts receivables	4,753	(1,279)
A31160	Accounts receivable - related parties	5,678	2,512
A31180	Other receivables	(373)	(609)
A31190	Other receivables - related parties	-	270
A31200	Inventory	(134,775)	(27,649)
A31230	Prepayments	2,040	(2,584)
A31240	Other current assets	(83)	(2,100)
A32130	Notes payable	(2,022)	(12,557)
A32140	Notes payable - related parties	(636)	1,106
A32150	Accounts payable	(587)	15,628
A32160	Accounts payable - related parties	(582)	(1,429)
A32180	Other payables	(6,558)	(128)
A32190	Other payables - related parties	(144)	642
A32230	Other current liabilities	(3,290)	(1,534)
A32240	Net defined benefit assets and liabilities	168	119
A33000	Cash outflow from operating activities	(135,552)	(27,260)
A33300	Interest paid	(1,571)	(1,547)

(Cont'd)

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Code		For the three months ended March 31, 2024	For the three months ended March 31, 2023
A33500	Income tax paid	($ 82)	($ 13)
AAAA	Net cash outflow from operating activities	(137,205)	(28,820)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(11,993)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	43,778	46,685
B00040	Acquisition of financial assets at amortized cost	-	(300)
B00050	Disposal of financial assets measured at amortized cost	300	400
B00100	Acquisition of financial assets at fair value through profit or loss	(342,588)	(91,994)
B00200	Disposal of financial assets at fair value through profit or loss	492,196	80,630
B02700	Acquisition of property, plant and equipment	(142)	(9,434)
B02800	Disposal of property, plant and equipment prices	-	619
B03700	Increase in refundable deposits	-	(313)
B03800	Decrease in refundable deposits	80,013	-
B04500	Acquisition of intangible assets	(251)	(90,268)
B06500	Increase in their financial assets	-	(8,658)
B06600	Decrease in other financial assets	585	-
B06700	Increase of other non-current assets	(8,580)	-
B06800	Decrease of other non-current assets	-	39,204
B07500	Interest received	811	366
BBBB	Net cash inflows (outflows) from investing activities	266,122	(45,056)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	30,000
C00200	Decrease in short-term borrowings	(40,000)	-
C01600	Increase in long-term loans	-	50,000
C01700	Decrease in long-term loans	(6,576)	(4,079)
C03000	Increase in guarantee deposits	-	50
C04020	Lease liability principal repayments	(21,997)	(21,527)
C05400	Acquisition of equity in subsidiaries	(7,025)	-
CCCC	Net cash inflow (outflow) from financing activities	(75,598)	54,444
EEEE	Net cash increase (decrease)	53,319	(19,432)
E00100	Cash balance at the beginning of the period	735,847	347,821
E00200	Cash balance at the end of the period	$ 789,166	$ 328,389

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang　　Managerial Officer: Ming-Tan Hsu　　Head-Finance & Accounting: Hsiu-Chi Chen

Tze Shin International Co., Ltd. and its subsidiaries

Notes to Consolidated Financial Statements

For the three months ended March 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars, unless otherwise stated)

I. Corporate history

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

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

The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

II. Date and Procedures for Passing the Financial Report

The financial statements were approved by the board of directors on May 14, 2024.

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

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

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

New/amended/revised standards and interpretations	Effective date published by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined
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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the comparable period shall not be re-stated, but to recognized the effect in the retained earnings on the date of initial application, or the exchange differences of foreign operations under equity (as appropriate) and related assets and liabilities affected.

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

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with the IAS 34 "Interim Financial Report" endorsed and issued into effect by the FSC. The consolidated statements do not include all IFRSs disclosure information stated for the financial statements of the entire year.

(II) Basis of preparation

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

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

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

(III) Basis of consolidation

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

Please refer to Note 12 and Table 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 2023 consolidated financial statements.

1. Classification of current and non-current asset and liability items

Current assets include:

(1) Assets held mainly for the purpose of trading;

(2) Assets expected to be realized within 12 months after the balance sheet date; and

(3) Cash and cash equivalents (excluding those that are restricted from being exchanged or used to settle a liability for more than 12 months after the balance sheet date).

