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Company website : www.tsgroup.com.tw

TZE SHIN INTERNATIONAL CO., LTD.

2023 Annual Report

Publication Date: April 27, 2024

I. Spokesperson and acting spokesperson of the Company

Spokesperson and Deputy Spokesperson	Title	Telephone	Email Address
Name of the spokesperson: Hsiu-Chi Chen	CFO	(02)2509-0036	red.chen@tsgroup.com.tw
Name of the deputy spokesperson: Yen-Wen Lin	Assistant Manager of Audit Office	(02)2509-0036	vivian.lin@tsgroup.com.tw

II. Address and Tel of Headquarters, Branches, and Plants

Departments	Address	Telephone
Company address	12F., No.33, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	(02)2509-0036

III. Stock transfer agency

Name: President Securities Corporation
Address: 1F., No.8, Dongxing Rd., songshan Dist., Taipei 105, Taiwan(R.O.C.)
Tel: (02)2747-8266
Website: www.pscnet.com.tw

IV. CPAs certifying the latest financial statements

Name of CPA Firm :Deloitte Touche Tohmatsu Limited
Name of CPAs: Han-ni Fang, Chao-yu Chen
Address: 20F, No. 100, Songren Rd.,Xinyi Dist., Taipei 110, Taiwan(R.O.C.)
Tel: (02)2725-9988
Website: www.deloitte.com.tw

V. Overseas Securities Exchange Where Securities are Listed and Method of Inquiry: None

VI. Company Website: www.tsgroup.com.tw

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One. Letter to Shareholders

I. 2023 Business Report

(I) Results of the execution of the business plan:

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic weaker than expected economic performance, the global demand for end products was weak, resulting in a slowdown of manufacturing activities in various countries. In addition, the US-China chip ban, the Russo-Ukrainian war, and the Israel-Palestine conflict to the present. Before it rests, global geopolitics tends to bloc rivalries, which has an impact on global economic development and social stability.

Domestically, the domestic service industry has shown a trend of expansion after the pandemic. The performance of retail, tourism, and personnel transportation industries has improved significantly compared to 2022. However, the slowdown of global trade expansion has not only impacted Taiwan's exports and export orders, but also made enterprises investment affected. Taiwan's economic growth rate showed declines in the fourth quarter of 2022 and the first quarter of 2023, and turned from negative to positive in the second quarter. The annual economic growth rate was 1.31%.

In response to this overall change, the Company has consolidated the non-performing departments to save expenses. In the transportation business, in response to the volatile international situation and the competitive environment where the industry is faced with eliminating the weak and retaining the strong, the Company adheres to the principles of "Pursuing Excellence, Sustainable Operation" and "Integrity First, Service First", we provide safe, fast, and reliable overall services. We also continue to create differences and implement the spirit of ESG to provide customers with good transportation quality. With the efforts of all employees, the construction business continues to do a good job in quality supervision and cost control, which will contribute significantly to the Company's future growth. After the reinvestment in the "Miramar Garden Taipei" started in November 2022, it took nearly three months to upgrade the equipment in the entire building. The brand-new deluxe guest rooms were re-opened in January 2023 to welcome guests. Travelers have gradually recovered, and the occupancy rate has been close to the pre-pandemic level in the second half of 2023. In addition, the Company continues to invest in quality listed (OTC) stocks for profit.

For 2023, the operating revenue was NT$617,327 thousand, a decrease of NT$112,640 thousand compared with NT$729,967 thousand in the previous year, and the rate of decrease was 15%; the operating loss was NT$47,947 thousand, an increase of NT$32,044 thousand from the net operating loss of NT$15,903 thousand in the previous year; net income was NT$475,831 thousand, a significant improvement from the net loss after tax of NT$245,162 thousand in the previous year.

(II) Budget implementation:

No explanation of the budget implementation is disclosed as the Company is not required to provide as financial forecast for 2023 in accordance with the “Regulations Governing the Publication of Financial Forecasts of Public

Companies".

(III) Financial income and expenditure analysis: Please refer to page 95.

(IV) Profitability analysis: Please refer to page 88.

(V) Research and development status: Please refer to page 67.

II. 2024 Business Plan Overview

(I) Operating guidelines:

1. With our expertise in container transportation, we aim to gradually expand operational efficiency, continuously create opportunities for cross-industry opportunities, and provide value-added services. We strive to break the limitations of traditional freight transportation models and tap into a wider range of services.
2. We will prudently assess construction projects to achieve sustainable long-term growth.
3. We will focus on the sound and complete management system for "Miramar Garden Taipei" to continue deepening the brand value and improving management efficiency.
4. Through observing market demand and patterns of competition, we can establish concrete and viable business models and strategically develop the leisure and cultural tourism industry.

(II) Projected sales volume and the basis:

As the Company primarily operates in the freight transport and hospitality industries, it is not appropriate to use sales quantity as the basis for measurement. Instead, we adopt analysis and evaluation of the overall economy, market conditions, existing contracts, established business plans, and development goals. For 2024, we will adopt a rather a conservative approach to assess the overall service volume.

(III) Important production and sales policies:

1. For transportation services, other than consolidating the business relationships with existing clients and maintaining the stable operation of the transportation department, we will continuously seek new opportunities for cross-industry cooperation and provide value-added services.
2. For the construction business, the Company's construction department is dedicated to development, planning, and construction operations. We carefully evaluate the location for development and focus on residential and office building projects. Our main operational areas are centered in the greater Taipei area, as well as Hsinchu and Taichung where there is strong consumer spending power.
3. For tourism hotel services, "Miramar Hospitality Co., Ltd." will continue to provide business service of exceptional quality.

III. Future development strategy

We are a traditional transportation service provider. To maintain profitability and disperse operational risks, we undertake a path of diversification and internationalization. The following is an overview of our strategies for future business development:

1. Strengthening the relationship with existing customers and developing new business models with clients to ensure a solid operational foundation.
2. Other than continuing to provide superior travel hospitality, our investment in "Miramar Hospitality Co., Ltd." will also create greater profits for our shareholders. Furthermore, we will actively cultivate talent in the hospitality industry and adjust the organizational structure to meet the operational and management needs for brand development.

IV. Impacts from external competition, regulatory environment and macroeconomic environment

1. External competition:Despite increasing pressure from rising labor and energy costs in transportation and warehousing, the Company will continue to make efforts to expand into new business models. Also, with the diminishing impacts of the COVID-19 pandemic, the number of tourists visiting Taiwan is expected to increase as border control measures are gradually eased, which is favorable for boosting hospitality demand and tourism consumption. However, factors such as increased costs caused by inflation are posing significant pressure on hotel operations.
2. Regulatory environment:All our businesses are operated in compliance with relevant regulations and laws.
3. Macro economic environment:Owing to raising interest rates for inflation control and the unsettled geopolitical issues, economic prospects remain concerning. It is expected that the economy will remain stagnant in 2023. Despite this, the Company will continue to operate with caution and strive to improve operational processes along with cost-saving measures and revenue-generating strategies to ensure the stability of our business operations.

It is expected that Taiwan's economic growth in 2024 will be mainly supported by consumption and investment, and external demand will recover. In terms of foreign trade, as the global electronics industry has improved and global trade has bottomed out, the annual growth rate of Taiwan's exports has recently turned positive, indicating that the strong demand for high-tech products in the United States has driven the global trade to come to an end. The terminal demand is expected to gradually recover. The Directorate-General of Budget, Accounting and Statistics released a forecast that as the world trade volume rebounds, driven by exports, Taiwan's economic growth rate will reach 3.43% this year.

In 2024, the construction department of the Company expects to launch a project in Zhunan Town, Miaoli County, and will carefully look for suitable projects for planning and construction, in order to achieve stable long-term development goals. In addition, the Company combined the cross-industry experience and resources of affiliated companies to expand the scope of investment, pay attention to the development of the green energy industry and ESG issues, strengthen sustainable competitiveness, and create group synergies with a diversified business model, which will create greater benefits for the Company's shareholders in the best interest of all, and thank you for your long-term support and encouragement.

Wishing you good health and all the best.

Chairman: Chun-Fa Huang

Two. Company profile

I. Company Establishment Date

Established on November 15, 1973.

II. Corporate history

The Company was founded in November 1962 with a capital of NT$6,000,000 and had CY container transportation as the major business. To improve competitiveness and expand business, in December of the same year, the Company's capital was increased by NT$6,000,000 in cash; in August 1975, the capital was increased by NT$3,140,000 in cash and reached NT$15,140,000 in total to purchase additional tractors to expand business operating equipment. In 1977, the Company purchased all 8 tractors and 25 semi-trailers from Chierong Company and undertook the inland transportation business of ZIM LINE, which further expanded the Company's business scope to the long-distance transportation business.

Since 1978, due to the surge in volume of container loaded and unloaded, the container transportation market has prospered and the market demand has increased day by day. In addition to the original CY transportation and long-distance transportation business, the Company has also expanded its business to shipside transportation, making our business coverage even wider and more competitive. In 1983, the Company purchased all 10 tractors and 33 semi-trailers of Ruan Transportation Company and all 5 tractors and 11 semi-trailers of Chiyeh Express Company successively. In May 1984, the Company's capital was increased by NT$10,860,000 in cash to purchase all 7 tractors and 19 semi-trailers of the Pacific Container Storage Company to meet market demand. The above actions of expansion made the Company one of the four largest container shipping companies in Taiwan. By that time, the Company's capital reached NT$26,000,000.

In December 1985, due to business needs and in response to the government's policy of rewarding corporate mergers, in order to save expenses, reduce costs, promote reasonable operations and expand business scope, the Company merged the Huamin Container Company and increased its capital by NT$13,368,750. Due to the improvement of the economy, the capital was increased by NT$25,631,250 in cash simultaneously, making the total accumulated paid-in capital of the merged company reach NT$65,000,000. Such capital increase was for purchasing 37 additional tractors, which were officially put into operations since 1986.

In August 1987, in order to replace old operating equipment with new ones for improving service quality and operating efficiency and responding to increasingly competitive market status, capital increase of NT$15,600,000 in cash was made, reaching a total capital amount of NT$80,600,000 for purchasing additional 15 tractors to meet customer needs and obtain more business opportunities.

In July 1988, in order to improve the financial structure, the capital was increased by NT$16,250,000 in cash and NT$20,150,000 of capitalization of retained earnings, making the total capital reach NT$117,000,000.

On December 16, 1989, in order to expand the business scope and reduce management costs, the Company merged Kangtai Truck Transportation Co., Ltd. and increased the capital by NT$23,400,000 to repay the bank loan. In order to allow more robust financial structure, the capital was increased by NT$58,500,000 in cash, making the total accumulated paid-in capital of the Company reach NT$198,900,000.

In October 1990, in order to expand the operating equipment to enrich the business operating capacity and efficiency, the capital was increased by NT$43,758,000 via capitalization of retained earnings and NT$35,802,000 via capitalization of capital reserve, making the total amount of this capital increase reach NT$79,560,000 and the accumulated paid-in capital reach NT$278,460,000. At the same time, the public offering of stocks of the Company was approved by the Securities Management Council of the Ministry of Finance.

In July 1991, in order to expand the operating equipment, repay the loan and enrich the operating funds, the capital was increased by NT$42,432,800 in cash, NT$38,984,400 via capitalization of capital reserve, and NT$50,122,800 via capitalization of retained earnings, making the total amount of this capital increase reach NT$131,540,000 and the accumulated paid-in capital reach NT$410,000,000.

In April 1992, in order to expand the operating equipment to enhance the capital structure, the capital was increased by NT$73,800,000 via capitalization of retained earnings and NT$20,500,000 via capitalization of capital reserve, making the total amount of this capital increase reach NT$94,300,000 and the accumulated paid-in capital reach NT$504,300,000. At the same time, since May 1992, two major business items as chemical oil tankers transportation and transportation equipment trading were included.

In January 1993, the Company passed BVQI and obtained the certification of international quality management and quality assurance (ISO9002 and BS5750). Items of certification included general container transportation, ISO chemical tankers transportation and empty container storage and repair. In June of the same year, the listing of the Company was approved by the Securities Management Council of the Ministry of Finance. In July, in order to expand the operating equipment, the capital was increased by NT$40,344,000 via surplus earnings. The Company's paid-in capital reached NT$544,644,000. On October 28, 1993, the Company was officially listed for transaction of Class I stock.

In April 1994, the Company reinvested in Henuo International Co., Ltd. and obtained the general agency of French Renault Trucks. In June 1994, in order to update the operating equipment, the capital was increased by NT$54,464,400 via capitalization of retained earnings and NT$43,571,520 via capitalization of capital reserve, making the total amount of this capital increase reach NT$98,035,920 and the accumulated paid-in capital reach NT$642,679,920.

In June 1995, in order to update the operating equipment, the capital was increased by NT$115,682,380 via capitalization of retained earnings, making the Company's paid-in capital reached NT$758,362,300.

In August 1996, in order to update the operating equipment, the capital was increased by NT$37,918,110 via capitalization of retained earnings, making the Company's paid-in capital reach NT$796,280,410. Obtained the permit for Automobile Cargo Transportation Business in December 1996.

In 1997, the Company purchased 15 additional oil tank semi-trailers to meet the needs of the growing chemical transportation business.

In April 1998, the Company jointly built and the "Durban Smart Building" administrative building at the Guangfu section of Hsinchu City with Durban Development Co., Ltd. In June 1998, the 6-story exquisite suite "Plum and Bamboo No. 1" at the Dahsue section of Hsinchu City was launched. In July 1998, in response to diversified business strategies such as the gas stations and the construction, the capital was increased in cash by NT$360,000,000, NT$31,851,210 via capitalization of capital reserve, and NT$63,702,430 via capitalization of retained earnings. The total capital increase reached NT$455,553,640 and the paid-in capital reached to NT$1,251,834,050. In December 1998, the Company's first gas station, Chubei Station, opened.

In March 1999, the 5-story apartment complex "San Min Ju Lin" was launched at the Zhonghua section of Hsinchu City. In July 1999, in order to enrich operating capital, the capital was increased by NT$150,220,080 via capitalization of retained earnings and NT$125,183,400 via capitalization of capital reserves. The total capital increase reached NT$275,403,480 and the total paid-in capital reached NT$1,527,237,530. In October 1999, Baishatun gas station opened; and in November, Chongde gas station opened.

In September 2000, in order to enrich operating capital, the capital was increased by NT$76,361,870 via capitalization of retained earnings and NT$152,723,750 via capitalization of capital reserves. The total capital increase reached NT$229,085,620 and the total paid-in capital reached NT$1,756,323,150. After canceling 3,667,000 treasury shares in November 2000, the paid-in capital was decreased to NT$1,719,653,150. In September 2000, Xinzhuang gas station opened; in November, Fengyuan gas station opened; and in December, Badu gas station opened.

After respectively canceling 7,000,000 and 5,655,000 treasury stocks in April and November 2001, the paid-in capital reached NT$1,593,103,150. In April 2001, Yunong gas station opened; in July, Neihu gas station opened; in November, Huilong gas station opened; and in December, Linkou gas station opened. In September 2001, the Company re-invested in U-GLORY CERAMICC ENTERPRISE CO., LTD. to enhance the development and deployment of the oil product distribution market.

In June 2002, the Company reinvested in Safe Petroleum Transportation Co., Ltd. and contracted Formosa Petrochemical Corporation for oil product transportation. In July 2002, the Company's name was changed to "TZE SHIN INTERNATIONAL CO., LTD." In August 2002, in order to enrich operating capital, the capital was increased by NT$31,022,060 via capitalization of retained earnings and NT$77,555,150 via capitalization of capital reserves. The total capital increase reached NT$108,577,210 and the total paid-in capital reached NT$1,701,680,360. In December, the Company reinvested in SUPER NOVA OPTOELECTRONICS CORPORATION, enabling the Company to engage in the high-tech industry of LED optoelectronics.

After respectively canceling 6,000,000 treasury stocks in March 2003, the paid-in capital was decreased to NT$1,641,680,360. In September 2003, an additional 4,200,000 treasury stocks were canceled and the paid-in capital was decreased to NT$1,599,680,360.

In February 2004, the Company re-invested in MIRAMAR HOSPITALITY CO., LTD. to engage in international tourism services; in April, the Company acquired 100% of the ownership of reinvested subsidiary Tze Ding Investment Co., Ltd. while canceling the 7,793,641 treasury stocks held by such subsidiary, making the paid-in capital decrease to NT$1,521,743,950. In September, in order to enrich the operating capital, the capital was increased by NT$30,434,870 via capitalization of retained earnings and the paid-in capital reached NT$1,552,178,820. In November, in order to integrate oil product distribution channels, strategic alliance with CPC Corporation, Taiwan was formed to establish several business relationships such as gas station leasing.

In May 2005, the Company reinvested in Anji Transportation Co., Ltd., which was the Company’s exclusive cooperative fleet for container transportation.

In May 2006, the official opening of Miramar Hotel was re-invested by the Company. In December 2006, the Company re-invested in Miramar Resort Co., Ltd. to engage in general tourism services.

In March 2007, the Company re-invested in Safe Container Transportation Co., Ltd., which was the Company’s exclusive cooperative fleet for container transportation. In June, in order to enrich the operating capital, the capital was increased by NT$93,130,720 via capitalization of retained earnings and the paid-in capital reached NT$1,645,309,540.

In April 2008, the Logistics Department was established to act as an agent for imported bathroom ware and kitchenware. In June 2008, in order to enrich the operating capital, the capital was increased by NT$82,265,470 via capitalization of retained earnings and capital reserves, making the paid-in capital reach NT$1,727,575,010.

In June 2009, the capital was increased by NT$86,378,750 via capitalization of retained earnings, and the paid-in capital reached NT$1,813,953,760; in December, Safe Cargo Transportation and Anji Company re-invested by the Company were merged with Safe Cargo Transportation as the surviving company.

In June 2010, the gas station lease contract with CPC Corporation, Taiwan was terminated by mutual agreement. In June, the capital was increased by NT$54,418,610 via capitalization of capital reserves, making the paid-in capital reached NT$1,868,372,370.

From April 2011, the gas station premises were leased out and operated by FORMOSA OIL (ASIA PACIFIC) CORPORATION. In June, in order to enrich the operating capital, the capital was increased by NT$14,946,970 via capitalization of retained earnings and NT$78,471,630 via capitalization of capital reserves, making the paid-in capital reach NT$1,961,790,970. In December, the “Remuneration Committee” was established.

After canceling 3,000,000 treasury stocks in July 2012, the paid-in capital was decreased to NT$1,931,790,970. In October, the capital was decreased by 19,617,909 shares and the paid-in capital was decreased to NT$1,735,611,880.

In February 2013, the Company reinvested in ACMC TRADING CO., LTD. to mainly engage in display OEM business. In March, Juxin, a subsidiary of the Company, re-elected directors and supervisors. After the re-election, the seats of the held by the directors representing the Company was less than half of the total seats , making the Company lose control of the subsidiary. In addition, the Hsinchu Branch of Miramar Hotel officially opened. After canceling 2,878,136 treasury stocks in April, the paid-in capital was decreased to NT$1,706,830,520. In July, the unfinished project of Miramar Resort Co., Ltd. Re-invested by the Company was ordered to be suspended by the High Administrative Court due to the environmental impact assessment results. In September, the capital was increased by NT$85,341,520 via capitalization of retained earnings, and the paid-in capital reached NT$1,792,172,040.

In May 2014, the Company re-invested in Safe Logistics Transportation Co., Ltd., which was the Company's exclusive cooperative fleet for logistics transportation. In July, 5,000,000 treasury stocks were canceled and the paid-in capital was decreased to NT$1,742,172,040 and the factory of ACMC TRADING CO., LTD. reinvested by the Company discontinued its production activities.

After canceling 80,000 treasury stocks in April 2015, the paid-in capital was decreased to NT$1,741,372,040. After canceling 2,000,000 treasury stocks in August, the paid-in capital was decreased to NT$1,721,372,040. In September, the capital was increased by NT$34,827,440 via capitalization of retained earnings, and the paid-in capital reached NT$1,756,199,480.

In January 2016, ACMC TRADING CO., LTD. Re-invested by the Company started to act as the agent for importing tires for commercial trucks. In October, the capital was increased by NT$26,342,990 via capitalization of retained earnings, and the paid-in capital reached NT$1,782,542,470. In December, the fusion restaurant re-invested by the Company was opened.

After canceling 260,000 treasury stocks in April 2017, the paid-in capital was decreased to NT$1,779,942,470.

In March 2018, the land lease rights, buildings and business equipment of Yunong gas station were sold and the management rights were transferred to Yadong Gas Station Company. In May, the Company's address (registered address) was changed. In August, Miramar Resort Co., Ltd. which was re-invested by the Company applied for arbitration in relation to the Taitung Shanyuan Beach Park Development Project.

After canceling 2,000,000 treasury stocks in July 2019, the paid-in capital was decreased to NT$1,759,942,470.

After canceling 3,000,000 treasury stocks in May 2020, the paid-in capital was decreased to NT$1,729,942,470. In October, Miramar Resort Co., Ltd. which was re-invested by the Company announced the results of arbitration in relation to the Taitung Shanyuan Beach Park Development Project.

After canceling 1,174,000 treasury stocks in March 2021, the paid-in capital was decreased to NT$1,718,202,470.

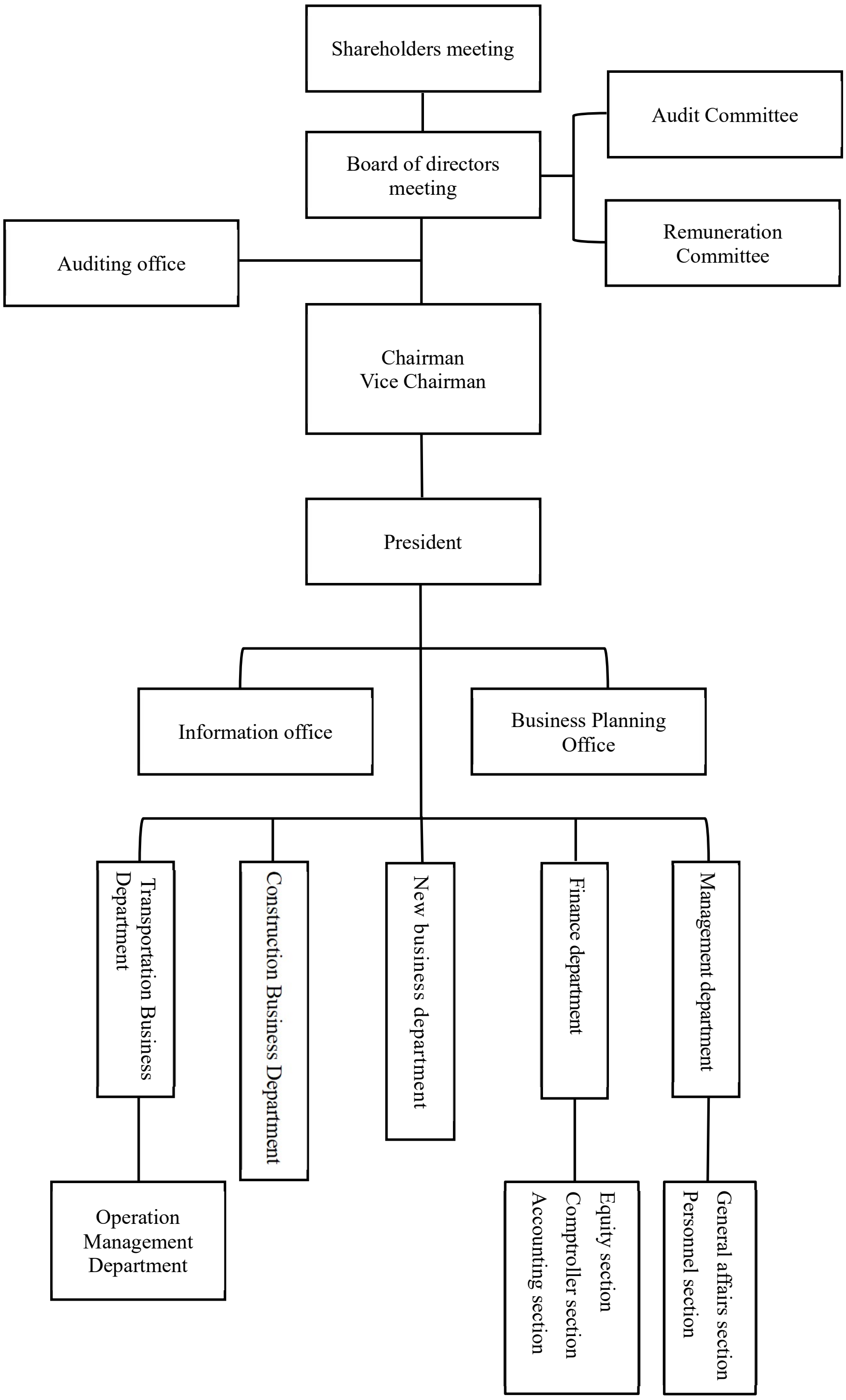
In August 2022, the capital was increased by NT$171,820,250 via capitalization of retained earnings and the paid-in capital reached NT$1,890,022,720.

The Company's registered address was changed in July 2023.

Three. Corporate Governance Report

I. Organization

(I) Company Organizational Structure



Updated on January 1, 2023

(II) Major departments and businesses:

Department	Responsibility
Board of directors	Determine business policies, approve various statutory rules, review budgets and final accounts, and execute other functions and powers conferred by laws and regulations and shareholders' meetings.
Audit committee	Assist the board of directors to perform its supervision on the Company's implementation of financial statements, the appoint (or dismissal) and independence of CPAs, then assess the effectiveness of internal control and execute other statutory functions and powers.
Remuneration committee	Regularly review the "Charter of Remuneration Committee" and propose amendments; formulate and regularly review and evaluate the remuneration of the Company's directors and officers.
Auditing office	Formulate and amend various auditing systems, evaluate and recommend the implementation of internal control systems, examine and track auditing plans.
Chairman	Convene the board of directors and supervise the president to implement the resolutions of the board of directors.
President	Implement the policy resolutions of the board of directors and operational strategies, integrate the heads of various business units of the Company to promote various businesses and formulate internal management systems.
Information office	Planning, establishing, promoting, and maintaining the information systems; procurement and maintenance of the related software and hardware equipment; promoting, coordinating, and overseeing management matters related to information security risks.
Business planning office	Take charge of the compilation, collection and reporting of the planning, control and operation planning, management, analysis, research and development of various systems and regulations; and assist in the operations and execution of corporate governance; coordinating the Company's sustainable development, greenhouse gas inventory and related matters.
Transport business department	The Operations and Management Department is responsible for collecting and updating industry-related laws and regulations, expanding business opportunities, handling business bidding and signing, maintaining relationships with clients and industry peers, managing contracts for receivable collections and verifying documents.
Construction business department	Develop various construction projects, planning, budget and projects review; project contracting, construction management; real estate sales, collection and signing agreement with customers, transfer of ownership, loans and other conduct related affairs.
New business department	Conduct market study, strategic analysis and operational planning for various new businesses; overall management of new business project development, planning, marketing and execution and other new business-related affairs; coordinating the Company's sustainable development, greenhouse gas inventory and related matters.
Finance department	In charge of various accounting items, taxation, stock affairs, financial planning, fund allocation, cash income and expenditures, preparation of operating statements, budget final accounts and variance analysis, etc.
Management department	In charge of management related to administration, HR, general affairs, account collection, insurance and property equipment.

II. Information of Directors, President, Vice Presidents, Associate Vice Presidents, Managers of Departments and Branches

(I) Director

Director Information (I)

April 27, 2024

Job title	Nationality or registration place	Name	Gender/Age	Date of appointment	Term	Initial appointment Date of appointment	Shareholdings at the time of elected office		Current shareholdings		Current shareholdings of spouse/minors		shareholdings in the name of others		Main Work Experience or Education Background	Current adjunct positions at the Company and other companies	Other officers, directors, or supervisors of the company who is a spouse or relative within the 2nd degree under the Civil Code			Remarks
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Shares	Shareholding ratio			Job Title	Name	Relationship	
Chairman		Durban Development Co., Ltd.	—	June 30, 2023	3 years	June 22, 2017	6,446,451	3.41	6,446,451	3.41	0	0.00	0	0.00	--	--	--	--	--	None
	ROC	Representative: Chun-Fa Huang	Male 61~70	June 30, 2023	3 years	May 27, 1999	0	0.00	0	0.00	0	0.00	0	0.00	International Trade, Hsing Wu University Chairman, Durban Development Co., Ltd. (Durban Development)	Note 1	Director	Chun-Tsao Huang	Brothers	None
Vice Chairman		TienPin Development Co., Ltd.	—	June 30, 2023	3 years	June 17, 2014	43,791,000	23.17	43,791,000	23.17	0	0.00	0	0.00	--	--	--	--	--	None
	ROC	Representative: Ming-Tan Hsu	Male 51~60	June 30, 2023	3 years	May 16, 1996	722	0.00	722	0.00	0	0.00	0	0.00	MBA, University of Kansas, USA	Note 2	Director	Wei-Te Hsu	Brothers	None
Director		Durban Development Co., Ltd.	—	June 30, 2023	3 years	June 22, 2017	6,446,451	3.41	6,446,451	3.41	0	0.00	0	0.00	--	--	--	--	--	None
	ROC	Representative: Chun-Tsao Huang	Male 61~70	June 30, 2023	3 years	Note 6	0	0.00	0	0.00	0	0.00	0	0.00	MBA, Department of Information Management, National Taiwan University President, Athena Information Systems International Co., Ltd.	Note 3	Chairman	Chun-Fa Huang	Brothers	None
Director		TienPin Development Co., Ltd.	—	June 30, 2023	3 years	June 17, 2014	43,791,000	23.17	43,791,000	23.17	0	0.00	0	0.00	--	--	--	--	--	None
	ROC	Representative: Wei-Te Hsu	Male 51~60	June 30, 2023	3 years	Note 7	1,279	0.00	1,279	0.00	0	0.00	0	0.00	MBA, Washington State University, USA	Note 4	Vice Chairman	Ming-Tan Hsu	Brothers	None
Independent Director	ROC	Chui-Ming Peng	Male 71~75	June 30, 2023	3 years	June 22, 2017	0	0.00	0	0.00	0	0.00	0	0.00	Department of Economics, National Taiwan University Director and Founder of Commercial Times	--	None	--	--	None
Independent Director	ROC	Sheng-Yu Liang	Male 61~70	June 30, 2023	3 years	June 22, 2017	0	0.00	0	0.00	0	0.00	0	0.00	MBA, National Cheng Chi University Manager, DHL Express (Taiwan) Corp.	--	None	--	--	None
Independent Director	ROC	Jui-Hsiang Huang	Male 61~70	June 30, 2023	3 years	June 24, 2020	0	0.00	0	0.00	0	0.00	0	0.00	Master, Department of Accounting, National Cheng Chi University President, Fei Da Enterprise Management Co., Ltd.	Note 5	None	--	--	None

Note 1: Chairman of Mayer Steel Pipe Corporation, Chairman of Mayer Inn, Chairman of Mei Kong Development Co., Ltd., Chairman of Du Centre Co., Ltd., Chairman of The Sincere Department Store Ltd, Chairman of Miramar Resort Co., Ltd., Chairman of Taiwan Ssangyong Co., Ltd., Chairman of Ing Shuen Construction Co., Ltd., Director of Durban Development Co., Ltd., Director of Miramar Hotel Taipei Co., Ltd., Director of Yuan Chuan Steel Co. Ltd., Director of SLT Co., Ltd., Director of Taiwan Navigator Asset Investment Co., Ltd., Director of Hsing Li Cheng Biotechnology Co., Ltd., Supervisor of De Wei Investment Co., Ltd.

Note 2: Chairman of Miramar Hospitality Co., Ltd., Chairman of Hsin Hai Transportation & Terminal Co., Ltd., Director of Miramar Resort Co., Ltd., Director of Yuan Chuan Steel Co. Ltd.

Note 3: Chairman of Yi Hung Investment Co., Ltd., Chairman of Become Co., Ltd., Director of Mayer Steel Pipe Corporation, Director of Miramar Hospitality Co., Ltd., Director of De Wei Investment Co., Ltd., Director of Du Centre Co., Ltd., Director of Miramar Hotel Taipei Co., Ltd., Director of Athena Information Systems International Co., Ltd., Supervisor of Jun An Information Co., Ltd., Supervisor of Miramar Resort Co., Ltd., Supervisor of Yuan Chuan Steel Co. Ltd., Supervisor of Durban Development Co., Ltd., Supervisor of Mei Kong Development Co., Ltd.

Note 4: Director of Hsin Hai Transportation & Terminal Co., Ltd.

Note 5: Independent Director of Allis Electric Co., Ltd., Chairman of Fei Ta Consultant Co., Ltd., Supervisor of Faspro Systems Co., Ltd.

Note 6: First appointed as director of the Company on June 24, 2020;first appointed as supervisor of the Company on June 17, 2005.

Note 7: First appointed as director of the Company on June 24, 2020; first appointed as supervisor of the Company on May 27, 1999.

Table 1: Major Shareholders of Corporate Shareholder

April 27, 2024

Name of legal shareholder (Note 1)	Major shareholding of legal shareholder (Note 2)
Durban Development Co., Ltd.	De Wei Investment Co. (32.31%), The Sincere Department Store Ltd. (25.63%), Yuan Chuan Steel Co., Ltd. (12.38%), Heng Xing Development Co., Ltd. (7.22%), I-Yun Hung (6.63%), Miramar Hotel Taipei Co., Ltd. (5.73%), Hsiu-Mei Huang (1.59%), Mayer Steel Pipe Corporation (1.27%), Heng-Chiu Chang (1.22%), Yung-Lun Huang (0.98%)
TienPin Development Co., Ltd.	Li-E Chang (51.69%), Ming-Tan Hsu (22.89%), Wei-Te Hsu (21.07%), Yen-Wen Lin (3.78%), Tien Ding Co., Ltd. (0.50%), Ling-I Hsu (0.07%)

Note 1: For directors who are a representative of a corporate shareholder, the name of the corporate shareholder shall be disclosed.

Note 2: Names and shareholdings of key shareholders (top ten in terms of shareholding) of corporate shareholders shall be disclosed. If the key shareholder is a corporate entity, Table II shall be filled in.

Table 2: Major Shareholders of Corporate Shareholder who are Major Shareholders Specified in Table 1

April 27, 2024

Name of Corporate Shareholder	Major Shareholders of Corporate Shareholder
De Wei Investment Co., Ltd.	Miramar Hotel Taipei Co., Ltd. (79.26%), Hsiu-Mei Huang (10.60%), Cheng-Yuan Li (9.86%), Yung-Lun Huang (0.14%), Chia-Yu Huang (0.07%), Chia-Hung Huang (0.07%)
The Sincere Department Store Ltd.	Durban Development Co., Ltd. (41.06%), Du Centre Co., Ltd. (12.08%), De Wei Investment Co., Ltd. (19.56%), Durban Dive Corporation (18.95%), I-Yun Hung (2.31%), Yung-Chieh Huang (1.25 %), Chun-Wei Huang (1.19%), Wei-Li Cheng (1.17%), Yu Hung Investment Co., Ltd (0.99%), Ta-Yao Lo (0.53%)
Yuan Chuan Steel Co. Ltd.	Miramar Hotel Taipei Co., Ltd. (81.43%), Tze Shin International Co., Ltd. (18.57%)
Heng Xing Development Co., Ltd.	Wei-Kun Lai (30.00%), Yueh-Hsing Lai (20.60%), Wei-Wen Lai (23.20%), Wei-Chung Lai (23.20%), Chih-Hsin Lai (3.00%)
Miramar Hotel Taipei Co., Ltd.	De Wei Investment Co., Ltd. (46.97%), I-Yun Hung (16.43%), Hsiu-Mei Huang (11.59%), Kai-Sheng Huang (11.72%), Kai-Hsin Huang (1.77%), Cheng-Yuan Li (1.62%), Mei-Fang Lu (1.62%), Wei-Li Cheng (1.41%), Yung-Chieh Huang (6.14%), Chun-Wei Huang (0.71%),
Mayer Steel Pipe Corporation	Yuan Chuan Steel Co. Ltd. (16.61%), Tze Shin International Co., Ltd. (9.06%), Xian Da Investment Co., Ltd. (6.99%), Miramar Hotel Taipei Co., Ltd. (5.47%), Yuan Da Investment Co., Ltd. (1.79%), Jian Yu Xing Ye Co., Ltd. (1.14%), Durban Development Co., Ltd. (1.06%),Three-Party SBL Investment Custody Account (from Securities Trading Department's Trading Platform of Mitsubishi UFJ Morgan Stanley Securities) Maintained by HSBC Bank (Taiwan) Limited (1.11%); Investment account of J.P. Morgan in custody of Chase JP Morgan (0.96%), UBS Europe SE Investment Account under the custody of Citibank Taiwan (0.93%)
Tien Ding Co., Ltd.	TienPin Development Co., Ltd. (86.07), Ming-Tan Hsu (10.59%), Yen-Wen Lin (3.32%), Li-E Chang (0.01%), and Hsiao-Chu Chien (0.01%)

Director Information (II)

I. Professional qualifications and disclosure of information on the independence of independent directors:

April 27, 2024

Conditions / Name	Professional qualifications and experience (Note 1)	Independence status (Note 2)	Concurrently as an independent director to other public companies
Chairman Durban Development Co., Ltd. Representative: Chun-Fa Huang	International Trade, Hsing Wu University Chairman of Tze Shin International Co., Ltd., Durban Development, and Mayer Steel Pipe Corporation; more than five years of working experience in commerce and sales	Non-independent Director	0
Vice Chairman TienPin Development Co., Ltd. Representative: Ming-Tan Hsu	MBA, University of Kansas, USA Vice Chairman of Tze Shin International Co., Ltd. and Chairman of Miramar Hospitality Co., Ltd. and Hsin Hai Transportation & Terminal Co., Ltd.; more than five years of experience in commerce, accounting or finance, and background needed for the business	Non-independent Director	0
Director Durban Development Co., Ltd. Representative: Chun-Tsao Huang	MBA, Department of Information Management, National Taiwan University Director of Tze Shin International Co., Ltd.; President of Athena Information Systems International Co., Ltd.; director of Mayer Steel Pipe Corporation and Miramar Hospitality Co., Ltd.; more than five years of experience in commerce and information technology and background needed for the business	Non-independent Director	0
Director TienPin Development Co., Ltd. Representative: Wei-Te Hsu	MBA, Washington State University, USA Director of Tze Shin International Co., Ltd. and Hsin Hai Transportation & Terminal Co. Ltd.; more than five years of experience in commerce and background needed for the business	Non-independent Director	0
Independent Director Chui-Ming Peng	Department of Economics, National Taiwan University Member of the Audit Committee and Compensation Committee Over fifteen years of experience as former CEO of the Chinatimes Education Foundationand president and publisher of the Commercial Times; more than five years of experience in commerce and background needed for the business None of the situations described under Article 30 of the Company Act	Meets independence requirements There are none of the situations described Note 2, and the Declarations from the independent director (when elected and during the office term) has been obtained to verify the independence required by laws (when elected and during the office term)	0
Independent Director Sheng-Yu Liang	MBA, National Cheng Chi University Convener of the Audit Committee and Compensation Committee Over fifteen years of experience as former president of Mei Zhong Logistics Company and manager of DHL Express (Taiwan) Corp.; more than five years of experience in commerce and background needed for the business None of the situations described under Article 30 of the Company Act	Meets independence requirements There are none of the situations described Note 2, and the Declarations from the independent director (when elected and during the office term) has been obtained to verify the independence required by laws (when elected and during the office term)	0

Independent Director Jui-Hsiang Huang	Master, Department of Accounting, National Cheng Chi University Member of the Audit Committee Over 25 years as former president of audit services in Dinkum & Co., CPAs, president of Fei Da Enterprise Management Co., Ltd., and independent director of Allis Electric Co., Ltd.; more than five years of experience in commerce and accounting or finance and background needed for the business None of the situations described under Article 30 of the Company Act	Meets independence requirements There are none of the situations described Note 2, and the Declarations from the independent director (when elected and during the office term) has been obtained to verify the independence required by laws (when elected and during the office term)	1

Note: 1: Professional qualifications and experience: The professional qualifications and experience of individual directors and supervisors shall be disclosed. For those who are members of the audit committee and possess expertise in accounting or finance, the related background and work experience should be stated, and verify if there are any situations as specified in Article 30 of the Company Act.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: whether the independent director or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the independent director, their spouse, and their relatives with the second degree (or through nominees); whether the independent director has served as a director, supervisor or employee of a specified company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of remuneration received for any business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past two years.

II. Diversity and Independence of the Board:

(I)Implementation of Diversity Policy of the Board

1. Chapter 3 “Strengthening the Functions of the Board of Directors” of the Company’s “Corporate Governance Code of Practice” provides the diversity policy. The nomination and election of members of the board of directors of the Company follows the provisions of the its Articles of Association and adopts the candidate nomination system. In addition to evaluating the qualifications of each candidate’s education and work experience and referring to the opinions of interested parties, the Company also abides by the "Guidelines for Director Election" and "Corporate Governance Code of Practice" to ensure the diversity and independence of directors and there has been no such thing as stated in Article 30 of the Company Act.
2. All directors of the Company have professional backgrounds including industrial experience and professional capabilities in finance and accounting, etc., which meet the management objectives of the diversity policy of the board of directors. The diversity policy of the board of directors is as follows, whose content is also disclosed on the Company’s official site and Market Observation Post System (MOPS).

Core items of diversity / Name of Director	Basic									Professional background, knowledge and skills								
	Nationality	Gender	Serving as the Company’s employee concurrently	Age			Independent directors’ term of office and seniority			Business judgment	Accounting	Financial	Operation and management	Crisis management	Industry knowledge	Information technology	International market insight	Leadership and decision-making
				Below 60	61-70	70 and above	Below 3 years	4-9 years	More than 9 years									
Chun-Fa Huang	ROC	Male	V		V					V		V	V	V	V		V	V
Ming-Tan Hsu	ROC	Male	V	V						V	V	V	V	V	V		V	V
Chun-Tsao Huang	ROC	Male			V								V		V	V		V
Wei-Te Hsu	ROC	Male		V							V	V			V		V	
Sheng-Yu Liang	ROC	Male			V			V		V	V		V		V		V	
Chui-Ming Peng	ROC	Male				V		V			V		V		V		V	
Jui-Hsiang Huang	ROC	Male			V			V		V	V	V						V

3. The Board of the Company is composed of seven directors; including two directors who are employees of the Company, accounting for 29%, and three independent directors, accounting for 43%; three independent directors have a tenure of four to nine years; two directors are aged above 65, three directors are aged between 55 and 64, and two directors are aged between 50 and 55. In addition, the target is for female directors to account for at least 14% of the composition of the Board, and the number is expected to be increased in line with the Company’s determination to implement gender equality.
4. The specific management objectives and achievement of the diversity policy of the board of directors are as follows:

Management Objectives	Progress of Achievement
The number of independent directors is more than one-third of the total number of directors	Achieved
The number of directors concurrently serving as the officers of the Company shall not exceed one-third of the total number of directors	Achieved
The term of office of independent directors does not exceed three terms	Achieved
Sufficient and diverse professional knowledge and skills	Achieved

(II)Independence of the Board of Directors

1. The Company currently has 7 directors in which there are 3 independent directors (accounting for 43% of the total seats of director). When independent directors are elected and during their tenure, their qualifications will be examined and reviewed according to the checklist and the statement will be issued. Our independent directors all satisfy the requirements stated in Article 2 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies which require that the independent director shall have at least five years of work experience in business, legal affairs, finance, accounting or those required for company business and our independent directors have no circumstances mentioned in Article 3 of the same Regulations during the two-year period before the election and during their tenure, allowing them to maintain the independence when performing their duties.
2. The members of the board of directors all meet the requirements of Article 26-3 of the Securities and Exchange Act. There shall be more than half of the total directors having no relationship of spouses or kinship within the second degree with each other. Please refer to page 11 for Director Information (I).

(II) Information of President, Vice-President, Associate Vice-President, Supervisors of Departments and Branches

April 27, 2024

Job Title	Nationality	Name	Gender	Elected (inaugurated) date	in the name of others		Shareholdings of spouse/minors		shareholdings in the name of others		Main Work Experience or Education Background	Concurrent Position in the Company or other Companies	Other officers of the company who are the spouse or relative within the 2nd degree under the Civil Code			Notes (Note 1)
					Shares	Shareholdings	Shares	Shareholdings	Shares	Shareholdings			Job Title	Name	Relationship	
Vice Chairman Concurrently serves as president, transportation business department, new business department, management department, supervisor of information office	ROC	Ming-Tan Hsu (Note 2)	Male	March 28, 2022	722	0	0	0	0	0	University of Kansas MBA	Chairman of Hsin Hai Transportation and Miramar Hospitality; Director of Miramar Resort and Yuan Chuan Steel	None	NA	NA	None
Finance department Associate Manager Concurrently serves as the head of corporate governance and business planning office.	ROC	Hsiu-Chi Chen (Note 3)	Male	May 12, 2023	0	0	0	0	0	0	Master of Finance from National Taiwan University (EMBA) Tung Ho Steel Enterprise Corp. Associate Manager of Investment Department	-	None	NA	NA	None
President's office Associate Manager	ROC	Chin-Feng Chen (Note 4)	Male	May 20, 2020	0	0	0	0	0	0	Master's, National Cheng Chi University Executive Assistant of the Chairman of Nestle	Representative of NicheMate Tech. Co., Ltd.	None	NA	NA	None
Manager, Financial Department	ROC	Wen-Lung	Male	July 01, 2017	0	0	0	0	0	0	M.A., Department of	-	None	NA	NA	None

		Chiang (Note 5)									Accounting of Chung Yuan Christian University Accounting Officer of CHONG-IA PRECISION INDUSTRY CO., LTD.					
Officer of Management Department	ROC	Hsuan-Pei Hung (Note 6)	Female	August 15, 2016	0	0	0	0	0	0	MBA of Tamkang University Junior Manager of Eslite	-	None	NA	NA	None
Manager, Financial Department	ROC	Chien-I Kao (Note 7)	Male	March 24, 2023	0	0	0	0	0	0	Bachelor of Accounting, Fu Jen Catholic University Manager, KPMG Taiwan	-	None	NA	NA	None

Note 1: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level officer) are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason, reasonableness, and necessity thereof, and the measures adopted in response thereto (such as increasing the number of independent directors and no more than half of the directors concurrently serving as employees or officers).

Note 2: Vice Chairman Ming-Tan Hsu concurrently serves as the head of transportation business department, new business department, management department, and information office since August 11, 2023.

Note 3: Associate Manager Hsiu-Chi Chen of finance department concurrently serves as the head of corporate governance since July 1, 2023, and as the head of business planning office since August 11, 2023.

Note 4: Associate Manager Chin-Feng Chen of general manager's office stepped down on July 15, 2023.

Note 5: Manager Wen-Lung Chiang of finance department stepped down on February 28, 2023.

Note 6: Manager Hsuan-Pei Hung of management department stepped down on June 30, 2023.

Note 7: Manager Chien-I Kao of finance department were reassigned on May 12, 2023.

III. Profit sharing from earnings for directors, presidents and vice-presidents in the previous year

(I) Remuneration for directors

Unit: NT$ thousand

Title	Name	Profit sharing from earnings for directors								A, B, C and D represent the total amount and the percentage of net income after tax %		Profit sharing from earnings for directors who are concurrently employees								Percentage of the sum of A to G in the net profit after tax %		Related profit sharing from earnings from investees other than remuneration from the subsidiaries or the parent company
		Remuneration (A))		Severance Pay/Retirement Allowance (B)		Remuneration to directors (C)		Business execution expenses (D)				Salaries, bonuses, and special expenses (E)		Severance Pay/Retirement Allowance (F)		Employee remuneration (G)						
																The company		All firms disclosed in the financial statements				
		The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The company	All firms disclosed in the financial statements	
	Durban Development Co., Ltd.	0	0	0	0	2,617	2,617	0	0	2,617 0.56	2,617 0.56	0	0	0	0	0	0	0	0	2,617 0.56	2,617 0.56	None
Chairman	Representative: Chun-Fa Huang	0	0	0	0	0	0	180	180	180 0.04	180 0.04	1,377	1,377	0	0	960	0	960	0	2,517 0.54	2,517 0.54	1,980
Director	Representative: Chun-Tsao Huang	0	0	0	0	0	0	180	240	180 0.04	240 0.05	0	0	0	0	0	0	0	0	180 0.04	240 0.05	160
	TienPin Development Co., Ltd.	0	0	0	0	2,180	2,180	0	0	2,180 0.47	2,180 0.47	0	0	0	0	0	0	0	0	2,180 0.47	2,180 0.47	None
Vice Chairman	Representative: Ming-Tan Hsu	0	0	0	0	0	0	180	480	180 0.04	480 0.10	1,441	1,681	0	0	1,334	0	1,334	0	2,955 0.63	3,495 0.75	None
Director	Representative: Wei-Te Hsu	0	0	0	0	0	0	180	420	180 0.04	420 0.09	0	0	0	0	0	0	0	0	180 0.04	420 0.09	None
Independent Director	Sheng-Yu Liang	0	0	0	0	0	0	375	375	375 0.08	375 0.08	0	0	0	0	0	0	0	0	375 0.08	375 0.08	None
Independent Director	Chui-Ming Peng	0	0	0	0	0	0	335	335	335 0.07	335 0.07	0	0	0	0	0	0	0	0	335 0.07	335 0.07	None
Independent Director	Jui-Hsiang Huang	0	0	0	0	0	0	305	305	305 0.07	305 0.07	0	0	0	0	0	0	0	0	305 0.07	305 0.07	None

1. Please specify the policy, system, standards and structure for the payment of remuneration to independent directors, and explain the correlation between the amount of remuneration and factors such as responsibilities, risks and time commitment. Refer to page 21 for more details.
2. Except as disclosed in the above Table, the remuneration received by the directors of the Company in the most recent year for providing services (such as serving as a non-employee consultant of the parent company/all companies in the financial report/reinvested business, etc.): 0

Note: The Company provides Vice Chairman Ming-Tan Hsu with an annual car cost and fuel expense of approximately NT$175 thousand, and the driver cost is approximately NT$650 thousand.

(II) Profit sharing from earnings for presidents and vice- presidents

Unit: NT$ thousand

Title	Name	Salary (A)		Severance Pay/Retirement Allowance (B)		Bonuses and special expenses, etc. (C)		Remuneration for employees (D)				Percentage of the sum of A to D in net profit after tax (%)		Related profit sharing from earnings from investees other than remuneration from the subsidiaries or the parent company
		The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company		All firms disclosed in the financial statements		The company	All firms disclosed in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Vice chairman serving concurrently as president	Ming-Tan Hsu (Note 1)	0	0	0	0	0	0	0	0	0	0	0 0%	0 0%	None

Note 1: Vice Chairman Ming-Tan Hsu started to serve concurrently as president from March 28, 2022. No salary for concurrently serving as president was received during the service period.

(III) The remuneration of the top five highest paid executives of the Company

Job Title	Name	Salary (A)		Severance Pay/Retirement Allowance (B)		Bonus and special disbursement (C)		Remuneration for employees (D)				Percentage of the sum of A to D in net profit after tax (%)		Related profit sharing from earnings from investees other than remuneration from the subsidiaries or the parent company
		The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company	All firms disclosed in the financial statements	The company		All firms disclosed in the financial statements		The company	All firms disclosed in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Assistant Vice President	Hsiu-Chi Chen (Note 1)	919	919	0	0	447	447	837	0	837	0	2,203 0.47%	2,203 0.47%	None
Assistant Vice President	Chin-Feng Chen (Note 2)	780	780	210	210	9	9	0	0	0	0	999 0.21%	999 0.21%	None
Officer	Hsuan-Pei Hung (Note 3)	514	514	0	0	36	36	0	0	0	0	550 0.12%	550 0.12%	None
Officer	Wen-Lung Chiang (Note 4)	205	205	0	0	2	2	0	0	0	0	207 0.04%	207 0.04%	None
Officer	Chien-I Kao (Note 5)	189	189	0	0	33	33	0	0	0	0	222 0.05%	222 0.05%	None

Note 1: Associate Manager Hsiu-Chi Chen assumed office on May 12, 2023.
Note 2: Associate Manager Chin-Feng Chen assumed office on May 20, 2020, was dismissed on July 15, 2023 with severance pay of 210 thousand.
Note 3: Manager Hsuan-Pei Hung assumed office on August 15, 2016, and stepped down on June 30, 2023.
Note 4: Manager Wen-Lung Chiang assumed office on July 1, 2017, and stepped down on February 28, 2023.
Note 5: Manager Chien-I Kao assumed office on March 24, 2023, and were reassigned on May 12, 2023.

(IV) Name of officers receiving employee profit sharing from earnings

Unit: In Thousands of NTD; April 27, 2024

	Job Title	Name	Stock amount	Cash amount	Total	Percentage of the sum in net profit after tax
Officer	Chairman	Chun-Fa Huang	0	3,131	3,131	0.67%
	Vice Chairman	Ming-Tan Hsu				
	Assistant Vice President	Hsiu-Chi Chen				

(V) Provide a comparative analysis of the total remuneration paid to directors, general managers, and deputy general managers of the Company and all consolidated companies in the past two years, including the proportion to net income after tax, as well as explanation of the policies, standards and composition of remuneration, the process for setting remuneration, and its relationship with operational performance and future risks.

1. Analyze the total remuneration paid to directors, general managers, and deputy general managers of the Company and all consolidated companies in the past two years, including the proportion to net income after tax.

Year / Job Title	Total amount and % of net income after tax				Explanation
	2023		2022		
	The company	All companies in the consolidated statements	The company	All companies in the consolidated statements	
Director	2.49%	2.67%	-1.78%	-2.27%	The main difference in the change of ratio of total remuneration to net income after tax for the two years is primarily due to the net profit after tax for 2023.
President/ Vice President	0%	0%	-0.08%	-0.08%	

2. The policy, standards and composition of remuneration, the process for setting remuneration, and its relationship with operational performance and future risks

Item	Directors (including independent directors)	Officer
Remuneration policies, standards and packages	I. Fixed expenses of traveling and attendance: Based on the provisions of Article 16-1 of the "Articles of Incorporation", according to their respective engagement of participation in operation and contribution of individual directors and in consideration of the general market conditions of the industry, directors (including independent directors) will be paid with traveling expenses (also applicable to independent directors), and directors (including independent directors) have not been paid with variable remuneration. Directors who concurrently act as managerial officers shall also be handled in accordance with the regulations on remuneration of managerial officers. II. Remuneration for directors: According to Article 27 of the "Articles of Incorporation", if there is any profit in a particular year, no more than 1% of such profit shall be distributed as remuneration for directors., which is not applicable to independent directors.	I. Salary and bonus: The salary structure is set in according to the “Personnel Management Rules - Salary.” The salary ranges for each job level are designed with reference to market survey. Additionally, the “Annual Festival Gift Money and Three Festival Bonus Distribution Method” has been established to motivate managerial officers. The year-end bonus is determined based on the principles of year-end bonus calculation, taking into account the annual EPS, performance evaluation and contribution, overall operation status, future risks, and market development trends. II. Employee remuneration: According to Article 27 of the “Articles of Incorporation,” one percent should be allocated for employee remuneration when the Company has generated profit. The actual distribution is based on the performance evaluation results of the managerial officers for the year and takes into account the future business risks of the Company.
Procedures for determining remuneration	I. The annual adjustment is based on the survey results of industry compensation and the evaluation results conducted according to the “Board of Directors Performance Evaluation Method”. II. The results of self-assessment of performance of the board of directors, director members and members of each functional committee all reach good and excellent standards. The assessment items include: 1. Engagement in the Company's operations, 2. Decision-making quality, 3. Responsibility awareness, 4. Continuous education, and 5. Internal control, etc., and	I. At the end of each year, the basis is taken from the survey results of the peer industry remuneration and the evaluation results implemented according to the “Personnel Management Rules - Performance Evaluation.” II. The results of the second performance assessment conducted by managerial officers indicated that managerial officers have achieved the planned targets and requirements in terms of completeness of jobs and overall performance. The assessment criteria include: 1) execution ability; 2) job performance; 3) leadership skills; 4) professional knowledge; 5) innovation planning. The assessment also made

<table>
<tr><th>Item</th><th>Directors (including independent directors)</th><th>Officer</th></tr>
<tr><td rowspan="2"></td><td>only fixed expenses for traveling and attendance will be issued according to the self-assessment results.</td><td>reference to profitability, operational efficiency, and contribution. Based on the assessment results and the standards for each job level, remuneration will be disbursed.</td></tr>
<tr><td colspan="2">The performance assessment and reasonableness of remuneration of the directors and managerial officers are regularly evaluated and reviewed by the Compensation Committee and the Board of Directors every year. In addition to individual performance achievements and contributions to the business, the assessment also takes into account the overall operational performance of the Company, future industrial risks and development trends, as well as timely reviews of the remuneration system based on the actual business conditions and relevant laws and regulations. Furthermore, after considering current trends in corporate governance for the Company, managerial officers are paid reasonably, in order to reach a balance between sustainable operation and risk management. Actual remuneration to the directors and managerial officers is discussed first by the Remuneration Committee before sending it to the Board of Directors for resolution.</td></tr>
<tr><td>Correlation with business performance and future risks</td><td>The review of payment standards and systems related to the Company’s remuneration policies is based on the Company’s overall operating conditions as the major consideration. Among the directors' remuneration, only the director's remuneration is based on Article 27 of the "Articles of Incorporation", which stipulates that “If the Company has any profits for any fiscal year, it shall allocate no more than 1% as director remuneration”, which is distributed according to a fixed number of weights and shall have a certain correlation with operating performance, but the level of such correlation in terms of risk of future operation is relatively low.</td><td>The review of the payment standard and systems for the remuneration-related policy is primarily based on the overall operational performance of the Company. The payment standards are determined based on the target achievement rate and the level of contribution. Additionally, salary standards from industry peers are referred to, to ensure that the compensation for our management remains competitive in the industry to retain talent. The performance objectives for the managerial officers are integrated with risk management to ensure that potential risks within their scopes of responsibilities are manageable and preventable. The actual performance results are used to determine the corresponding rating, which is then linked to various related human resources and compensation policies. The compensation provided to our managerial officers is correlated with the final outcome of EPS, meaning aligning managerial officers’ incentives with the Company’s future business risks.</td></tr>
</table>

IV.Corporate Governance Status

(I) Board Meeting Operating Status:
In the most recent year (from 2023 to the date of publication of the annual report), the board of directors held 9 meetings (A), and the attendance of directors is as follows:

Job Title	Name (Note 1)	Actual Number of Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Note 2)	Remarks
Chairman	Durban Development co.ltd. Representative: Chun-Fa Huang	9	0	100.00%	Full re-election of directors on June 30, 2023
Vice Chairman	TienPin Development Co., Ltd. Representative: Ming-Tan Hsu	9	0	100.00%	Full re-election of directors on June 30, 2023
Director	Durban Development co.ltd. Representative: Chun-Tsao Huang	8	1	88.89%	Full re-election of directors on June 30, 2023
Director	TienPin Development Co., Ltd. Representative: Wei-Te Hsu	9	0	100.00%	Full re-election of directors on June 30, 2023
Independent Director	Chui-Ming Peng	9	0	100.00%	Full re-election of directors on June 30, 2023
Independent Director	Sheng-Yu Liang	9	0	100.00%	Full re-election of directors on June 30, 2023
Independent Director	Jui-Hsiang Huang	9	0	100.00%	Full re-election of directors on June 30, 2023

Other matters to be recorded:

I. If any situation listed below occurred during the operation of the Board of Directors, state the date and session of the Board meeting, details of the proposal, the opinions of all independent directors and the Company's handling of the independent directors' opinions:
  (I) Items listed in Article 14-3 of the Securities and Exchange Act: Please refer to page 47, all independent directors have no objections.
  (II) Other than the items above, any other documented objections or qualified opinions from independent directors to the Board of Directors' resolutions: None

II. Recusal for conflicts of interest by directors:
  (I) 21st meeting of the 13th Board of Directors session on March 24, 2023
    1. Proposal 4: Funding loan between the Company and its affiliated company - Mayer Steel Pipe Corporation. (proposed by Audit Committee)
    Director Chun-Fa Huang was chairman of Mayer Steel Pipe Corporation and Director Chun-Tsao Huang was director of Mayer Steel Pipe Corporation, and thus recused themselves from the discussion and resolution to avoid conflict of interest. The proposal passed without objections after inquiry by the deputy chair, Vice Chairman Ming-Tan Hsu, to all attending directors.
    2. Proposal 10: Discussion on the list of director nominees and examination of director candidates nominated by the Board of Directors. (proposed by business planning office)
    All seven directors (including independent directors) were nominated by the Board of

Directors, and thus recused themselves from the discussion and resolution to avoid conflict of interest.

Director candidates Chun-Fa Huang, Ming-Tan Hsu, Chun-Tsao Huang, and Wei-Te Hsu recused themselves from the discussion and resolution to avoid conflict of interest. The proposal passed without objections after inquiry by the deputy chair, Independent Director Sheng-Yu Liang, to all attending directors.

Independent director candidates Sheng-Yu Liang, Chui-Ming Peng, and Jui-Hsiang Huang recused themselves from the discussion and resolution to avoid conflict of interest. The proposal passed without objections after inquiry by the chair to all attending directors.

3. Proposal 14: Proposal to provide the director list to the subsidiary Miramar Hospitality Co., Ltd.(proposed by the business planning office)
   Director Chun-Tsao Huang and Vice Chairman Ming-Tan Hsu recused themselves from the discussion and resolution to avoid conflict of interest. The proposal passed without objections after inquiry by the chair to all attending directors.

(II) 2nd meeting of the 14th Board of Directors session on August 11, 2023

1. Proposal 4: Appointment of remuneration committee members of the Company. (proposed by business planning office)
   This case involves the appointment of a remuneration committee member, which has conflicts of interest with independent directors Sheng-Yu Liang and Chui-Ming Peng. Therefore, they abstained from discussion and voting. After consulting with the remaining attending directors, the case was passed without objection.
2. Proposal 5: Custodian of special seal endorsed and guaranteed by the Company. (proposed by business planning office)
   This case involves agreement on the custodian of seal, which has conflicts of interest with Vice Chairman Ming-Tan Hsu and CFO Hsiu-Chi Chen. Therefore, they abstained from discussion and voting. After consulting with the remaining attending directors, the case was passed without objection.
3. Proposal 6: The Company’s personnel changes. (Proposed by the chairman)
   This case involves holding dual roles as department head, which has conflicts of interest with Vice Chairman Ming-Tan Hsu and CFO Hsiu-Chi Chen. Therefore, they abstained from discussion and voting. After consulting with the remaining attending directors, the case was passed without objection.

(III) 4th meeting of the 14th Board of Directors session on December 7, 2023

Proposal 2: Proposal to terminate the joint construction of houses on land in Taipei's Wanhua District entrusted to Durban Development Co., Ltd. (proposed by Audit Committee)

This case involves Director Chun-Fa Huang's position as a director of Durban Development Co., Ltd., so he abstained from discussion and voting. Vice Chairman Ming-Tan Hsu acted as chairperson in his absence. After consulting with the remaining attending directors, the case was passed without objection.

(IV) 5th meeting of the 14th Board of Directors session on December 26, 2023

1. Proposal 3: Submission of personnel and salary changes for review by the Remuneration Committee. (proposed by Remuneration Committee)
   This case involves discussions on Vice Chairman Ming-Tan Hsu's remuneration, so abstention was observed during discussion and voting. After consulting with the remaining attending directors, the case was passed without objection.
2. Proposal 5: Review of manager’s compensation and performance. (proposed by Remuneration Committee)
   Chairman Chun-Fa Huang and Vice Chairman Ming-Tan Hsu recused themselves from the discussion and resolution of their remuneration to avoid conflict of interest. The proposal passed without objections after inquiry by the deputy chair, Independent Director Sheng-Yu Liang, to all attending directors.
3. Proposal 6: Review of manager’s year-end bonuses for 2023. (proposed by Remuneration Committee)
   Chairman Chun-Fa Huang and Vice Chairman Ming-Tan Hsu recused themselves from the discussion and resolution of their year-end bonus to avoid conflict of interest. The proposal passed without objections after inquiry by the deputy chair, Independent Director Sheng-Yu Liang, to all attending directors.

(V) 7th meeting of the 14th Board of Directors session on March 13, 2024

1. Proposal 2: Discussion on distribution of directors' remuneration and employees' compensation for 2023. (proposed by Remuneration Committee)
   This case involves discussions on directors' remuneration and employees' compensation, which have conflicts of interest with Chairman Chun-Fa Huang, Vice Chairman Ming-Tan Hsu, Director Chun-Tsao Huang, and Director Wei-Te Hsu, so abstention was observed during discussion and voting. Independent director Sheng-Yu Liang acted as chairperson, and after consulting with the remaining attending directors, the case was passed without objection.
2. Proposal 12:The list of newly elected directors for the Company's subsidiaries, Hsin Hai Transportation & Terminal Co., Ltd. and Miramar Resort Co., Ltd., is submitted for approval.(proposed by the business planning office)
   This case involves the appointment of a legal representative, which has conflicts of interest with Chairman Chun-Fa Huang, Vice Chairman Ming-Tan Hsu and Director Wei-Te Hsu. Therefore, abstention was observed during discussion and voting. Independent Director Sheng-Yu Liang acted as chairperson, and after consulting with the remaining attending directors, the case was passed without objection.

III. The interval, duration, scope, method, and content of the Board self-evaluation: See the table below (1-1).

IV. Enhancement of the functions of the Board of Directors in the current year and the most recent year and evaluation of the implementation:

(I) On March 24, 2023, the Company stipulated "Corporate Governance Best-Practice Principles," which became effective after the Board meeting on April 1, 2023, to aim to assist the directors in performing their duties and establish an effective corporate governance framework.

(1-1) Execution of board appraisal

Performance evaluation can be divided into five levels respectively known as "excellent," "good," "fair," "poor" and "immediate improvement required."

1. Board of directors

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Executed once a year	January 1, 2023, to December 31, 2023	Board of directors	Internal self-evaluation	1. Participation level in the Company's operations 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. The election of the directors and their continuing professional education 5. Internal control
Evaluation result: The overall performance result is "Good". Recommendation for improvement: None. Improvement measure: None.				

2. Members of the Board

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Executed once a year	January 1, 2023, to December 31, 2023	Board of directors Member	Internal self-evaluation	1. Understanding of the Company's objectives and tasks 2. Awareness of duties of directors 3. Participation level in the Company's operations 4. Internal relationship management and communication 5. The profession and continuing

				education of directors 6. Internal control
Evaluation result: The overall performance result is mostly " excellent " and "Good". Recommendation for improvement: None. Improvement measure: None.				

3. Remuneration Committee

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Executed once a year	January 1, 2023, to December 31, 2023	Salary remuneration Committee	Internal self-evaluation	1. Participation level in the Company's operations 2. Awareness of responsibilities of Remuneration Committee 3. Improve the decision-making quality of the Remuneration Committee 4. Composition and election of members of the Remuneration Committee
Evaluation result: The overall performance result is " excellent " and "Good". Recommendation for improvement: None. Improvement measure: None.				

4. Audit Committee

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation contents
Executed once a year	January 1, 2023, to December 31, 2023	Audit Committee	Internal self-evaluation	1. Participation level in the Company's operations 2. Awareness of responsibilities of Audit Committee 3. Improve the decision-making quality of the Audit Committee 4. Composition and election of members of the Audit Committee 5. Internal control
Evaluation result: The overall performance result is " excellent " and "Good". Recommendation for improvement: None. Improvement measure: None.				

(II) Audit Committee Implementation Status:
The Audit Committee held 8 meetings (A) during the most recent fiscal year (from 2023 to the date of publication of the annual report). The attendance of independent directors is as follows:

Job Title	Name	Actual Number of Attendance (B)	Number of Attendance by Proxy	Actual Attendance Rate (%) (B/A) (Notes 1 and 2)	Remarks
Independent Director	Chui-Ming Peng	8	0	100.00%	Full re-election of directors on June 30, 2023 Details about the Audit Committee members' professional qualifications and experience can be found in Director Information (II) on page 13
Independent Director	Sheng-Yu Liang	8	0	100.00%	
Independent Director	Jui-Hsiang Huang	8	0	100.00%	
Other matters to be recorded: I. If any of the following occurred in the operation of the Audit Committee, state the date and session of the Audit Committee meeting, details of the agenda, dissenting opinions, qualified opinions or major recommendations of the independent directors, the Audit Committee's resolutions, and the Company's response to the Audit Committee's opinions:					

(I) Conditions described in Article 14-5 of the Securities and Exchange Act:

Date and term	Content of motion	Resolution by the Audit Committee	The Company's response to the Audit Committee's opinions	Resolution of the Board of Directors
March 24, 2023 1st term 18th meeting	1. Change in the Company's personnel. [Proposed by the chairman] 2. Discussion of the Company's 2022 business report and financial statements. [Proposed by finance department] 3. Discussion on the Company's 2022 loss appropriation. [proposed by finance department] 4. Capital loan of the Company's affiliated enterprise - Mayer Steel Pipe Corporation. [Proposed by finance department] 5. Discussion of the 2022 declaration of the internal control system [Proposed by the Auditing Office] 6. Amendments to the Company's "Internal Control System" and "Internal Audit System". [Proposed by business planning office]	Passed Passed Passed Passed Passed Passed	None of the Audit Committee members had opinions.	Passed Passed Passed Passed Passed Passed
May 12, 2023 1st term 19th meeting	1. Discussion of the Company's consolidated financial statements for the first quarter of 2023. [Proposed by the Financial Department] 2. The Company's assessment of disguised financial transactions. [Proposed by finance department] 3. Change in the Company's personnel. [Proposed by the chairman]	Passed Passed Passed	None of the Audit Committee members had opinions.	Passed Passed Passed
August 11, 2023 2nd term 1st meeting	1. Discussion of the Company's consolidated financial statements for the second quarter of 2023. [Proposed by the Financial Department] 2. The Company's overdue accounts are offset against bad debts. [Proposed by finance department] (**Note**) 3. Acquisition of shares of Evergreen Marine Corp. [Proposed by finance department]	Passed Passed Passed	None of the Audit Committee members had opinions.	Passed Passed Passed
November 10, 2023 2nd term 2nd meeting	1. Discussion of the Company's consolidated financial statements for the third quarter of 2023. [Proposed by the Financial Department] 2. The Company's assessment of disguised financial transactions. [Proposed by finance department]	Passed Passed	None of the Audit Committee members had opinions.	Passed Passed
December 7, 2023 2nd term 3rd meeting (Emergency call)	1. The Company plans to terminate the joint construction of houses on land in Taipei's Wanhua District [Proposed by construction business department] 2. The Company intends to terminate the commission for Durban Development Co., Ltd. to manage the land joint development project in Wanhua District of Taipei City. [Proposed by the Construction Business Department]	Passed Passed	None of the Audit Committee members had opinions.	Passed Passed
December 26, 2023 2nd term 4th meeting	1. Hiring of CPAs and associated fees [Proposed by the Financial Department] 2. Amendments to the Company's "Internal Control System" and "Internal Audit System". [Proposed by business planning office]	Passed Passed	None of the Audit Committee members had opinions.	Passed Passed
February 1, 2024 2nd term 5th meeting	1. The Company plans to change its cooperation with the landowner on the land joint development project in Wenshan District, Taipei City. [Proposed by construction business department]	Passed	None of the Audit Committee members had opinions.	Passed
March 13, 2024 2nd term 6th meeting	1. Discussion on the Company's 2023 business report and financial statements. [proposed by finance department] 2. The Company's 2023 earnings distribution proposal. [Proposed by Finance Department] 3. Discussion on the Company's 2023 internal control system statement. [Proposed by the auditing office] 4. The Company's assessment of disguised financial	Passed Passed Passed Passed	None of the Audit Committee members had opinions.	Passed Passed Passed Passed

	transactions. (proposed by finance department) 5. Amendments to "Audit Committee Charter." [Proposed by business planning office)	Passed		Passed

Note: Other matters.

(II) Other matters not listed above and not approved by the Audit Committee but approved by more than two-thirds of all directors: None

II. Avoidance of conflicts of interest among independent directors: None.

III. Communication between independent directors and the internal audit officer and CPAs (including material matters, methods, and results of communication on the Company's financial and business status).

Summary of the communication between independent directors and audit supervisor in the most recent year (from 2023 to the date of publication of the annual report):

The communication between independent directors and the internal audit officer has been healthy.

Date and time	Attendees	Communication matters	Communication results
March 24, 2023 (Friday) 1:45 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang Internal Audit Officer Yen-Wen Lin	1. Report of the actual operation of the internal audit in 2022. 2. Report on the internal audit operation from December 2022 to February 2023. 3. Discussion of the 2022 declaration of the internal control system	None of the independent directors had objections after the discussion of the actual operation and the regulations of the declaration of the internal control system.
December 26, 2023 (Tuesday) 2:00 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang Internal Audit Officer Yen-Wen Lin	1. 2022 Annual internal audit improvement report. 2. 2023 Internal audit business implementation report. 3. 2024 Annual audit plan discussion.	None of the independent directors had objections after the discussion about the audit plan to the implementation and improvement of the internal audit operation.
March 13, 2024 (Tuesday) 9:45 AM	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang Internal Audit Officer Yen-Wen Lin	1. 2023 Annual report on the actual implementation of internal audit operations. 2. Internal audit business execution report from December 2023 to February 2024. 3. 2023 Discussion on annual internal control system statement.	None of the independent directors had objections after the discussion of the actual operation and the regulations of the declaration of the internal control system.

Summary of the communication between independent directors and accountants in the most recent year (from 2023 to the date of publication of the annual report):

The communication between the independent directors and the CPAs has been healthy.

Date and time	Attendees	Communication matters	Communication results
March 24, 2023 (Friday) 2:00 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Han-Ni Fang	1. Auditors' responsibilities and independence. 2. 2022 Annual audit scope and methods, group audit, audit overview, key audit matters and summary of audit conclusions. 3. New provisions of the International Code of Ethics for Professional Accountants.	Contents of the communication, key audit matter (transportation revenue), summary of the audit conclusion (suggestions for internal control) and updates of laws and regulations (new regulations of the International Ethics Standards for Accountants) have been discussed and communicated after key explanations. Independent directors had no opinions.
May 12, 2023 (Friday) 2:00 p.m.	Independent Director Sheng-Yu Liang Independent	1. Review of the financial statements for the first quarter of 2023 and the first quarter of 2022,	The auditors presented a briefing on the scope and method of the review, data and overview of the financial statements, summary of

		Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Han-Ni Fang	including the scope and method of review, data and overview of the reviewed financial statements, and summary of the review conclusion. 2. Progress updates on commitments and significant post-period events. 3. Updates on regulations - Amendments to Equalization of Land Rights Act and Implementation Schedule of Sustainable Development Action Plan.	the review conclusion, progress updates on commitments and significant post-period events, and recent updates in regulations. The presentation, discussions and communications of key points were conducted, and the independent directors had no objections.	
	August 11, 2023 (Friday) 2:00 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Han-Ni Fang	1. Responsibilities and independence of the review personnel for the second quarter of 2023, including the scope and method of Review, data and overview of the reviewed financial statements, and summary of the review conclusion. 2. Progress updates on commitments and tracking of significant matters. 3. Treatment of bad debt losses and compliance with information security regulations.	The auditors presented a briefing on the scope and method of the review, data and overview of the financial statements, summary of the review conclusion, progress updates on commitments and tracking of significant matters, and recent accounting treatment and regulatory compliance. The presentation, discussions and communications of key points were conducted, and the independent directors had no objections.	
	November 10, 2023 (Friday) 2:00 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Chao-Yu Chen	1. Responsibilities and independence of the review personnel for the third quarter of 2023, including the scope and method of review, data and overview of the reviewed financial statements, and summary of the review conclusion. 2. Progress updates on commitments. 3. Explanation of progress in dealing with bad debt loss-related events.	The auditors presented a briefing on the scope and method of the review, data and overview of the financial statements, summary of the review conclusion, progress updates on commitments, and progress in dealing with bad debt loss-related events. Following the presentation, discussions and communications of key points were conducted, and the independent directors had no objections.	
	December 26, 2023 (Tuesday) 2:45 p.m.	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Chao-Yu Chen	Examination of the scope and method, group Audit Strategy, key audit matters for 2023, other significant issues, Auditor's independence statement and audit quality indicators report, introduction to Deloitte's quality management system.	Discussions and communications were conducted on the main audit content, procedures, and timeline for key audit matters, the impact of significant events during the year, auditor's quality indicators, and Deloitte's quality management system. Both directors and independent directors had no objections.	
	March 13,2024 (Tuesday) 10:00 AM	Independent Director Sheng-Yu Liang Independent Director Chui-Ming Peng Independent Director Jui-Hsiang Huang CPA Han-Ni Fang	1. Auditors' responsibilities and independence in auditing financial statements. 2. Explanation of the scope and method of the audit for 2023, overview of the audit, key audit matters, and summary of audit findings. 3. Explanation of material subsidiaries and handling of bad debt losses.	3. The auditors presented a briefing on the scope and method of the audit, data and overview of the financial statements, key audit matters, progress updates on commitments, and the results of bad debt loss handling. Discussions and communications were conducted following the presentation of key points, and the independent directors had no objections.	