Current liabilities include:

(1) Liabilities held mainly for the purpose of trading;

(2) Liabilities due and settled within 12 months after the balance sheet date; and

(3) At the balance sheet date, the liabilities to which the Company has no substantive right to defer the settlement thereof for at least 12 months after the balance sheet date.

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

2. 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.

3. 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 2023 consolidated financial statements.

VI. Cash

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand and working capital	$ 1,309	$ 1,641	$ 1,484
Checks and demand deposits at banks	787,857	734,206	326,905
	$ 789,166	$ 735,847	$ 328,389

VII. Financial instruments at fair value through profit or loss

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
— Domestic listed (OTC Listed) stock	$ 1,183,951	$ 1,150,292	$ 1,108,150
— Fund beneficiary certificate	31,133	31,035	30,755
	$ 1,215,084	$ 1,181,327	$ 1,138,905
Financial assets - non-current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
— Domestic unlisted (non-OTC Listed) stock	$ -	$ -	$ 362

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, 2024	December 31, 2023	March 31, 2023
Current			
Domestic investment			
Listed (OTC Listed) stock	$ 138,606	$ 163,945	$ 129,469
Non-current			
Domestic investment			
Unlisted (non-OTC Listed) stock	$ 278,661	$ 213,898	$ 172,180
Foreign investment			
Unlisted (non-OTC Listed) stock	3,626	3,443	1,881
	$ 282,287	$ 217,341	$ 174,061

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, 2024, the Group 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.

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

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

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, 2024	December 31, 2023	March 31, 2023
Current			
Domestic investment			
Time deposits with an original maturity date of more than 3 months	$ 23,350	$ 23,650	$ 23,700

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, 2024	December 31, 2023	March 31, 2023
Measured at amortized cost			
Gross carrying amount			
Notes receivable	$ 97,895	$ 81,652	$ 6,315
Notes receivable - related parties	$ 35,267	$ 29,350	$ 31,932
Accounts receivables	$ 42,832	$ 47,585	$ 60,468
Less: loss allowance	(714)	(714)	(19,706)
	$ 42,118	$ 46,871	$ 40,762
Accounts receivable - related parties	$ 27,325	$ 33,003	$ 34,855
Other receivables	$ 65,044	$ 26,970	$ 334,794
Less: loss allowance	(364)	(1,881)	(328,918)
	$ 64,680	$ 25,089	$ 5,876

The merged company terminated its cooperation with the landlord on the joint construction project of Juguang Section, Wanhua District, Taipei City (Juguang Project) in December 2023. According to the agreement in the joint construction contract, because the landlord did not complete the land integration within the time limit and it was not feasible to plan for a joint building, both parties agreed to terminate the joint construction contract, and the landlord should pay a liquidated damage of NT$70,000 thousand to the Company (accounted in Notes receivable). As of the date of approval of the board of directors, May 14, 2024, the financial statements have been cashed in full amount as scheduled.

The Company's other receivables - share settlement receivable amounted to NT$61,558 thousand, has been fully received after the balance sheet date.

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, 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

December 31, 2023

	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	0.726%	-	-	-	100.00%	
Gross carrying amount	$ 217,540	$ 3	$ -	$ -	$ 1,017	$ 218,560
Loss allowance (lifetime expected credit losses)	(1,578)	-	-	-	(1,017)	(2,595)
Cost after amortization	$ 215,962	$ 3	$ -	$ -	$ -	$ 215,965

March 31, 2023

	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	0.027%	5.268%	5.000%	-	100.00%	
Gross carrying amount	$ 118,801	$ 5	$ 1,017	$ -	$ 348,541	$ 468,364
Loss allowance (lifetime expected credit losses)	(32)	-	(51)	-	(348,541)	(348,624)
Cost after amortization	$ 118,769	$ 5	$ 966	$ -	$ -	$ 119,740

Information on changes in loss allowances is as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Balance at the beginning of the period	$ 2,595	$ 348,546
Add: Provision of impairment loss	-	78
Less: Reversal impairment loss	(1,517)	-
Balance at the end of the period	$ 1,078	$ 348,624