(III) Corporate Governance Operation Status and Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and Reasons:

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Does Company follow the “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” to establish and disclose its corporate governance practices?	V		The Company has formulated the code of practice, which is reviewed one article after another according to the Corporate Governance Code of Practice and formulated in accordance with the templates and measures promulgated by the competent authority. For the Company’s corporate governance code of practice, please visit the official site of the Company.	No major difference
II. Company's ownership structure and shareholders' equity				
(I) Does the company establish and implement internal procedures for handling shareholder suggestions, questions, disputes and litigations?	V		The Company has established a mechanism for spokespersons and acting spokespersons and as well as an investor mailbox. The spokespersons and acting spokespersons will handle relevant shareholder issues. If legal issues are involved, legal counsel will handle them.	No major difference
(II) Is the Company constantly informed of the identities of its major shareholders and the ultimate controller?	V		The Company’s stock affairs is handled by the entrusted stock affairs agency, who reports on the number of shares held by directors, supervisors and major shareholders holding 10% of the total shares issued, pledge increase or decrease and other shareholding matters on a monthly basis.	No major difference
(III) Has the company established and implemented risk management practices and firewalls for companies it is affiliated with?	V		The company and its affiliates have clear regulations on the management of personnel and assets between them, and have a dedicated agency to implement effective risk control and firewall mechanisms through the implementation of internal control and internal audit systems.	No major difference
(IV) Has the Company established internal policies that prevent insiders from trading securities against non-public information?	V		The company has established “Procedures for Management of Material Internal Information Processing and Insider Trading Prevention” and prohibits insiders of the Company from taking advantage of information unpublished at the market to transact any securities.	No major difference
III. Composition and responsibility of board of directors				
(I) Does the board of directors formulate a diversity policy, specific goals for management and achieve proper implementation?	V		Please refer to the Board of Directors information (II) in this annual report (Page 13) regarding the diversification and independence of the board.	No major difference
(II) Besides establishing the Compensation Committee and Audit Committee in accordance with the law, has the Company voluntarily set up other functional committees?		V	Apart from the Remuneration Committee and Audit Committee, the Company has assembled other functional committees at its own discretion.	No major difference
(III) Has the Company established a set of policies and assessment tools to evaluate the board’s performance? Is performance evaluated regularly at least on an annual basis? In addition, has the result of the performance assessment been submitted to the board of directors’ meeting and used as reference for the remuneration and nomination or reelection of individual directors?	V		The Company has formulated the performance evaluation and assessment guidelines of the board of directors and it is stipulated that it shall be carried out at least once a year. If necessary, an external professional independent organization or an external team of experts and scholars can be appointed to perform such evaluation and assessment. On March 13, 2024, the Board of Directors submitted the performance evaluation of the 2023 Board of Directors, using the evaluation results as a reference for the selection or nomination of directors, and using individual director performance evaluation results as a reference for setting their individual	No major difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			compensation and nomination for re-election. The overall result of the performance evaluation was mainly “good.”	
(IV) Are external auditors’ independence assessed on a regular basis?	V		The Company's finance department assesses the independence and competency of CPAs every year, and requires CPAs to issue "Declaration of Independence" and "Audit Quality Indicators (AQIs)" in accordance with the standards of (Note 1) and 13 AQI’s indicators for evaluation. After confirming that the accountant and the Company have no other financial interests and business relationships other than the fees for certification and tax cases, and that the family members of the accountant also do not violate the independence requirement, the assessment results for the latest fiscal year were discussed and approved by the Audit Committee on December 26, 2023, and then submitted to the Board of Directors for approval of the assessment of the accountant's independence and suitability.	No major difference
V. Has the publicly listed company designated a department or personnel that specializes (or is involved) in corporate governance affairs (including but not limited to providing directors/supervisors with the information needed to perform their duties, convention of board meetings and shareholder meetings, company registration and changes, preparation of board meeting and shareholder meeting minutes etc.)?	V		Based on the approval by the board of directors on November 13, 2020, the Company has designated the CFO as the head of corporate governance, whose major responsibilities are to provide the directors with the information they need to perform their business, assist the directors in complying with laws and regulations and supervise and handle matters related to the board of directors and shareholders' meeting according to the laws. According to the "TWSE Listed Company Board Establishment and Exercise of Powers Requirements", the newly appointed corporate governance supervisor shall attend 18 hours of initial training within one year of assuming the position, and thereafter, shall continue with 12 hours of ongoing training annually. 2023 Further education (Note 2) 2023 Business implementation is as follows: 1. Assist independent directors to perform job duties, provide necessary documents and arrange the training for the directors. 2. Assist with the legal compliance of board of directors’ meeting and shareholders’ meeting procedure and resolution. 3. Maintain investor relationship. 4. Notify the directors seven days prior to the convening of the meeting of board of directors, convene the meeting and provide the meeting materials. For any issues in the agenda that require recusal, a reminder will be made in advance and complete the minutes of meeting of the board of directors within 20 days after the conclusion of the meeting. 5. Handle the pre-registration of the date of the shareholders’ meeting according to the laws, prepare the meeting notice, the agenda manual and the meeting minutes within the statutory time limit and handle the registration of the revision of the Articles of Association or the re-election of directors and supervisors.	No major difference
V. Has the Company provided proper communication channels and created dedicated sections on its website to address corporate social responsibility issues that are of	V		The Company has a spokesperson and a dedicated email address, as well as a section for stakeholders on the Company's website, to establish open communication channels with stakeholders and appropriately address important issues of concern.	No major difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
significant concern to stakeholders (including but not limited to shareholders, employees, customers and suppliers)?			The Company also has internal and external whistleblowing channels and dedicated personnel for handling such matters. (Note 3)	
VI. Has the Company commissioned professional stock agency institution to handle shareholders' meeting affairs?	V		The Company commissioned professional stock agency institution to handle shareholders' meeting affairs.	No major difference
VII. Information disclosure (I) Has the Company established a website that discloses financial, business and corporate governance-related information?	V		The Company has set up a website and has a dedicated person responsible for maintaining and updating information, as well as disclosing information related to financial business and corporate governance in real time. The link of the site: www.tsgroup.com.tw	No major difference
(II) Has the Company adopted other means to disclose information (*e.g.,* English website, assignment of specific personnel to collect and disclose corporate information, implementation of a spokesperson system, broadcasting of investor conferences via the company website)?	V		The Company has establish a Chinese-English website and designated a staff to be responsible for information collection, update maintenance and disclosure; it has also implemented a spokesperson system, and if an earning call is held, the relevant process will be disclosed on the Company's official site for reference.	No major difference
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline.	V		The Company announced and filed its financial report for 2023 on March 13, 2024, and completed the filing within the prescribed deadline. The financial reports for the first, second and third quarters and the operating status of each month are announced and reported within the prescribed time limit.	No major difference
VIII. Is there any other material information (including but not limited to employee rights, employee care, supplier relations, stakeholder rights, further education for directors and supervisors, the status of implementation of the risk management policy and risk measurement measures, the status of implementation of the customer policy, and the purchase of liability insurance for directors and supervisors) that will help stakeholders understand governance practices at the company?	V		1. Employee rights and welfare: The Company's personnel policies comply with labor laws and regulations, and it has established Welfare Committee to ensure compliance. The Company provides employees with multiple communication channels to ensure timely and transparent information dissemination. Employees participate in collective oversight and management to safeguard their welfare and rights, serving as a basis for the Company's improvement efforts. 2. Investor relations: The Company in a timely manner announces financial, business and material information on the Company's official site and MOPS, so that investors can fully understand and designate the dedicated personnel responsible for handling shareholder suggestions and answering questions. 3. Supplier relations: we maintain a sound relationship with suppliers. 4. Rights of interested parties: in order to protect the rights and interests of interested parties, the Company has established various sound communication channels and handles them properly with the principle of good faith and bears proper responsibilities to maintain their legitimate rights and interests. 5. Directors' further education: (Note 4) 6. Implementation of risk management policies and risk measurement standards: the Company	No major difference

Assessment Item	Implementation Status			Discrepancies with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			formulates various internal regulations according to law, and conducts various risk management and assessments. 7. Performance of the customer policy: we maintain a steady and sound relationship with customers. 8. Purchases of liability insurance for directors by the Company: the Company has purchased liability insurance for directors.	

IX. Please explain the improvements based on the recent corporate governance evaluation results released by the Taiwan Stock Exchange Corporate Governance Center. Also, identify priority areas for strengthening measures for those aspects that have not yet been improved. (Waived for those not listed as the company under evaluation for the corporate governance evaluation) The summary is as follows:

Improvement:

1. The Company records the key contents of questions raised by shareholders and the Company's response in the regular shareholders' meeting minutes.
2. The Company uploads the uninterrupted audio and video after a shareholders' meeting.
3. The Company uploads changes in the numbers of shares held by internal parties in the preceding month to the Market Observation Post System by the tenth day of each month.

Matters not yet improved and prioritized for improvement:

1. The Company uploads its annual financial report in English before the shareholders' meeting on 16th.
2. The Company's annual report clearly outlines its dividend policy.

(Note 1) Evaluation criteria for auditor independence.

Evaluation items		Evaluation result	Requirements of independence met?
1	Does the CPA has direct or material indirect financial interest relationship with the Company?	No	Yes
2	Does the CPA engages in financing or guarantee actions with the Company?	No	Yes
3	Does the CPA has any close business relationship and potential employment relationship with the Company?	No	Yes
4	Does the CPA and his/her audit team members have served as directors, officers or any other positions that have a significant influence on the audit work in the Company at present or in the last two fiscal years?	No	Yes
5	Does the CPA provide the Company with any non-audit service items that may directly affect the audit work?	No	Yes
6	Does the CPA performs any brokerage the stocks or other securities issued by the Company?	No	Yes
7	Does the CPA act as the Company's attorney or coordinate to resolve conflicts with any other third parties on behalf of the Company?	No	Yes
8	Does the CPA has any kinship with any of the Company's directors, officers or personnel with positions that have a significant impact on the audit work.	No	Yes

(Note 2) Corporate governance supervisors' training status

Date of Training	Organizer	Course Name	Training Hours	Total training hours of the year
August 17,2023～August 18,2023	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Development Program	9	15
September 4, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	

Note: Head of corporate governance - Hsiu-Chi Chen, was appointed on July 1, 2023. According to Article 24 of the "Guidelines for the Establishment and Exercise of Powers by the Board of Directors of Listed Companies", the head of corporate governance, except for newly appointed individuals, should undergo at least 18 hours of training within one year from assuming the position, and at least 12 hours of training annually thereafter.

(Note 3) Identity of stakeholders, key issues of concern, communication channels

Interested parties	Issues concerned	Response	Communication frequency	Communication channels
Shareholders and investors	1. Corporate governance 2. Operating performance 3. Shareholders participation	Announcement of material information Earning call Monthly revenue Quarterly financial statements and annual reports	From time to time Once annually Monthly Quarterly	Meetings, telephone, and email: tstcomp@tsgroup.com.tw
Employees	1. Employee benefits 2. Labor-management relations 3. Operating performance	Health checks, group insurance, and various subsidies, etc. Implement pre-onboarding and on-the-job training Welfare Committee and labor-management meetings convened from time to time	Monthly From time to time Quarterly labor-management meeting	Telephone, and email for complaining: vivian.lin@tsgroup.com.tw
Customers	1. Corporate governance 2. Service quality 3. Customer	Integrity management Announcement of material information Earning call	Delivered from time to time From time to time	Interview, service hotline, and email: service@tsgroup.com.tw

	protection and communication	Annual customer satisfaction survey	Once annually Once annually	
Suppliers	1. Corporate image 2. HSE 3. Supplier management 4. Supplier communication channels	Adhere to the operating principle of "pursuit of excellence, sustainable operation, integrity, and top service for customers" Regular review and amendment and revision of laws and regulations Evaluation, on-site visit and communication from time to time	Quarterly regulatory review On-site visit from time to time At least once annually	Interview, telephone, and email: service@tsgroup.com.tw
Government and Competent Authorities	1. Legal compliance 2. Corporate governance 3. Risk management 4. Communication with competent authorities	Regular review and amendment and revision of laws and regulations Participation in policy discussions and seminars of competent authorities from time to time Cooperation with the competent authority for supervision and inspection	Participation in policy forums of competent authorities and revisions of relevant laws and regulations from time to time	Seminars, questionnaires, telephone and email: tstcomp@tsgroup.com.tw

(Note 4) Continuing education of directors: the directors of the Company participated in continuing training courses in accordance with the provisions of the "Templates for the Implementation of Directors and Supervisors of TWSE/TPEx-Listed Companies" issued by the Taiwan Stock Exchange and received the hardcopy of the certificate of completion.

Job Title	Name	Date of Training	Organizer	Course Name	Training Hours
Chairman	Chun-Fa Huang	December 20, 2023	Taipei Financial Research and Development Foundation	Corporate governance - low carbon transformation path planning - carbon rights and carbon pricing	3
		December 22, 2023	Taiwan Project Management Association	Continuing training courses for listed company's directors and supervisors - Board of Directors vs Management Team	3
Vice Chairman	Ming-Tan Hsu	June 9, 2023	Taiwan Securities and Futures Institute	2023 Prevention Seminar on Insider Trading	3
		September 4, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
Director	Wei-Te Hsu	September 4, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6
Director	Chun-Tsao Huang	November 29, 2023	Taiwan Securities and Futures Institute	2023 Annual Insider Equity Transaction Legal Compliance Promotion and Briefing Session	3
		December 28, 2023	Taiwan Project Management Association	Continuing training courses for listed company's directors and supervisors - succession team construction and talent development	3
Independent Director	Sheng-Yu Liang	September 19, 2023	The Institute of Internal Auditors - Chinese Taiwan	Interpretation of financial analysis indicators and prevention of operational risks	6

Job Title	Name	Date of Training	Organizer	Course Name	Training Hours
Independent Director	Chui-Ming Peng	August 1, 2023	Taiwan Securities and Futures Institute	Risks and opportunities of climate change and net-zero emission policies on business operations	3
		October 13, 2023		Carbon rights trading mechanism and enterprise management application	3
Independent Director	Jui-Hsiang Huang	June 2, 2023	The Chinese National Association of Industry and Commerce, Taiwan	2023 Taishin Net Zero Power Summit Forum	3
		October 20, 2023	Taiwan Securities and Futures Institute	2023 Prevention Seminar on Insider Trading	3

(IV) Composition, responsibilities and operations of the Remuneration Committee:

The Company's board of directors has reached a resolution to appoint three members to form the Remuneration Committee, which operates in accordance with the Company's "Charter for Remuneration Committee" and submits proposals to the board of directors for discussion. The Remuneration Committee bears the following responsibilities:

1. Regularly review the "Charter for Remuneration Committee" and propose amendments.
2. Establish and periodically review the performance evaluation of the Company's directors and managerial officers as well as the policy, system, standard and structure for the salary and remuneration.
3. Regularly assess and determine the remuneration of the Company's directors and officers.

When carrying out the above duties, the Remuneration Committee shall ensure that:

1. The salary and remuneration are arranged in compliance with related laws and regulations and are attractive to outstanding talents.
2. The performance evaluation and remuneration of directors and officers shall refer to the common levels of payment among the industry and consider the rationality of the relationship with individual performance, company operating performance and future risks.
3. No suggestions are made to guide directors and officers to engage in acts that may exceed the company's risk appetite to pursue own salary and remuneration.
4. The specificity of the industry and the nature of the company's business shall be considered when determining the proportion of profit sharing for short-term performance and the changes in the payment time of part of the salary and remuneration of directors and executives.
5. No members of the Remuneration Committee are engaged in the discussion and voting of their own salary and remuneration.

1. Information of Members of Remuneration Committee

Title	Requirements / Name	Professional qualifications and experience	Independence status (Note 1)	Concurrently as a member of the remuneration committee of other public companies
Independent Director Convener	Sheng-Yu Liang	Please refer to Page 13, Table 1, Information on Directors (II) for relevant information.		0
Independent Director	Chui-Ming Peng			0
Others	Chao-Guang Lu	Master, Institute of Business Administration, Soochow University Has served as a member of the Remuneration Committee of Tze Shin International Co., Ltd. for more than 5 years, and has served as a lecturer of the Department of Accounting, Tunghai University,and assistant vice president of CIS Technology Inc. for more than 10 years in total. He has over five years of work experience in commerce, finance or accounting, and others related to the business needs of the Company, and does not have any of the circumstances listed by Article 30 of the Company Act.	The requirements of independence are met. There is no circumstance described in Note 1, and the statement of members of Remuneration Committee has been obtained. It is confirmed that the qualifications and requirements of independence under laws and regulations are met.	0

Note 1: Independence analysis: Describe the status of independence of each Remuneration Committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a specified company (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of remuneration received for any business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past two years.

2. Performance of the Remuneration Committee

I. The Company's Remuneration Committee has 3 members.

II. The fourth term of office: from July 8, 2020 to June 23, 2023; the fifth term of office: from August 11, 2023 to June 30, 2026. In the most recent year (from 2023 to the date of publication of the annual report), the Compensation Committee held 3 meetings (A), and the qualifications and attendance of committee members are as follows:

Job Title	Name	Number of attendance in person (B)		Number of Attendance by Proxy	In-person attendance rate (%) (B/A) (Note 1)	Remarks
		4th term	5th term			
Convener	Sheng-Yu Liang	1	2	0	100%	Comprehensive re-election of directors on June 30, 2023 Re-election of the Board of Directors on August 11, 2023
Member	Chui-Ming Peng	1	2	0	100%	
Member	Chao-Guang Lu	1	2	0	100%	
Other matters to be recorded: I. If the Board of Directors does not accept, or amends, any recommendation of the Remuneration Committee, state the date and session of the Board meeting,						

content of the recommendation, the outcome of the resolution of the Board of Directors, and the measures taken by the Company with respect to the opinions of the Remuneration Committee (e.g., if the remuneration approved by the Board is higher than the recommendation of the Remuneration Committee, specify the difference and the reasons): None.

II. With respect to any matter for resolution by the Remuneration Committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, state the date and session of the Remuneration Committee meeting, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the opinions of the members: None.

III. Information on Remuneration Committee meetings held during the most recent year, review and evaluation of the Company's salary and remuneration are as follows:

Date and term	Resolution content	Resolution by the Remuneration Committee	The Company's response to the Remuneration Committee's opinions	Resolution of the Board of Directors
March 21, 2023 4th term 7th meeting	1. The Company shall submit proposals for the appointment of managerial officers and changes of remuneration to the Remuneration Committee for discussion and resolution.	Passed	None of the Remuneration Committee members had opinions.	Passed
December 21, 2023 5th term 1st meeting	1. The Company shall submit proposals for the appointment of managerial officers and changes of remuneration to the Remuneration Committee for discussion and resolution. 2. Proposal to review the remuneration and performance evaluation of the Company's directors. 3. Proposal to review the remuneration and performance evaluation of the Company's managerial officers. 4. The Company's 2023 year-end bonus review proposal of managers.	Passed Passed Passed Passed	None of the Remuneration Committee members had opinions.	Passed Passed Passed Passed
March 11, 2024 5th term 2nd meeting	1. The revision proposal for "Charter for Remuneration Committee" of the Company. 2. The review of distribution for directors' remuneration and employees' compensation for 2023 of the Company.	Passed Passed	None of the Remuneration Committee members had opinions.	Passed Passed

(V) Progress in sustainable development implementation and differences with the practical guidelines for sustainable development of listed and OTC companies, as well as the reasons for these differences:

Promotion	Execution status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and cause thereof
	Yes	No	Summary	
I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management and supervised by the board of directors?	V		The business planning office concurrently serves as the unit handling issues related to the sustainable development of the Company. Members include senior executives of the management team. The business planning office is responsible for planning relevant issues. Members make overall arrangements for the implementation. The president is responsible for commanding the operation and reporting to the Board of Directors about the handling status. The Company spares no effort to achieve sustainable development.	No major difference
II. Has the Company conducted risk assessments on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulated relevant risk management policies and strategies?	V		The Company insists in sustainable corporate operations and profitability, performs risk assessment regarding environmental, social, and corporate governance issues, and establishes relevant managing policies, such as the internal audit system and whistleblowing system, to achieve the goal of sustainable operations.	No major difference
III. Environmental issues				
(I) Has the Company established environmental policies suitable for the Company's industrial characteristics?	V		The Company established a quality management system according to the characteristics of the transportation industry and laws and regulations on transportation. The Company adopted environment-friendly vehicles and measures for greenhouse reduction for the cars of its transportation fleet. The Company is not a manufacturing company; therefore, ISO 14001 does not apply.	No major difference
(II) Is the Company committed to achieving efficient use of resources and using renewable materials that cause less impact on the environment?	V		The Company is dedicated to utilizing an energy monitoring system to enhance the efficiency of energy use and installing and using products that meet the requirements for energy-saving. In response to the green procurement policy, the Company has formulated a vehicle replacement plan to select vehicles that meet environmental protection regulations and standards to reduce energy consumption.	No major difference
(III) Has the company evaluated the climate change on the present and future potential risks and opportunities of the corporation and has the company adopted responsive actions on climate0-related issues?	V		The Company is dedicated to implementing energy-saving and carbon reduction policies. The cars of the Group's transportation fleet have been changed to environment-friendly vehicles. Tests for greenhouse gas emissions and vehicle energy consumption are performed periodically. The objective for reduction of the CO2 emissions of tractor units is set to meet the greenhouse gas reduction strategy. The objective for reduction of CO2 emissions is 1-5% lower per year. The optimized dispatch system assists the container transportation to reduce empty trips. Waiting vehicles not in operation are regulated to turn off their engines to reduce fuel consumption and CO2 emissions during idling.	No major difference
(IV) Has the company statistically analyzed the greenhouse gas emission, water usage and waste total weight over the past years, and has the company established policies for energy saving, carbon reduction, greenhouse emission reduction, reduction of water usage or other waste management?	V		The Company's greenhouse gas consumption mainly comes from the electricity in the office buildings. In the past two years, the purchase of electricity has accounted for more than 90% of the overall emission. The total emission in 2023 is 54.63 metric tons, which is 20.06 metric tons lower than the 74.69 metric tons in 2022, about 26.85%. The Company's water use is mainly for office, which is shared by the building. Water consumption is allocated by pings.	No major difference

Promotion	Execution status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and cause thereof
	Yes	No	Summary	
	V		The water consumption in 2023 is 1,611 degrees, which is an increase of 58 degrees, or approximately 3.73%, from 1,553 degrees in 2022. The Company's waste is mainly the general waste of employees, which is uniformly treated by the office building in accordance with legal procedures. The share in 2023 is 4.0 metric tons, 0.3 metric tons or 26.85% less than 4.3 metric tons in 2022. The Company is committed to the implementation of energy-saving and carbon-reduction policies to ensure corporate sustainability and to cooperate with government policies. The Company promotes water and electricity saving habits to employees, and continues to promote garbage classification, recycling, and reduction, and reduces the use of disposable tableware to achieve energy saving and carbon reduction.	
IV. Social issues (I) Does the company establish management policies and procedures in accordance with relevant laws and International Bill of Human Rights?	V		The Company strictly abides by the relevant regulations of the Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment, and respects the internationally accepted fundamental labor human rights principles to protect the legal rights of employees, and adopts an open communication for the promotion of the Company’s relevant policies and employees’ opinions.	No major difference
(II) Has the Company developed and implemented reasonable employee welfare measures (including compensation, leave of absence and other benefits), and appropriately reflected business performance or outcome in employees' compensations?	V		If the Company has a profit for the year, 1% shall be appropriated as employees’ remuneration. The number of days of our on-board staffs’ annual leave is better than the Labor Standards Act, which is recognized based on N+1 years. The Company insures employees with group accident insurance, distributes year-end bonuses according to the EPS of the year, provides employees with a reasonable remuneration and bonus system, implements an insurance program and leave system, appropriates retirement funds according to law, and established the Employees Welfare Committee to protect the rights and interests of employees.	No major difference
(III) Does the company provide employees with a safe and healthy work environment and arrange regular safety and health education for employees?	V		The Company provides employees with a safe and healthy working environment and conducts safety education and health examination for employees periodically. There were no occupational accident and fire incident of the Company in 2023.	No major difference
(IV) Does the Company have an effective career capacity development training program established for the employees?	V		The Company has established an education and training system, carries out internal and external training every year according to the annual education and training plan, focuses on the development of employees’ proficiency and potential, improves employees’ skills and consciousness through continuing education, and strengthens the overall competitiveness of the Company.	No major difference
(V) Has the Company complied with laws and international standards with respect to customers' health, safety and privacy, marketing and labeling in all products and services offered and implemented consumer protection policies and complaint procedures?	V		The Company focuses on service quality and customers’ rights and interest, and has established the “Regulations for Handling Customer Complaints” to resolve and deal with the customer complaints as soon as possible.	No major difference
(VI) Has the company established supplier management policies,	V		The Company has established the Regulations for Supplier Management and Procedures for Quality	No major difference

Promotion	Execution status			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and cause thereof
	Yes	No	Summary	
requested suppliers to comply with relevant regulations with regards to the issues of environmental protection, occupational safety and health or labor rights, etc. and the implementation status thereof?			Control to assure that suppliers' delivery dates and quality meet the Company's needs. Business dealings between the Company and its suppliers comply with the principle of good faith and mutual benefit. No clauses regarding the violation of the corporate social responsibility policy are mentioned in contracts.	
V. Does the Company stipulate standards or guidelines according to the internationally accepted report, prepare sustainability report and reports for disclosing non-financial information of the Company? Has the aforementioned reports obtained the assurance or guarantee opinions from a third-party verification unit?		V	The Company has not yet compiled a sustainable development report and it will be prepared in 2025 in according with the requirements of the competent authority.	No major difference The sustainable development report has not yet been compiled.
VI. If the Company has established its own sustainability development principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies" please describe its current practices and any discrepancies from the Best Practice Principles: The Company has not formulated the "Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies." Miramar Hotel, a subsidiary of the Company, has formulated a code of practice for sustainable development.				
VII. Other important information to facilitate the understanding of the execution status of promotion of sustainable development: 1. Promote and implement industrial HSE protection policies to improve the Company's image and social responsibilities. 2. Establish the opinion mailbox and communication platform within the Company; and establish the Employee Welfare Committee to protect the rights and interests of employees. 3. The Company installs splitters on the top of the tractor units to reduce fuel consumption and enhance the energy efficiency of the tractor units. 4. The Company's subsidiary Miramar Hospitality Co., Ltd. has long been dedicated to the application of energy saving and carbon reduction. It has established the Procedures and Management Handbook for Energy Management, and has been certified as the first hotel in the world that passed the International Energy Management System ISO 50001 certification in 2011. In April 2012, it became the first hotel in the world certified by JAB Japan as the only international tourism hotel with an excellent energy management system. In March 2017, in response to EarthHour (turn off the light for one hour), we took part in carbon reduction actions to care for our Earth, and connected to the world to create a better home.				

Implementation status of climate-related information

Item	Execution status
1. Detail the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	The Company's board of directors serves as the highest oversight body for climate change risk governance, and the senior management is authorized to serve as an inter-departmental communication platform for vertical integration and horizontal connection, to implement the climate risk management operations, and track the achievement of goals regularly.
2. Explain how the identified climate risks and opportunities affect the Company's operations, strategies and finances (short-term, medium-term, long-term).	Based on the climate risk and opportunity factors recommended by TCFD, the risk and opportunity of short-, medium-, and long-term risks are assessed by probability, frequency, and possible impact, to identify physical and transition risks to be concerned about first. Through cross-departmental discussions on identified climate-related risks and opportunities, and based on the

	professional experience of each unit, the potential operational and financial impacts of material climate risks and opportunities on the Company are assessed. The management must formulate strategies to deal with climate change, such as improving the production process to reduce carbon emissions; for the financial aspect, the climate risk may lead to a decline in asset value, and higher insurance premiums required to be paid to cover climate-related risks.
3. Describe the financial impact of extreme weather events and transition actions.	Extreme weather events, such as heavy rains and flooding, may affect the Company's operations and finances, including damage to facilities, interruption of supply chains, rising insurance expenses, rising costs of capital, and falling share prices, which can all have a negative impact on the financial position. The transition actions responding climate change will require a large amount of capital investment, and the Company is carefully evaluating it.
4. Explain how the process of identifying, assessing and managing climate risks is integrated into the overall risk management system.	The Company will apply the TCFD framework to identify the risks and opportunities of climate change, and the relevant department heads will consider the Company's current operating conditions and available resources to tailor concrete, feasible and effective guidelines of climate change risk management for the significant risks.
5. If using scenario analysis to assess resilience to climate change risks, provide details on the scenario, parameters, assumptions, analysis factors and major financial impacts.	The Company did not use scenario analysis to assess the resilience against climate change risks in 2023.
6. If there is a transition plan to manage climate-related risks, explain the plan's content, indicators and goals used to identify and manage physical and transition risks.	The Company has no transition plan to respond the climate-related risks in 2023.
7. If internal carbon pricing is used as a planning tool, explain the pricing basis.	The Company has not yet planned internal carbon pricing.
8. If climate-related goals are set, explain the activities covered, greenhouse gas emission scopes, planning timelines, annual progress, etc. If carbon offsetting or Renewable Energy Certificates (RECs) are used to achieve these goals, explain the sources and quantities of offset carbon emissions or the number of RECs used.	The Company has not set any climate-related targets in 2023.
9. Greenhouse gas inventory and assurance status.	In 2022, the Company has set a schedule for its greenhouse gas inventory (inventory in 2025; result verification in 2027), and control such and report to the Board of Directors on a quarterly basis.

(VI) Ethical Corporate Management Practices and Deviations from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies" and Reasons:

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
I. Establishing ethical corporate management policies and programs				
(I) Has the company established ethical management policies approved by the board of directors' meeting and stated in its memorandum or external correspondence about the policies and practices it has to maintain business integrity? Are the board of directors and the management committed to fulfilling this commitment?	V		Based on the business philosophy of integrity, transparency and accountability, the Company formulated the "Ethical Management Principles," which was implemented on April 1, 2014 after being approved by the board of directors on March 26, 2014. The Company expressly discloses its ethical management policies at its regulations, external correspondence and official site. The board of directors and the senior management have actively fulfilled the commitment of integrity management in terms of internal administration and business operating activities.	No major difference
(II) Has the company established assessment mechanism for unethical conduct risk, performed periodic analysis and assessed operating activities of relatively higher unethical conduct risk in the scope of business, and has established unethical conduct solution accordingly, and at least covering the preventive measures for the conducts described in each subparagraph of Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		The Company's "Ethical Management Principles" has specified in detail that the Company's directors, officers and all employees are prohibited from engaging in any business activities that are at a higher risk of being involved in unethical conduct as stated in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies." The Company's internal administration regulations and external correspondence expressly stipulate the prohibition of providing and accepting improper benefits and related handling procedures, as well as the prohibition of providing illegal political donations and related handling procedures, etc.	No major difference
(III) Has the Company established programs to prevent unethical conduct and stated and implement operating procedures, code of conduct, punishment for violation, and grievance mechanisms in such programs and regularly reviewed and revised such programs?	V		The Company's internal administration regulations and external correspondence expressly states relevant rules to prevent the occurrence of acts of dishonesty; and from time to time hold educational training programs and publish relevant materials and combines the integrity management policy with employee performance evaluation and human resource policies to establish clear and effective policies and reward and punishment system.	No major difference
II. Implement ethical management				
(I) Does the company evaluate the ethical record of its counterparts and explicitly include clauses on ethical conduct in transaction contracts?	V		When the Company signs any contract or agreement with others in accordance with internal administration regulations and external correspondence, it shall fully understand the integrity of the counter-party's business conditions and it is recommended to include integrity management in the terms and conditions of the contract or agreement or clearly stipulate the integrity matters.	No major difference
(II) Has the company established a dedicated unit directly under the board of directors and responsible for the promotion of corporate ethical management and reporting its ethical management policy and proposal for prevention of unethical conducts as well as supervision of implementation status to the board of	V		The Company has designated the office of the Chairman of the Board, which belongs to the Board of Directors, as the responsible unit for the establishment and supervision of integrity management policies and prevention plans, in order to ensure the integrity of operations. This is carried out in accordance with Article 17 of the Company's "Integrity Management Code", which	No major difference

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
directors' meeting periodically (at least once annually)?			includes senior executives from the management team among its members. The Chairman's Office is responsible for the research and planning of relevant issues and the members shall coordinate The implementation status will be reported to the board and discloswed on www.tsgroup.com on a regular base.	
(III) Does the company establish and implement a policy to prevent conflicts of interests and provide suitable channels for reporting such conflicts?	V		The Company stipulates the terms of preventing conflicts of interest in the "Ethical Management Principles" and "Code of Ethical Conduct" to provide guidelines for employees. The Company has established and announced an internal independent reporting mailbox and hotline at the Company's official site for usage by internal and external personnel of the Company.	No major difference
(IV) Has the Company established an effective accounting and internal accounting and control systems for the implementation of ethical corporate management policies, prepared audit plans according to the evaluation results of dishonesty risks and have they results audited by internal auditors or CPAs?	V		The Company has established an accounting system and an internal control system. The Company's internal audit unit prepares relevant audit plans based on the evaluation results of dishonesty risks and prepare audit reports to submit to the Audit Committee and report to the board of directors. In addition, the Company also complies with the "Company Act" and "Securities Exchange Act" and other relevant laws and regulations and CPAs are responsible for the verification and certification of relevant accounting books.	No major difference
(V) Does the company regularly organize internal and external education and training activities for ethical corporate management?	V		The Company regularly organizes internal and external education and training on integrity management; directors and managers also participate in seminars and workshops on integrity management held by external organizations (including courses on compliance with the laws and regulations on integrity management, accounting systems and internal control, etc.). There were 22 people in 2023, totaling 119.67 hours.	No major difference
III. Reporting system operation status of the Company				
(I) Does the company establish explicit whistleblower and reward schemes and convenient reporting channels, and assign appropriate personnel to investigate the target of a whistleblower report?	V		The Company has clearly stipulated the whistleblowing, rewards, and disciplinary system in its internal management regulations and external documents, and has communicated this to all employees. It has also established and publicized internal whistleblowing email and hotline on the Company's website for both internal and external parties to use. Appropriate personnel have been assigned to handle reported cases. The Company's website has added contact and complaint channels for employees, customers and suppliers.	No major difference
(II) Has the company established any investigation standard operating procedures for accepting reported misconducts, subsequent measures and relevant confidentiality measures required to be performed after the completion of the investigation?	V		Article 23 of the Company's "Ethical Management Principles" stipulates reporting and handling procedures for whistleblowing, as well as the respective types of reporting matters and the investigation standard operating procedures. Matters of whistleblowing involving general employees shall be reported to the department head, and those involving directors or senior executives shall be reported to independent directors. Written documents shall be kept for acceptance, investigation, and investigation results	No major difference

Assessment Item	Implementation Status			Discrepancies with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and Reasons
	Yes	No	Summary	
			for at least five years; and relevant personnel handling whistleblowing shall make a written statement to keep the identity of the whistleblower and the content of the whistleblowing confidential.	
(III) Does the company establish measures to protect whistleblowers against retaliation?	V		The Company has complied with the “Ethical Management Principles” and promised to protect the whistleblower from being improperly dealt with due to the whistleblowing.	No major difference
IV. Enhance information disclosure Has the Company disclosed the Ethical Management Principles and effect of implementation thereof on its website and Market Observation Post System?	V		The Company has disclosed the “Ethical Management Principles” at the Company’s official site and MOPS. The Company’s official site also discloses the concept of integrity management and policies in internal administration regulations; and suppliers, customers or other business-related entities and personnel all clearly understand the Company’s integrity management philosophy and standards.	No major difference
V. If the Company has established its own sustainability development principles in accordance with “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please describe its current practices and any discrepancies from the Best Practice Principles: The company has formulated the “Ethical Management Principles,” internal administration regulations and external correspondence are implemented in accordance with the integrity management policy and there has been no discrepancy or inconsistency between the operations and the integrity management policy.				
VI. Other important information contributing to understanding the Company's integrity management operations includes situations such as the Company's review and revision of its integrity management code. In compliance with the revised "Integrity Management Code for Listed and OTC Companies", the Company reviewed and revised its "Integrity Management Code" in 2020 and reported it to the shareholders' meeting. The Company’s directors, managerial officers, employees, appointees, and persons with ultimate control over the Company shall exercise the care of a good administrator in duly supervising the Company to prevent unethical behavior, reviewing the results of implementation and continuing improvement at any time to assure the implementation of the integrity management policy. The Company pays attention to the development of regulations regarding integrity management in Taiwan and overseas at all times, and encourages directors, managerial officers, and employees to raise suggestions, by which the Company reviews and improves the integrity management policy and promotion measures, to improve the outcome of implementing integrity management.				

(VII) The Company formulates corporate governance codes and methods of inquiry for related regulations:
Relevant content can be inquired on the Company’s official site (www.tsgroup.com.tw) and MOPS(mops.twse.com.tw/mops/web/index).

(VIII) Other information material to the understanding of corporate governance within the Company:

1. When the Company signs a contract with important business partners, it will publicize the Company’s dedication to integrity management to allow the business partners to understand the operations related to integrity management.
2. The Company continues to arrange courses for directors’ training to assist the Board of Directors in implementing corporate governance principles.
3. The board of directors of the Company has revised the “Guidelines for Board Performance Evaluation” on April 1, 2021. The results of the board's performance evaluation were reported at the board meeting on March 13, 2024. The overall performance evaluation for the board in 2023 was mostly rated as "Good".

(IX) Internal Control System Execution Status:

1. Statement of internal control

Tze Shin International Co., Ltd.
Internal control system statement

Date: March 13, 2024

Based on the results of self-assessment, the Company's internal control system for 2023 was declared as follows:

I. The Company acknowledges that establishing, implementing, and maintaining an internal control system is the responsibility of the Board of Directors and management. The Company has already established such a system. Its purpose is to achieve goals such as operational effectiveness and efficiency (including profitability, performance and safeguarding asset security), reliable reporting with accuracy, timeliness, transparency and compliance with relevant regulations and laws, providing reasonable assurance.

II. Internal control systems have inherent limitations. Regardless of how well-designed they are, effective internal control systems can only provide reasonable assurance for achieving the above three goals. The effectiveness of internal control systems may change with changes in the environment and circumstances. However, our internal control system has a self-monitoring mechanism, and any deficiencies identified are promptly addressed by the Company.

III. The Company assesses the effectiveness of its internal control system based on the criteria specified in the "Guidelines for Public Companies to Establish Internal Control Systems" (hereinafter referred to as the "Guidelines"). The criteria used in the "Guidelines" for assessing the effectiveness of the internal control system are based on the management control process, dividing the internal control system into five components: 1. Control environment, 2. Risk assessment, 3. Control operations, 4. Information and communication, and 5. Operational supervision Each component includes several items. Please refer to the provisions of "Guidelines" for the aforementioned items.

IV. The Company has already adopted the above internal control system assessment criteria to evaluate the effectiveness of the internal control system's design and implementation.

V. Based on the assessment results, the Company believes that as of December 31, 2023, the internal control system (including supervision and management of subsidiaries) was effectively designed and implemented to achieve operational effectiveness and efficiency, reliable, timely, transparent and compliant reporting, and compliance with relevant regulations and laws.

VI. This statement will be a major content of the Company's annual report and public disclosure. Any false or concealed information in the above disclosure may incur legal liabilities under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was approved by the board of directors on March 13, 2024. Among the seven attending directors, none dissented, and all agreed with the content of this statement.

Tze Shin International Co., Ltd.
Chairman：Chun-Fa Huang
President：Ming-Tan Hsu

2. Where CPA is entrusted to review the internal control system, the CPA examination report shall be disclosed: Not applicable.

(X) The Company and its internal personnel have not been penalized according to the law during the recent fiscal year and up to the printing date of the annual report, nor has the Company imposed penalties on its internal personnel for violating internal control system regulations. Major deficiencies and improvement measure: None.

(XI) Major Resolutions Made by General Shareholders' Meetings and Board Meetings in the Previous Fiscal Year and Up to the Printing Date of Annual Report

1. Important resolutions and implementation status of 2023 Annual General Meeting of Shareholders:

Date	Important resolutions	Execution status
June 30, 2023	1. Approved the Company's 2022 annual business report and financial statements.	1. The resolution results have been followed, and the minutes of the shareholders' meeting were uploaded to the Market Post Observation System on July 13, 2023.
	2. Approved the Company's 2022 loss provision recognition proposal.	2. The resolution results have been followed, and the minutes of the shareholders' meeting were uploaded to the Market Post Observation System on July 13, 2023.
	3. Discussion of amendments to the Company's "Articles of Incorporation".	3. The resolution results have been followed, and the changes have been approved by the Ministry of Economic Affairs on July 20, 2023, and uploaded to the Company's website.
	4. Proposal for re-election of the Company's directors upon expiry of their term of office. Election results: 7 directors (including 3 independent directors)	4. The resolution results have been followed, and the changes have been approved by the Ministry of Economic Affairs on July 20, 2023, and uploaded to the Market Post Observation System and the Company's website.
	5. Discussion on acts of compete of directors of the Company.	5. The resolution results have been followed, and the minutes of the shareholders' meeting were uploaded to the Market Post Observation System on July 13, 2023.