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

On June 29, 2010, the Company and CPC Corporation, Taiwan (hereinafter referred to as "CPC") reached a settlement of a lawsuit concerning gains in the distribution of oil products and gas station rental. Both parties agreed to terminate the oil distribution contract and gas station rental contract. According to the settlement agreement, CPC should pay NT$107,542 thousand and NT$2,581 thousand of distribution profits - rent income. The above amount is NT$110,123 thousand, less the court rent of NT$26,947 thousand deposited by CPC (which was fully recovered in 2011) and NT$31,655 thousand was recovered, and the remaining uncollected amount of NT$51,521 thousand was recognized as other receivables, of which an allowance for losses has been provided in full. In 2023, the Group assessed that the amount was irrecoverable after the liquidation of CPC, and therefore it wrote off the related other receivables of $51,521 thousand and allowance for losses of $51,521 thousand.

XI. Net inventories

	March 31, 2024	December 31, 2023	March 31, 2023
Land held for sale	$ 159,361	$ 159,361	$ 159,361
Building and land under construction	169,868	20,421	27,349
Commodities	5,612	5,628	5,677
Food and beverage	1,473	1,359	1,820
Materials	-	-	386
	$ 336,314	$ 186,769	$ 194,593

In December 2023, the Group 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, 2024 and 2023, were NT$15,113 thousand and NT$11,114 thousand, respectively.

For the three months ended March 31, 2023, the cost of sales includes NT$112 thousand of gains recovered from the price decline of inventories.

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 March 31, 2024	December 31, 2023	March 31, 2023	Explanation
The Company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	65.94%	62.99%	62.99%	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%	100.00%	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. In March 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., was resolved to dissolve and liquidate on August 31, 2023. As of March 31, 2024, ACMC Trading Co., Ltd. was in the process of liquidation.
6. As of March 31, 2023, 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, 2024	December 31, 2023	March 31, 2023
Miramar Hospitality Co., Ltd.	Taipei City	34.06%	37.01%	37.01%

XIII. Property, plant and equipment

	March 31, 2024	December 31, 2023	March 31, 2023
Land	$ 156,144	$ 156,144	$ 156,144
Buildings	9,841	9,959	10,314
Transportation equipment	36,691	40,361	45,843
Office equipment	5,379	5,480	5,280
Restaurant and hotel equipment	12,297	12,827	12,388
	$ 220,352	$ 224,771	$ 229,969

On October 21, 2022, in line with the government's deregulation policy, Miramar Hospitality withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operations. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. For the three months ended March 31, 2023, there was an addition of restaurant and hotel equipment in the amount of NT$9,400.

Except for the abovementioned descriptions and the depreciation expenses recognized, the property, plant and equipment of the group had no material addition, disposal, or impairment for the three months ended March 31, 2024 and 2023. 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 20 years
Restaurant and hotel equipment	5 to 15 years

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

XIV. Lease agreement

(I) Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Book value of right-of-use assets			
Land	$ 497,925	$ 489,214	$ 508,665
Buildings	1,472	1,535	2,440
	$ 499,397	$ 490,749	$ 511,105

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Increase in right-of-use assets		
Land	$ -	$ 10,873
Depreciation expense of right-of-use assets		
Land	$ 6,518	$ 6,484
Buildings	63	135
	$ 6,581	$ 6,619

(II) Lease liabilities

	March 31, 2024	December 31, 2023	March 31, 2023
Book value of lease liabilities			
Current	$ 17,581	$ 17,738	$ 22,225
Non-current	$ 484,591	$ 488,917	$ 487,946

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

	March 31, 2024	December 31, 2023	March 31, 2023
Land	1.70%~1.76%	1.70%~1.76%	1.70%~1.95%
Buildings	1.70%~1.95%	1.70%~1.95%	1.70%

(III) Significant lease activities and terms and conditions

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

On March 11, 2004, Miramar Hospitality Co., Ltd. leased 3,810 square meters of land from the Tourism Bureau, Ministry of Transportation and Communications. The rental was calculated and charged at 5% per annum based on the land price announced for the current period as stated in the contract according to the "Operation Directions for Establishment of Superficies on National Non-public Use Land." The aforementioned rent shall be adjusted when the land price adjustment is announced. However, if the difference between the increase in land price publicly announced in the future and the increase in land price for the year estimated in the financial plan under the investment implementation plan is excessive, Paragraph 3, Article 2 of the "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects," promulgated on August 29, 2003, "During the building and operation periods of public constructions, if the current declared land value for the year increases by more than 50% from the land price estimated in the original financial plan, the authority may discount the rent payable upon 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, 2024	For the three months ended March 31, 2023
Expenses relating to short-term leases	$ 365	$ 382
Lease expenses of low-value assets	$ 151	$ 144
Total cash (outflow) of leases	($ 22,513)	($ 22,053)

XV. Investment property

	March 31, 2024	December 31, 2023	March 31, 2023
Land			
Keelung Nuan-Nuanyuan Section	$ 30,026	$ 30,026	$ 30,026

The fair value of the merged company's investment property was evaluated by Ching-Tang Li, an independent evaluator who is not a related party. On December 20, 2021, upon the release of the Real Estate Valuation Report for the Far-end Section of Keelung, the Company estimated its fair value to be NT$40,789 thousand, the evaluation is made with reference to market evidence of real estate transaction prices. Since there is no significant change in the real estate transaction price in the area, the fair value on March 31, 2024, and December 31 and March 31, 2023 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, 2024	December 31, 2023	March 31, 2023
Operating concession	$ 495,228	$ 500,864	$ 501,356
Computer software	124	134	39
	$ 495,352	$ 500,998	$ 501,395

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

Except for the abovementioned descriptions and the amortization expenses recognized, the intangible assets of the group had no material addition, disposal, or impairment for the three months ended March 31, 2024 and 2023. Amortization expenses are accrued on a straight-line basis over the following useful years:

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

The cost and cumulative amortization of the abovementioned operating royalty on March 31, 2024 in the amount of NT$495,228 thousand were NT$989,083 thousand and NT$493,855 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$959,693 thousand.

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

XVII. Borrowings

(I) Short-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings			
Bank loan	$ 130,000	$ 170,000	$ 160,000

The bank borrowings are secured by pledges of the group'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, 2024, and December 31 and March 31, 2023 were 2.225%, 2.100%~2.520% and 2.100%~2.734%, respectively.

(II) Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings (Note 27)			
Bank mortgage	$ 47,984	$ 52,894	$ 66,754
Unsecured borrowings			
Borrowings against credit lines	25,556	27,222	20,000
	73,540	80,116	86,754
Less: Portion of long-term borrowings due within one year	(26,841)	(27,214)	(19,577)
	$ 46,699	$ 52,902	$ 67,177
Maturity date of mortgage repayment	2025.1.17~ 2028.1.30	2025.1.17~ 2028.1.30	2025.1.17~ 2028.1.30
Repayment maturity date of unsecured borrowings	2026.9.3~12.28	2026.5.4~9.3	2026.9.3

Secured bank borrowings are secured by the certificates of term deposits, land, buildings, operating royalty, and development royalty (please refer to Note 27) of the merged company;

as of March 31, 2024, and December 31 and March 31, 2023, the effective interest rate was 2.325~2.720%, 2.325~2.595% and 2.325%~2.595%, respectively.

The interest rate of the unsecured borrowings was 2.220~2.595%, 2.595% and 2.47% as of March 31, 2024, and December 31 and March 31, 2023, respectively, belongs to the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XVIII. Other payables

	March 31, 2024	December 31, 2023	March 31, 2023
Payroll payable	$ 25,256	$ 37,394	$ 24,281
Premium payable	25,203	19,014	17,955
Remuneration payable to directors	7,521	5,134	845
Remuneration payable to employees	7,521	5,134	845
Others	24,032	25,095	34,871
	$ 89,533	$ 91,771	$ 78,797

XIX. Post-employment benefit plan

Relevant pension costs recognized under the defined benefit plan for the three months ended March 31, 2024 and 2023 were calculated based on the pension cost rate determined through an actuary as of December 31, 2023 and 2022, and the amount was NT$194 thousand and NT$287 thousand, respectively.