2. Major Resolutions of the Board of Directors' Meeting:

Date and term	Content of motion	Opinions of all independent directors	The Company's response to the independent directors' opinions	Resolution of the Board of Directors
March 24, 2023 13th term 21st meeting	1. Change in the Company's personnel. (proposed by Audit Committee) **(Note 1)**	None	None of the independent directors had opinions.	Passed
	2. Discussion of the 2022 business report and financial statements. (Proposed by the Audit Committee)	None		Passed
	3. Discussion on the Company's 2022 loss appropriation. (proposed by Audit Committee)	None		Passed
	4. Capital loan of the Company's affiliated enterprise - Mayer Steel Pipe Corporation. (proposed by Audit Committee) **(Note 1 and Note 2)**	None		Passed
	5. Discussion of the 2022 declaration of the internal control system (Proposed by the Audit Committee)	None		Passed
	6. Amendments to the Company's "Internal Control System" and "Internal Audit System". (proposed by Audit Committee) **(Note 1)**	None		Passed
	7. Submission of personnel and salary changes for review by the Remuneration Committee. (proposed by Remuneration Committee)	None		Passed
	8. Amendments to the Company's "Articles of Incorporation". (proposed by business planning office)	None		Passed
	9. Re-election of the Company's directors upon expiry of their term of office. (proposed by business planning office)	None		Passed
	10. Discussion on the list of director nominees and examination of director candidates nominated by the Board of Directors. (proposed by business planning office) **(Note 1 and Note 2)**	None		Passed
	11. Discussion on directors' competitive behavior of the Company. (proposed by business planning office)	None		Passed
	12. Convening of 2023 shareholders' meeting of the Company. (proposed by finance department)	None		Passed
	13. Proposal for amendment to the Company's "Corporate Governance Best Practice Principles."	None		Passed

Date and term	Content of motion	Opinions of all independent directors	The Company's response to the independent directors' opinions	Resolution of the Board of Directors
	(proposed by the business planning office) 14. Submission of the directors' re-election list for the subsidiary, Miramar Hospitality Co., Ltd. (proposed by business planning office) **(Note 1 and Note 2)** 15. The Company's application for loans from financial institutions. (proposed by finance department)	 None None		 Passed Passed
May 12, 2023 13th term 22nd meeting	1. Discussion of the Company's consolidated financial statements for the first quarter of 2023. (Proposed by the Audit Committee) 2. The Company's assessment of disguised financial transactions. (proposed by Audit Committee) 3. Change in the Company's personnel. (proposed by Audit Committee) **(Note 1)** 4. The Company's application for loans from financial institutions. (proposed by finance department)	None None None None	All independent directors have no opinion	Passed Passed Passed Passed
June 30, 2023 14th term 1st meeting (Emergency call)	Election Topics The Company's new directors have been elected, please appoint the chairman and vice chairman. Discussion Topics 1. Change in the Company's registered address. (proposed by management department 2. Change in the Company's head of corporate governance. (Proposed by the chairman)	 None None None	All independent directors have no opinion	Chairman Chun-Fa Huang Vice Chairman Ming-Tan Hsu Passed Passed
August 11, 2023 14th term 2nd meeting	1. Discussion of the Company's consolidated financial statements for the second quarter of 2023. (Proposed by the Audit Committee) 2. The Company's overdue accounts are offset against bad debts. (proposed by Audit Committee) 3. Acquisition of shares of Evergreen Marine Corp. (Proposed by the Audit Committee) **(Note 1)** 4. The Company's hiring of Remuneration Committee. (proposed by business planning office) **(Note 1 and Note 2)** 5. Custodian of special seal endorsed and guaranteed by the Company. (proposed by the business planning office) **(Note 1, Note 2)** 6. Change in the Company's personnel. (Proposed by the chairman) **(Note 1 and Note 2)** 7.The Company's application for loans from financial institutions. (proposed by finance department)	None None None None None None None	All independent directors have no opinion	Passed Passed Passed Passed Passed Passed Passed
November 10, 2023 14th term 3rd meeting	1. Discussion of the Company's consolidated financial statements for the third quarter of 2023. (Proposed by the Audit Committee) 2. The Company's assessment of disguised financial transactions. (proposed by Audit Committee) 3. The Company's application for loans from financial institutions. (proposed by finance department)	None None None	All independent directors have no opinion	Passed Passed Passed
December 7, 2023 14th term 4th meeting (Emergency call)	1. The Company plans to terminate the joint construction of houses on land in Taipei's Wanhua District. (proposed by Audit Committee) **(Note 1)** 2. The Company intends to terminate the commission for Durban Development Co., Ltd. to manage the land joint development project in Wanhua District of Taipei City. (proposed by Audit Committee) **(Note 1 and Note 2)**	None None	All independent directors have no opinion	Passed Passed
December 26, 2023 14th term 5th meeting	1. Hiring of CPAs and associated fees (Proposed by the Audit Committee) **(Note 1)** 2. Amendments to the Company's "Internal Control System" and "Internal Audit System". (proposed by Audit Committee) **(Note 1)** 3. Submission of personnel and salary changes for review by the Remuneration Committee. (proposed by Remuneration Committee) **(Note 1 and Note 2)** 4. Proposal to review the remuneration and performance evaluation of the Company's directors. (proposed by Remuneration Committee) 5. Proposal to review the remuneration and performance evaluation of the Company's managerial officers. (Proposed by the Remuneration Committee) **(Note 1, Note 2)** 6. Proposal to review 2023 year-end bonus of the Company's managerial officers. (Proposed by the Remuneration Committee) **(Note 1, Note 2)**	None None None None None None	All independent directors have no opinion	Passed Passed Passed Passed Passed Passed

Date and term	Content of motion	Opinions of all independent directors	The Company's response to the independent directors' opinions	Resolution of the Board of Directors
	7. Proposal for 2024 audit plan of the Company. (proposed by Auditing Office)	None		Passed
	8. Proposal for establishment of the Company's information security dedicated unit. (proposed by Auditing Office)	None		Passed
	9. Proposal for amendment to the Company's "Accounting system". (proposed by finance department)	None		Passed
	10. The Company's application for loans from financial institutions. (proposed by finance department)	None		Passed
February 1, 2024 14th term 6th meeting	1. The Company plans to change its cooperation with the landowner on the land joint development project in Wenshan District, Taipei City. (proposed by Audit Committee)	None	All independent directors have no opinion	Passed
March 13, 2024 14th term 7th meeting	1. Amendments to the "Charter for Remuneration Committee" of the Company. (Proposed by the Remuneration Committee)	None	All independent directors have no opinion	Passed
	2. Proposal for the distribution of 2023 director and employee remuneration. (Proposed by the Remuneration Committee) **(Note 1, Note 2)**	None		Passed
	3. Discussion of the 2023 business report and financial statements. (Proposed by the Audit Committee)	None		Passed
	4. Discussion of the 2023 earnings appropriation. (proposed by Audit Committee)	None		Passed
	5. Discussion on the Company's 2023 internal control system statement. (Proposed by the Audit Committee)	None		Passed
	6. The Company's assessment of disguised financial transactions. (proposed by Audit Committee)	None		Passed
	7. Amendments to "Audit Committee Charter." (Proposed by the Audit Committee)	None		Passed
	8. Proposal for convening the 2024 regular shareholders' meeting of the Company. (proposed by finance department)	None		Passed
	9. Proposal for lending funds to the subsidiary Miramar Hospitality Co., Ltd. (proposed by finance department)	None		Passed
	10. The Company intends to convert the land planned for purchase in Datong section, Zhunan Township, Miaoli County, into construction-use land. (proposed by construction business department)	None		Passed
	11. Proposal for amendment to the Company's "Board Meeting Rules and Procedures". (proposed by business planning office)	None		Passed
	12. Proposal for change in the directors of the Company's subsidiaries, Hsin Hai and Miramar Resort Co., Ltd. (proposed by business planning office) **(Note 1 and Note 2)**	None		Passed
	13. The Company's application for loans from financial institutions. (proposed by finance department)	None		Passed

Note 1: Particulars are listed in accordance with Article 14-3 of the Securities and Exchange Act.
Note 2: Items involving conflicts of interest of directors.

(XII) In the latest fiscal year and up to the date of publication of the annual report where directors expressed disagreement with important resolutions passed by the Board of Directors and provided recorded or written statements: None.

(XIII) Resignation or dismissal of the Chairman, President, head of accounting, head of finance, chief internal auditor, corporate head of governance or head of R&D in the latest fiscal year and up to the publication date of this annual report:

Job Title	Name	Date of assumption of office	Date of dismissal	Reason of resignation or dismissal
Accounting supervisor, Head of finance, Corporate governance supervisor	Wen-Lung Chiang	July 1, 2017	February 28, 2023	Personal career planning
Accounting supervisor	Chien-I Kao	March 24, 2023	May 12, 2023	Position adjustment
Corporate governance supervisor	Hsuan-Pei Hung	March 24, 2023	June 30, 2023	Personal career planning

V.Audit Fees:

Audit Fees

(expressed in NT$ thousand)

Accounting Firm Name	Name of CPA	CPA Audit Period	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte & Touche	Han-Ni Fang Chao-Yu Chen	January 1, 2023, to December 31, 2023	2,540	150	2,690	Non-audit fees are mainly the CPAs' reimbursed expenses for postage, travel, printing, etc.

(I) When changing the accounting firm and the audit fee for the fiscal year after the change is lower than the audit fee for the previous year, the amounts and reasons for the audit fee before and after the change should be disclosed: The Company had no such event in 2023.

(II) If the audit fee is reduced by more than ten percent compared to the previous year, the reduced amount, percentage, and reasons for the audit fee reduction should be disclosed: In 2023, the audit fee decreased by 760 thousand, a decrease of 23%. This was due to the disposal of Safe Cargo Transportation, Safe Petroleum, Safe Container Transportation, and Safe Logistics Transportation Co., Ltd., which were included in the consolidated financial statements, resulting in a reduction in audit operations for 2023.

VI. Change of CPAs:

The Company had no such situation in 2023.

VII.The Company's Chairman, President and officers in charge of financial or accounting affairs, who have worked in the CPA firm or its affiliates within the last fiscal year, shall disclose their names, titles and positions at the CPA firm or its affiliates. The term "affiliates of CPA firm" refers to the companies or entities whose 50% or more of its total shares issued or over half of the director seats are held by the CPA firm or those listed as affiliates in the materials released or published by the CPA firm:

The Company had no such situation in 2023.

VIII.Changes in the transfer or pledge of shares by directors and presidents holding over 10% of the outstanding shares in the previous year and by the date of report publication. If the counterparty of the equity transfer or equity pledge is a related party, the name of the counterparty, the relationship with the Company, directors and shareholders holding more than 10% of the total issued shares and the number of shares acquired or pledged shall be disclosed.

(I) Changes in equity of directors, officers and major shareholders

Job Title	Name	2023		As of April 27, 2024	
		Increase (decrease) of shareholdings	Increase (decrease) of pledged shares	Increase (decrease) of shareholdings	Increase (decrease) of pledged shares
Chairman Director	Durban Development Co., Ltd.	0	480,000	0	0
	Representative: Chun-Fa Huang	0	0	0	0
	Representative: Chun-Tsao Huang	0	0	0	0
Vice Chairman Director	TienPin Development Co., Ltd.	0	0	0	0
	Representative: Ming-Tan Hsu	0	0	0	0
	Representative: Wei-Te Hsu	0	0	0	0
Independent Director	Chui-Ming Peng	0	0	0	0
Independent Director	Sheng-Yu Liang	0	0	0	0
Independent Director	Jui-Hsiang Huang	0	0	0	0
Assistant Vice President	Chin-Feng Chen (Note 1)	0	0	0	0
CFO	Hsiu-Chi Chen (Note 2)	0	0	0	0
CFO	Wen-Lung Chiang (Note 3)	-2,901	0	0	0
Officer	Hsuan-Pei Hung(Note 4)	0	0	0	0
Officer	Chien-I Kao (Note 5)	0	0	0	0

Note 1: Associate Vice President, Chin-Feng Chen, was laid off on July 15, 2023.
Note 2: CFO Hsiu-Chi Chenh assumed office on May 12, 2023
Note 3: CFO Wen-Lung Chiang resigned on February 28, 2023.
Note 4: Hsuan-Pei Hung resigned on June 30, 2023
Note 5: Manager Chien-I Kao took assumed office on March 24, 2023 and resigned on May 21, 2023.

(2) Information of counterparties (who are related parties) of equity transfer of directors, officers and major shareholders: None.
(3) Information of counterparties (who are related parties) of equity pledge of directors, officers and major shareholders: None.

IX. Related parties, spouse, or relatives in the 2nd degree to top ten shareholders:

Shareholding of the top ten shareholders, and the information of their relationship

April 27, 2024

Name (Note 1)	Shares held in own name		Shareholdings of spouse/minors		Shareholdings in the name of a third party		Company name/name of related parties, spouse, or relatives in the 2nd degree to top ten shareholders.		Remarks
	Shares	Shareholdings	Shares	Shareholdings	Shares	Shareholdings	Name	Relationship	
TienPin Development Co., Ltd.	43,791,000	23.17	0	0	0	0	–	–	
Person in charge: Ling-I Hsu	884	0.00	0	0	0	0	–	–	
Yuan Chuan Steel Co. Ltd.	15,000,762	7.94	0	0	0	0	Miramar Hotel Taipei Co., Ltd.	Chairman	
Person in Charge: An-Di Huang	0	0	0	0	0	0	–	–	
Durban Development co.ltd.	6,446,451	3.41	0	0	0	0	–	–	
Person in Charge: Yung-Lun Huang	0	0	0	0	0	0	Chun-Fa Huang	Father and son	
Mayer Steel Pipe Corporation	10,300,000	5.45	0	0	0	0	–	–	
Representative: Chun-Fa Huang	0	0	0	0	0	0	Yung-Lun Huang	Father and son	
Miramar Hotel Taipei Co., Ltd.	5,150,772	2.73	0	0	0	0	Yuan Chuan Steel Co. Ltd.	Chairman	
Person in Charge: An-Di Huang	0	0	0	0	0	0	–	–	
Citibank as a custodian of Berkeley Capital SBL/PB investment account	2,891,300	1.53	NA	NA	NA	NA	–	–	
In custody of HSBC (Taiwan) Commercial Bank	2,172,000	1.15	NA	NA	NA	NA	–	–	
Investment account of J.P. Morgan in custody of Chase JP Morgan	1,710,832	0.91	NA	NA	NA	NA	–	–	
BNP Paribas Arbitrage S.N.C. in custody of Citibank	1,274,900	0.67	NA	NA	NA	NA	–	–	
Citi Global Market - Asia Pacific Derivative Trading in custody of Citibank	1,058,033	0.56	NA	NA	NA	NA	–	–	

Note 1: All of the 10 largest shareholders shall be listed. For a shareholder who is a juristic person, the company name and the name of the representative shall be listed separately.

X. The stakes and the syndicated stakes in the same investee of the company and directors and presidents of the company; and institutions under the company's direct or indirect control:

Up to April 27, 2024 Unit: shares; %

Investee	Shareholdings of the Company		Shareholdings of directors, supervisors and officers or investees under direct or indirect control		Syndicated Shareholdings	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
Shin Hai Transportation Co., Ltd.	2,452,372	47.47%	0	0	2,452,372	47.47%
Miramar Hospitality Co., Ltd.	24,541,071	65.94%	60,000	0.16%	24,601,071	66.11%
Miramar Resort Co., Ltd. (Note 1)	40,070,200	81.69%	3,540,000	7.22%	43,610,200	88.91%
Acmc Trading Co., Ltd.	2,500,000	100.00%	0	0	2,500,000	100.00%

Note 1: Including special shares.

Four. Capital Overview

I. Capital and Shares

(I) Sources of capital:

Units: shares; NTD

Year/Month	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Property other than cash as substitute for share price	Others
1973.11	10,000	600	6,000,000	600	6,000,000	Cash 6,000,000	None	Note 1
1974.12	10,000	1,200	12,000,000	1,200	12,000,000	Cash 6,000,000	None	
1975.08	10,000	1,514	15,140,000	Common stock 1,200 Preferred stock 314	12,000,000 3,140,000	Cash 3,140,000	None	Note 2
1981.05	10,000	1,514	15,140,000	1,514	15,140,000		None	Note 3
1984.05	10,000	2,600	26,000,000	2,600	26,000,000	Cash 10,860,000	None	
	10	2,600,000	26,000,000	2,600,000	26,000,000		None	Note 4
1985.12	10	6,500,000	65,000,000	6,500,000	65,000,000	Merger 13,368,750 Cash 25,631,250	None	Note 5
1987.08	10	8,060,000	80,600,000	8,060,000	80,600,000	Cash 15,600,000	None	
1988.07	10	11,700,000	117,000,000	11,700,000	117,000,000	Cash 16,250,000 Earnings 20,150,000	None	
1989.12	10	19,890,000	198,900,000	19,890,000	198,900,000	Merger 23,400,000 Cash 58,500,000	None	Note 6
1990.10	10	45,000,000	450,000,000	27,846,000	278,460,000	Earnings 43,758,000 Reserve 35,802,000	None	Note 7
1991.07	10	45,000,000	450,000,000	41,000,000	410,000,000	Earnings 50,122,800 Reserve 38,984,400 Cash 42,432,800	None	Note 8
1992.04	10	65,000,000	650,000,000	50,430,000	504,300,000	Earnings 73,800,000 Reserve 20,500,000	None	Note 9
1993.07	10	65,000,000	650,000,000	54,464,400	544,644,000	Earnings 40,344,000	None	Note 10
1994.06	10	100,000,000	1,000,000,000	64,267,992	642,679,920	Earnings 54,464,400 Reserve 43,571,520	None	Note 11
1995.06	10	100,000,000	1,000,000,000	75,836,230	758,362,300	Earnings 115,682,380	None	Note 12
1996.06	10	100,000,000	1,000,000,000	79,628,041	796,280,410	Earnings 37,918,110	None	Note 13
1998.07	10	250,000,000	2,500,000,000	125,183,405	1,251,834,050	Earnings 63,702,430 Reserve 31,851,210 Cash 360,000,000	None	Note 14
1999.06	10	250,000,000	2,500,000,000	152,723,753	1,527,237,530	Earnings 150,220,080 Reserve 125,183,400	None	Note 15
2000.06	10	250,000,000	2,500,000,000	175,632,315	1,756,323,150	Earnings 76,361,870 Reserve 152,723,750	None	Note 16
2000.11	10	250,000,000	2,500,000,000	171,965,315	1,719,653,150	-	-	Note 17
2001.04	10	250,000,000	2,500,000,000	164,965,315	1,649,653,150	-	-	Note 18
2001.11	10	250,000,000	2,500,000,000	159,310,315	1,593,103,150	-	-	Note 19
2002.08	10	250,000,000	2,500,000,000	170,168,036	1,701,680,360	Earnings 31,022,060 Reserve 77,555,150	None	Note 20
2003.03	10	250,000,000	2,500,000,000	164,168,036	1,641,680,360	-	-	Note 21
2003.09	10	250,000,000	2,500,000,000	159,968,036	1,599,680,360	-	-	Note 22
2004.04	10	250,000,000	2,500,000,000	152,174,395	1,521,743,950	-	-	Note 23
2004.07	10	250,000,000	2,500,000,000	155,217,882	1,552,178,820	Earnings 30,434,870	None	Note 24
2007.07	10	250,000,000	2,500,000,000	164,530,954	1,645,309,540	Earnings 93,130,720	None	Note 25
2008.07	10	250,000,000	2,500,000,000	172,757,501	1,727,575,010	Earnings 32,906,190 Reserve 49,359,280	None	Note 26
2009.08	10	250,000,000	2,500,000,000	181,395,376	1,813,953,760	Reserve 86,378,750	None	Note 27
2000.08	10	250,000,000	2,500,000,000	186,837,237	1,868,372,370	Reserve 54,418,610	None	Note 28
2011.07	10	250,000,000	2,500,000,000	196,179,097	1,961,790,970	Earnings 14,946,970 Reserve 78,471,630	None	Note 29
2012.07	10	250,000,000	2,500,000,000	193,179,097	1,931,790,097	-	None	Note 30
2012.10	10	250,000,000	2,500,000,000	173,561,188	1,735,611,880	Capital reduction 196,179,090	None	Note 31
2013.01	10	250,000,000	2,500,000,000	170,683,052	1,706,830,520	-	None	Note 32
2013.07	10	250,000,000	2,500,000,000	179,217,204	1,792,172,040	Earnings 85,341,520	None	Note 33
2014.07	10	250,000,000	2,500,000,000	174,217,204	1,742,172,040	-	None	Note 34
2015.04	10	250,000,000	2,500,000,000	174,137,204	1,741,372,040	-	None	Note 35
2015.08	10	250,000,000	2,500,000,000	172,137,204	1,721,372,040	-	None	Note 36
2015.09	10	250,000,000	2,500,000,000	175,619,948	1,756,199,480	Earnings 34,827,440	None	Note 37
2016.10	10	250,000,000	2,500,000,000	178,254,247	1,782,542,470	Earnings 26,342,990	None	Note 38

Year/Month	Issued price (NT$)	Authorized capital		Paid-in capital		Remarks		
		Shares	Amount	Shares	Amount	Sources of capital	Property other than cash as substitute for share price	Others
2017.04	10	250,000,000	2,500,000,000	177,994,247	1,779,942,470	-	None	Note 39
2019.07	10	250,000,000	2,500,000,000	175,994,247	1,759,942,470	-	None	Note 40
2020.06	10	250,000,000	2,500,000,000	172,994,247	1,729,942,470	-	None	Note 41
2021.04	10	250,000,000	2,500,000,000	171,820,247	1,718,202,470	-	None	Note 42
2022.08	10	250,000,000	2,500,000,000	189,002,272	1,890,022,720	Earnings 171,820,250	None	Note 43

Note 1: Company Establishment

Note 2: 314 preferred shares issued

Note 3: Preferred stocks were converted into common stocks and each preferred stock was converted into one common stock

Note 4: Changed par value per share to NT$10

Note 5: Merged Huamin Company and new shares were issued to replace the merged company

Note 6: Merged Kangtai Company and new shares were issued to replace the merged company

Note 7: (1990) Tai-tsai-zhen (1) No. 02470 of Oct. 2, 1990

Note 8: (1991) Tai-tsai-zhen (1) No. 01431 of Jul. 6, 1991

Note 9: (1992) Tai-tsai-zhen (1) No. 00746 of Apr. 20, 1992

Note 10: (1993) Tai-tsai-zhen (1) No. 01631 of Jul. 6, 1993

Note 11: (1994) Tai-tsai-zhen (1) No. 29752 of Jun. 29, 1994

Note 12: (1995) Tai-tsai-zhen (1) No. 33005 of Jun. 14, 1995

Note 13: (1996) Tai-tsai-zhen (1) No. 35201 of Jun. 3, 1996

Note 14: (1998) Tai-tsai-zhen (1) No. 55045 of Jul. 2, 1998

Note 15: (1999) Tai-tsai-zhen (1) No. 57846 of Jul. 24, 1999

Note 19: (2000) Tai-tsai-zhen (1) No. 55886 of Jul. 28, 2000

Note 17: 3,667,000 treasury shares canceled

Note 18: 7,000,000 treasury shares canceled

Note 19: 5,655,000 treasury shares canceled

Note 20: Tai-chen (2002) shang-zi No. 018844 of Aug. 1, 2002

Note 21: 6,000,000 treasury shares canceled

Note 22: 4,200,000 treasury shares canceled

Note 23: Merged the 100%-owned reinvested subsidiary and cancelled 7,793,641 treasury stocks held by such subsidiary

Note 24: Jin-guan-zhen (1) zi No. 0930131345 of Jul. 14, 2004

Note 25: Jin-guan-zhen (1) zi No. 0960036098 of Jul. 12, 2007

Note 26: Jin-guan-zhen (1) zi No. 0970034293 of Jul. 9, 2008

Note 27: Jin-guan-zhen (1) zi No. 0980040302 of Aug. 12, 2009

Note 28: Jin-guan-zhen-fah-zi No. 0990042531 of Aug. 12, 2010

Note 29: Jin-guan-zhen-fah-zi No. 1000033613 of Jul. 19, 2011

Note 30: 3,000,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1010025372 of Jun. 1, 2012

Note 31: 19,617,909 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1010042007 of Oct. 3, 2012

Note 32: 2,878,136 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1020000158 of Jan. 4, 2013

Note 33: Jin-guan-zhen-fah-zi No. 1020028997 of Jul. 31, 2013

Note 34: 5,000,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1030021635 of Jun. 3, 2014

Note 35: 80,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1040001237 of Jan. 14, 2015

Note 36: 2,000,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1040028995 of Jul. 24, 2015

Note 37: Jin-guan-zhen-fah-zi No. 1040029106 of Jul. 31, 2015

Note 38: Jin-shou-shang-zi No. 10501234740 of Oct. 3, 2016

Note 39: 260,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1040001237 of Jan. 12, 2017

Note 40: 2,000,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1080318662 of May 29, 2019

Note 41: 3,000,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1090339420 of Apr. 17, 2020

Note 42: 1,174,000 treasury shares canceled; Jin-guan-zhen-jiao-zi No. 1100331563 of Jan. 21, 2021

Note 43: Jin-shou-shang-zi No. 11101160150 of Aug. 22, 2022

April 27, 2024; Unit: Shares

Share type	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Registered common stocks	189,002,272	60,997,728	250,000,000	Listed stocks

Information about the comprehensive reporting system:

Types of securities	Estimated amount issued		Amount issued		Issuance purpose and expected benefits for the issued part	Scheduled issuance period for part not yet issued	Remarks
	Total shares	Amount approved	Shares	Price			
NA							

(II) Shareholder structure:

April 27, 2024

Shareholder structure / Quantity	Government authorities	Financial institutions	Other juridical persons	Individuals	Foreign institution and natural person	Total
Number of persons	1	0	173	43,076	47	43,297
Shares held	8	0	81,001,683	95,870,133	12,130,448	189,002,272
Percentage	0	0	42.86%	50.72%	6.42%	100.00%
Note: Percentage of shares held by Mainland Chinese investors: 0%.						

(III) Shareholding Distribution Status:

1. Common shares (par value per share of NT$10)

April 27, 2024

Ranking of Shareholdings	Number of shareholders	Shares held	Shareholding (%)
1 ～ 999 shares	25,977	2,062,500	1.09
1,000 ～ 5,000	13,591	27,161,865	14.37
5,001 ～ 10,000	2,073	15,136,241	8.01
10,001 ～ 15,000	668	7,975,551	4.22
15,001 ～ 20,000	350	6,355,862	3.36
20,001 ～ 30,000	254	6,258,300	3.31
30,001 ～ 40,000	122	4,339,301	2.30
40,001 ～ 50,000	58	2,698,212	1.43
50,001 ～ 100,000	115	8,045,019	4.26
100,001 ～ 200,000	48	6,581,686	3.48
200,001 ～ 400,000	18	4,612,173	2.44
400,001 ～ 600,000	8	4,034,971	2.13
600,001 ～ 800,000	3	2,082,853	1.10
800,001 ～ 1,000,000	1	810,907	0.43
1,000,001 and above	11	90,846,831	48.07
Total	43,297	189,002,272	100.00%

2. Preferred stocks: The Company does not issue preferred stocks

(IV) Major shareholders: The name, stakes and ratio of shareholders holding over 5% of the stakes or the top ten shareholders by ratio

April 27, 2024

Name of major shareholder \ Share	Shares held	Shareholdings (%)
TienPin Development Co., Ltd.	43,791,000	23.17%
Yuan Chuan Steel Co. Ltd.	15,000,762	7.94%
Mayer Steel Pipe Corporation	10,300,000	5.45%
Durban Development Co., Ltd.	6,446,451	3.41%
Miramar Hotel Taipei Co., Ltd.	5,150,772	2.73%
Citibank as a custodian of Berkeley Capital SBL/PB investment account	2,891,300	1.53%
In custody of HSBC (Taiwan) Commercial Bank	2,172,000	1.15%
Investment account of J.P. Morgan in custody of Chase JP Morgan	1,710,832	0.91%
BNP Paribas Arbitrage S.N.C. in custody of Citibank	1,274,900	0.67%
Citi Global Market - Asia Pacific Derivative Trading in custody of Citibank	1,058,033	0.56%

(V) Market price, net worth, earnings, dividends per share and relevant information for the most recent two fiscal years:

Unit: NTD

Item \ Year			2022	2023	Up to March 31, 2024
Market share price (Note 1)	Highest		27.00	18.45	25.70
	Lowest		11.80	12.15	15.65
	Average		18.34	13.57	18.69
Net value per share	Before distribution		13.09	15.88	17.49
	After distribution		NA	13.59	NA
Earnings per share (EPS)	Weighted average shares outstanding		189,002	189,002	189,002
	Earnings per share (EPS)		(1.37)	2.48	1.14
Dividends per share	Cash dividends (Note 5)		0	2.3	NA
	Stock grants	Earnings distribution (Note 5)	0	0	NA
		Dividends from capital reserve	0	0	NA
	Accumulated undistributed dividends		0	0	NA
Return on Investment (ROI) analysis	Price to earnings ratio (Note 2)		(13.39)	5.47	NA
	P/D ratio (Note 3)		0	5.9	NA
	Cash dividend yield (Note 4)		0	16.95	NA

Note 1: Source of information is from the website of the Taiwan Stock Exchange.
Note 2: P/E ratio = average closing price per share in the current year / earnings per share.
Note 3: P/D ratio = average closing price per share in the current year / cash dividends per share.
Note 4: Cash dividend yield = cash dividends per share / average closing price per share in the current year.
Note 5: As of April 27, 2024, the cash dividends for 2023 resolved by the Board of Directors on March 13, 2024 have been submitted for inclusion in the annual shareholders' meeting report; the distribution of earnings will be resolved at the 2024 shareholders' meeting.

(VI) Dividend Policy and Implementation Status:

1. The Company's dividends policy

(1)The current Articles of Association of the Company provide the following dividends policy:

Article 27: If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the Board of Directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.

It shall compensate against the Company's cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph.

Should there be net profit after the account is closed, this Company shall first pay the taxes and compensate the deficits before appropriating ten per cent (10%) as the legal reserve. When the accumulative amount of legal reserve equals the amount of the paid-up capital, no legal reserve shall be appropriated. The balance shall be appropriated or reversed as the special reserve by laws. Then it shall be combined to the accumulative unappropriated earnings for the board of directors to draw up a proposal for allocation as dividends submitted to the AGM for ratification.

When the Company distributes all or part of the dividends and bonuses or all or part of the statutory reserve and capital surplus in cash in accordance with the provisions of Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to make resolutions with the attendance of more than two-thirds of the total directors and more than half of the directors present, which shall be submitted to the shareholders' meeting.

Article 27-1: In order to meet the needs of diversified business development, robust financial structure and protection of investors' rights and interests, the Company's dividend policy is formulated based on consideration of the its future fund needs and long-term financial planning. Among them, in addition to retaining part of the earnings as the fund for the Company's growth during the distribution of earnings, the distribution proportion of cash dividends shall not be lower than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution and when making distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders' meeting.

(2)The Company sumit the amendment to thet Articles of Association of the ompany about dividends policy in 2024 annual shareholder's meeting:

Article 27: If the Company has any profits for any fiscal year, it shall allocate 1% to

5% of its profits for employees' remuneration and no more than 3 % of its profits for directors' remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders’ meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.

It shall compensate against the Company’s cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph.

Should there be net profit after the account is closed, this Company shall first pay the taxes and compensate the deficits before appropriating ten per cent (10%) as the legal reserve. When the accumulative amount of legal reserve equals the amount of the paid-up capital, no legal reserve shall be appropriated. The balance shall be appropriated or reversed as the special reserve by laws. Then it shall be combined to the accumulative unappropriated earnings for the board of directors to draw up a proposal for allocation as dividends submitted to the AGM for ratification.

When the Company distributes all or part of the dividends and bonuses or all or part of the statutory reserve and capital surplus in cash in accordance with the provisions of Paragraph 1 of Article 241 of the Company Act, the board of directors is authorized to make resolutions with the attendance of more than two-thirds of the total directors and more than half of the directors present, which shall be submitted to the shareholders’ meeting.

Article 27-1: In order to meet the needs of diversified business development, robust financial structure and protection of investors’ rights and interests, the Company’s dividend policy is formulated based on consideration of the its future fund needs and long-term financial planning. In which , in principle, the earnings distribution shall be no less than 20% of the distributable earnings of the current year，the distribution proportion of cash dividends shall not be lower than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders’ meeting for resolution and when making distribution in cash. It shall be distributed based the resolution of the board of directors, which shall be submitted to the shareholders’ meeting.

2. Distribution of dividends proposed at the shareholders’ meeting

The dividend distribution for 2023 of the Company has been proposed by the Board of Directors on March 13, 2024, with a proposed cash dividend of 2.3 per share for the current year.

(VII) Impact of the distribution of bonus shares proposed in the present shareholders’ meeting on the business performance of the Company and earning per share:

There are no bonus shares issued for distribution this year, so this does not apply.

(VIII) Employees and directors' compensation and remuneration of directors:

1. Information on the percentage or range of remuneration of employees and remuneration of directors in the Articles of Incorporation:
   The current Articles of Association of the Company provide the following regulations:

   If the Company has any profits for any fiscal year, it shall allocate 1% as employee remuneration and no more than 1% as director remuneration. The distribution of employee and director remuneration shall be made by the board of directors with the resolution of more than two-thirds of the directors present and the approval of more than half of the directors present, which shall be submitted to the shareholders' meeting. In addition, when employee remuneration is determined by the board of directors to be distributed in shares or cash, the recipients of such remuneration may include employees of affiliates who meet certain conditions.

   It shall compensate against the Company's cumulative losses (if any), and then the balance shall be allocated for employee and director remuneration in proportion stated in the preceding Paragraph.
2. The accounting solution for differences between actually distributed amount and estimated amount.
   (1) The Company calculates employees and directors' remuneration based on the profit for the current year (profit before tax deduction for employees and directors' remuneration) after deducting accumulated losses, in accordance with the percentage stipulated in the Articles of Incorporation as the basis for estimating employees and directors' remuneration.
   (2) Any difference between the actual distribution amount approved by the shareholders' meeting and the estimated amount is recorded in the income statement of the following year.
3. Information on any approval by the Board of Directors of distribution of remuneration:
   (1) The amount of any employees' compensation and directors' remuneration distributed in cash or stocks. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed:
   On March 13, 2024, the Board of Directors approved the distribution of employees' remuneration amounting to 4,797,028 and directors' remuneration amounting to 4,797,028, both to be paid in cash to the employees and directors of the Company.
   The accounting amount for the aforementioned employees and directors' remuneration is consistent with the approved distribution amounts by the Board of Directors.
   (2) As for the proportion of employees' remuneration distributed in the form of stocks and its proportion to the after-tax net income of the individual or separate financial statements, and the total amount of employees' remuneration for the current period: None.
4. The actual distribution of employees' and directors' remuneration for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price of the shares distributed); if there is any discrepancy between the actual distribution and the recognized employees' and directors' remuneration, the discrepancy, cause, and how it is treated shall be specified:
   In 2022, the Company incurred a loss. On March 24, 2023, the Board of Directors approved not to distribute employees and directors' remuneration.

(IX) Repurchase of the Company's shares: None

II. Status of corporate bonds: None.

III. Status of preferred shares: None.

IV. Status of global depositary receipts (GDR): None.

V. Status of employee stock option certificates and restricted stock awards: None.

VI. Status of officers receiving RSAs: None.

VII. The implementation of the fund utilization plan shall record the following items:

(I) Content of the plan: any previous issuances or private placements of securities not yet been completed or those completed in the last three fiscal years with project effectiveness not yet revealed.

(II) Execution status: not applicable.

Five. Overview of Operations

I. Business Activities

(I) Business Scope:

1. Major business items:
   (1) G101081 Container Truck Transportation Enterprise.
   (2) G101061 Automobile Cargo Transportation Business.
   (3) F212011 Gas Stations.
   (4) F112010 Wholesale of Gasoline and Diesel Fuel.
   (5) F212061 Automobile Liquefied Petroleum Gas Stations.
   (6) H701010 Housing and Building Development and Rental.
   (7) H107020 Industrial Factory Development and Rental.
   (8) F111090 Wholesale of Building Materials.
   (9) F105050 Wholesale of Furniture, Bedding Kitchen Utensils and Fixtures.
   (10)F113020 Wholesale of Electrical Appliances.
   (11)F213010 Retail Sale of Electrical Appliances.
   In addition, the major items of the business of Miramar Hotel invested by the Company includes:
   (1) Operation of international tourism.
   (2) Operation of buffet restaurants, coffee shops, bars, conference halls, clubs, shopping stores, online home delivery of frozen deli and baked snacks and parking lots.

2. Proportion of consolidated operating income:

(expressed in NT$ thousands)

Major products	2023 Consolidated sales amount	Proportion of annual sales (%)
Transportation revenue	379,781	61.52
Hospitality revenue	237,533	38.48
Trading revenue	13	-
Total	617,327	100.00

3. Current products and services
   (1)Container Truck Transportation Enterprise:

The total freight revenue of automobile freight service industry (including automobile freight transport, automobile route freight transport, and automobile container freight transport) in Taiwan in 2022 amounted to 188.7 billion. Along with the changes of the structure of the industry, the emerging e-commerce has an impact on traditional logistic model retail sales, and demands for small-quantity, diverse, and frequent delivery replaces those for large-quantity, single route delivery. Domestic container transportation business in Taiwan mainly consists of the container hauling between the wharf and the container terminal at the three biggest ports for the convenience of customers. The Company has established operating bases at the three biggest ports (Keelung, Taichung, and Kaohsiung) with dedicated transportation fleets, and set up a computer system to form a rapid and complete transportation network to provide customers with the perfect service. Transportation services are currently one of the Company’s main business items and sources of revenue.

Secondly, the Company has expanded the scope of transportation to the delivery of dangerous chemical materials starting in 1992. Service bases are established near oil tank filling areas designated by major customers. Focus on transportation safety and service quality is a consistent goal of the Company.

In addition, the Company has expanded the business of fuel (gasoline and diesel) transportation since 2002. With consistent high-class requirements on the delivery of hazardous substances and taking safety as our priority, we have won the recognition of our customers. In 2012, we added generators exclusive for freezers on pallets to provide importers and exporters with the delivery of freezing and frozen goods.

(2)Construction

Construction of business buildings, residential buildings, parking spaces for sale and lease.

For 2021, 2022 and 2023, there have been no projects accounted for in the construction business yet.

(3)Trading

The household appliance operations department was discontinued in 2023 due to lack of profitability, which led to cost savings. All inventory of household appliances has been sold. The Company is also actively seeking business opportunities and developing new products.

(expressed in NT$ thousands)

Major products	Trading revenue			Remarks
	2021	2022	2023	
Household appliances, kitchenware. bathroom wares and building materials, etc.	1,404	1,413	13	

(4)Hospitality

Miramar Hotel Taipei has 203 spacious and luxurious suites.

(expressed in NT$ thousands)

Major products	Hospitality revenue			Remarks
	2021	2022	2023	
Suite revenue	135,211	113,075	193,185	
Hospitality revenue	81,567	76,477	39,430	
Fitness club revenue	3,755	4,909	5,060	
Total	220,533	194,461	237,675	

4. New products (services) for development

(1) Container Truck Transportation Enterprise:

We will mainly focus on the container transportation business of the reinvested subsidiary in the future.

(2) Construction

A. Proceed carefully to build high-quality residential villas and buildings.

B. Construct residential buildings to meet customers' needs.

(3) Hospitality

A. Restaurants: Garden Terrace, Light Cafe, and JIUBAR will be renovated in 2023. Garden Terrace provides a wide assortment of delicacies in a diverse space, adopting a buffet that features exquisite cuisine such as Taiwanese cuisine and Western-style fine dining Light Cafe specializes in providing customers with Chinese private home cuisine and beautiful scenery. JIUBAR enables customers to savor light meals, sweets, and strong coffee aroma, enjoy the view of the rare outdoor garden, and leisurely enjoy elegant cuisine with a humanistic and poetic flavor.

B. Official website's online shopping: For holidays like Lunar New Year gifts such as New Year dishes and Mid-Autumn Festival gifts, we carefully select products that meet market demands to enhance the visibility of gift markets and increase the Company's reputation.

C. Conference room and banquet hall: The banquet venue, which combines spaciousness, fashion, and elegance with multi-functional banquet halls and elegant independent boxes, provides a place for accommodating banquets or social events, business parties, conference meetings, and new product launches with numerous people. Professional staff and the latest audio-visual equipment will let guests have meetings at an international level.

(II) Industry overview

1. Status and development of the industry

(1) Container Truck Transportation Enterprise

The transportation industry has been affected by amendments to labor laws. The implementation of "one fixed day off and one flexible rest day" has led to a significant increase in labor costs for transportation and logistics industries. Additionally, transportation costs are impacted by the continuous rise in international oil prices. However, pricing is constrained by market competition, limiting the ability to reflect costs reasonably; this compresses corporate profit margins. In recent years, senior drivers are reaching retirement age, leading to a severe shortage of manpower. Considering these factors, there is limited room for change and development in traditional container transportation.

(2) Construction

The government's series of measures to curb housing prices, such as the unified property and land tax and the hoarding tax, have led to a decrease in domestic investment. Anticipating a slowdown in US inflation, expected interest rate cuts and the government's introduction of new youth housing plans, the future trend of the housing market is expected to remain stable. However, the Company is focusing on niche markets and has projects in Zhunan Town, Miaoli County.

(3) Trading

Due to significant fluctuations in the household appliance market, intense brand competition, increased costs and poor profitability, the Company no longer represents existing household appliance brands. In the future, we will conduct diversified evaluations and actively manage suitable products to improve the Company's operating income.

(4) Hospitality industry

In 2023, the total number of overnight stays in the accommodation industry was approximately 79.833 million, an increase of 22.17% from the previous year, adding about 20,000 stays compared to pre-pandemic levels. The overall number of stays has surpassed pre-pandemic levels. Additionally, the average room rate in the tourism hotel industry in 2023 was 4,660, an increase of 11.08% from the previous year, mainly due to border openings and an influx of international visitors, increasing demand for accommodation and raising room prices.

According to the Tourism Bureau's statistics, in 2023, the total number of stays in the accommodation industry was approximately 79.833 million, an increase of about 14.489 million stays (22.17% growth) from the period before the borders reopened, and about 20,000 stays (0.03% growth) from the pre-pandemic stay count of 79.812 million stays.

Looking at accommodation sources, the number of stays by domestic guests was approximately 63.835 million stays as compared to approximately 60.289 million stays in 2022, an increase of 3.545 million stays (5.88% growth) from 2022 and an increase of 12.304 million stays (23.88% growth) from 2019 of approximately 51.53 million stays, indicating continued enthusiasm for domestic travel even after border reopening and a steady return of international travelers.

2. Connections among upstream, midstream and downstream of the industry:

(1) Container Truck Transportation Enterprise:

For the operating ecology of the industry, the transportation and distribution industry tends to offer diversified and integrated services, which has more business opportunities, but it is also facing the impact of changes in the market structure at the same time. In response to different demands from customers, such as ocean carriers, manufacturers, and traders, faced with the different characteristics of demands and specialization in transportation planning, no matter in the development of self-owned fleets or alliances with peers, through system integration, we enable customers to obtain a guarantee for the best service in a one-stop service method, while optimizing resource integration and operating efficiency of transportation companies. With the full cooperation of the upstream, midstream, and downstream industries, Taiwan’s import and export containers provide round-the-clock transportation services as the lifeline of the domestic economy.

(2) Construction

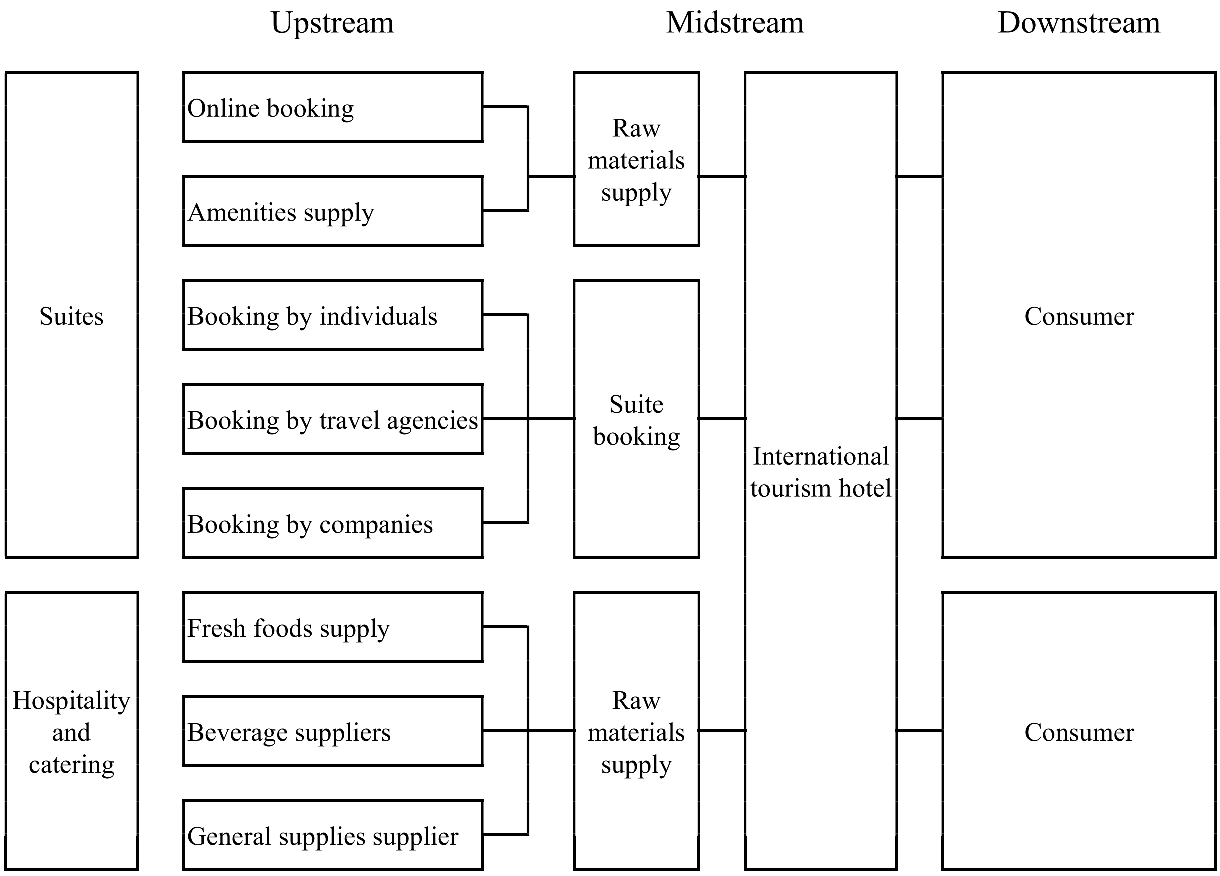
There are many industries related to the construction industry. There is a complementary and interdependent relationship among the industries. The upstream consists mainly of the owners of land. The downstream comprises individual or government-owned or private enterprises purchasing houses or commercial (factory) offices. Developers play the matchmaking and operating role of the midstream, obtaining land from owners or entering joint construction with them, consigning architects for planning and design, and entrusting construction companies to build, then sell the buildings to buyers through consignors.

(3) Trading

The upstream of the trading industry is manufacturers, who possesses the power to determine product specifications and cost prices. Midstream importers play a key role in integration. In accordance with government laws, consumer trends, and market demands, they are able to sell commodities to customers through dealers or channels of developers and stores by means of commodity combinations, marketing planning, and channel management.

(4) Hospitality industry

Miramar Hotel is an international tourism hotel, which mainly provides accommodation, hospitality and other multiple facilities and services for downstream consumers. The figure of industry relevance is as follows



3. Development trends and competitions

(1) Container Truck Transportation Enterprise:

Due to changes in the structure of the domestic industry, traditional industry relocation leads to a decrease in demands for export transportation, which causes an unbalance in transportation between the north and the south. In addition, in order to reduce costs, international ocean carriers in many countries one after another began the joint operation of large ships, which caused an unbalanced concentration of container transportation time. As a result, container transportation enterprises are faced with the challenges of joint operation costs and transportation scheduling. Some enterprises seek the supply of goods from domestic logistics companies to make up for the gap in operation. However, the new labor and management regulations announced by the government in March 2012 caused an additional pressure of operating costs on enterprises. Only enterprises good at cost control with competitive strength can survive.

(2) Construction

People in Taiwan pay more and more attention to their quality of life. Therefore, user-friendly designs and locations with good amenities will be the competitive advantages of future products.

The Company diversifies its operations. Construction is also its main business. The Company will maintain a prudent assessment attitude towards it to improve the Company's competitiveness.

(3) Trading

In recent years, because there are many brands in the electronic appliance industry market, and due to the tense competition and increasing costs, profits have been relatively compressed, and the operating pressure on the industry has doubled. In addition to increasing the visibility of product sales, a well-established after-sales service system is necessary as well. In the future, the Company will continue to maintain a cautious attitude and actively manage suitable products and industries for deployment to increase the Company's revenues and profits.

(4) Hospitality

A. Guestrooms

The domestic tourism market is becoming more diverse, including leisure vacations, business trips and affordable options targeting different customer segments. To enhance accommodation experiences and service quality, many accommodations now include services such as meals, family-themed activities, and guided tours of surrounding landscapes in their room rates. Local governments are also actively organizing various tourism events, concerts, etc., attracting more visitors and boosting demand for accommodations, and increasing room rates. For the guestrooms of the Miramar Garden Taipei, even the basic type of guestroom is comfortable and spacious 13 pings. The hotel maintains a good relationship with peers in the tourism industry. Its diligent, high-quality service continues to be recognized by domestic and international business tourism.

B. Meals and banquets

At the end of 2022, after stepping down from the task of epidemic prevention hotel, Miramar Hospitality Co., Ltd. actively renovated the dining room and kitchen. Firstly, it redesigned the internal structure of the kitchen to facilitate the use of manpower. As for the restaurant, because consumers focus on visual pleasure, Miramar remodeled the whole restaurant to improve the sense of the interior decoration of the restaurant, simplified and refined the buffet table, and introduced the outdoor garden scenery into the overall vision of the restaurant, so that consumers who are looking for innovation and changes can feel the new pursuit of Miramar in their meals. Whether in terms of vision, taste, or sense, we will devote ourselves to enhancing the competitiveness of Miramar in catering. At the same time, we aim at our guests' demand for souvenirs. We combine selected local specialties in Taiwan and wrappings for various types of delicate gift boxes to make it convenient for guests to buy for themselves or for gift giving. In addition, the unique garden scenery leading to the restaurant has also become a unique product in the wedding banquet market. The European-style gazebo in the garden promoted as a romantic proposal booth, combined with catering, limousine pick-up, music performance and other marriage proposal package services, has become an excellent promotion tool for the new generation in the wedding and banquet market, and has been deeply favored by the new generation of consumers.

C. Clubs

The main targeted customers are the guests who stay in the hotel. At the same time, we recruit the responsible person and senior executive officers of the companies, and invite quests who subscribe to a healthy life to become members. The environment of fitness clubs has undergone important changes in recent years. Many fitness centers or clubs have been merged or closed due to poor management, causing members to leave accordingly. In addition, fitness club members now are stricter about quality, so having a fitness club in the hotel will be a big advantage.

(III) Technology and R&D

The Chas established the Business Planning Office, which is responsible for various corporate innovation, research, planning, and investment development work. Since the business form does not meet the recognition standards for accounting research and development expenses, research and development expenses are not recorded in the account, but In fact, the Company has spared no effort in investing in research and development, which is expecting to fundamentally improve the quality of manpower, increase productivity and further improve the long-term competitiveness of the Company.

Due to the nature of business not meeting the accounting standards for recognizing research and development expenses, there is no clear R&D plan for the future.

(IV) Long-term and Short-term Business Development Plan

1. Container Truck Transportation Enterprise:
   We will mainly focus on optimizing the container transportation business of the reinvested subsidiary in the future.

2. Construction

   We will continue to cautiously evaluate and develop high-quality properties in prime locations, constructing residences that meet the needs of local residents to sustain our competitive advantage.

3. Trading

   The Company will try to become involved in different business scopes and introduce various commodities for sale to expand the direction of business for future development.

4. Hospitality

In order to respond to the future development of the industry and trends of overall economic environment, the Company will plan the future operating direction of the Company by making long-term or short-term plans to improve its competitiveness. Summary of the Company's plans are as follows:

(1) Short-term business development plan:

A. Increase online booking, which now accounts for 70% of total bookings, by enhancing overall occupancy rates and average room prices through various packaging and advertising strategies.

B. Rebuild cooperative relationships with business partners to enhance customer loyalty.

C. Collaborate with travel agencies during the off-peak season to promote special projects and increase international exposure.

(2) Long-term business development plan:

A. Strengthen the MICE market by designing conference accommodations and dining packages to attract customers' interest.

B. Participate in international travel exhibitions, especially in collaboration with Japan, South Korea, and Southeast Asia.

II. Markets, production, and marketing

(I) Market analysis:

1. Main products service sales provision and territories:

(expressed in NT$ thousands)

Major products	**Market**	2021	2022	2023
Hospitality	Domestic sales	220,533	194,415	237,533
	Export sales	-	-	-
Construction	Domestic sales	-	-	-
	Export sales	-	-	-
Transportation	Domestic sales	569,898	534,139	379,781
	Export sales	-	-	-
Trading	Domestic sales	1,404	1,413	13
	Export sales	-	-	-
Total	Domestic sales	791,835	729,967	617,327
	Export sales	-	-	-

2. Market share:

The Company takes transportation services as its main focus and already occupies a place in the market. For the construction business, we maintain a cautious attitude to evaluate and select projects.

Miramar Garden Taipei operated below expectations for the first half of 2023 due to ongoing renovations, resulting in a higher occupancy rate than the market average but still falling short of expectations for the full year.

The occupancy rate of Miramar Hospitality Co., Ltd. and the average occupancy rate of other hotels in Taipei for the past three years.

Year	2021	2022	2023
The total number of suites in Miramar (annual total)	74,095	74,095	74,095
The usage of suites in Miramar (annual total)	42,765	38,252	54,392
Annual occupancy rate of Miramar	58%	52%	73%
Tourism hotels in Taipei (annual average occupancy rate)	25%	42%	68%

3. Future demand and growth potential:

(1)Demands:

A. Container Truck Transportation Enterprise:

In 2023, due to factors such as high interest rates, high inflation, and China's post-pandemic weaker than expected economic performance, the global demand for end products was weak, resulting in a slowdown of manufacturing activities in various countries. In addition, the US-China chip ban, the Russo-Ukrainian war, and the Israel-Palestine conflict to the present. Before it rests, global geopolitics tends to bloc rivalries, which has an impact on global economic development and social stability. Domestically, the post-pandemic expansion of domestic demand services has been evident, with improved performance in industries like transportation compared to 2022. However, the slowdown in global trade expansion has not only affected Taiwan's exports and external order performance but also impacted corporate investments. Taiwan's economic growth rate showed consecutive declines in the fourth quarter of 2022 and the first quarter of 2023, only turning positive in the second quarter with an annual economic growth rate of 1.31%.

Truck freight is linked with the domestic demand market. Facing uncertain factors, including the China–U.S. trade war, the slowdown in the Chinese economy, and risks in emerging markets, there might be an opportunity for relevant logistics transportation services due to the subsequent return of Taiwanese enterprises.

B. Construction:

a. Post-election, stable political conditions have contributed to market recovery, boosting market sentiment.

b. The government's introduction of "New Youth Safe Home Loan" policy has attracted first-time buyers or younger demographics with weaker affordability, stimulating demand for primary residence.

c. The trend of expanding electronics factories has driven demand for residential properties in surrounding areas.

C. Trading:

High-class exquisite household appliances have become a necessity for people nowadays. However, various enterprises have gradually introduced European brands from countries like Germany and Sweden, and new types of household electronic appliances are replacing old ones. In order to reduce losses, the Company no longer operate in the household electronic appliance business after having sold out the commodities in stock.

D. Hospitality:

a. Guestrooms:

Responding to technological advancements and leading changes in consumer behavior, traditional travel (tourism) product sales channels have gradually declined. The business department is actively expanding into the OTA market, increasing the visibility and exposure of hotels on the internet, strengthening the operational advantages of hotels, and significantly increasing booking conversion rates.

b. Catering:

Domestic catering competition is severe, especially in Taipei, where the competition is in full swing. According to statistics from the Directorate General of Budget, Accounting and Statistics, the ratio of family eat-out amount to total food consumption was 10% twenty years ago, but it has increased to more than 30% in the past five years. Also, according to a survey of Global Views Monthly, the eat-out ratio of people in Taiwan has exceeded 70%, reaching 70.2%. The eat-out percentage of males is higher than that of females, reaching 76.1%, which is 11.7% higher than that of females. It is estimated that there are 3.3 million people eating out every day, mainly consisting of younger people under 35 years old. As the epidemic factors fades out, the frequency of people eating out and dining together is expected to increase. Coupled with the reopening of the border, foreign visitors are returning gradually, which provides momentum for domestic consumption.

c. Clubs:

In recent years, people have spent more time in leisure, which has accelerated the trend of fitness and sports. The fitness club attached to the hotel possesses a definite level of quality and competitive advantages. We provide a spacious and comfortable environment, complete sports facilities, and fitness training courses with professional coaches to meet the diverse needs of consumers, so as to increase the hotel’s popularity and operational performance.

(2)Supplies:

A. Container Truck Transportation Enterprise:

Container transportation provides transoceanic cargo transportation services. Therefore, whether international trade is booming or not determines the prosperity and decline of container shipping stocks. Economically, international trade volume is highly correlated with GDP, with global trade volume and global GDP moving in tandem showing characteristics of synchronous variation. In terms of supply and demand in the shipping market, maritime transport is the main mode of global goods transportation. According to statistics from the United Nations Conference on Trade and Development (UNCTAD), the global maritime fleet continues to grow. As of January 2024, there were 6,781 container ships worldwide in operation, with a total capacity of 28,518,895 TEUs, an increase of 2,117,946 TEUs in deadweight tonnage. Due to increased consumer demand, bottlenecks related to U.S. and Chinese ports and epidemics, as well as airspace closures following Russia's invasion of Ukraine, freight rates have soared, and the shipping industry has recently achieved historically high profits in the past few quarters.

B. Construction:

With abundant domestic travel funds, rising inflation, and a global trend of declining interest rates, it is beneficial for stabilizing housing prices and the government's expansion of transportation infrastructure and the southward shift of the technology industry chain. will boost housing demand in the central and southern parts of the country.

C. Trading:

Taiwan is gradually moving towards an M-shaped society, and competition in the home appliance market is moving towards high-end boutique and affordable durable products. Existing home appliances have been sold out, and we are seeking new projects that meet market expectations.

D. Hospitality:

Miramar Garden Taipei has taken business demands as its main operating direction. With complete facilities, attentive service, and professional management, Miramar Garden Taipei has been the first choice of business guests and tourists for hotels since its opening. In addition to business guests, we also actively strive for FITs and independent visitors from various countries.

Domestic catering competition is severe, especially in Taipei, where the competition is in full swing. According to statistics from the Directorate General of Budget, Accounting and Statistics, the ratio of family eat-out amount to total food consumption was 10% twenty years ago, but it has increased to more than 30% in the past five years. It is estimated that there are 3.3 million people eating out every day, mainly consisting of younger people under 35 years old. As the epidemic factors fades out, the frequency of people eating out and dining together is expected to increase. Coupled with the reopening of the border, foreign visitors are returning gradually, which provides momentum for domestic consumption.

4. Favorable and unfavorable factors affecting competitive niche and development prospects and countermeasures

(1) Competitive niche

A. Utilize the professional expertise of container transportation, and combine the resources of affiliates to gradually expand the operational efficiency. Expand the business scale and market competitiveness through channels of alliances, mergers and acquisitions, and integration.

B. Horizontally combine the cross-industry experience and resources of affiliates to create the biggest synergy of integration.

C. Through insight into market demand and competition, establish a specific and feasible business model, development blueprint, and operational deployment.

D. Carefully evaluating development projects, segmenting the market, targeting high-end residential properties, increasing visibility, and establishing a firm market position.

E. Miramar Garden Taipei possesses the intriguing and elegant exterior of a European building, lobby with high ceiling, and high and spacious guestrooms with fashion. There is a garden with unique design that is rare in the city around the hotel, creating a brand new sensual pleasure and experience of nature for city tourism. Located at the intersection of Civic Boulevard and Jianguo South Road, it is a short drive from the Taipei World Trade Center, East District shopping paradise, Syntrend Creative Park, and the Huashan 1914 Creative Park which has become popular in recent years. Convenient transportation allows tourists to complete business visits and enjoy the pleasure of leisure and shopping in a short time. The hotel provides complete and perfect services, including abundant and refined cuisines, a well-equipped fitness club, superior business conference equipment, and multifunctional services like parking, laundry, and room service, to satisfy visitors on vacation with leisure pleasure and business visitors' demands for convenience.

(2) Favorable and unfavorable factors affecting development prospects and countermeasures

A. Favorable factors:

a. Container Truck Transportation Enterprise:

(a) Stability of business:

Since its establishment, the Company has been upholding an attitude of diligence to provide customers with the safest and timeliest service, and has won the recognition of the shipping industry and consignees. In particular, the main customers of the Company are all long-term partners, and trust in the service quality of the Company. Therefore, we can accurately grasp business trends and maintain stability. Also, the Company has maintained excellent relationships with its peers, which contributes to the stability of the Company's business.

(b) Flexibility in fleet scheduling:

Fleet scheduling is an important part in the overall operation of container transportation, and the Company's flexible scheduling capabilities have long been recognized by the industry. There are liaison offices and dedicated fleets in Keelung, Taoyuan, Taichung, and Kaohsiung, providing the service network with convenient high mobility to customers in various regions. We can respond to market demands at all times, dispatch fleets in various regions, and reduce the mileage of empty trucks to reduce costs.

(c) Enhance service quality to expand customer sources:

The Company successfully passed the ISO 9002 evaluation of international quality assurance in early 1993, which contributed to the improvement of the Company's image and the development of customer sources, especially for the professional transportation of chemical tank containers newly added by the Company in 1992. The four certifications obtained are beneficial to winning more chemical tank container transportation business.

b. Construction:

(a) In recent years, the government has actively promoted policies such as urban renewal and elderly housing, which are also directions for future real estate development.

(b) After the election, the government is actively implementing the Big Silicon Valley project, attracting the technology industry and driving demand for home purchases in the central and southern regions.

c. Trading:

(a) The trade industry has shrunk in the past few years due to factors such as supply chain disruptions and an increase in transportation costs caused by the pandemic. Now, the impact of the pandemic has gradually faded out as the WHO announced the end of the pandemic. Coupled with the recovery of the tourism industry, various consumption demands have also increased accordingly. In response to the recovery of the global economy, we will introduce niche products for sale as an agent to expand customer base and increase profits.

d. Hospitality:

(a) Miramar Garden Taipei has been popular in the Japanese market and been recognized for the high quality of the products of the hotel by peers since its opening.

(b) Continuously upgrading the hardware equipment in hotel rooms to enhance the standard of hotel facilities and improve service quality.

(c) Renovation of all guest rooms throughout the hotel to increase the overall value of the rooms.

(d)The newly renovated second-floor facilities including meeting rooms, fitness center, sauna, swimming pool, light dining restaurant, and poolside bar are completed. Whether for business meetings or leisure travel, these enhancements are expected to attract a new wave of customers.

B. Unfavorable factors:

a. Container Truck Transportation Enterprise:

(a) Industry relocation and slowdown in growth of exports:

With internationalization and liberalization in recent years, Taiwan is also facing the impact of labor movements and rising awareness of environmental protection. The pressure of sharply rising labor costs and pollution prevention costs has led to the phenomenon of industrial relocation, which has affected the growth rate of Taiwan's exports.

(b) Rising operating costs:

Because of geopolitical influence, the international oil price hiked, which has caused a continuous increase in the price of raw materials. Plus, factors like the regulations of "One Fixed Day Off and One Flexible Rest Day per Week" in Taiwan and rising labor awareness have led to an increase in operating costs. Market prices were restricted due to the impact of economic growth and could not be adjusted to reflect the costs. However, the Company may effectively control part of the pressure from rising costs with countermeasures such as strengthening equipment maintenance, enhancing vehicle operation rates, and developing high value-added transportation services.

b. Construction:

(a) Government measures such as credit controls and hoarding taxes will impact the housing market.

(b) Followed by global inflation, an increase in interest rates, raw materials prices, and wages will have impact on the costs and funds of the Company.

c. Trading:

(a) Affected by interest rate hikes and the war, various costs of the manufacturing industry have increased significantly. In addition, the effect of geopolitics restricted sales regions and influenced profitability.

d. Hospitality:

(a) Affected by exchange rates, Japan sees a conservative approach to foreign travel, only reaching 30% of pre-pandemic levels. The enthusiasm of Taiwanese travelers to Japan has led Japanese tour groups to redirect their trips to destinations like South Korea and Vietnam.

(b) Other hotels at the same level in the market and even international five-star hotels have adopted highly elastic pricing policies.

(c) Travel has not yet fully recovered due to political conditions.

C. Countermeasures

a. Utilize resources of affiliates to obtain advantages to lower operating costs, enhance competitiveness to achieve goals of retaining and expanding customer sources, and research and develop feasible supportive services to assist in the increase of freight volume.

b. Look for the integration of peers and expands opportunities for oil and goods transportation.

c. Select the locations of projects carefully, plan for products that meet consumer needs, and shorten the schedules of development and construction.

d. Strengthen the individual traveler market in South Korea and Southeast Asia; participate in domestic and international travel exhibitions to increase visibility.

(II) Important uses and production processes of major products:

1. Important uses of main products

(1) Container Truck Transportation Enterprise

A. Shipside work: container transportation between the dock terminal and the inland container terminal.

B. CY container transportation: container transportation between the owner's factory and the container terminal.

C. North-south container transition: long-distance container transportation among the regions of Keelung, Taoyuan, Taichung, and Kaohsiung.

D. Chemical oil tank container transportation: oil tank container transportation between the oil tank areas at ports and chemical plants.

(2) Construction business

A. Residential buildings: homes, stores, parking lots.

B. Plant and business buildings: plants, stores, parking lots.

(3) Trading business

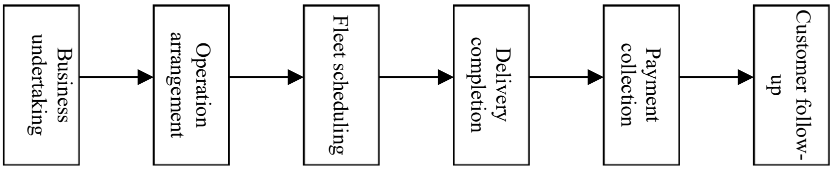
The Company will try to become involved in different business scopes and introduce various commodities for sale to expand the direction of business for future development.

(4) Hospitality business

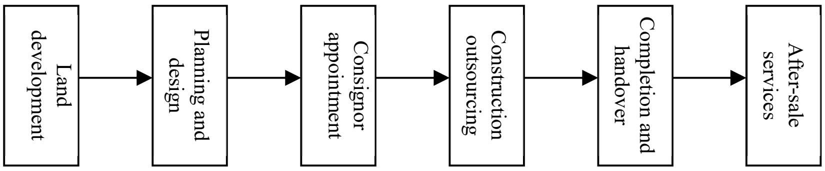
The main product management of Miramar Garden Taipei is to rent guestrooms, provide meals, and provide relevant facilities such as conference rooms and saunas. All of this is aimed at the biggest satisfaction of the customers.

2. Production process of main products

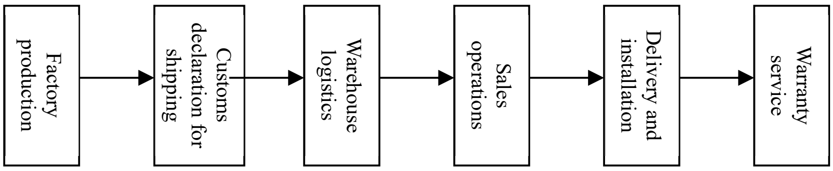
(1) Transportation service process:



(2) Construction business process:



(3) Trading business process:



(4) Hospitality business process:

The main business of Miramar Hotel is the sales of tourism services of Tourist Hotel, and there is no manufacturing process, so it is not applicable.

(III) Supply status of main raw materials:

1. Container Truck Transportation Enterprise: there is no raw materials supply problem in the transportation service industry.
2. Construction business: the Company's main raw materials are land and construction.
   (1) Land: obtained through self-development or land purchase and joint construction and develop land with value-added potential as soon as possible.
   (2) Engineering: contracted construction projects are all given priority to project quality, management and planning and relevant contracts are drawn up to standardize the rights and obligations of both parties to ensure safety.
3. Hospitality Business: Miramar Garden Taipei operates in the tourism hotel industry, mainly engaging in room rentals and food and beverage services. Its main supplies include customer amenities and fresh food items, with a stable supply situation.

(IV) List the name, purchasing amount and proportion of suppliers with over 10% of the total purchase in any one of the past two years. State the reasons of changes:

1. Purchase (data of major suppliers in the last two fiscal years)

(expressed in NT$ thousands)

	2022				2023			
Item	Company Name	Amount	Percentage in net annual purchase amount (%)	Relations with the company	Company Name	Amount	Percentage in net annual purchase amount (%)	Relations with the company
1	Supplier G	97,391	17%	None	Supplier G	2,334	0%	None
2	T supplier	48,787	9%	-	T supplier	50,983	11%	-
3	Others	425,625	74%	-	Others	418,131	89%	-
4	Net purchase amount	571,803	100%	-	Net purchase amount	471,448	100%	-

Note 1: List all suppliers accounting for ten percent or more of the Company's total procurement amount in the two most recent fiscal years and the amounts bought from each and the percentage of total procurement accounted for by each. If the Company is prohibited by contract from revealing the name of a supplier, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

Increase/decrease changes: The disposal of Safe Cargo Transportation, Safe Petroleum, Safe Container Transportation, and Safe Logistics Transportation Co., Ltd. was carried out in November 2022, resulted in a decrease in revenue and purchases.

2. Sales (data of major sales customers in the last two fiscal years)

(expressed in NT$ thousands)

	2022				2023			
Item	Company Name	Amount	Percentage in net annual sales amount (%)	Relations with the company	Company Name	Amount	Percentage in net annual sales amount (%)	Relations with the company
1	Customer T	230,815	32%	Substantive related party of affiliate	Customer T	187,401	30%	Substantive related party of affiliate
2	Customer V	120,536	17%	None	Customer V	11,574	2%	None
3	Others	378,616	51%	-	Others	418,352	68%	-
4	Net sales amount	729,967	100%	-	Net sales amount	617,327	100%	-

Note 1: List all customers accounting for ten percent or more of the Company's total sales amount in the two most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each. If the Company is prohibited by contract from revealing the name of a customer, or a trading counterparty is an individual person who is not a related party, it may use a code in place of the actual name.

(V) Consolidated table for production value for the last two fiscal years:

(expressed in NT$ thousands)

Year / Major products (or by department)	2022			2023		
	Capacity	Volume	Value	Capacity	Volume	Value
Transportation	—	—	460,881	—	—	337,587
Hospitality	—	—	108,349	—	—	127,997
Construction	—	—	—	—	—	5,945
Trading	—	—	2,573	—	—	(81)
Total	—	—	571,803	—	—	471,448

(VI) Consolidated table for sales value for the last two fiscal years:

(expressed in NT$ thousands)

Year / Major products (or by department)	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Transportation	—	534,139	—	—	—	379,781	—	—
Hospitality	—	194,415	—	—	—	237,533	—	—
Construction	—	—	—	—	—	—	—	—
Trading	—	1,413	—	—	—	13	—	—
Total	—	729,967	—	—	—	617,327	—	—

III. Employees information:

Information on employees employed in the past two years and as of the publication date of the annual report:

Year		2022	2023	Ended on April 27, 2024
Number of employees	Business operation staff	170	173	165
	Administrative management staff	70	59	57
	Total	240	232	222
Average age		44.4	45.3	45.6
Average service year		9.8	10.4	10.2
Educational level distribution percentage	Master	6%	10%	11%
	University and College	52%	57%	55%
	Senior high school (vocational school)	29%	31%	32%
	Below senior high school (vocational school)	13%	2%	2%

IV. Information on environmental protection expenditure:

(I) Losses and fines due to pollution by the date of report publication: NA

(II) Future countermeasures and possible expenditure

1. Countermeasures
   (1) Vehicles for business operation are regularly maintained. When the driver finds any abnormality, the vehicle concerned will be handed over to the maintenance unit for comprehensive repair. After the inspection results meet the specified standards, the further operations will be arranged.
   (2) The waste engine oil, tires, and waste batteries produced by vehicle maintenance will be delivered to relevant companies for recycling.
   (3) Replace old vehicles with the latest environmentally friendly ones.
   (4) For the housing construction of the Company, we carefully select construction contractors with good reputation in advance, and dispatch supervising staff to supervise and have contractors to enhance various pollution prevention and control works.
2. Estimated amount of loss, disposal and compensation that may occur if countermeasures are not adopted: None.

V. Labor-management relations

(I) Company's employee welfare measures, continued education, training, retirement system and implementation thereof and labor management agreement and various employee benefit protection measures status

1. Employee welfares, continuing education and training measures:

(1) The Employee Welfare Committee of the Company was established in April 1990. Most of the welfare measures organized by the Company in previous years have been sponsored by the committee since its establishment. The benefits of the Company and the Employee Welfare Committee are as follows:

A. Wedding subsidies
B. Childbirth subsidies
C. Death subsidies
D. Hospitalization subsidies
E. Scholarship for child education
F. Recreational and other welfare matters
G. Souvenir for retirement
H. Group insurance

(2) Labor and health insurance: All employees shall participate in labor and national health insurance according to regulations and enjoy the rights to labor insurance benefits and medical care.

(3) Staff training and continuing education subsidies:

A. A budget is prepared every year, and pre-onboarding training and on-the-job training lectures are given to employees.
B. For work-related training and courses, the training expenses shall be fully borne by the Company.
C. If there is no training course directly related to work, half of the amount will be subsidized if approved by the Company.

(4) Labor health check: in order to comply with regulations and take into account the health of employees, a health check of all employees is held every 3 years.

The results of the Company's recent annual education and training are as follows:

Courses	Number of classes	Number of attendees	Total training hours	Total expenses (NT$)
Profession training	47	333	360	218,000
Leadership	7	7	44	
General training	10	91	64	
Training for the newly-recruits	18	94	194	
Digital learning	9	11	55	
Total	91	536	717	

2. Retirement system and implementation status

(1) The Company complies with new labor retirement regulations and has revised the employee retirement procedures accordingly.

(2) Besides maintaining seniority, employees who opt for the new system are required by law to contribute to the retirement fund. The Company contributes 6%, and employees may voluntarily contribute an additional 6% of their monthly salary. Those who choose to remain under the old system continue to contribute to the retirement fund as per regulations, with a monthly contribution of 3.8% deposited in the Bank of Taiwan's retirement fund account for employees. Any shortfalls are supplemented according to the law.

(3) The retirement application process and criteria are as follows: Employees eligible under the old system follow the provisions of the Labor Standards Act shall submit an application form for retirement themselves. After approval and calculation of the retirement benefits, the HR department submits "Labor Retirement Benefit Payment Notice" to the Retirement Fund Supervisory Committee for endorsement before requesting payment from the Bank of Taiwan. Employees eligible under the new system follow the provisions of the labor retirement regulations will fill out an application form themselves and submit relevant documents to the Labor Insurance Bureau for processing.

3. Labor management agreement and various employee benefit protection measures status:

The relationship between the labor and management of the Company is harmonious. Every three months, labor-management meetings are held to address various employee issues through communication between labor and management. The Company is committed to maintaining harmonious and rational labor-management relations, monitoring legal trends to prevent labor disputes and continuing past practices of thorough coordination. We aim to balance competitiveness within the industry, collaborate with both labor and management for the Company's growth and enhance employees welfare.

4. Employee code of conduct or ethics:

The Company has formulated “Service Rules” and all internal and external employees of the Company shall maintain a high level of personal conduct and professional ethics. When engaging in daily work and business, it is required to strictly abide by the Company’s professional ethics standards, maintain the company reputation and win the respect and trust of customers, suppliers and the general public. The content includes:

(1) Employees are aware of and abide by the code of ethics and personal integrity.

(2) Employees shall avoid any conflict or potential influence between personal interests and company interests.

(3) For suppliers, contractors, customers, and other personnel/entities related to the Company’s business (including government agencies), the highest professional ethics standards shall be upheld, and no gifts, money or entertainment shall be accepted or given to affect normal business relationships and judgments. Bribery in any form shall be strictly prohibited.

All employees are responsible for complying with this policy and related procedures. Heads at all levels shall fully implement and ensure that their direct employees understand, accept and abide by the relevant regulations.

5. Working environment and workplace safety of employees:
   At the beginning of the design of various software and hardware facilities in the Company's office premises, the protection of employees' safety is the top priority to ensure that employees can have the greatest protection when they are working. The Company's entrances are equipped with access control devices and fire-proof doors at the emergency exits. There are also security monitoring equipment at the main entrance to ensure the personal safety of employees.
   The air-conditioning system is disinfected and sterilized every three months, the whole premises of the Company is disinfected and cleaned every six months and the air-conditioning equipment is fully maintained every two years.
   Various mechanical or fire protection equipment (such as fire alarms or fire extinguishers) are regularly maintained or repaired between April and June each year to ensure they are in optimal working condition at all times. In addition to providing labor and health insurance for all employees, we also offer group insurance and travel accident insurance, and maintain a supply of medical kits, masks, alcohol, external medications, etc., to provide necessary first aid and protection for employees when needed.
   In terms of ensuring the safety of employees performing operations, pre-boarding training will be provided before onboarding, which will be led by senior employees for three days to ensure that the new recruits fully understand the safety of operations. In addition to prioritizing the safety of employees in the event of an accident when purchasing new vehicles, each office is equipped with breath analyzers and sphygmomanometers, which conduct alcohol tests for employees from time to time and measure blood pressure on a regular basis every month. Furthermore, each vehicle is equipped with GPS, driving vision assistance system and in-vehicle monitoring system , to ensure safe driving. We also regularly invite firefighters or other related professionals in March and September every year to hold vehicle safety education and training on issues such as driving safety, simple vehicle maintenance procedures and personnel rescue.

(II) The recent annual report until the publication date discloses the losses incurred by the Company due to labor disputes, along with estimated amounts and mitigation measures for current and future occurrences of such disputes:

1. Losses suffered by the Company due to labor disputes in the most recent year and as of the publication date of the annual report: None.
2. Estimated amounts and mitigation measures that may occur currently and in the future: None.

VI. Cyber Security Management

(I) Information security risk management structure

The Company passed a resolution during the board meeting on December 26, 2023 to establish a dedicated information and communication security unit. This unit includes one information security manager and one information security personnel responsible for formulating company-wide information and communication security policies, planning information security measures, and executing related information security operations.

The Company's audit department serves as the oversight unit for information and communication security, conducting audits and requiring units under audit to submit relevant improvement plans if deficiencies are found. These plans are then reported to the Board of Directors and the effectiveness of improvements is regularly tracked to reduce internal information security risks.

Each year, auditors conduct information operation audits and request improvement measures if deficiencies are found or improvement suggestions are made, subsequently tracking the results of these improvements.