XX. Equity

(I) Share capital

Common stock

	March 31, 2024	December 31, 2023	March 31, 2023
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, 2024	December 31, 2023	March 31, 2023
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	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	519	520	491
	$ 27,523	$ 20,886	$ 20,857

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

(III) Retained earnings and dividend policy

According to the earnings appropriation policy of the Company, any earnings at the end of the year are subject to taxes and taxes, and after offsetting the accumulated losses, and then 10% of the earnings are set aside as legal reserve, and the remainder is appropriated or reversed as special reserves. If there is any remaining balance, together with the accumulated undistributed earnings, the Board of Directors shall draft a motion for earnings distribution and propose to the shareholders' meeting for resolution of distribution of dividends to shareholders. Please refer to Note 22(6) for the policy on the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

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

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

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

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

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

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

XXI. Revenue

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Revenue from contracts with customers		
Transportation revenue	$ 83,309	$ 97,141
Hospitality revenue	81,305	29,937
Rental income	2,898	2,892
Others	-	30
	$ 167,512	$ 130,000

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

XXII. Net profits

(I) Others

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Rental income	$ 2,411	$ 1,934
Others	2,492	3,152
	$ 4,903	$ 5,086

(II) Other gains and losses

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net gains from financial assets at fair value through profit or loss	$ 220,654	$ 24,124
Net (gain) loss from disposal and retirement of real estate, plant and equipment	(5)	597
Others	(120)	(96)
	$ 220,529	$ 24,625

(III) Finance costs

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Interest on lease liabilities	$ 2,295	$ 2,329
Interest on bank borrowings	1,377	1,365
	$ 3,672	$ 3,694

(IV) Depreciation and amortization

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Depreciation expenses by function		
Operating cost	$ 6,081	$ 6,684
Operating expense	5,056	4,738
	$ 11,137	$ 11,422
Amortization expenses are summarized by function		
Operating cost	$ 5,645	$ 4,890
Operating expense	252	239
	$ 5,897	$ 5,129

(V) Employee benefits expense

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Post-employment benefits		
Defined contribution plan	$ 1,651	$ 1,938
Defined benefit plan	194	287
Other employee benefits	43,584	42,506
Total	$ 45,429	$ 44,731

(Cont'd)

(Cont'd.)

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Summary by function		
Operating cost	$ 26,843	$ 28,599
Operating expense	18,586	16,132
	$ 45,429	$ 44,731

(VI) Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at 1% and no more than 1% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. Remuneration of employees and remuneration of directors estimated for the three months ended March 31, 2024 and 2023 are as follows:

Estimated allowance

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Employee remuneration	1%	1%
Remuneration to directors	1%	1%

Amount

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Employee remuneration	$ 2,209	$ 104
Remuneration to directors	$ 2,209	$ 104

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.

2022 was the net loss before tax, and thus no provision was made for employees' remuneration and directors' remuneration. On March 13, 2024, the board of directors resolved the compensation for employees and directors for 2023 as follows:

Amount

	2023
	Cash
Employee remuneration	$ 4,797
Remuneration to directors	4,797

There is no difference between the actual amount of employees' compensation and remuneration of directors paid in 2023 and the amount recognized in the 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 expense (income) are as follows:

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Current income tax		
Generated during the period	$ 219	$ 888
Adjustments made in previous years	-	88
	219	976
Deferred income tax		
Generated during the period	2,522	(4,026)
Income tax expenses recognized in profit or loss (gains)	$ 2,741	($ 3,050)

(II) Authorization of income tax

For the profit-seeking enterprise income tax declaration of the company and its subsidiaries, except for the declaration cases of the Company and Miramar Resort Co., Ltd. as of 2021, which have been approved by the tax collection agency, the rest of the declaration cases as of 2022 have been approved by the tax collection agency.