(II) Information security policy and management plan

Strengthen information and communication security management, ensuring the availability, integrity, and confidentiality of information, and guarding against deliberate or accidental threats from internal or external sources, the Company's information and communication security infrastructure and management are categorized into seven main areas, as follows:

1. Core business and information asset value identification
   - (1) Annual review of core business operations and sensitive data to assess the likelihood and impact of potential operational disruptions, along with setting clear recovery time objectives for core business operations.
   - (2) Annual inventory of information assets and establishment of an information asset inventory to identify their value.
2. Computer equipment security management
   - (1) The Company’s computer hosts, application servers and equipment are located in dedicated machine rooms, with access controlled by IT personnel, and records of entries and exits are maintained for auditing purposes.
   - (2) The machine rooms are equipped with independent air conditioning to maintain computer equipment at appropriate temperature levels and contain chemical fire extinguishers suitable for general or electrical fires.
   - (3) Continuous power supply and voltage stabilization equipment are installed for the main hosts in the machine rooms to prevent system crashes due to sudden power outages or ensure continuous operation during temporary power cuts.
3. Network security management
   - (1) Enhanced network control with the deployment of enterprise-grade firewalls to block unauthorized intrusions by hackers.
   - (2) External connections to the Taipei headquarters for business purposes require application and provision of external IP addresses, with the Company using designated IP addresses and firewall settings to restrict access to internal networks and services only to authorized personnel.
   - (3) Remote access to the Company's internal network and information systems requires approval from the IT department, and VPN credentials are provided for login.
   - (4) Respect for intellectual property rights includes avoiding the download of illegal software and refraining from opening suspicious emails from unknown

sources to prevent triggering malicious executables by hackers.

4. Virus protection and management
   (1) Servers and computers used by employees are equipped with endpoint protection software, with virus definitions updated automatically to block the latest viruses. This ensures the detection and prevention of potentially threatening executable files from being installed on the system.
   (2) Upon detecting or intercepting a virus, the antivirus software immediately isolates or deletes it and requires employees to report to the IT department for further action.
5. System access control
   (1) Employees must fill out a computer information system application form to for using various application systems. After approval by the responsible supervisor, the IT department creates the system account and sets permissions for access.
   (2) Passwords for accounts must be changed periodically (every three months) and meet certain complexity requirements (a mix of letters and numbers) to be approved.
   (3) During resignation or retirement procedures, employees must fill out a computer information system application form to modify or delete various system accounts.
6. Ensure the sustainable operation of the system
   (1) Software backups are performed on the server and other data to external hard drives twice, with local and offsite external hard drives exchanged weekly.
   (2) Disaster recovery drills: conducted annually to ensure the accuracy and effectiveness of backup data.
7. Information security promotion and education training
   (1) New employees are educated on information security policies and goals during orientation.
   (2) Regular training sessions are held to inform employees about security risks and the latest security information to strengthen their awareness.
   (3) The IT department and dedicated security unit absorb new knowledge, continually update security knowledge and participate in information security education and training courses.

(III) Invest resources in information security management

1. Hardware equipment: firewalls, uninterruptible power supplies (UPS), servers, etc.
2. Software system: email anti-virus, spam filtering, backup management software, etc.
3. Information security policy
   Information security management measures will be formally formulated in December 2023.
4. Education and training, information security promotion
   In 2023, all new colleagues completed information security and protection education and training, with a total of 3 trainings and a total of 2 hours.
   In 2023, there were a total of 5 continuing training courses for information security supervisors and personnel, with a total of 5 people trained and a total of 19 hours.
   Internal announcement on information security promotion for the first half of the year announced on March 2023.
   An internal announcement on information security promotion for the second half

of the year was released in September 2023.
5. Other resources invested in information security management
Daily system status checks.
Weekly regular backup and execution of offsite backup media storage.
Disaster recovery simulation exercise system.
Internal audit.
Name of CPA.

(IV) Information security measures over the years to promote implementation results
2023
The proportion of employees who were disciplined for failing to comply with information security and confidentiality protection procedures was 0%.
There were 0 incidents of employees being harmed by opening phishing emails.

(V) Major information security incident
The Company had no major information security incidents this year.

VII. Important contracts:

Supply and sales contracts, technical cooperation contracts, construction contracts, long-term loan contracts and other important contracts that are sufficient to affect shareholders' rights and interests that are still valid as of the publication date of the annual report and expired in the most recent fiscal year:

Type of Contract	Client	Contract Term	Description	Restrictions
Joint construction contract	Tze Shin International Co., Ltd. and Tse-Shih Yang	November 28, 2022, until the completion of the joint construction.	Joint construction of houses on land located at 3rd Subsection, Shijian Section, Wenshan District, Taipei City.	None
Development and management contract to promote the private sector to participate in the construction of affordable hotels in Taipei City.	Miramar Hospitality Co., Ltd. and Tourism Bureau of the Ministry of Transportation and Communications	April 12, 2004 April 12, 2054	Responsibilities and obligations for investment, development, and operation of the hotel and its facilities.	During the contract period, the operating royalties shall be paid based on 8% of the operating revenue of the financial statements. When the superficies acquired by the Company expire, they shall be conveyed to the government without payment of consideration.
Long-term borrowing contracts	Miramar Hospitality and Chang Hwa Bank	May 4, 2021 Ended on September 3, 2026	Medium and long term loans	Financing from the Tourism Bureau, Ministry of Transportation and Communications, limited to employee salary payments.
Long-term borrowing contracts	Miramar Hospitality and Taiwan Cooperative Bank	January 17, 2022 January 17, 2024	Medium and long term loans	Time deposit pledged for an amount equal to 10% of drawdown.
Long-term borrowing contracts	Miramar Hospitality Co., Ltd. and Shanghai Commercial & Savings Bank	December 28, 2023 Ended on December 28, 2026	Medium and long term loans	The small and medium enterprise credit guarantee fund guarantees 80% of post-pandemic recovery project credit insurance.

Six. Financial Information

I. Consolidated balance sheet, comprehensive profit and loss statement, name of CPA and audit opinions for the last five fiscal years

(I) 1. Condensed Consolidated Statement of Financial Position-IFRS

Unit: NT$ thousand

Item / Year		Financial information for the latest 5 fiscal years				
		2019	2020	2021	2022	2023
Current assets		1,652,600	2,195,188	2,627,222	1,954,950	2,553,311
Property, plant and equipment (Note 1)		1,193,422	877,715	239,092	225,360	224,771
Intangible assets		487,067	467,745	437,093	416,257	500,998
Other assets (Note 1)		1,355,140	987,311	930,117	997,280	920,397
Total Assets		4,688,229	4,527,959	4,233,524	3,593,847	4,199,477
Current liabilities	Before distribution	1,155,629	1,101,284	392,620	326,628	401,479
	After distribution	1,155,629	1,101,284	564,440	326,628	836,184
Non-current liabilities		836,781	702,706	569,450	553,054	558,973
Total liabilities	Before distribution	1,992,410	1,803,990	962,070	879,682	960,452
	After distribution	1,992,410	1,803,990	1,133,890	879,682	1,395,157
Equity attributed to owners of the parent		2,435,596	2,510,319	3,030,205	2,473,456	3,001,080
Share capital		1,759,942	1,729,942	1,718,202	1,890,023	1,890,023
Capital reserve		7,254	17,786	20,858	20,857	20,886
Retained earnings	Before distribution	595,646	595,915	970,707	462,832	942,064
	After distribution	595,646	595,915	798,887	462,832	507,359
Other equity		72,754	175,340	320,438	99,744	148,107
Treasury shares		--	(8,664)	--	--	--
Non-controlling interests		260,223	213,650	241,249	240,709	237,945
Total equity	Before distribution	2,695,819	2,723,969	3,271,454	2,714,165	3,239,025
	After distribution	2,695,819	2,723,969	3,099,634	2,714,165	2,804,320

Note 1: No asset revaluation was conducted in the most recent quarter.

Note 2: The cash dividend for 2023 was approved by the Board of Directors on March 13, 2024, and submitted to the 2024 regular shareholders' meeting.

2. Consolidated Condensed Statements of Comprehensive Income-IFRS

Unit: NT$ thousand

Item \ Year	Financial information for the latest 5 fiscal years				
	2019	2020	2021	2022	2023
Operating revenue	902,882	605,824	791,835	729,967	617,327
Gross profit	221,593	45,713	157,304	158,164	145,879
Operating profit (or loss)	11,200	(148,941)	(31,803)	(15,903)	(47,947)
Non-operating income and expenses	(177,924)	88,695	357,984	(224,625)	527,847
Net income (loss) before tax	(166,724)	(60,246)	326,181	(240,528)	479,900
Net income of continuing business unit	(120,155)	(60,982)	315,280	(245,162)	475,831
Loss on discontinued operation	--	--	--	--	--
Net income (loss)	(120,155)	(60,982)	315,280	(245,162)	475,831
Other comprehensive income (loss) (Net income after tax)	78,886	121,266	228,416	(127,332)	61,159
Total comprehensive income (loss) for the year	(41,269)	60,284	543,696	(372,494)	536,990
Net income attributed to shareholders of the parent	(125,149)	(17,841)	291,201	(259,843)	467,964
Net profit attributed to non-control equity	4,994	(43,141)	24,079	14,681	7,867
Total comprehensive income attributed to owners of the parent	(46,299)	102,855	519,890	(384,927)	527,595
Total comprehensive income attributed to non-control equity	5,030	(42,571)	23,806	12,433	9,395
Earnings per share (EPS) (NT$)	(0.71)	(0.10)	1.69	(1.37)	2.48

(II) 1. Individual Condensed Statement of Financial Position-IFRS

Unit: NT$ thousand

Item \ Year		Financial information for the latest 5 fiscal years				
		2019	2020	2021	2022	2023
Current assets		1,444,088	2,016,631	2,158,427	1,588,721	2,145,086
Property, plant and equipment (Note 1)		176,319	190,549	181,188	169,250	168,660
Intangible assets		462	289	161	45	84
Other assets (Note 1)		1,530,745	793,668	778,009	762,222	740,359
Total Assets		3,151,614	3,001,137	3,117,785	2,520,238	3,054,189
Current liabilities	Before distribution	446,913	331,051	77,678	40,127	47,263
	After distribution	446,913	331,051	249,498	40,127	481,968
Non-current liabilities		269,105	159,767	9,902	6,655	5,846
Total liabilities	Before distribution	716,018	490,818	87,580	46,782	53,109
	After distribution	716,018	490,818	259,400	46,782	487,814
Equity attributed to owners of the parent		2,435,596	2,510,319	3,030,205	2,473,456	3,001,080
Share capital		1,759,942	1,729,942	1,718,202	1,890,023	1,890,023
Capital reserve		7,254	17,786	20,858	20,857	20,886
Retained earnings	Before distribution	595,646	595,915	970,707	462,832	942,064
	After distribution	595,646	595,915	798,887	462,832	507,359
Other equity		72,754	175,340	320,438	99,744	148,107
Treasury shares		--	(8,664)	--	--	--
Non-controlling interests		--	--	--	--	--
Total equity	Before distribution	2,435,596	2,510,319	3,030,205	2,473,456	3,001,080
	After distribution	2,435,596	2,510,319	2,858,385	2,473,456	2,566,375

Note 1: No asset revaluation was conducted in the most recent quarter.
Note 2: The cash dividend for 2023 was approved by the Board of Directors on March 13, 2024, and submitted to the 2024 regular shareholders' meeting.

2. Individual Condensed Statements of Comprehensive Income-IFRS

Unit: NT$ thousand

Item \ Year	Financial information for the latest 5 fiscal years				
	2019	2020	2021	2022	2023
Operating revenue	224,371	142,571	169,290	127,728	29,277
Gross profit (loss)	53,411	(815)	23,472	25,178	5,264
Operating profit (or loss)	(1,887)	(63,708)	(38,704)	(32,710)	(60,792)
Non-operating income and expenses	(174,839)	60,556	335,781	(228,520)	530,900
Net income (loss) before tax	(176,726)	(3,152)	297,077	(261,230)	470,108
Net income of continuing business unit	(125,149)	(17,841)	291,201	(259,843)	467,964
Loss on discontinued operation	--	--	--	--	--
Net income (loss)	(125,149)	(17,841)	291,201	(259,843)	467,964
Other comprehensive income (loss) (Net income after tax)	78,850	120,696	228,689	(125,084)	59,631
Total comprehensive income (loss) for the year	(46,299)	102,855	519,890	(384,927)	527,595
Net income attributed to shareholders of the parent	(125,149)	(17,841)	291,201	(259,843)	467,964
Net profit attributed to non-control equity	--	--	--	--	--
Total comprehensive income attributed to owners of the parent	(46,299)	102,855	519,890	(384,927)	527,595
Total comprehensive income attributed to non-control equity	--	--	--	--	--
Earnings per share (EPS) (NT$)	(0.71)	(0.10)	1.69	(1.37)	2.48

(III) Names of CPAs and audit opinions for the last five fiscal years

Year	CPA	Audit opinions
2019	CPAs Chih-Yuan Chen and Shui-En Liu	No qualified opinions and additional matters
2020	CPAs Chih-Yuan Chen and Yao-Lin Huang	No qualified opinions, additional matters and emphasis
2021	CPAs Chih-Yuan Chen and Han-Ni Fang	Unqualified opinion
2022	CPAs Han-Ni Fang and Chao-Yu Chen	Unqualified opinion
2023	CPAs Han-Ni Fang and Chao-Yu Chen	Unqualified opinion

II. Financial Analysis for the Past Five Years:

（一）Consolidated financial analysis- IFRS

Analysis Item (Note 3) \ Year		Financial Analysis for the Past Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	42.50	39.84	22.73	24.48	22.87
	Long-term capital to property, plant and equipment ratio	296.00	390.40	1,606.45	1,449.78	1,689.72
Debt servicing capability (%)	Current ratio	143.00	199.33	669.15	598.52	635.98
	Quick ratio	136.16	180.54	617.50	541.57	584.22
	Times interest earned	(5.34)	(1.46)	22.84	(18.08)	30.33
Utility	Average collection turnover (times)	4.17	3.47	5.17	5.06	3.99
	Average collection days	88	105	71	72	91
	Average inventory turnover (times)	25.39	5.35	3.49	3.29	2.66
	Average payable turnover (times)	8.44	7.41	7.67	7.08	6.47
	Average inventory turnover days	14	68	105	111	137
	PP&E turnover (times)	0.75	0.59	1.42	3.14	2.74
	Total assets turnover (times)	0.20	0.13	0.18	0.19	0.16
Profitability	Return on asset (%)	(2.31)	0.04	6.92	(6.38)	12.35
	Return on equity (%)	(4.53)	(0.66)	9.71	(8.68)	15.72
	Net income before tax to paid-in capital ratio (%)	(9.47)	(3.48)	18.98	(12.73)	25.39
	Net profit margin (%)	(13.86)	(2.94)	36.78	(35.60)	75.80
	Earnings per share (in NTD)	(0.71)	(0.10)	1.69	(1.37)	2.48
Cash flow	Cash flow ratio (%)	10.02	(5.21)	86.14	32.03	(4.56)
	Cash flow adequacy ratio (%)	90.20	72.22	134.64	106.10	95.11
	Cash reinvestment ratio (%)	1.30	(1.64)	9.41	(2.24)	(0.52)
Leverage	Operating leverage	8.51	0.48	(1.91)	(3.59)	(0.40)
	Financial leverage	(0.74)	0.86	0.68	0.56	0.75

Explanation of changes of 20% in financial ratios in the two most recent years:

1. Interest coverage ratio: primarily due to net profit in 2023.
2. Accounts receivable turnover ratio: mainly due to a decrease in net sales in 2023.
3. Profitability: mainly due to net profit in 2023.
4. Cash flow: mainly due to dividends received and the acquisition and disposal of financial assets in 2023.
5. Leverage ratio: mainly due to the termination of a joint construction contract in 2023, resulting in the recognition of costs and expenses for this period and generating operating net losses.

Note 1: Basic earnings per share are calculated based on the weighted average number of shares outstanding during the year.
Note 2: At the end of this annual report, the following calculation formula should be listed: Page 90 for details.

(II) Individual financial analysis- IFRS

Analysis Item (Note 3)	Year	Financial Analysis for the Past Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)	Debt to assets ratio	22.72	16.35	2.81	1.86	1.74
	Long-term capital to property, plant and equipment ratio	1,533.98	1,401.26	1,677.87	1,465.35	1,782.83
Debt servicing capability %	Current ratio	323.13	609.16	2,778.69	3,959.23	4,538.62
	Quick ratio	306.77	556.14	2,546.08	3,533.44	4,145.15
	Times interest earned	(19.26)	0.64	513.20	(2,212.81)	306.86
Utility	Average collection turnover (times)	4.00	3.57	6.76	6.37	0.71
	Average collection days	91	102	54	57	514
	Average inventory turnover (times)	6.66	1.38	0.81	0.59	0.14
	Average payable turnover (times)	4.93	4.74	5.07	4.63	1.55
	Average inventory turnover days	55	264	451	619	2,607
	PP&E turnover (times)	1.26	0.78	0.91	0.73	0.17
	Total assets turnover (times)	0.07	0.05	0.06	0.05	0.01
Profitability	Return on asset (%)	(3.70)	(0.35)	9.53	(9.21)	16.83
	Return on equity (%)	(5.00)	(0.72)	10.51	(9.44)	17.10
	Net income before tax to paid-in capital ratio (%)	(10.04)	(0.18)	17.29	(13.82)	24.87
	Net profit margin (%)	(55.78)	(12.51)	172.01	(203.43)	1598.40
	Earnings per share (in NTD)	(0.71)	(0.10)	1.69	(1.37)	2.48
Cash flow	Cash flow ratio (%)	7.18	(42.74)	648.21	(12.22)	(173.14)
	Cash flow adequacy ratio (%)	(12.03)	13.63	190.66	118.71	117.64
	Cash reinvestment ratio (%)	(2.04)	(6.12)	18.92	(8.17)	(3.05)
Leverage	Operating leverage	(2.33)	0.80	0.60	0.57	0.83
	Financial leverage	0.18	0.88	0.99	1.00	1.03

Explanation of changes of 20% in financial ratios in the two most recent years:

1. Long-term capital to property, plant, and equipment ratio: primarily due to an increase in total equity resulting from net profit in 2023.
2. Interest coverage ratio: mainly due to net profit in 2023.
3. Accounts receivable turnover ratio: primarily influenced by the global economic environment and decreased revenue.
4. Inventory turnover ratio: mainly due to the inclusion of inventory costs for construction projects, where the cost of goods sold has not yet been recognized based on accounting principles.
5. Property, plant, and equipment turnover ratio: mainly due to including inventory costs for construction projects, where revenue has not yet been recognized based on accounting principles.
6. Total asset turnover ratio: mainly due to including inventory costs for construction projects, where revenue has not yet been recognized based on accounting principles.
7. Profitability: achieved through cost reduction measures in poorly performing business segments and dividends received from investments in financial instruments.

Note 1: Basic earnings per share, calculated based on the weighted average number of shares outstanding during the year

Note 2: All annual data above have been audited and certified by CPAs.

Note 3: At the end of this annual report, the following calculation formula should be listed: Page 90 for details.

Calculation formula of IFRS:

1. Financial structure
   (1)Debt to total assets ratio = total debt/total assets.
   (2)Ratio of long-term capital to property, plant & equipment = (total equity + non-current liabilities) / net worth of property, plant and equipment.
2. Solvency
   (1)Current ratio = current assets / current liabilities.
   (2)Quick ratio＝ (current assets - inventory - prepayment expense) / current liabilities.
   (3)Interest earned ratio = profit before income tax and interest expense / interest expense in current period.
3. Operational ability
   (1)Accounts receivable (include receivable amounts and bills receivable from operation) turnover = net sales / average balance of accounts receivable in each period (include receivable amounts and bills receivable from operation).
   (2)Average collection period = 365 / accounts receivable turnover.
   (3)Inventory turnover = sales cost / average inventory amount.
   (4)Accounts payable (include payable amounts and bills payable from operation) turnover = sales cost / average balance of accounts payable in each period (include payable amounts and bills payable from operation).
   (5)Average days in sales = 365/inventory turnover.
   (6)Property, plant and equipment turnover = net sales/average net worth of property, plant and equipment.
   (7)Total assets turnover = Net sales / Average total assets.
4. Profitability
   (1)Return on asset = [earnings after tax + interest expense x (1－Interest rate)]/average total assets.
   (2)Return on shareholders' equity = earnings (loss) after tax/average total equity.
   (3)Profit ratio = earnings (loss) after tax/net sales.
   (4)Earnings per share = (earnings of owners of parent company - preference dividends)/weighted average number of shares outstanding.
5. Cash flow
   (1)Cash flow adequacy ratio = net cash flow from operating activities/current liabilities.
   (2)Net cash flow adequacy ratio = net cash flows from operating activities in the last five years / (capital expenditure + inventory increase + cash dividends) in the last five years.
   (3)Cash flow re-investment ratio = (cash provided by operating activities - cash dividends)/ (gross property, plant and equipment + long-term investments + other non-current assets + operating capital).
6. Leverage
   (1)Operation leverage= (net income – variable cost and expenses from operation)/operating profit.
   (2)Financial leverage＝income from operations / (income from operations - interest expense).

III. Audit Committee's Report for Financial Report of the Previous Fiscal Year

Audit Committee Report

Approved

The 2023 business report, parent company only financial statements, consolidated financial statements, and proposal for appropriation for earnings distribution submitted by the board of directors, among which the financial statements have been audited by CPAs Han-Ni Fang and Chao-Yu Chen from Deloitte & Touche, and an audit report has been issued. The above-mentioned documents have been reviewed by the Audit Committee, and it is confirmed that there is no discrepancy. Hence a report is prepared in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act for review.

For

2024 Shareholders' Meeting of Tze Shin International Co., Ltd.

Tze Shin International Co., Ltd.
Convener of Audit Committee

Sheng-Yu Liang

March 13, 2024

IV. Financial reports from recent years: please refer to page 103

V. Individual financial reports of the Company from recent years audited and certified by CPAs: please refer to page 173

VI. If there were financial difficulties experienced by the Company or affiliates in recent years up to the date of publication of the annual report, the impact on the Company's financial position shall be specified: The Company has not encountered such situations.

Seven. Review and Analysis of Financial Status and Financial Performance and Risk Management

I.STATEMENT OF FINANCIAL POSITION

(I)Comparison Table for Financial Position

(expressed in NT$ thousands)

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	2,553,311	1,954,950	598,361	30.61
non-current assets	1,646,166	1,638,897	7,269	0.44
Total Assets	4,199,477	3,593,847	605,630	16.85
Current liabilities	401,479	326,628	74,851	22.92
Non-current liabilities	558,973	553,054	5,919	1.07
Total liabilities	960,452	879,682	80,770	9.18
Share capital	1,890,023	1,890,023	-	-
Capital reserve	20,886	20,857	29	0.14
Retained earnings	942,064	462,832	479,232	103.54
Other adjustment items	148,107	99,744	48,363	48.49
Non-controlling interests	237,945	240,709	(2,764)	-1.15
Total shareholders' equity	3,239,025	2,714,165	524,860	-19.34

Main reasons and effects of changes of 20% in assets, liabilities, or equity in the most recent two years:

1. The increase in current assets is mainly due to increased valuation gains on financial assets and dividend income.
2. The increase in current liabilities is primarily caused by Miramar Hospitality Co., Ltd.'s addition of operating revolving funds from banks.
3. The increase in retained earnings is mainly due to net profit for the period.
4. The increase in other adjustments is primarily attributed to gains from the disposal of financial assets at FVTOCI and increased valuation gains.

II.Financial performance

(I)Comparison Table for Operating Results

Unit: NT$ thousand

Item \ Year	2023	2022	Increase (Decrease) amount	Change in ratio (%)
Operating revenue	617,327	729,967	(112,640)	-15.43
Operating cost	471,448	571,803	(100,355)	-17.55
Gross profit	145,879	158,164	(12,285)	-7.77
Operating expense	193,826	174,067	19,759	11.35
Net operating income (loss)	(47,947)	(15,903)	(32,044)	-201.50
Non-operating income and expenses	527,847	(224,625)	752,472	334.99
Net income (loss) before tax	479,900	(240,528)	720,428	299.52
Income tax expense	4,069	4,634	(565)	-12.19
After-tax (loss) loss of continuing operations	475,831	(245,162)	720,993	294.09

I. Main reasons and effects of changes of 20% in operating revenue, net operating earnings and net earnings before tax:

1. Operating profit (loss): The decrease in operating profit is mainly due to a reduction in transportation revenue caused by decline in global container market demand.
2. Non-operating income and expenses: mainly due to the increase of 626,195 thousand from financial assets measured at fair value through profit or loss, and an increase in dividend income of 104,407 thousand.
3. Profit (loss) before tax: mainly due to the increase of 626,195 thousand from financial assets measured at fair value through profit or loss, and an increase in dividend income of 104,407 thousand.

II. Expected sales volume and basis thereof with the possible impacts on the Company's financials and the countermeasures therefor:

The Company primarily operates in freight and hospitality services. Since the main revenue sources are freight and hospitality service revenues, it is not appropriate to use the quantity of goods sold as a measure. Evaluation is based on an analysis of the overall economy and market environment, existing contracts, established operational plans and business development goals. In 2023, global service volumes declined due to factors such as the Russia-Ukraine conflict, inflationary pressures, rising interest rates and weak demand. It is expected to stabilize in 2024 as the economy improves.

III. Cash flow

(I) Analysis and explanation of cash flow changes in the most recent year (2023):

Unit: NT$ thousand

Cash balance at the beginning of the year (1)	Annual net operating cash flow (2)	Annual net investing cash flow (3)	Annual net financing cash flow (4)	Remaining cash (deficient) amount (1)+(2)+(3)+(4)	Remedy for cash shortage	
					Investment plans	Financial management plan
347,821	(18,303)	370,487	35,842	735,847	None	

Cash flow changes during the most recent fiscal year:

1. Operating activities: mainly driven by net profit reduced by gains from financial asset valuations and dividend income.
2. Investing activities: mainly influenced by dividend income and the acquisition and disposal of financial assets.
3. Financing activities: mainly driven by bank borrowings.

(II) Improvements for low liquidity: NA.

(III) Cash liquidity analysis for the next year (2024):

Unit: NT$ thousand

Cash balance at the beginning of the year (1)	Annual net operating cash flow (2)	Annual cash inflows (3)	Remaining cash (deficient) amount (1)+(2)+(3)	Remedy for cash shortage	
				Investment plans	Financial management plan
735,847	(14,046)	(343,189)	378,612	NA	NA

1. Operating activities: The Company will actively and effectively control operating costs and expenses to increase operating profit.
2. Investing activities: The Company plans to focus on investing in diversified domestic businesses in 2024.
3. Financing activities: The Company plans to raise bank loans in 2024 to support operational and investment needs, aiming to improve the financial fund structure.

IV. Impact of Significant Capital Expenditures in the Previous Fiscal Year on the Financial and Operating Conditions of the Company: NA.

V. Re-investment policies, main causes of profit or loss, and improvement plans in the previous fiscal year, and investment plans in the next fiscal year:

1. Recent annual reinvestment policy:
   Coordinate actively with all business units for investment targets and deal with non-core investment projects when necessary.
2. The main reason for the profit or loss of re-investment in the most recent year and the improvement plan: None
3. Investment plan for next year: None.

VI. Analysis and evaluation of risk events in the previous fiscal year and as of the publication date of the annual report:

(I) Influence the income of interest rate and exchange rate volatility and inflation and countermeasures:

1. Influence of interest rates changes on income and future countermeasures:

In 2023, the Company's interest income and expenses were NTD 5,639 thousand and NTD 16,362 thousand, respectively. Recent market interest rate fluctuations have been significant; however, the Company's borrowing proportion is relatively low. It is expected that future interest rate fluctuations will not pose significant cash flow risks to the Company's overall operations and profitability.

2. Influence of exchange rates changes on income and future countermeasures:
   The Company is primarily engaged in domestic sectors, such as transportation, construction projects, and domestic tourism hotel and catering services, which do not involve any significant import or export procurement activities. Therefore, exchange rate fluctuations have no direct or immediate impacts on the Company.
3. The impact of inflation on the Company’s profit and loss and future response measures:
   In the most recent fiscal year, there has been a higher risk of inflation. However, due to industry differentiation, this risk has not had a significant impact on the Company’s operations and profitability.

(II) Policies, main reason(s) for profits or losses, and future countermeasures for engaging in high-risk and high-leverage investments, lending, offering guarantees and endorsements, and derivatives investments:

1. In 2023, the Company did not engage in high-risk, high-leverage investments, or derivative transactions.
2. The Company's lending activities to others in 2023 were conducted in accordance with "Operation Procedures for Lending Funds to Others", with a balance of 0 as of the end of 2023.
3. The Company did not provide external endorsement guarantees in 2023. According to the Company's "Endorsement Guarantee Operation Procedures", the maximum endorsement guarantee limit in 2023 was 4,501,620 thousand, with a balance of 0 as of the end of 2023, which did not exceed the limit.

(III) Future R&D planning and estimated R&D investments: NA. The Company is mainly engaged in the transportation and hospitality services and since the business nature of the Company does not meet the accounting standards for the recognition of research and development expenses, there is no specific research and development plan in the future.

(IV) Impacts of domestic/foreign important policies and changes of laws on the financial business of the Company and countermeasures: Not applicable to the Company.

(V) Impacts to the Company’s financial operations due to developments in science and technology (including cyber security risks) as well as industrial change, and corresponding countermeasures: Not applicable to the Company.

(VI) Influence of market presence changes on crisis management and countermeasures: The company acts in accordance with the policies of cherishing resources, protecting the environment and complying with the laws and regulations. It has always had a good corporate image and it has not been affected by corporate crisis management.

(VII) Expected benefit, possible risk and countermeasure for merger: not applicable to the Company.

(VIII) Expected benefits and possible risks associated with any plant expansion, and corresponding countermeasures: Not applicable to the Company.

(IX) The potential risk of procurement or sales centralization and acquisitions and countermeasures: Not applicable to the Company.

(X) Influence and potential risk of the massive transfer or conversion of shares by directors or dominant shareholders with over 10% of the stakes and countermeasures: Not applicable to the Company.

(XI) Impact, risks and countermeasures of change in management rights: not applicable to the Company.

(XII) Litigation or non-litigation events should disclose significant lawsuits, non-litigation disputes, or administrative litigation involving the Company, its directors, general manager, substantial shareholders with a shareholding exceeding ten percent and subsidiary companies that have been legally concluded or are pending, and whose outcomes may have a significant impact on shareholders' equity or securities prices. The disclosure should include the disputed facts, the amount involved, the start date of the lawsuit, the main parties involved, and the status as of the publication date of the annual report: The Company has not encountered such situations.

(XIII) Other important risks and countermeasures:

（1）risk management organizational structure

The management of the company's various operational risks is assigned to the relevant management units according to the nature of their business and the audit unit reviews the existing or potential risks of each operation and formulates and implements a risk-oriented annual audit plan. The management units of each risk are described as follows:

A. President’s Office

Responsible for business decision-making and planning, evaluating medium and long-term investment benefits to reduce strategic risks.

B. Auditing Unit

Responsible for the inspection and review of the internal control system and providing timely improvement suggestions to strengthen the internal control function and ensure its continuous effectiveness.

C. Legal Consultancy

Responsible for legal risk management, including contract review, drafting, negotiation and management, corporate legal compliance and decision-making legality assessment, intellectual property rights, litigation and non-litigation event management, etc., to reduce legal risks.

D. Financial Department

Responsible for financial planning and utilization, and establishing a hedging mechanism to mitigate financial risks; as well as following relevant laws and regulations to ensure the reliability of financial reports and mitigate accounting risks.

E. Information Office

Maintain and manage systems, networks, computers, servers, and related peripheral equipment, integrate applications, and develop automated systems and software maintenance to reduce network and information security risks. Promote, coordinate, and supervise information and communication technology security risk management matters.

F. Business Planning Office
Responsible for formulating product and marketing strategies and grasping market trends to reduce market risks.

G. New Business Department
In charge of market study, strategic analysis, and operational planning for various new businesses; overall management of new business project development, planning, marketing and execution, and other new business-related affairs, and mitigate business risks.

(2) In response to information security risk control and impact on operational risk damage, the company's information system structure establishes a backup plan and disaster recovery plan according to its risk level; programs and data and uninterruptible power systems are regularly backed up, tested and recorded, And store the backup data in an independent and safe place; the computer mainframe room has a management and control mechanism, and the computer hardware and software equipment is regularly maintained, tested and recorded by the supplier or the Information Office; regularly inspect the network operating environment, computer network system settings. Firewall and antivirus software to prevent unauthorized system access.

Effectively implement information security management and control measures to reduce the risk of system and data interruption caused by natural disasters without warning and human error, and ensure that the system can be restored in time, the business information system can operate normally, and financial information and customer information can be preserved.

(3) Recently, food safety issues have continued to occur. In addition to requiring suppliers to comply with laws and regulations and ensure product quality, the company must not deceive, mislead, defraud or destroy consumer trust and damage consumer rights. Use, product labeling, etc., are all managed with the most rigorous attitude and spirit in food safety, in order to minimize food safety risks; in addition, in order to protect the rights and interests of consumers, we provide appeal channels and promptly and properly handle appeal cases.

VII.Other material information: None.

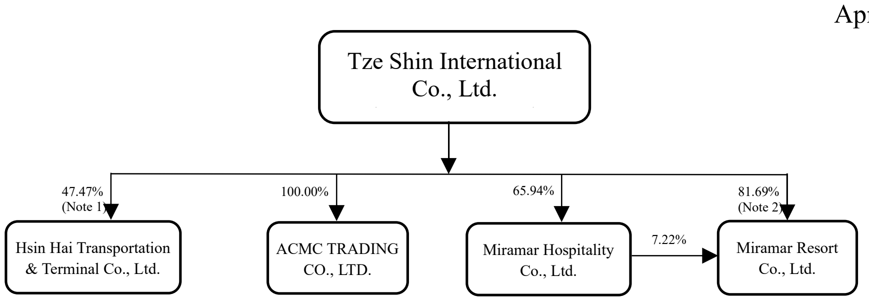
Eight. Special Disclosures

I. Group Company Information

(I) Consolidated business reports of affiliates

1. Organization chart of affiliates

April 27, 2024



Note 1: As the legal representative from the Company takes more than half of the director seats in Hsin Hai Transportation, it is deemed a controllership; therefore, the entity is treated as a consolidated subsidiary in the consolidated financial statements.

Note 2: The Company directly and indirectly holds 88.91% (including preferred shares) of the shares of Miramar Resort Co., Ltd.; it is deemed a controllership; therefore, the entity is treated as a consolidated subsidiary in the consolidated financial statements.

2. Affiliated enterprise basic information

Enterprise name	Establishment date	Address	Paid-in capital	Core business or production items
Tze Shin International Co., Ltd.	1973.11.15	12F, No. 33, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City	NT$1,890,022 thousand	Truck container freight industry, construction industry
Shin Hai Transportation Co., Ltd.	1988.05.06	4F, No. 172, Sec. 3, Datong Rd., Xizhi Dist., New Taipei City	NT$51,664 thousand	Container Truck Transportation Enterprise
Miramar Hospitality Co., Ltd.	2004.02.20	No. 83, Sec. 3, Civic Blvd., Zhongshan Dist., Taipei City	NT$372,150 thousand	Tourist Hotel
Miramar Resort Co., Ltd.	2004.10.22	12F, No. 2, Sec. 3, Minquan E. Rd., Zhongshan Dist., Taipei City	NT$490,500 thousand	Regular Hotel
Acmc Trading Co., Ltd.	2010.03.16	12F, No. 33, Sec. 2, Jianguo N. Rd., Zhongshan Dist., Taipei City	NT$25,000 thousand	International Trade

3. Data of common shareholders of companies controlled by or affiliated to the company: NA.

4. Industries covered by all affiliates:
The Company mainly engages in inland container transportation. Operations from our affiliated companies cover container and freight transport-related industries, such as logistics and transportation services. In addition, we also invest in and operate tourist industries such as hotels and leisure resorts through strategic investments.

5. Directors, supervisors, and presidents of affiliates

April 27, 2024; unit: shares; %

Enterprise name	Job Title	Name or representative	Shareholdings	
			Shares	Percentage
Shnin Hai Transportation Co., Ltd.	Chairman	Representative of Tze Shin International Co., Ltd.: Ming-Tan Hsu	2,452,372	47.47
	Director serving concurrently as president	Representative of Tze Shin International Co., Ltd.: Chiang-Chi Chang	2,452,372	47.47
	Director	Representative of Tze Shin International Co., Ltd.: Wei-Te Hsu	2,452,372	47.47
	Director	Huang Ting-Yi	201,973	3.91
	Director	Hsieh-Pao Chiang	369,586	7.15
	Supervisor	Mei-Chuan Chang	25,612	0.50
	Supervisor	Representative of Guangsheng Investment Enterprise : Hung-Ming Hsu	551,567	10.68
Miramar Hospitality Co., Ltd.	Chairman	Representative of Tze Shin International Co., Ltd.: Ming-Tan Hsu	23,442,000	62.99
	Director	Representative of Tze Shin International Co., Ltd.: Chun-Tsao Huang	23,442,000	62.99
	Director serving concurrently as president	An-Ti Huang	475,000	1.28
	Independent Director	Sen-Kuei Liao	0	0
	Independent Director	Yi-Ling Chen	0	0
	Supervisor	Cheng-Hui Chang	0	0
	Supervisor	Representative of Miramar Hotel Taipei Co., Ltd.: Yung-Chieh Huang	4,430,000	11.90
Miramar Resort Co., Ltd.	Chairman serving concurrently as president	Representative of Tze Shin International Co., Ltd.: Chun-Fa Huang	40,070,200	81.69
	Director	Representative of Tze Shin International Co., Ltd.: Ming-Tan Hsu	40,070,200	81.69
	Director	Representative of Tze Shin International Co., Ltd.: Hsiu-Mei Huang	40,070,200	81.69
	Supervisor	Representative of Durban Development: Chun-Tsao Huang	2,165,300	4.41
Acmc Trading Co., Ltd.	Chairman serving concurrently as president	Representative of Tze Shin International Co., Ltd.: Ming-Tan Hsu	2,500,000	100.00

6. Operating summary of affiliated enterprises

December 31, 2023; unit: NTD Thousand

Enterprise name	Authorized capital	Total assets	Total liabilities	Net worth	Operating revenue	Business profit (loss)	Profit or loss in current period (after tax)	Earnings (loss) per share (NT$) (after tax)
Shin Hai Transportation Co., Ltd.	51,664	284,777	114,273	170,504	350,886	6,614	9,206	1.78
Miramar Hospitality Co., Ltd.	372,150	1,196,765	794,334	402,431	237,675	6,065	9,704	0.26
Miramar Resort Co., Ltd.	490,500	7,897	30	7,867	-	(112)	(41)	-
Acmc Trading Co., Ltd.	25,000	345	32	313	-	(62)	(57)	(0.02)

(II) Consolidated financial statements of affiliates

Declaration of Consolidation of Financial Statements of Affiliates

From January 1 to December 31, 2023, the Company should compile consolidated financial statements for related affiliates according to the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", which are the same as those entities that should be included in the preparation of consolidated financial statements for the parent company and its subsidiaries according to International Financial Reporting Standard No. 10. Additionally, the relevant information required to be disclosed in the consolidated financial statements for related entities has already been disclosed in the aforementioned consolidated financial statements of the parent company and its subsidiaries. Therefore, there is no need to separately prepare consolidated financial statements for related affiliates.

Very truly yours,

Company Name: Tze Shin International Co., Ltd.

Representative: Chun-Fa Huang

March 13, 2024

(III) Affiliation report: The Company is not a subsidiary of any other companies, so there is no need to prepare an affiliation report.

II. Private placements of securities in the previous year and by the date of report publication:

Not applicable to the Company.

III. Stocks of this Company held and disposed by subsidiaries in the previous year and by the date of report publication:

Not applicable to the Company.

IV. Other required supplementary notes: None.

Nine. For the previous fiscal year and up to the printing date of the annual report, occurrence of events having material impact on shareholders' rights and interests or securities prices according to Subparagraph 2 of Paragraph 2 of Article 36 of the Securities and Exchange Act:

Not applicable to the Company.

Independent Auditors' Report

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

Audit opinions

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

Based on our opinion, 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 December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the years ended based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission in all material perspectives.

Basis for the audit opinion

We conducted the audit in accordance with the Regulations Governing the Audit of Financial Statements and Auditing Standards. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements." We are independent of Tze Shin International Co., Ltd. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audit results, we believe that sufficient and appropriate audit evidence has been obtained in order to serve as the basis for expressing the audit opinion.

Key audit matters

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

Key audit matters for Tze Shin International Co., Ltd. and subsidiaries' 2023 Consolidated Financial Statements for the year ended December 31, 2023 are stated as follows:

Operating revenue

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 60% and hence significantly impacts the financial statements of the merged company for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the financial statements.

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

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

Others

Tze Shin International Co., Ltd. has prepared the parent company only financial statements for the years ended December 31, 2023 and 2022 for which we have issued an unqualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance on whether the consolidated financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, they are considered material.

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

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

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

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

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

Deloitte & Touche

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

March 13, 2024

Notice to Readers

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NT$ thousand

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash (Notes 4 and 6)	$ 735,847	18	$ 347,821	10
1110	Financial assets at fair value through profit or loss - current (Notes 4, 7 and 29)	1,181,327	28	1,103,396	31
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 4, 8 and 29)	163,945	4	157,036	4
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 29)	23,650	1	23,800	1
1150	Net notes receivable (Notes 4, 10 and 22)	81,652	2	7,146	-
1160	Notes receivable - related parties (Notes 4 and 28)	29,350	1	34,753	1
1170	Net accounts receivable (Notes 4 and 10)	46,871	1	39,519	1
1180	Accounts receivable - related parties (Notes 4 and 28)	33,003	1	37,367	1
1200	Net other receivables (Notes 4 and 10)	25,089	1	5,406	-
1210	Other receivables - related parties (Note 28)	-	-	270	-
1310	Net inventory (Notes 4, 11 and 29)	186,769	4	166,832	5
1410	Pre-payments (Note 28)	21,255	-	19,183	-
1476	Other financial assets - current (Notes 4 and 29)	7,323	-	7,200	-
1479	Other current assets (Notes 4 and 24)	17,230	-	5,221	-
11XX	Total current assets	2,553,311	61	1,954,950	54
	non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	-	-	383	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	217,341	5	167,587	5
1600	Property, plant and equipment (Notes 4, 14 and 29)	224,771	5	225,360	6
1755	Right-of-use assets (Notes 3, 4 and 14)	490,749	12	506,851	14
1760	Investment property (Notes 4, 15 and 29)	30,026	1	30,026	1
1780	Intangible assets (Notes 4, 16, 29 and 30)	500,998	12	416,257	12
1840	Deferred income tax assets (Notes 4 and 23)	94,895	2	96,909	3
1920	Refundable deposits (Note 30)	81,807	2	152,044	4
1975	Net defined benefit assets (Notes 4 and 19)	2,558	-	610	-
1980	Other financial assets - non-current	3,021	-	3,005	-
1990	Other non-current assets (Notes 29)	-	-	39,865	1
15XX	Total non-current assets	1,646,166	39	1,638,897	46
1XXX	Total assets	$ 4,199,477	100	$ 3,593,847	100
Code	Financial liabilities and equity				
	Current liabilities				
2100	Short-term borrowings (Notes 4, 17 and 29)	$ 170,000	4	$ 130,000	4
2150	Notes payable	20,376	1	30,470	1
2160	Notes payable - related party (Note 28)	13,456	-	10,522	-
2170	Accounts payable	37,967	1	22,726	1
2180	Accounts payable - related parties (Note 28)	4,866	-	5,462	-
2200	Other payables (Note 18)	91,771	2	79,090	2
2220	Other payables - Related parties (Note 28)	522	-	41	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	51	-	5,664	-
2280	Lease liabilities - current (Notes 3, 4 and 14)	17,738	1	17,464	1
2320	Long-term borrowings due within one year (Notes 4, 17 and 29)	27,214	1	10,000	-
2399	Other current liabilities	17,518	-	15,189	-
21XX	Total current liabilities	401,479	10	326,628	9
	Non-current liabilities				
2540	Long-term loans (Notes 4, 17 and 29)	52,902	1	30,833	1
2570	Deferred tax liabilities	-	-	11	-
2580	Lease liabilities - non-current (Notes 3, 4 and 14)	488,917	12	504,763	14
2640	Net defined benefit liabilities (Notes 4 and 19)	5,622	-	5,358	-
2645	Guarantee deposits	225	-	175	-
2670	Other non-current liabilities	11,307	-	11,914	-
25XX	Total non-current liabilities	558,973	13	553,054	15
2XXX	Total liabilities	960,452	23	879,682	24
	Equity attributed to owners of the Company				
3110	Ordinary shares	1,890,023	45	1,890,023	53
3200	Capital reserve	20,886	-	20,857	-
	Retained earnings				
3310	Legal reserve	309,697	7	309,697	9
3350	Unappropriated earnings	632,367	15	153,135	4
3300	Total retained earnings	942,064	22	462,832	13
3400	Other equity	148,107	4	99,744	3
31XX	Total equity of the owner of the Company	3,001,080	71	2,473,456	69
36XX	Non-controlling interests	237,945	6	240,709	7
3XXX	Total Equity	3,239,025	77	2,714,165	76
	Total liabilities and equity	$ 4,199,477	100	$ 3,593,847	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

January 1 to December 31, 2023 and 2022

Unit: NTD thousands; Earnings (Losses) per share (NT$)

		2023		2022	
Code		Amount	%	Amount	%
4000	Net operating revenue (Notes 4, 21 and 28)	$ 617,327	100	$ 729,967	100
5000	Operating cost (Notes 11, 22 and 28)	471,448	76	571,803	78
5950	Gross profit	145,879	24	158,164	22
	Operating expense				
6200	Operating expense (Notes 21, 22, 28, and 30)	192,814	32	170,972	23
6450	Expected credit impairment loss (Note 4 and 10)	1,012	-	3,095	1
6000	Subtotal	193,826	32	174,067	24
6900	Net operating loss	(47,947)	(8)	(15,903)	(2)
	Non-operating income and expenses				
7100	Interest income (Note 28)	5,639	1	2,075	-
7010	Other income (Notes 22 and 28)	364,646	59	210,036	29
7020	Other gains and losses (Notes 14, 22, 25 and 28)	175,502	29	(424,133)	(58)
7050	Finance costs	(16,362)	(3)	(12,603)	(2)
7055	Expected credit impairment loss (Note 10)	(1,578)	-	-	-
7000	Subtotal	527,847	86	(224,625)	(31)
7900	Net income (loss) before tax	479,900	78	(240,528)	(33)
7950	Income tax expense (Notes 4 and 23)	4,069	1	4,634	1
8000	Net income (loss) of the year	475,831	77	(245,162)	(34)

(Cont'd)

(Cont'd.)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income				
8310	Not to be reclassified to profit or loss in subsequent periods:				
8311	Re-measurement of defined benefit plan (Note 19)	$ 2,100	-	$ 4,590	1
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	59,479	10	(131,004)	(18)
8349	Income tax related to items not to be reclassified (Note 23)	(420)	-	(918)	-
8300	Other comprehensive income of the current year	61,159	10	(127,332)	(17)
8500	Total comprehensive profit and loss for the current year	$ 536,990	87	($ 372,494)	(51)
	Net profit (loss) attributed to				
8610	Owner of the Company	$ 467,964	76	($ 259,843)	(36)
8620	Non-controlling interests	7,867	1	14,681	2
8600		$ 475,831	77	($ 245,162)	(34)
	Comprehensive income attributable to				
8710	Owner of the Company	$ 527,595	85	($ 384,927)	(53)
8720	Non-controlling interests	9,395	2	12,433	2
8700		$ 536,990	87	($ 372,494)	(51)
	Earnings (losses) per share (Note 24)				
9710	Basic	$ 2.48		($ 1.37)	
9810	Dilution	$ 2.47		($ 1.37)	

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

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to owners of the Company (Notes 8 and 20)											
			Capital reserve				Retained earnings			Other equity			
Code		Share capital	Treasury shares transaction	Recognition of changes in ownership interests in subsidiaries	Others	Total	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Total number of owners of the Company	Non-controlling interests (Note 20)	Total equity
A1	Balance as of January 1, 2022	$ 1,718,202	$ 20,348	$ 18	$ 492	$ 20,858	$ 272,218	$ 698,489	$ 970,707	$ 320,438	$ 3,030,205	$ 241,249	$ 3,271,454
	Appropriations and distributions of 2021 earnings												
B1	Contribution to legal reserve	-	-	-	-	-	37,479	(37,479)	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	-	-	-	(171,821)	(171,821)	-	(171,821)	-	(171,821)
B9	Dividends of common stock	171,821	-	-	-	-	-	(171,821)	(171,821)	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	(1)	(1)	-	-	-	-	(1)	-	(1)
D1	Net of 2022	-	-	-	-	-	-	(259,843)	(259,843)	-	(259,843)	14,681	(245,162)
D3	Other comprehensive income after tax of 2022	-	-	-	-	-	-	2,788	2,788	(127,872)	(125,084)	(2,248)	(127,332)
D5	Total comprehensive profit and loss of 2022	-	-	-	-	-	-	(257,055)	(257,055)	(127,872)	(384,927)	12,433	(372,494)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(12,973)	(12,973)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	92,822	92,822	(92,822)	-	-	-
Z1	Balance as of December 31, 2022	1,890,023	20,348	18	491	20,857	309,697	153,135	462,832	99,744	2,473,456	240,709	2,714,165
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	29	29	-	-	-	-	29	-	29
D1	Net of 2023	-	-	-	-	-	-	467,964	467,964	-	467,964	7,867	475,831
D3	Other comprehensive income after tax of 2023	-	-	-	-	-	-	740	740	58,891	59,631	1,528	61,159
D5	Total comprehensive profit and loss of 2023	-	-	-	-	-	-	468,704	468,704	58,891	527,595	9,395	536,990
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	(12,159)	(12,159)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	10,528	10,528	(10,528)	-	-	-
Z1	Balance as of December 31, 2023	$ 1,890,023	$ 20,348	$ 18	$ 520	$ 20,886	$ 309,697	$ 632,367	$ 942,064	$ 148,107	$ 3,001,080	$ 237,945	$ 3,239,025

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 Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

Code		2023	2022
	Cash flows from operating activities		
A00010	Net income (loss) before tax	$ 479,900	($ 240,528)
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	45,231	53,748
A20200	Amortization expenses	22,022	19,221
A20300	Expected credit impairment loss	2,590	3,095
A20400	Net (gain) loss of financial assets at fair value through profit or loss	(175,236)	450,959
A20900	Finance costs	16,362	12,603
A21200	Interest income	(5,639)	(2,075)
A21300	Dividend income	(279,122)	(174,715)
A22500	Net gains from the disposal and scrap of property, plant, and equipment	(1,285)	(10,883)
A22800	Loss of disposal of intangible assets	1	2,606
A23200	Disposal of investment interests in subsidiaries	-	(18,752)
A23700	Inventory scrapping loss	386	18
A23800	Price recovery benefit for inventory	(240)	(11,202)
A29900	Others	(69,363)	(1,906)
	Net change in operating assets and liabilities		
A31130	Notes receivable	(4,506)	(4,471)
A31140	Notes receivable - related parties	5,403	11,361
A31150	Accounts receivables	(8,066)	22,772
A31160	Accounts receivable - related parties	4,364	8,866
A31180	Other receivables	(21,106)	7,512
A31190	Other receivables - related parties	270	(270)
A31200	Inventory	(20,083)	13,548
A31230	Prepayments	(5,830)	9,270
A31240	Other current assets	(11,180)	(2,743)
A32130	Notes payable	(10,094)	(11,588)
A32140	Notes payable - related parties	2,934	(3,009)
A32150	Accounts payable	15,241	(4,876)
A32160	Accounts payable - related parties	(596)	(2,565)
A32180	Other payables	12,927	(5,723)
A32190	Other payables - related parties	481	(107)
A32230	Other current liabilities	1,855	(11,492)
A32240	Net confirmed benefit debt	416	451
A33000	Cash flow from operations	(1,963)	109,125
A33300	Interest paid	(7,412)	(3,286)
A33500	Income tax paid	(8,928)	(1,208)
AAAA	Net cash inflow (outflow) from operating activities	(18,303)	104,631

(Cont’d)

(Cont'd.)

Code		2023	2022
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 56,219)	($ 210,132)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	59,035	454,899
B00040	Acquisition of financial assets at amortized cost	(100)	(50)
B00050	Disposal of financial assets measured at amortized cost	250	100
B00100	Acquisition of financial assets at fair value through profit or loss	(632,871)	(1,351,295)
B00200	Disposal of financial assets at fair value through profit or loss	730,559	597,695
B02300	Net cash inflow from disposal of subsidiaries	-	66,341
B02700	Purchase of property, plant and equipment	(14,535)	(43,095)
B02800	Disposal of property, plant and equipment prices	1,768	18,301
B03700	Increase in refundable deposits	-	(150,228)
B03800	Decrease in refundable deposits	70,237	-
B04500	Acquisition of intangible assets	(71,806)	(991)
B06600	Increase in their financial assets	(139)	(6,530)
B06700	Increase of other non-current assets	-	(38,478)
B07500	Interest received	5,386	2,046
B07600	Dividends received	278,922	174,715
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	-	24,000
BBBB	Net cash inflows (outflows) from investing activities	370,487	(462,702)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	40,000	-
C01600	Increase in long-term loans	60,000	25,833
C01700	Decrease in long-term loans	(20,717)	(5,000)
C03000	Increase in guarantee deposits	50	-
C03100	Decrease in guarantee deposits	-	(194)
C04020	Lease liability principal repayments	(31,332)	(26,632)
C04500	Cash dividends paid	-	(171,821)
C05800	Changes in non-controlling interests	(12,159)	(12,973)
CCCC	Net cash inflow (outflow) from financing activities	35,842	(190,787)
EEEE	Net cash increase (decrease)	388,026	(548,858)
E00100	Cash balance at the beginning of the year	347,821	896,679
E00200	Year-end cash balance	$ 735,847	$ 347,821

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

January 1 to December 31, 2023 and 2022

(Unless otherwise specified, the amount is in thousands of NTD)

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

These consolidated financial statements were approved by the Board of Directors on March 13, 2024.

III. Application of New and Revised International Financial Reporting Standards

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

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

(II) 2024 IFRSs endorsed by the FSC

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

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

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

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

As of the publication date of the consolidated financial statements, the merged company has assessed that amendments to the other standards and interpretations will not have a significant impact on the merged company's financial position and financial performance.

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

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

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

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

As of the publication date of the 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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

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

Current assets include:

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

Current liabilities include:

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

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

For the portion of the merged company that is engaged in construction projects, and the business cycle is longer than one year, the assets and liabilities related to the construction business are classified as current or non-current based on the normal business cycle.

(IV) Basis of consolidation

The consolidated financial statements contain the financial statements of the Company and the entities controlled by the Company (subsidiaries). The operating profit and loss of the subsidiaries acquired or disposed of in the current period has been included in the consolidated statement of comprehensive income from the date of acquisition or until the date of disposal. Adjustments have been made to the financial statements of subsidiaries to bring their accounting policies into line with those of the merged company. All intra-group transactions, balances, income, and expenses are eliminated in full in the consolidated financial statements. The total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if the non-controlling interests become a deficit.

When the merged company's ownership interest in a subsidiary does not result in the loss of control, it is treated as an equity transaction. The carrying amounts of the merged company and non-controlling interests have been adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjustment amount of the non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and attributed to the owners of the Company.

Please refer to Note 12 "Subsidiaries" and Table 6 for details of subsidiaries, ownership percentage and business items.

(V) Foreign currency

When preparing the financial statements of each entity, transactions in currencies other than the entity's functional currency (foreign currency) are converted into the functional currency at the exchange rate on the transaction date.

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

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

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

(VI) Inventory

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

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

(VII) Property, plant and equipment

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

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

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

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

(VIII) Investment property

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

Self-owned investment property is initially measured at cost (including transaction cost) and subsequently measured at cost less accumulated depreciation and accumulated impairment loss. Investment property is depreciated on a straight-line basis.

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

(IX) Intangible assets

1. Acquired separately

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

2. Service concession agreement

The intangible assets model under IFRS Interpretation No. 12 "Service Concession Agreement" that the merged company signed with the Tourism Bureau, Ministry of Transportation and Communications under the "Development and Operation Agreement for the Promotion of Private Participation in the Construction of Affordable Hotels in Taipei" shall be applied; The cost directly related to the concession is measured at the cost less accumulated amortization and accumulated impairment loss. The concession is mainly the operation royalties, which can be used to engage in the following development and management businesses on the site: investment, design, construction, operation and management, and maintenance of the site and its ground features and ancillary facilities and equipment; Landscape design, construction, and maintenance of above-ground features. The intangible assets are amortized on a straight-line basis during the operating period.

3. Removed from Column

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

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

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

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

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

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed the cost of the asset, cash-generating unit or contract The book value (less amortization or depreciation) determined when the impairment loss was recognized in prior years. Reversal of impairment loss is recognized in profit or loss.

(XI) Financial instruments

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

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

1. Financial assets

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

(1) Type of measurement

Financial assets held by the merged company are those measured at fair value through profit or loss, financial assets measured at amortized cost, and investments in equity instruments measured at fair value through other combined profits or losses.

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

Financial assets measured at FVTPL are those mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments that the merged company has not designated to measure at FVTOCI, and liabilities that are not classified as measured at amortized cost or at FVTOCI Instrument investment.

Financial assets measured at FVTPL are measured at fair value. Dividends, interest, and remeasured gains or losses are recognized in other profits and losses. Please refer to Note 28 for how the fair value is determined.

B. Financial assets measured at amortized cost

If the financial assets invested by the merged company meet both of the following conditions, they are classified as financial assets measured at amortized cost:

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

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

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

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

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

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

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

The merged company may, at the time of initial recognition, make an irrevocable election to designate the investment in equity instrument investment not held for trading and not recognized by the acquirer in the business combination with contingent consideration at the fair value through other comprehensive income.

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

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

(2) Impairment of financial assets

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

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

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

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

A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.

B. Overdue for more than 90 days, unless there is reasonable and corroborative information showing that the later default standard is more appropriate.

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

(3) Removal of financial assets

The merged company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets expire, or when the financial assets are transferred and the risk and return of the ownership of the assets have been transferred to another enterprise.

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

2. Equity instruments

The equity instruments issued by the merged company are classified as equities according to the essence of contractual agreements and the definition of equity instruments.

The equity instruments issued by the merged company are recognized at the purchase price net of the direct issuance cost.

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

3 Financial liabilities

(1) Subsequent measurement

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

(2) Removal of financial liabilities

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

(XII) Provision for liabilities

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

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

<u>Warranty</u>

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

(XIII) Revenue Recognition

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

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

1. Transportation revenue

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

2. Revenue from guest rooms and hotels

   Income from guest rooms and travel comes from the operation of tourist hotels. The operating franchise agreement room price does not exceed the agreed price and is recognized as income when the service is actually provided.

3. Product sales revenue

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

(XIV) Lease

The merged company assesses whether the contract belongs to (or contains) a lease on the establishment date of the contract.

1. The merged company as lessor

   Lease payments under operating leases, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period. The initial direct cost for acquiring the operating lease is added to the book value of the underlying asset and recognized as expenses on the straight-line basis over the lease period.

2. The merged company as lessee

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

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

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

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

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

In light of the rent negotiation directly related to the COVID-19 pandemic between the merged company and the lessor, the merged company adjusted the rent due before December 31, 2022, resulting in a decrease in rent. These negotiations did not materially change other lease terms. The merged company has elected to adopt practical expedients to treat all rent negotiations that meet the aforementioned conditions, without evaluating whether it is a lease modification, and recognizes the reduction in lease payments in profit or loss (booked in other gains and losses) when the concession or such situation occurs. loss), and decreased lease liabilities accordingly.

(XV) Cost of borrowing

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

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

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

(XVI) Government subsidies

Government grants are recognized only when there is reasonable assurance that the merged company will comply with the conditions attached to the government grants and that the grants will be received.

Government grants related to income are recognized in other income on a systematic basis over the periods in which the merged company recognizes as expenses the relevant costs for which the grants are intended to compensate.

If the government grant is used to compensate the expenses or losses incurred, or is given to the merged company for the purpose of immediate financial support and there is no relevant future cost, it is recognized in profit or loss in the period in which it can be received.

(XVII) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

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

Net defined benefit liabilities (assets) represent the appropriation deficit (surplus) of the defined benefit pension plan. The net defined benefit assets shall not exceed the present value of refundable contributions from the plan or reduced contributions to the future.

(XVIII) Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

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

Deferred income tax liabilities are recognized for the taxable temporary difference related to the investment in subsidiaries and associates. However, if the merged company can control the timing of the temporary difference reversal and it is very likely that the temporary difference will not be reversed in the foreseeable future Except those that are capable of turning. The deductible temporary difference related to such investment is recognized as deferred income tax only if it is probable that there will be sufficient taxable income to realize the temporary difference and it is expected to be reversed in the foreseeable future assets.

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

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

3. Current and deferred income tax

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

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

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

VI. Cash

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 1,641	$ 1,390
Checks and demand deposits at banks	734,206	346,431
	$ 735,847	$ 347,821

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

	December 31, 2023	December 31, 2022
Bank deposits	0.005%～0.580%	0.005% - 0.455%

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed (OTC Listed) stock	$ 1,150,292	$ 1,072,727
- Fund beneficiary certificate	31,035	30,669
	$ 1,181,327	$ 1,103,396
Financial assets - non-current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic unlisted (non-OTC Listed) stock	$ -	$ 383

Please refer to Note 29 for information on financial assets at fair value through profit or loss - current pledge.

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investment		
Listed (OTC Listed) stock	$ 163,945	$ 157,036
Non-current		
Domestic investment		
Unlisted (non-OTC Listed) stock	$ 213,898	$ 165,926
Foreign investment		
Unlisted (non-OTC Listed) stock	3,443	1,661
	$ 217,341	$ 167,587

The merged company invests in the common stocks of the above-mentioned domestic and foreign unlisted (non-OTC) companies for mid- and long-term strategic purposes, and expects to make profits through long-term investment. 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.

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

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

In 2022, the merged company purchased common stocks of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at a price of NT$203,208 thousand and NT$6,924 thousand, respectively. Because it is a mid- and long-term strategic investment, it is designated to be measured at fair value through other comprehensive gains and losses.

In 2022, the merged company adjusted its investment position to diversify risks, and successively sold some common shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at fair values of NT$359,194 thousand and NT$95,705 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT$92,822 thousand were transferred to retained earnings.

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

Please refer to Note 29 for information on financial assets measured at fair value through other combined profits or losses - current pledge.

IX. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Current		
Domestic investment		
Time deposits with an original maturity date of more than 3 months	$ 23,650	$ 23,800

As of December 31, 2023 and 2022, the annual interest rate of the time deposits with the original maturity date of more than 3 months was 0.340%～1.565% and 0.975%～1.44%, respectively.

Please refer to Note 29 for information on pledged financial assets measured at amortized cost.

X. Notes receivable, accounts receivable and other receivables

	December 31, 2023	December 31, 2022
Measured at amortized cost		
Gross carrying amount		
Notes receivable	$ 81,652	$ 7,146
Notes receivable - related parties	$ 29,350	$ 34,753
Accounts receivables	$ 47,585	$ 59,189
Less: loss allowance	(714)	(19,670)
	$ 46,871	$ 39,519
Accounts receivable - related parties	$ 33,003	$ 37,367
Other receivables	$ 26,970	$ 334,282
Less: loss allowance (Note 30)	(1,881)	(328,876)
	$ 25,089	$ 5,406
Other receivables - related parties	$ -	$ 270

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:

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

December 31, 2022

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

Information on changes in loss allowances is as follows:

	2023	2022
Balance at the beginning of the year	$ 348,546	$ 345,451
Add: Provision of impairment loss	2,590	3,095
Less: Actual write-offs	(348,541)	-
Year-end balance	$ 2,595	$ 348,546

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

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

XI. Inventories - net

	December 31, 2023	December 31, 2022
Land held for sale	$ 159,361	$ 159,361
Building and land under construction	20,421	916
Commodities	5,628	5,713
Food and beverage	1,359	456
Materials	-	386
	$ 186,769	$ 166,832

The merged company signed the joint-construction agreement at the Juguang Section, Wanhua District, Taipei City (Juguang Project) with the landlord in December 2023 (please refer to Note 22), and the invested houses under construction totaling NT$14,478 thousand were transferred to operating costs and operating expenses.

The inventory-related costs of sales in 2023 and 2022 were NT$49,244 thousand and NT$68,446 thousand, respectively.

The cost of sales in 2023 and 2022 included the loss on inventory obsolescence NT$386 thousand and NT$18 thousand, respectively; the loss on inventory valuation and recovery of obsolescence gains NT$240 thousand and NT$11,202 thousand, respectively.

Please refer to Note 29 for the amount of land held for sale pledged as collateral 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 December 31, 2023	Percentage of shareholding December 31, 2022	Explanation
The Company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	62.99%	62.99%	1.
	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	66.18%	66.18%	2.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses	47.47%	47.47%	3.
	ACMC TRADING CO., LTD. (ACMC Trading)	International trade management	100.00%	100.00%	4.
	Safe Cargo Transportation Co., Ltd. (An Ho Transportation)	Operation and investment of automobile freight, container and related businesses	-	-	5.
	Safe Petroleum Transportation Co., Ltd. (Safe Petroleum Transportation)	Operation and investment of automobile freight and related businesses	-	-	5.
	Safe Container Transportation Co., Ltd. (Safe Container Transportation)	Operation and investment of automobile container and related businesses	-	-	5.
	Safe Logistics Transportation Co., Ltd. (Safe Logistics Transportation)	Operation and investment of automobile freight and related businesses	-	-	5.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	2.

Remarks:

1. It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
2. The Company directly and indirectly holds 79.51% of the shares of Miramar Resort Co., Ltd., so it has the ability to control, so it is included in the consolidated financial statements as an entity.
3. As the legal representative of our company occupies more than half of the director seats in Hsin Hai Transportation, we have control over the company and therefore include it as a subsidiary in our consolidated financial statements.
4. The Company's subsidiary, ACMC Trading Co., Ltd., was resolved to dissolve and liquidate on August 31, 2023. As of December 31, 2023, ACMC Trading Co., Ltd. was in the process of liquidation.
5. The Company disposed of the entire equity of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd., and Safe Logistics Transportation Co., Ltd. in November 2022. The proceeds from the disposal and the profits were NT$73,778 thousand and NT$18,752 thousand, respectively, was completed and recovered at the end of November 2022. For information on the subsidiary disposed of, please refer to Note 25.

(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	
		December 31, 2023	December 31, 2022
Miramar Hospitality Co., Ltd.	Taipei City	37.01%	37.01%

Name of subsidiaries	Profit or loss allocated to non-controlling equity		Non-controlling interests	
	2023	2022	December 31, 2023	December 31, 2022
Miramar Hospitality Co., Ltd.	$ 3,592	$ 3,720	$ 148,936	$ 144,756
Others	4,275	10,961	89,009	95,953
Total	$ 7,867	$ 14,681	$ 237,945	$ 240,709

The summarized financial information of the subsidiaries below is based on the amounts before elimination of intercompany transactions:

Miramar Hospitality Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 184,447	$ 129,592
non-current assets	1,012,315	969,395
Current liabilities	(270,335)	(194,575)
Non-current liabilities	(523,997)	(513,277)
Equity	$ 402,430	$ 391,135
Equity attributable to:		
Owner of the Company	$ 253,494	$ 246,379
Non-controlling interests of Miramar Hospitality Co., Ltd.	148,936	144,756
	$ 402,430	$ 391,135

	2023	2022
Operating revenue	$ 237,675	$ 194,461
Net income for the year	$ 9,704	$ 11,128
Other comprehensive income	1,591	(8,466)
Total comprehensive income	$ 11,295	$ 2,662
Net income attributable to:		
Owner of the Company	$ 6,112	$ 6,331
Non-controlling interests of Miramar Hospitality Co., Ltd.	3,592	3,720
	$ 9,704	$ 10,051

(Cont’d)

(Cont'd.)

	2023	2022
Comprehensive income attributable to:		
Owner of the Company	$ 7,115	$ 1,677
Non-controlling interests of Miramar Hospitality Co., Ltd.	4,180	985
	$ 11,295	$ 2,662
Cash flow		
Business activities	$ 37,102	$ 53,458
Investment activities	(78,320)	(42,736)
Financing activities	68,131	(490)
Net cash inflow	$ 26,913	$ 10,232

XIII. Property, plant and equipment

	Land	Building	Transportation equipment	Office equipment	Restaurant and hotel equipment	Total
Cost						
Balance as of January 1, 2023	$ 156,144	$ 30,509	$ 192,403	$ 29,106	$ 53,888	$ 462,050
Addition	-	-	6,400	946	7,189	14,535
Disposal	-	-	(10,651)	(785)	(517)	(11,953)
Prepaid equipment transferred-in	-	-	-	-	4,162	4,162
Balance as of December 31, 2023	$ 156,144	$ 30,509	$ 188,152	$ 29,267	$ 64,722	$ 468,794
Accumulated depreciation and impairment						
Balance as of January 1, 2023	$ -	$ 20,075	$ 142,512	$ 23,599	$ 50,504	$ 236,690
Depreciation expense	-	475	15,510	944	1,874	18,803
Disposal	-	-	(10,231)	(756)	(483)	(11,470)
Balance as of December 31, 2023	$ -	$ 20,550	$ 147,791	$ 23,787	$ 51,895	$ 244,023
Net amount as of December 31, 2023	$ 156,144	$ 9,959	$ 40,361	$ 5,480	$ 12,827	$ 224,771
Cost						
Balance as of January 1, 2022	$ 156,144	$ 30,509	$ 251,330	$ 30,038	$ 62,716	$ 530,737
Addition	-	-	41,188	1,713	194	43,095
Disposal	-	-	(42,695)	(722)	(9,022)	(52,439)
Disposal of subsidiary	-	-	(57,420)	(1,923)	-	(59,343)
Balance as of December 31, 2022	$ 156,144	$ 30,509	$ 192,403	$ 29,106	$ 53,888	$ 462,050
Accumulated depreciation and impairment						
Balance as of January 1, 2022	$ -	$ 19,585	$ 189,315	$ 24,409	$ 58,336	$ 291,645
Depreciation	-	490	22,400	1,413	1,180	25,483
Disposal	-	-	(35,345)	(664)	(9,012)	(45,021)
Disposal of subsidiary	-	-	(33,858)	(1,559)	-	(35,417)
Balance as of December 31, 2022	$ -	$ 20,075	$ 142,512	$ 23,599	$ 50,504	$ 236,690
Net amount as of December 31, 2022	$ 156,144	$ 10,434	$ 49,891	$ 5,507	$ 3,384	$ 225,360

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 29 for the amount of property, plant and equipment provided by the merged company as collateral for borrowings.

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Book value of right-of-use assets		
Land	$ 489,214	$ 504,275
Buildings	1,535	2,576
	$ 490,749	$ 506,851

	2023	2022
Increase in right-of-use assets	$ 10,873	$ 3,804
Depreciation expense of right-of-use assets		
Land	$ 25,934	$ 27,246
Buildings	494	542
Power-saving equipment	-	477
	$ 26,428	$ 28,265

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Book value of lease liabilities		
Current	$ 17,738	$ 17,464
Non-current	$ 488,917	$ 504,763

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

	December 31, 2023	December 31, 2022
Land	1.70%～1.76%	1.70%～1.76%
Buildings	1.70%～1.95%	1.70%
Power-saving equipment	-	1.81%

(III) Significant lease activities and terms and conditions

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

On March 11, 2004, Miramar Hospitality Co., Ltd. leased 3,810 square meters of land from the Tourism Bureau, Ministry of Transportation and Communications. The rental was calculated and charged at 5% per annum based on the land price announced for the current period as stated in the contract according to the "Operation Directions for Establishment of Superficies on National Non-public Use Land." The aforementioned rent shall be adjusted when the land price adjustment is announced. However, if the difference between the land price increase announced in the future and the land price increase estimated in the financial plan of the investment implementation plan is too large, one may refer to the newly added Paragraph 3 of Article 2 of "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects" dated August 29, 2003, which the stipulates that "During the construction and operation of public construction, if the reported land price of the required land for the year and the land price estimated in the original financial plan increase by more than 50%, the sponsoring authority may reduce the payable rent at its discretion." A separate version was drafted in consultation with the State-owned Property Bureau, Ministry of Finance. The duration of the surface right is 50 years from the date of development and operation.

Due to the impact of the COVID-19 epidemic on the market economy, Miramar Hospitality Co., Ltd. negotiated with the Tourism Bureau, MOTC, on a land lease agreement. The Tourism Bureau MOTC agreed to unconditionally adjust and reduce the rent amount from January 1 to December 31, 2022 by 20%. The Company and Hsin Hai Transportation & Terminal Co., Ltd. have negotiated a land lease with TAIWAN SUGAR CORPORATION Kaohsiung Branch. TAIWAN SUGAR CORPORATION Kaohsiung Branch agreed to unconditionally reduce the rent by 20% in 2022. The effect of the aforementioned rent concessions recognized by the merged company for the year ended on December 31, 2022 was NT$4,442 thousand (listed as other gains and losses).

(IV) Other lease information

	2023	2022
Expenses relating to short-term leases	$ 1,437	$ 1,712
Lease expenses of low-value assets	$ 344	$ 359
Total cash (outflow) of leases	($ 33,113)	($ 28,703)

The merged company modified the leases according to the changes in the contractual rents and sold the subsidiaries in 2022, and the relatively adjusted right-of-use assets and lease liabilities were NT$8,030 thousand.

XV. Investment property

	December 31, 2023	December 31, 2022
Land		
Keelung Nuannuan Yuanyuan Section	$ 30,026	$ 30,026

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

XVI. Intangible assets

	Computer software	Operating concession	Total
Cost			
Balance as of January 1, 2023	$ 2,464	$ 883,060	$ 885,524
Acquired separately	120	71,686	71,806
Disposal	(865)	(780)	(1,645)
Prepaid equipment transferred-in	-	34,958	34,958
Balance as of December 31, 2023	$ 1,719	$ 988,924	$ 990,643
Accumulated amortization			
Balance as of January 1, 2023	$ 2,415	$ 466,852	$ 469,267
Amortization expense	35	21,987	22,022
Disposal	(865)	(779)	(1,644)
Balance as of December 31, 2023	$ 1,585	$ 488,060	$ 489,645
Net amount as of December 31, 2023	$ 134	$ 500,864	$ 500,998
Cost			
Balance as of January 1, 2022	$ 2,452	$ 916,604	$ 919,056
Acquired separately	12	979	991
Disposal	-	(34,523)	(34,523)
Balance as of December 31, 2022	$ 2,464	$ 883,060	$ 885,524
Accumulated amortization			
Balance as of January 1, 2022	$ 2,280	$ 479,683	$ 481,963
Amortization expenses	135	19,086	19,221
Disposal	-	(31,917)	(31,917)
Balance as of December 31, 2022	$ 2,415	$ 466,852	$ 469,267
Net amount as of December 31, 2022	$ 49	$ 416,208	$ 416,257

Amortization expenses are accrued on a straight-line basis over the following useful years:

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

Others	3 years

The operating royalty cost of NT$988,924 thousand referred to above includes the royalty of NT$27,000 thousand and the planning fee of NT$2,390 thousand that were 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$959,534 thousand.

Please refer to Note 29 for the amount of intangible assets pledged as collateral for loans by the merged company.

XVII. Borrowings

(I) Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 29)		
Bank loan	$ 170,000	$ 130,000

Bank borrowings are secured by the merged company's bank deposits, time certificates of deposit, and operating concessions (see Note 29). The interest rate of bank revolving borrowings as of December 31, 2023 and 2022 were 2.100% - 2.520% and 2.035% - 2.604%, respectively.

(II) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 29)		
Bank mortgage	$ 52,894	$ 20,833
Unsecured borrowings		
Borrowings against credit lines	27,222	20,000
	80,116	40,833
Less: Portion due within one year	(27,214)	(10,000)
Long-term borrowings	$ 52,902	$ 30,833
Repayment maturity date of secured borrowings	114.1.17~117.1.30	113.1.17
Repayment maturity date of unsecured borrowings	115.5.4~9.3	115.5.4~9.3

The bank secured borrowings were secured by the Company's bank deposits (see Note 29). As of December 31, 2023, the annual interest rate was 2.325% - 2.595%.

The interest rate of the unsecured borrowings was 2.595% and 2.345% as of December 31, 2023 and 2022, respectively, belongs to the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XVIII. Other payables

	December 31, 2023	December 31, 2022
Payroll payable	$ 37,394	$ 33,547
Premium payable	19,014	15,557
Remuneration payable to directors	5,134	740
Remuneration payable to employees	5,134	740
Tax payable	2,535	6,471
Stock settlement payable	-	4,912
Others	22,560	17,123
	$ 91,771	$ 79,090

XIX. Post-employment benefit plan

(I) Defined contribution plan

The pension system under the "Labor Pension Act" applicable to the merged company is a government-managed defined contribution pension plan. Under the pension plan, 6% of employees' monthly salary is contributed to the personal accounts of the Bureau of Labor Insurance.

(II) Defined benefit plan

According to the "Labor Standards Act" of R.O.C., the Company and Hsin Hai Transportation & Terminal Co., Ltd. of the merged company have the defined benefit pension plan managed by the government. Employee pension is paid based on years of service and the average salary of the six months prior to the date of approved retirement. These companies appropriate 3.8%~7% of employees' monthly salary as pension fund, which is then deposited into a special account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. For employees who are expected to retire in the following year, the difference will be allocated in a lump sum before the end of March of the following year. The management of the special account is entrusted to the Bureau of Labor Funds, Ministry of Labor. The merged company has no right to influence the investment management strategy.

The amounts included in the defined benefit plan in the consolidated balance sheets are as follows:

	December 31, 2023	December 31, 2022
Defined benefit obligation	$ 51,787	$ 54,359
Fair value of plan assets	(48,723)	(49,611)
Net confirmed benefit debt	$ 3,064	$ 4,748

As of December 31, 2023, the merged company's net defined benefit liabilities were listed in the consolidated balance sheet under net defined benefit assets of NT$2,558 thousand and net defined benefit liabilities of NT$5,622 thousand.

As of December 31, 2022, the merged company's net defined benefit liabilities were listed in the consolidated balance sheet under net defined benefit assets of NT$610 thousand and net defined benefit liabilities of NT$5,358 thousand.

Changes in net defined benefit liabilities (assets) are as follows:

	Defined benefit obligation	Fair value of plan assets	Net confirmed benefit debt
Balance as of January 1, 2023	$ 54,359	($ 49,611)	$ 4,748
Current period service costs	792	-	792
Interest expense (income)	515	(502)	13
Recognized in remeasurement of profit and loss	1,307	(502)	805
Return on plan assets (except for the amount included in net interest)	-	(328)	(328)
Actuarial gains or losses			
- Changes in financial assumptions	158	-	158
- Experience-based adjustments	(1,930)	-	(1,930)
Deferred tax income (expense) recognized in other comprehensive income	(1,772)	(328)	(2,100)
Contributions by employer	-	(389)	(389)
Plan asset payment	(2,107)	2,107	-
Balance as of December 31, 2023	$ 51,787	($ 48,723)	$ 3,064
Balance as of January 1, 2022	$ 58,249	($ 49,362)	$ 8,887
Current period service costs	860	-	860
Interest expense (income)	307	(271)	36
Recognized in remeasurement of profit and loss	1,167	(271)	896
Return on plan assets (except for the amount included in net interest)	-	(2,899)	(2,899)
Actuarial gains or losses			
- Changes in financial assumptions	(1,790)	-	(1,790)
- Experience-based adjustments	99	-	99
Deferred tax income (expense) recognized in other comprehensive income	(1,691)	(2,899)	(4,590)
Contributions by employer	-	(445)	(445)
Plan asset payment	(3,366)	3,366	-
Balance as of December 31, 2022	$ 54,359	($ 49,611)	$ 4,748

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

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

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

	December 31, 2023	December 31, 2022
Discount rate	1.14%~1.3000%	1.16%~1.40%
Expected rate of increase in salary	1.8750%~2.00%	1.875%~2.000%
Turnover rate	2.000%~27.000%	2.000%~27.000%

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

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 667)	($ 779)
Decrease by 0.25%	$ 675	$ 788
Expected rate of increase in salary		
Increase by 0.25%	$ 930	$ 1,116
Decrease by 0.25%	($ 954)	($ 1,077)

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

	December 31, 2023	December 31, 2022
Expected contribution amount within 1 year	$ 241	$ 444
Average duration of defined benefit obligations	4.3 - 5 years	4.9 - 6 years

XX. Equity

(I) Share capital

Common stock

	December 31, 2023	December 31, 2022
Number of shares (thousand)	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	189,002
Issued capital stock	$ 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.