XXIV. Earnings per share (EPS)

Unit: NTD per share

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Basic earnings per share	$ 1.14	$ 0.05
Diluted earnings per share	$ 1.14	$ 0.05

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

Net profit for the period

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Net profit attributable to owners of the Company	$ 216,239	$ 10,216

Number of shares

Unit: Thousand shares

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
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	8
Weighted average number of ordinary shares used in the computation of diluted earnings per share	189,292	189,010

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, 2024

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

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stock	$ 1,150,292	$ -	$ -	$ 1,150,292
Fund beneficiary certificate	31,035	-	-	31,035
	$ 1,181,327	$ -	$ -	$ 1,181,327
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC) stock	$ 163,945	$ -	$ -	$ 163,945
- Domestic unlisted (non-OTC Listed) stock	-	213,898	-	213,898
- Foreign unlisted (non-OTC Listed) stocks	-	3,443	-	3,443
	$ 163,945	$ 217,341	$ -	$ 381,286

March 31, 2023

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

There were no transfers between Level 1 and Level 2 fair value measurements during the three months ended March 31, 2024 and 2023.

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, 2024	December 31, 2023	March 31, 2023
Financial assets			
Measured at fair value through profit or loss			
Mandatory measurement at fair value through profit or loss	$ 1,215,084	$ 1,181,327	$ 1,139,267
Financial assets at amortized cost (Note 1)	1,091,354	1,067,613	643,049
Financial assets measured at fair value through other comprehensive income			
Investment in equity instruments	420,893	381,286	303,530
Financial liabilities			
Measured at amortized cost (Note 2)	366,814	419,599	398,437

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

1. Market risk

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

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

(1) Interest rate risk

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Fair value interest rate risk			
- Financial assets	$ -	$ 5,000	$ 20,700
- Financial liabilities	502,172	506,655	510,172
Cash flow interest rate risk			
- Financial assets	820,557	762,573	347,843
- Financial liabilities	203,540	250,116	246,754

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 group's net profit before tax for the three months ended on March 31, 2024 and 2023 would have increased /decreased by NT$1,543 thousand and increased/decreased by NT$253 thousand, mainly due to the variable interest rate deposits of the group 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$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.

If the equity price increased/decreased by 1%, the profit or loss before/after tax would have increased/decreased by NT$11,393 thousand for the three months ended March 31, 2023 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax for the three months ended March 31, 2023 would have increased/decreased by NT$3,035 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

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 Group's unused financing facilities as of March 31, 2024, and December 31 and March 31, 2023, 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, 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	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	$ 35,913	$ 130,252	$ 141,166	$ 132,307	$ 125,680	$ 250,371

December 31, 2023

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest-bearing liabilities	$ 72,871	$ 23,194	$ 21,696	$ 1,000	$ -
Lease liabilities	556	1,612	27,675	93,076	539,211
Floating interest rate instruments	173,418	4,722	21,114	55,087	-
	$ 246,845	$ 29,528	$ 70,485	$ 149,163	$ 539,211

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

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	$ 29,843	$ 93,076	$ 102,334	$ 99,290	$ 99,290	$ 238,297

March 31, 2023

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

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

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

The bank loans that the Group 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, 2024, and December 31 and March 31, 2023, the balance of undiscounted principal of these bank loans is NT$133,001 thousand, NT$172,994 thousand and NT$11,623 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, 2024	December 31, 2023	March 31, 2023
Unsecured bank facilities (re-examine each year)			
- Amount used	$ 25,556	$ 27,222	$ 20,000
- Unutilized amount	119,444	115,000	115,000
	$ 145,000	$ 142,222	$ 135,000
Guaranteed bank facilities			
- Amount used	$ 177,984	$ 222,894	$ 226,754
- Unutilized amount	535,016	458,000	358,000
	$ 713,000	$ 680,894	$ 584,754

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
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, 2024	For the three months ended March 31, 2023
Transportation revenue	Substantially related party		
	T&W Transportation Services	$ 43,538	$ 46,613
Hospitality revenue	Substantially related party		
	Others	509	193
		$ 44,047	$ 46,806

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, 2024	For the three months ended March 31, 2023
Transportation cost	Substantially related party		
	T&W Transportation Services	$ 11,919	$ 10,696
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	103	93
		$ 12,022	$ 10,789

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, 2024	For the three months ended March 31, 2023
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	$ 158	$ 157
Transportation expenses	Substantially related party		
	T&W Transportation Services	26	26
		$ 184	$ 183

(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, 2024 and 2023, lease income recognized was NT$195 thousand and NT$190 thousand, respectively.