On June 24, 2022, the Company passed the capitalization of retained earnings for issuance of NT$171,821 thousand new shares, and 17,182 thousand new shares with a par value of NT$10 per share. The record date for recapitalization of earnings was set by the Financial Supervisory Commission on July 5, 2022, and the change registration was completed on August 22, 2022.

(II) Capital reserve

	December 31, 2023	December 31, 2022
May be used to offset losses, distribute cash or capitalize on capital (1)		
Treasury shares transaction	$ 20,348	$ 20,348
Can only be used to offset a deficit		
Recognition of changes in ownership interests of subsidiaries (2)	18	18
Unclaimed dividends after expiry date	520	491
	$ 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 the resolution of the board of directors, which shall be submitted to the shareholders’ meeting.

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

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

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

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

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

	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. Income

	2023	2022
Revenue from contracts with customers		
Transportation revenue	$ 368,207	$ 523,305
Hospitality revenue	237,533	194,415
Rental income	11,574	10,834
Others	13	1,413
	$ 617,327	$ 729,967

For the breakdown of revenue from contracts with customers, please refer to Note 33.

XXII. Net profit (loss)

(I) Others

	2023	2022
Dividend income	$ 279,122	$ 174,715
Income from Counter-Party Default	70,000	-
Rental income	9,221	7,756
Subsidies income	998	24,657
Others	5,305	2,908
	$ 364,646	$ 210,036

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. As of December 31, 2023, the above liquidated damages were listed under notes receivable. As of March 13, 2024, the day the financial statements were approved by the Board of Directors, the amount of NT$20,000 thousand had been cashed as scheduled.

(II) Finance costs

	2023	2022
Interest on lease liabilities	$ 9,236	$ 9,458
Interest on bank borrowings	7,121	3,145
Imputed interest on deposits	5	-
	$ 16,362	$ 12,603

(III) Other gains and losses

	2023	2022
Net (gain) loss of financial assets at fair value through profit or loss	$ 175,236	($ 450,959)
Net gains from the disposal and scrap of property, plant, and equipment	1,285	10,883
Net foreign exchange gain (loss)	74	(37)
Loss of disposal of intangible assets	(1)	(2,606)
Gains on disposal of subsidiary (Note 25)	-	18,752
Others	(1,092)	(166)
	$ 175,502	($ 424,133)

(IV) Depreciation and amortization

	2023	2022
Depreciation expenses by function		
Operating cost	$ 26,564	$ 35,695
Operating expense	18,667	18,053
	$ 45,231	$ 53,748
Amortization expenses are summarized by function		
Operating cost	$ 21,045	$ 18,244
Operating expense	977	977
	$ 22,022	$ 19,221

(V) Employee benefits expense

	2023	2022
Post-employment benefits		
Defined contribution plan	$ 7,836	$ 9,710
Defined benefit plan	805	896
	8,641	10,606
Other employee benefits	195,615	212,145
Total employee benefit expenses	$ 204,256	$ 222,751
Summary by function		
Operating cost	$ 127,812	$ 140,135
Operating expense	76,444	82,616
	$ 204,256	$ 222,751

(VI) Employees' compensation and remuneration of directors

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

Estimated allowance

	2023
Employee remuneration	1%
Remuneration to directors	1%

Amount

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

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

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

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

XXIII. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2023	2022
Current income tax		
Incurred in the current year	$ 2,402	$ 6,354
Adjustment from previous year	84	(2,994)
	2,486	3,360
Deferred income tax		
Incurred in the current year	1,583	1,241
Adjustment from previous year	-	33
	1,583	1,274
Income tax expenses recognized in profit or loss	$ 4,069	$ 4,634

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

	2023	2022
Net income (loss) before tax	$ 479,900	($ 240,528)
Income tax expense (profit) on net income (loss) before tax calculated at statutory tax rate	$ 95,980	($ 48,105)
Non-deductible expenses and losses for tax purposes	317	249
Tax-exempted income	(95,002)	49,750
Imposition on undistributed earnings	77	1
Income tax expenses of previous years are adjusted in the current year	84	(2,961)
Unrecognized deductible temporary differences and loss carryforwards	2,613	5,700
Income tax expenses recognized in profit or loss	$ 4,069	$ 4,634

(II) Income tax recognized in other comprehensive income

	December 31, 2023	December 31, 2022
Deferred income tax		
Re-measurement of defined benefit plan	($ 420)	($ 918)

(III) Income tax assets and liabilities for the current year

	December 31, 2023	December 31, 2022
Income tax assets for the current year		
Tax refund receivable (included in other current assets)	$ 1,648	$ 819
Current income tax liabilities		
Income tax payable	$ 51	$ 5,664

(IV) Deferred income tax assets and liabilities

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

2023

Deferred tax assets	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Temporary difference				
Failing to achieve the preparation for the accident-causing vehicle	$ 2,383	($ 122)	$ -	$ 2,261
Unrealized inventory valuation losses	36	(36)	-	-

(Cont'd)

(Cont'd.)

	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Allowance for doubtful debts	$ 14,634	($ 14,170)	$ -	$ 464
Exceeding the pension limit	6,371	27	(420)	5,978
Loss deduction	18,585	67,607	-	86,192
Impairment loss	54,900	(54,900)	-	-
	$ 96,909	($ 1,594)	($ 420)	$ 94,895
Deferred tax liabilities				
Temporary difference				
Unrealized gain on exchange	$ 11	($ 11)	$ -	$ -

2022

	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Effects of loss of control over subsidiaries	Year-end balance
Deferred tax assets					
Temporary difference					
Failing to achieve the preparation for the accident-causing vehicle	$ 2,561	($ 37)	$ -	($ 141)	$ 2,383
Unrealized inventory valuation losses	2,277	(2,241)	-	-	36
Unrealized exchange loss	30	(30)	-	-	-
Allowance for doubtful debts	13,986	648	-	-	14,634
Exceeding the pension limit	7,263	26	(918)	-	6,371
Loss deduction	18,201	384	-	-	18,585
Impairment loss	54,900	-	-	-	54,900
Others	13	(13)	-	-	-
	$ 99,231	($ 1,263)	($ 918)	($ 141)	$ 96,909
Deferred tax liabilities					
Temporary difference					
Unrealized gain on exchange	$ -	$ 11	$ -	$ -	$ 11

(IV) The deductible temporary difference and unused loss credit of deferred income tax assets not recognized in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Loss deduction		
Due 2023	$ -	$ 55,569
Due 2024	51,344	57,730
Due 2025	52,778	39,299

(Cont'd)

(Cont'd.)

	December 31, 2023	December 31, 2022
Due 2026	$ 132,777	$ 134,973
Due 2027	16,383	16,383
Due 2028	22,403	22,403
Due 2029	19,880	19,880
Due 2030	142,253	20,431
Due 2031	559,645	741,594
Due 2032	228	228
Due 2033	8	-
	$ 997,699	$ 1,108,490
Deductible temporary differences		
Impairment loss of financial assets	$ 230,257	$ 242,442
Impairment of long-term equity investment under equity method	-	50,968
	$ 230,257	$ 293,410

(V) Information on unused loss carryforwards

As of December 31, 2023, information about loss carryforwards of the merged company is as follows:

Balance yet to be deducted		Final year of deduction
$ 51,344	(Approved)	2024
52,778	(Approved)	2025
132,777	(Approved)	2026
16,383	(Approved)	2027
22,403	(Approved)	2028
19,880	(Approved)	2029
379,672	(Approved)	2030
747,696	(Approved)	2031
2,310	(Not yet approved)	2032
3,415	(Not yet approved)	2033
$ 1,428,663		

(VI) Authorization of income tax

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

XXIV. Earnings (losses) per share

Unit: NTD per share

	2023	2022
Basic earnings (losses) per share	$ 2.48	($ 1.37)
Diluted earnings (losses) per share	$ 2.47	($ 1.37)

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

Net income (loss) of the year

	2023	2022
Net profit (loss) attributable to owners of the Company	$ 467,964	($ 259,843)

Number of shares

Unit: Thousand shares

	2023	2022
Weighted average number of ordinary shares used in calculating basic earnings (loss) per share	189,002	189,002
Effect of potential dilutive ordinary shares:		
Employee remuneration	289	-
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	189,291	189,002

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

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

XXV. Disposal of subsidiary

In November 2022, the Company signed an agreement with a non-related party to dispose of the entire equity of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd. and Safe Logistics Transportation Co., Ltd. The aforementioned equity was settled on November 16, 2022; therefore, the Company lost control over the subsidiary.

(I) Consideration received

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.
Cash and cash equivalents	$ 2,991	$ 36,889	$ 28,763	$ 5,135

(II) Analysis of assets and liabilities for which control was lost

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Current assets					
Cash and cash equivalents	$ 4,529	$ 1,456	$ 981	$ 471	$ 7,437
Financial assets measured at fair value through profit or loss	-	10,199	19,298	-	29,497
Financial assets measured at amortized cost	-	2,400	5,000	4,000	11,400
Notes receivable - related parties	3,756	-	-	-	3,756
Accounts receivable, net	-	2,476	-	-	2,476
Accounts receivable - related parties	6,259	-	44	-	6,303
Net other receivables	75	85	314	6	480
Other receivables - related parties	-	-	676	877	1,553
Current tax assets	-	345	-	-	345
Prepayments	1,571	1,115	8	26	2,720
Other current assets	55	-	-	-	55
non-current assets					
Property, plant and equipment	5,563	17,809	554	-	23,926
Right-of-use assets	279	619	-	-	898
Deferred tax assets	127	12	-	2	141
Refundable deposits	110	249	-	-	359
Other non-current assets	-	455	-	-	455
Current liabilities					
Accounts payable - related parties	(1,147)	-	-	(4)	(1,151)
Other payables	(2,573)	(2,183)	(838)	(987)	(6,581)
Other payables - related parties	(26,341)	(214)	(11)	(11)	(26,577)
Tax liability	-	(141)	-	-	(141)
Lease liabilities - current	(227)	(635)	-	-	(862)
Advanced receipts	-	(88)	-	-	(88)
Other current liabilities	(51)	(27)	(15)	(24)	(117)
Non-current liabilities					
Other payables - related parties	(1,103)	(35)	-	(10)	(1,148)
Guarantee deposits	-	(110)	-	-	(110)
Net assets of disposal	($ 9,118)	$ 33,787	$ 26,011	$ 4,346	$ 55,026

(III) Gains from disposal of subsidiary

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Consideration received	$ 2,991	$ 36,889	$ 28,763	$ 5,135	$ 73,778
Less: Net assets from disposals	9,118	(33,787)	(26,011)	(4,346)	(55,026)
Gains from disposal	$ 12,109	$ 3,102	$ 2,752	$ 789	$ 18,752

(IV) Net cash inflow from disposal of subsidiaries

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Consideration received in cash and cash equivalents	$ 2,991	$ 36,889	$ 28,763	$ 5,135	$ 73,778
Less: Balance of cash and cash equivalents from disposals	(4,529)	(1,456)	(981)	(471)	(7,437)
	($ 1,538)	$ 35,433	$ 27,782	$ 4,664	$ 66,341

XXVI. Capital risk management

The capital structure management strategy of the merged company is based on the characteristics of the existing industry, future growth and development blueprint, and calculates the required working capital and the size of various assets for long-term development. The Company also ensures that the merged company's invested companies can continue to operate and grow by optimizing debt and equity balances to provide shareholders with sufficient returns and maintain the most appropriate capital structure.

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

XXVII. 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

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

December 31, 2022

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

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

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

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

	December 31, 2023	December 31, 2022
Financial assets		
Measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	$ 1,181,327	$ 1,103,779
Financial assets at amortized cost (Note 1)	1,067,613	658,331
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	381,286	324,623
Financial liabilities		
Measured at amortized cost (Note 2)	419,599	319,377

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

Note 2: The balance includes short-term loans, notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term loans (including the part due within one year), deposits Deposit deposits – current (included in other current liabilities) and deposit received are financial liabilities measured at amortized cost.

(IV) Financial Risk Management Objectives and Policies

The main financial instruments of the merged company include cash, equity instrument investment, accounts receivable, accounts payable and borrowings. The financial strategy of the merged company is mainly based on the principles of conservatism and prudence, and the financial risk management objectives are to manage interest rate risk, 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 company's financial performance.

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

1. Market risk

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

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

(1) Interest rate risk

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

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial assets	$ 5,000	$ 20,400
- Financial liabilities	506,655	522,227
Cash flow interest rate risk		
- Financial assets	762,573	359,102
- Financial liabilities	250,116	170,833

Sensitivity Analysis

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

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the merged company's net loss before tax for 2023 and 2022 would have increased/decreased by NT$5,125 thousand and NT$1,883 thousand, mainly due to the variable interest rate deposits of the merged company and variable interest rate borrowings.

(2) Other pricing risks

The merged company is exposed to the equity price risk due to the merged company's holding of domestic and foreign stocks 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 pre-tax/after-tax profit or loss would have increased/decreased by NT$11,813 thousand in 2023 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2023 would have increased/decreased by NT$3,813 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT$11,038 thousand in 2022 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2022 would have increased/decreased by NT$3,246 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of the financial loss of the merged company caused by the counterparty defaulting on the contractual obligations. As of the balance sheet date, the largest credit risk exposure of the merged company that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

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

Those subject to accounts receivable cover many customers of different industries and sectors. The merged company conducts ongoing assessments of the financial condition of customers of accounts receivable.

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

3. Liquidity risk

The merged company manages and maintains sufficient cash to support the merged company's operations and mitigate the impact of cash flow fluctuations. The management level of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

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

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

The remaining contractual maturity analysis of non-derivative financial liabilities 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.

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

December 31, 2022

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

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	$ 26,601	$ 95,417	$ 106,723	$ 99,290	$ 99,290	$ 258,154

The bank loans that the merged company can be required to repay immediately are included in the above-mentioned maturity analysis table within a period shorter than 1 month. As of December 31, 2023 and 2022, the balance of undiscounted principal of these bank loans are NT$172,994 thousand and NT$833 thousand respectively.

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

(2) Financing limit

	December 31, 2023	December 31, 2022
Unsecured bank facilities (reviewed every year)		
- Amount used	$ 27,222	$ 20,000
- Unutilized amount	115,000	115,000
	$ 142,222	$ 135,000
Guaranteed bank facilities		
- Amount used	$ 222,894	$ 150,833
- Unutilized amount	458,000	388,000
	$ 680,894	$ 538,833

XXVIII. Related-Party Transactions

Except for those disclosed in Note 32 to the consolidated financial statements, all transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated upon consolidation and are not disclosed in The Notes. The material 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.	Associates
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	2023	2022
Transportation revenue	Substantially related party		
	T&W Transportation Services	$ 187,401	$ 230,815
Hospitality revenue	Substantially related party		
	Others	637	308
		$ 188,038	$ 231,123

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	2023	2022
Transportation cost	Substantially related party		
	T&W Transportation Services	$ 51,519	$ 47,984
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	371	326
		$ 51,890	$ 48,310

There is no significant difference between the transaction price between the merged company and the related party and the non-related party.

(IV) Operating expense

Accounting item	Type of related parties	2023	2022
Dining and travel expenses	Substantially related party		
	Athena Information Systems International Co., Ltd.	$ 662	$ 476
Transportation expenses	Substantially related party		
	T&W Transportation Services	113	84
		$ 775	$ 560

(V) Rental agreement

Operating leases

The merged company leases the right-to-use transportation equipment and buildings to the substantially related party by operating lease with a lease period of 1 year. The lease income recognized in 2023 and 2022 was NT$788 thousand and NT$777 thousand, respectively.

The merged company leases the right-to-use building to the affiliated enterprise for operating lease with a lease term of 1 year. The lease income recognized in 2023 and 2022 were both NT$24 thousand.

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

(VI) Other gains and losses

Type of related parties	2023	2022
Substantially related party		
T&W Transportation Services	$ 398	$ 724

(VII) Interest income

Category/name of related party	2023	2022
Substantially related party		
Mayer Steel Pipe Corporation	$ 2,630	$ -

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

Accounting item	Type/Name of related parties	December 31, 2023	December 31, 2022
Notes receivable - related parties	Substantially related party		
	T&W Transportation Services	$ 29,350	$ 34,753
Accounts receivable - related parties	Substantially related party		
	T&W Transportation Services	$ 32,933	$ 37,367
	Others	70	-
		$ 33,003	$ 37,367
Other receivables - related parties	Substantially related party		
	Mayer Inn Corporation	$ -	$ 270

No guarantee is collected for accounts receivable from related parties.

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

Accounting item	Type/Name of related parties	December 31, 2023	December 31, 2022
Notes payable - related parties	Substantially related party		
	T&W Transportation Services	$ 13,456	$ 10,522
Accounts payable - related parties	Substantially related party		
	T&W Transportation Services	$ 4,823	$ 5,462
	Others	43	-
		$ 4,866	$ 5,462
Other payables - related parties	Substantially related party		
	Durban Development Co., Ltd.	$ 389	$ -
	Athena Information Systems International Co., Ltd.	133	41
		$ 522	$ 41

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

(X) Building and land under construction

Accounting item	Type/Name of related parties	December 31, 2023	December 31, 2022
Inventory	Substantially related party		
	Durban Development Co., Ltd.	$ 3,900	$ 300

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

(XI) Prepayments

Type of related parties	December 31, 2023	December 31, 2022
Substantially related party		
Athena Information Systems International Co., Ltd.	$ 206	$ 129

(XII) Dividend income

Type/Name of related parties	2023	2022
Substantially related party		
Mayer Steel Pipe Corporation	$ 22,100	$ 59,550
Associates		
Yuanquan Steel	27,835	15,814
	$ 49,935	$ 75,364

(XIII) Compensation of key management personnel

	2023	2022
Short-term employee benefits	$ 18,124	$ 21,415
Post-employment benefits	675	794
Termination benefits	210	-
	$ 19,009	$ 22,209

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

XXIX. 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:

	December 31, 2023	December 31, 2022
Operating concession (stated as intangible assets)	$ 483,034	$ 397,790
Financial assets measured at fair value through profit or loss - current	294,860	211,140
Property, plant and equipment	110,964	111,436
Financial assets measured at fair values through other comprehensive income - current	80,850	-
Buildings and land held for sale (stated as inventories)	74,618	74,618
Bank deposits (booked in other financial assets - current and non-current)	10,345	10,205
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,050	3,100
	$ 1,057,721	$ 808,289

XXX. 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. As of December 31, 2023, the Company's checks for guarantee deposits have been cashed for NT$80,000 thousand (recognized as refundable deposits).

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

(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, 2014 to April 12, 2044. 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 in 2023 and 2022 were NT$18,697 thousand and NT$15,298 thousand (included in the operating expenses).

XXXI. Others

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

XXXII. Additional Disclosures

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

1. Loans to others: Table 1.
2. Endorsements/guarantees provided for others: None.
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 2.
4. Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition of real estate at a cost of at least NT$300 million or 20% of the paid-in capital: None.

6. Disposal of real estate for an amount exceeding NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Engagement in derivative transactions: None.
10. Others: Business relationships and significant transactions between the parent company and its subsidiaries: Table 4.
11. Information on investees: Table 5.

(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 year, repatriations of investment income, and 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 year.
   (2) The amount and percentage of sales at year-end.
   (3) The value of the property transaction and the amount of profit or loss thereupon.
   (4) Year-end balance of endorsements/guarantees or collateral provided and the purpose thereof.
   (5) The maximum balance of financing, year-end balance, interest rate range, and total interest of the current year.
   (6) Other transactions that have a significant impact on the profit or loss or financial position of the current year, such as the provision or acceptance of labor services.

(IV) Information of principal shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage (Attachment 6).

XXXIII. Department 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	
	2023	2022	2023	2022
Transportation segment	$ 368,207	$ 523,305	($ 28,942)	($ 8,729)
Hotel segment	237,533	194,415	5,893	3,698
Other segments	11,587	12,247	(4,144)	(6,261)
Construction segment	-	-	(20,754)	(4,611)
Profit/loss from continuing operations	$ 617,327	$ 729,967	(47,947)	(15,903)
Interest income			5,639	2,075
Others			364,646	210,036
Other gains and losses			175,502	(424,133)
Finance costs			(16,362)	(12,603)
Expected credit impairment loss			(1,578)	-
Net income (loss) before tax			$ 479,900	($ 240,528)

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales in 2023 and 2022.

Segment profit is the profit earned by each segment, excluding the share of loss, other income, other gains and losses, interest income, finance costs, expected credit impairment loss, 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 department assets is zero.

(III) Information of other departments

Other information that has been reviewed by the chief operating decision-maker or provided to the chief operating decision-maker on a regular basis:

	Depreciation and amortization	
	2023	2022
Transportation segment	$ 22,827	$ 31,955
Hotel segment	38,715	35,586
Other segments	5,711	5,428
	$ 67,253	$ 72,969

(IV) Income from main products and services

For the income from main products and services of the merged company's business units, please see (1) Departmental revenue and operating results.

(V) Information by geographical location

The place of operation of the merged company's business units is Taiwan.

(VI) Information of major customers

Where the revenue from a single customer exceeds 10% of the merged company's net revenue:

	2023	2022
Customer A	$ 187,401	$ 230,815

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Loans to others

January 1 to December 31, 2023

Table 1

Unit: NT$ thousand

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

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

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Marketable securities held at the end of the year

December 31, 2023

Table 2 Unit: NT$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	Year-end				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/net equity value (Note 1)	
The company	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,900	$ 669,845	9.39	$ 669,845	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	2,300	330,050	0.11	330,050	
	Yang Ming Marine Transport Corp.	—	Financial assets measured at fair value through profit or loss - current	700	35,910	0.02	35,910	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	150	15,450	0.05	15,450	
	Aerospace Industrial Development Corporation	—	Financial assets measured at fair value through profit or loss - current	900	48,240	0.10	48,240	
	S-Tech Corp	—	Financial assets measured at fair value through profit or loss - current	63	2,249	0.03	2,249	
	INVENTEC CORPORATION	—	Financial assets measured at fair value through profit or loss - current	100	5,280	-	5,280	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	12,000	147,000	0.35	147,000	Note 2
	HERMOSA OPTOELECTRONICS CORPORATION	—	Financial assets measured at fair value through profit or loss - Current- Non-current	4,088	-	5.37	-	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	213,898	18.57	213,898	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
	I1 HOLDING LLC.TAIWAN BRANCH (U.S.A)	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
	ROSA FOODS CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-	
Miramar Hospitality Co., Ltd.	Stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	1,350	43,268	0.61	43,268	
	China Petrochemical Development Corporation	—	Financial assets measured at fair values through other comprehensive income - current	1,734	16,945	0.05	16,945	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	3,443	10.00	3,443	
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	5,196	-	5,196	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,172	-	5,172	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,174	-	5,174	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,162	-	5,162	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,167	-	5,167	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,164	-	5,164	

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

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

January 1 to December 31, 2023

Table 3

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

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Significant inter-company transactions during the reporting periods

January 1 to December 31, 2023

Table 4

Unit: NT$ thousand

No. (Note 1)	Company	Counter-party	Relationship (Note 2)	Status of transaction			
				Account	Amount (Note 4)	Term	Percentage of consolidated total operating revenues or total assets (Note 3)
1	Hsin Hai Transportation & Terminal Co., Ltd.	The Company	(2)	Property, plant and equipment (transportation equipment)	$ 83	Under general terms and conditions	0.002%
			(2)	Gains on disposal of fixed assets	1,167	Under general terms and conditions	0.189%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:

(1) Fill in "0" for the parent company.

(2) Subsidiaries are numbered sequentially starting from 1 by company type.

Note 2: The relationship with the transaction party is divided into the following three types, and it is sufficient to indicate the type:

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: The ratio of the transaction amount to the total consolidated revenue or total assets is calculated. For assets and liabilities, the closing balance is calculated as a percentage of the consolidated total assets; for profit and loss, it is calculated as a percentage of current cumulative amount in the consolidated total revenue.

Note 4: Eliminated when the consolidated financial statements were prepared.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

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

January 1 to December 31, 2023

Table 5

Unit: NT$ thousand

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

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

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

Tze Shin International Co., Ltd.

Information of principal shareholders

December 31, 2023

Table 6

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

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

Independent Auditors' Report

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

Audit opinions

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

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

Basis for the audit opinion

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

Key audit matters

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

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

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

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

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

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance on whether the parent company only financial statements as a whole are free from material misstatement arising from fraud or error, and to issue an independent auditors' report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the amounts of misstatements, either separately or in aggregate, could reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, they are considered material.

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

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

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

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

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

Deloitte & Touche

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

March 13, 2024

Notice to Readers

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

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

Tze Shin International Co., Ltd.

Parent Only Balance Sheets

December 31, 2023 and 2022

Unit: NT$ thousand

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

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

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

Tze Shin International Co., Ltd.

Parent Only Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

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

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

(Cont'd)

(Cont'd.)

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

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

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

Tze Shin International Co., Ltd.

Parent Only Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

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

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

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

Tze Shin International Co., Ltd.

Parent Only Statement of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

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

(Cont'd)

(Cont'd.)

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

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

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

Tze Shin International Co., Ltd.

Notes to Parent Company Only Financial Statements

January 1 to December 31, 2023 and 2022

I. Corporate history

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

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

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

II. Date and Procedures for Passing the Financial Report

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

III. Application of New and Revised International Financial Reporting Standards

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

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

(II) 2024 IFRSs endorsed by the FSC

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

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

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

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

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

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

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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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

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

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

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

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

(II) Basis of preparation

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

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

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

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

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

Current assets include:

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

Current liabilities include:

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

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

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

(IV) Foreign currency

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

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

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

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

(V) Inventory

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

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

(VI) Investment in subsidiaries

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

A subsidiary is an entity controlled by the Company.

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

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

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

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

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

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

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

(VII) Property, plant and equipment

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

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

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

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

(VIII) Investment property

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

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

Investment property is depreciated on a straight-line basis.

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

(IX) Intangible assets

1. Acquired separately

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

2. Removed from Column

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

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

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

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

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

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

(XI) Financial instruments

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

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

1. Financial assets

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

(1) Type of measurement

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

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

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

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

B. Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

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

A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.

B. Overdue for more than 90 days, unless there is reasonable and corroborative information showing that the later default standard is more appropriate.

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

(3) Removal of financial assets

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

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

2. Equity instruments

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

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

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) Removal of financial liabilities

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

(XII) Provision for liabilities

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

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

Warranty

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

(XIII) Revenue Recognition

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

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

1. Transportation revenue

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

2. Product sales revenue

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

(XIV) Lease

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

1. The Company as lessor

Lease payments under operating leases, net of lease incentives, are recognized as income on a straight-line basis over the relevant lease period. The initial direct cost for acquiring the operating lease is added to the book value of the underlying asset and recognized as expenses on the straight-line basis over the lease period.

2. The Company as the lessee

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

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

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

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

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

In light of the rent negotiation directly related to the COVID-19 pandemic between the Company and the lessor, the Company adjusted the rent due before December 31, 2022, resulting in a decrease in rent. These negotiations did not materially change other lease terms. The Company has elected to adopt practical expedients to treat all rent negotiations that meet the aforementioned conditions, without evaluating whether it is a lease modification, and recognizes the reduction in lease payments in profit or loss (booked in other gains and losses) when the concession or such situation occurs. loss), and decreased lease liabilities accordingly.

(XV) Cost of borrowing

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

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

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

(XVI) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

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

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

(XVII) Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

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

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

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

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

3. Current and deferred income tax

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

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

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

VI. Cash

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

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

	December 31, 2023	December 31, 2022
Bank deposits	0.005%～0.580%	0.005% - 0.455%

VII. Financial instruments at fair value through profit or loss

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

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

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

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

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

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

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

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

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

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

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

IX. Financial assets measured at amortized cost

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

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

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

X. Notes receivable, accounts receivable and other receivables

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

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

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

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

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

December 31, 2023

	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	1.64%	-	-	-	100.00%	
Gross carrying amount	$ 96,413	$ -	$ -	$ -	$ 1,017	$ 97,430
Loss allowance (lifetime expected credit losses)	(1,578)	-	-	-	(1,017)	(2,595)
Cost after amortization	$ 94,835	$ -	$ -	$ -	$ -	$ 94,835

December 31, 2022

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

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

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

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

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

XI. Inventories - net

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

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

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

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

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

XII. Investment accounted for under the equity method

	December 31, 2023	December 31, 2022
Investment in subsidiaries	$ 342,109	$ 341,360

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

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

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

XIII. Property, plant and equipment

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

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

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

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

XIV. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Book value of right-of-use assets		
Land	$ 6,159	$ 3,398
Buildings	-	785
	$ 6,159	$ 4,183

	2023	2022
Increase in right-of-use assets	$ 10,873	$ 3,310
Depreciation expense of right-of-use assets		
Land	$ 8,112	$ 7,700
Buildings	238	285
	$ 8,350	$ 7,985

(II) Lease liabilities

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

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

	December 31, 2023	December 31, 2022
Land	1.7%	1.7%
Buildings	1.7%~1.95%	1.7%

(III) Significant lease activities and terms and conditions

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

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

(IV) Other lease information

	2023	2022
Lease expenses of low-value assets	$ 150	$ 317
Total cash (outflow) of leases	($ 7,907)	($ 5,183)

XV. Investment property

	December 31, 2023	December 31, 2022
Land		
Keelung Nuannuan Yuanyuan Section	$ 30,026	$ 30,026

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

XVI. Other payables

	December 31, 2023	December 31, 2022
Payroll payable	$ 6,148	$ 3,984
Remuneration payable to directors	4,797	-
Remuneration payable to employees	4,797	-
Sales tax payable	1,523	5,481
Stock settlement payable	-	4,912
Others	4,783	3,000
	$ 22,048	$ 17,377

XVII. Post-employment benefit plan

(I) Defined contribution plan

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

(II) Defined benefit plan

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

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

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

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

Changes in the net defined benefit liability are as follows:

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

(Cont’d)

(Cont'd.)

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

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

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

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

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

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

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

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

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

XVIII. Equity

(I) Share capital

Common stock

	December 31, 2023	December 31, 2022
Number of shares (thousand)	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	189,002
Issued capital stock	$ 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.

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

(II) Capital reserve

	December 31, 2023	December 31, 2022
May be used to offset losses, distribute cash or capitalize on capital (1)		
Treasury shares transaction	$ 20,348	$ 20,348
Can only be used to offset a deficit		
Recognition of changes in ownership interests of subsidiaries (2)	18	18
Unclaimed dividends after expiry date	520	491
	$ 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 20 (6) regarding the policy for the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

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

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

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

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

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

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

	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.

XIX. Income

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

XX. Net profit (loss)

(I) Others

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

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

(II) Finance costs

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

(III) Other gains and losses

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

(IV) Depreciation and amortization

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

(V) Employee benefits expense

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

(VI) Employees' compensation and remuneration of directors

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

Estimated allowance

	2023
Employee remuneration	1%
Remuneration to directors	1%

Amount

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

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

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

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

XXI. Income tax

(I) Income tax recognized in profit or loss

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

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

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

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

(II) Income tax recognized in other comprehensive income

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

(III) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Income tax assets for the current year		
Tax refund receivable	$ 837	$ 817

(IV) Deferred income tax assets and liabilities

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

2023

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

Deferred tax liabilities	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Temporary difference				
Unrealized gain on exchange	$ 11	($ 11)	$ -	$ -

2022

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

Deferred tax liabilities	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Temporary difference				
Unrealized gain on exchange	$ -	$ 11	$ -	$ 11

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

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

(VI) Authorization of income tax

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

XXII. Earnings (losses) per share

Number of shares

Unit: NTD per share

	2023	2022
Basic earnings (losses) per share	$ 2.48	($ 1.37)
Diluted earnings (losses) per share	$ 2.47	($ 1.37)

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

Net income (loss) of the year

	2023	2022
Net income (loss) of the year	$ 467,964	($ 259,843)

Number of shares

Unit: Thousand shares

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

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

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

XXIII. Capital risk management

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

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

XXIV. Financial instruments

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

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

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

1. Fair value hierarchy

December 31, 2023

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

(Cont'd)

(Cont'd.)

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

December 31, 2022

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

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

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

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

(III) Types of Financial Instruments

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

(Cont'd)

(Cont'd.)

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

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

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

(IV) Financial Risk Management Objectives and Policies

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

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

1. Market risk

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

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

(1) Interest rate risk

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

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

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

Sensitivity Analysis

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

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

(2) Other pricing risks

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

Sensitivity analysis

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

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

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

2. Credit risk

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

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

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

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

3. Liquidity risk

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

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

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

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

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

December 31, 2023

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

December 31, 2022

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

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

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

(2) Financing limit

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

XXV. Related-Party Transactions

The transactions between the Company and related parties are as follows

(I) Names of related parties and their relationships

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

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

(II) Operating revenue

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

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

(III) Operating cost

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

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

(IV) Operating expense

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

(V) Rental agreement

Operating leases

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

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

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

(VI) Interest income

Category/name of related party	2023	2022
Associates		
Mayer Steel Pipe Corporation	$ 2,630	$ -
Subsidiary		
An Ho Transportation Co., Ltd.	-	397
	$ 2,630	$ 397

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

Accounting item	Type/Name of related parties	December 31, 2023	December 31, 2022
Accounts receivable - related parties	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	$ -	$ 44
Other receivables - related parties	Subsidiary		
	Hsin Hai Transportation & Terminal Co., Ltd.	$ 8	$ 8

No guarantee is collected for accounts receivable from related parties.

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

Accounting item	Type/Name of related parties	December 31, 2023	December 31, 2022
Other payables - related parties	Substantially related party		
	Durban Development Co., Ltd.	$ 389	$ -

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

(IX) Acquisition of property, plant and equipment

	Proceeds from acquisition	
Type/Name of related parties	2023	2022
Subsidiary		
Hsin Hai Transportation & Terminal Co., Ltd.	$ 1,250,000	$ -

(X) Dividend income

Type/Name of related parties	2023	2022
Substantially related party		
Mayer Steel Pipe Corporation	$ 20,750	$ 55,500
Associates		
Yuanquan Steel	27,835	15,814
	$ 48,585	$ 71,314

(XI) Compensation of key management personnel

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

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

XXVI. Pledged Assets

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

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

XXVII. Material contingent liabilities and unrecognized contractual commitments

Commitments

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

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

XXVIII. Others

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

XXIX. Additional Disclosures

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

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

(III) Information on investments in Mainland China:

1. Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding percentage, investment income and

recognized investment income, carrying amount of the investment at the end of the year, Regional investment limit: None.

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Loans to others

January 1 to December 31, 2023

Table 1

Unit: NT$ thousand

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

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

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Marketable securities held at the end of the year

December 31, 2023

Table 2

Unit: NT$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	Year-end				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/net equity value (Note 1)	
Tze Shin International Co., Ltd.	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,900	$ 669,845	9.39	$ 669,845	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	–	Financial assets measured at fair value through profit or loss - current	2,300	330,050	0.11	330,050	
	Yang Ming Marine Transport Corp.	–	Financial assets measured at fair value through profit or loss - current	700	35,910	0.02	35,910	
	ADATA Technology Co., LTD.	–	Financial assets measured at fair value through profit or loss - current	150	15,450	0.05	15,450	
	Aerospace Industrial Development Corporation	–	Financial assets measured at fair value through profit or loss - current	900	48,240	0.10	48,240	
	S-Tech Corp	–	Financial assets measured at fair value through profit or loss - current	63	2,249	0.03	2,249	
	INVENTEC CORPORATION	–	Financial assets measured at fair value through profit or loss - current	100	5,280	-	5,280	
	IBF Financial Holdings Co., Ltd.	–	Financial assets measured at fair values through other comprehensive income - current	12,000	147,000	0.35	147,000	Note 2
	HERMOSA OPTOELECTRONICS CORPORATION	–	Financial assets measured at fair value through profit or loss - Current-Non-current	4,088	-	5.37	-	
	Yuan Chuan Steel Co. Ltd.	–	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	213,898	18.57	213,898	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	-	4.79	-	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	–	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	–	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	–	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
	I1 E-Commerce Network Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
	ROSA FOODS CO., LTD.	–	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-	
Miramar Hospitality Co., Ltd.	Stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	1,350	43,268	0.61	43,268	
	China Petrochemical Development Corporation	–	Financial assets measured at fair value through profit or loss - current	1,734	16,945	0.05	16,945	
	Meilixin Development Co., Ltd.	–	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	3,443	10.00	3,443	
SHIN HAI Transportation Co., Ltd.	Fund beneficiary certificate							
	Hua Nan Kirin Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	422	5,196	-	5,196	
	Union Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	381	5,172	-	5,172	
	Taishin Ta Chong Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	354	5,174	-	5,174	
	Nomura Taiwan Select Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	308	5,162	-	5,162	
	CTBC Hua Win Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	457	5,167	-	5,167	
	Fubon Chi-Hsiang Money Market Fund	–	Financial assets measured at fair value through profit or loss - current	321	5,164	-	5,164	

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

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

January 1 to December 31, 2023

Table 3

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

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

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

January 1 to December 31, 2023

Table 4

Unit: NT$ thousand

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

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

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

Tze Shin International Co., Ltd.

Information of principal shareholders

December 31, 2023

Table 5

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

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

§Table of Contents of Significant Accounting Items§

Tze Shin International Co., Ltd.

Statement of Cash

December 31, 2023

Table 1

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

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

Tze Shin International Co., Ltd.

Statement of Financial Assets at FVTPL - Current

December 31, 2023

Table 2

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

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

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

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

Tze Shin International Co., Ltd.

Statement of Financial Assets at FVTOCI - Current

December 31, 2023

Table 3 Unit: Except for the unit price in NTD, the remainder in NT$1,000

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

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

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

Tze Shin International Co., Ltd.

Statement of Financial Assets at FVTPL - Non-current

December 31, 2023

Table 4

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

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

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

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

Tze Shin International Co., Ltd.

Statement of Financial Assets at FVTOCI - Non-current

December 31, 2023

Table 5

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

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

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

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

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

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

Tze Shin International Co., Ltd.

Statement of Changes in Investment Using the Equity Method

2023

Table 6

Unit: NT$ thousand

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

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

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

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

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

Tze Shin International Co., Ltd.

Statement of Net Operating Income

2023

Table 7 Unit: NT$ thousand

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

Tze Shin International Co., Ltd.

Statement of Operating Costs

2023

Table 8

Unit: NT$ thousand

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

Tze Shin International Co., Ltd.

Statement of Operating Expenses

2023

Table 9 Unit: NT$ thousand

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

Note 1: Includes salaries and remuneration to employees.

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

TZE SHIN INTERNATIONAL CO., LTD.

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

2023 and 2022

Table 10

Unit: NT$ thousand

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

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

Note 2: (1) In 2023 and 2022, the average employee benefit expenses for the year were NT$1,268 thousand and NT$758 thousand, respectively.

(2) In 2023 and 2022, the average employee salaries and wages for the year were NT$1,153 thousand and NT$609 thousand, respectively.

(3) Average employee salaries and wages increased by 89.32% over the two years.

(4) The Company no longer has supervisors, and the Audit Committee has replaced the supervisors in accordance with the laws.

(5) Compensation and remuneration policy (including directors, independent directors, managerial officers, and employees).

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

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