The merged company leases the right to use buildings to the substantially related party, TienPin Development Co., Ltd., by operating leases with a lease period of 1 year. For the three months ended March 31, 2024 and 2023, the lease income recognized was NT$6 thousand.

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

(VI) Other benefits

Type/Name of related parties	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Substantially related party		
T&W Transportation Services	$ 110	$ 95

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

Accounting item	Type/Name of related parties	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 35,258	$ 29,350	$ 31,932
	Others	9	-	-
		$ 35,267	$ 29,350	$ 31,932
Accounts receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 27,276	$ 32,933	$ 34,809
	Others	49	70	46
		$ 27,325	$ 33,003	$ 34,855

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, 2024	December 31, 2023	March 31, 2023
Notes payable - related parties	Substantially related party			
	T&W Transportation Services	$ 12,820	$ 13,456	$ 11,628
Accounts payable - related parties	Substantially related party			
	T&W Transportation Services	$ 4,241	$ 4,823	$ 3,955
	Others	43	43	78
		$ 4,284	$ 4,866	$ 4,033
Other payables - related parties	Substantially related party			
	Durban Development Co., Ltd.	$ 315	$ 389	$ 630
	Athena Information Systems International Co., Ltd.	63	133	53
		$ 378	$ 522	$ 683

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, 2024	December 31, 2023	March 31, 2023
Inventory	Substantially related party			
	Durban Development Co., Ltd.	$ 4,800	$ 3,900	$ 1,800

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, 2024	December 31, 2023	March 31, 2023
Substantially related party			
Athena Information Systems International Co., Ltd.	$ 109	$ 206	$ 148

(XI) Compensation of key management personnel

	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Short-term employee benefits	$ 3,931	$ 4,962
Post-employment benefits	105	167
	$ 4,036	$ 5,129

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, 2024	December 31, 2023	March 31, 2023
Operating concession (stated as intangible assets)	$ 477,390	$ 483,034	$ 482,929
Financial assets measured at fair value through profit or loss - current	351,900	294,860	217,120
Property, plant and equipment	110,846	110,964	111,317
Financial assets measured at fair values through other comprehensive income - current	91,740	80,850	81,510
Building and land under construction (stated as inventory)	74,618	74,618	74,618
Bank deposits (booked in other financial assets - current and non-current)	9,759	10,345	18,863
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,050	3,050	3,050
	$ 1,119,303	$ 1,057,721	$ 989,407

XXVIII. Material contingent liabilities and unrecognized contractual commitments

Significant contract

(I) The company

Commitments

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

In February 2024, the Company and the landlord signed a supplementary agreement regarding the Practice Project, in which both parties agreed to update the scope of joint construction and change the total amount of the original joint construction deposits from NT$350,000 thousand to NT$160,000 thousand. The security deposit for the first phrase, NT$80,000 thousand will be paid upon the completion of the trust registration of the lands within the area designated by the landlords for the new joint construction. The security deposit for the second phase, NT$80,000 thousand will be paid upon the integration of all lands for the joint-construction completed by the landlords. In addition to providing the original promissory note of NT$160,000 thousand as collateral, the landowner also wrote a cheque for the guarantee deposit of NT$180,000 thousand face value as collateral.

(II) Miramar Hospitality Co., Ltd.

1. Operating concession contract

On March 11, 2004, the Company 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, 2024 and 2023 were NT$6,399 thousand and NT$2,358 thousand (included under the operating expenses).

XXIX. <u>Others</u>

In consideration of the Company's future long-term development strategies encompassing future business development plans, strengthening the overall businesses and adjusting its business strategies and to raise its operating efficiencies, the Company's subsidiary, Miramar Hospitality Co., Ltd., has on March 12, 2024 filed with TPEx for an application on termination of trading of emerging stocks with the approval by board resolution. The Miramar Hospitality Co., Ltd. has received a letter from the Taipei Exchange, stating that the trading in the Emerging Stocks Market will be terminated from March 30, 2024.

XXX. Additional Disclosures

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

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

(IV) Information of principal shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage (Table 3).

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, 2024	For the three months ended March 31, 2023	For the three months ended March 31, 2024	For the three months ended March 31, 2023
Transportation segment	$ 83,309	$ 97,141	($ 854)	($ 3,875)
Hotel segment	81,305	29,937	12,024	(17,311)
Other segments	2,898	2,922	(4,439)	(723)
Construction segment	-	-	(5,686)	(1,149)
Net worth of continuing operations	$ 167,512	$ 130,000	1,045	(23,058)
Interest income			522	269
Others			4,903	5,086
Other gains and losses			220,529	24,625
Finance costs			(3,672)	(3,694)
Expected credit impairment income			1,517	-
Net profit before tax			$ 224,844	$ 3,228

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, 2024 and 2023.

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, 2024

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	20,508	$ 784,431	9.22	$ 784,431	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	1,550	266,600	0.07	266,600	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	300	29,610	0.10	29,610	
	Aerospace Industrial Development Corporation	—	Financial assets measured at fair value through profit or loss - current	900	47,340	0.10	47,340	
	INVENTEC CORPORATION	—	Financial assets measured at fair value through profit or loss - current	350	20,895	0.01	20,895	
	QUANTA COMPUTER INC.	—	Financial assets measured at fair value through profit or loss - current	50	14,675	-	14,675	
	Pegatron Corporation	—	Financial assets measured at fair value through profit or loss - current	200	20,400	0.01	20,400	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	8,800	122,320	0.26	122,320	Note 2
	HERMOSA OPTOELECTRONICS CORPORATION	—	Financial assets measured at fair value through profit or loss - Current- Non-current	4,088	-	5.37	-	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	278,661	18.57	278,661	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
	I1 E-Commerce Network Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	1.04	-	
	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							
	China Petrochemical Development Corporation	—	Financial assets measured at fair values through other comprehensive income - current	1,734	16,286	0.05	16,286	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	3,626	10.00	3,626	
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	5,212	-	5,212	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,189	-	5,189	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,190	-	5,190	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,178	-	5,178	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,184	-	5,184	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,180	-	5,180	

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

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

Tze Shin International Co., Ltd. and its subsidiaries

The name and location of the investee company and other relevant information

For the three months ended March 31, 2024

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, 2024	December 31, 2023	Shares (Thousands)	Percentage (%)	Carrying amount			
The Company	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	$ 267,065	$ 260,040	24,541	65.94	$ 267,702	$ 15,164	$ 9,704	Subsidiary
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City, TW	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	80,804	695	370	Subsidiary
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,860	(6)	(6)	Subsidiary (Note 1)
	ACMC Trading Co., Ltd.	Taipei City	International trade management	22,500	22,500	2,500	100	313	-	-	Subsidiary
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	-	(6)	-	Subsidiary (Note 2)

Note 1: 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$6 thousand is recognized.

Note 2: When the share of loss in an associate of Miramar Hospitality Co., Ltd., as stated in IAS, equals to or exceeds its interest in the associate, it immediately discontinues the recognition of further losses.

Note 3: Investment gains or losses from investees, investments accounted for under the equity method and equity in investees are written off.

Tze Shin International Co., Ltd.

Information of principal shareholders

March 31, 2024

Table 3

Name of major shareholder	Share	
	Shares held (share)	Percentage
TienPin Development Co., Ltd.	43,791,000	23.16%
Yuan Chuan Steel Co. Ltd.	15,000,762	7.93%
Mayer Steel Pipe Corporation	10,102,000	5.34%

Note 1: The information on principal shareholders presented in this schedule is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.