Stock Code: 2611

Tze Shin International Co., Ltd. and subsidiaries

Consolidated Financial Statements and Auditor’s Review Report

Q2 2024 and 2023

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Auditor's Review Report

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

Introduction

We have reviewed the consolidated balance sheet of Tze Shin International Co., Ltd. and its subsidiaries as of June 30, 2024 and 2023 and the consolidated statement of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, 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 six months ended June 30, 2024 and 2023. The preparation of fairly presented consolidated financial based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Report" recognized and endorsed to effect by the Financial Supervisory Commission is the responsibility of the management, we are responsible for making conclusions for the consolidated financial statements in accordance with the review results.

Scope

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

Conclusion

Based on our review results, 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 June 30, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, three months ended thereof resulting from the inability in preparing the financial statements based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Report" recognized and endorsed to effect by the Financial Supervisory Commission preparing in all material perspectives.

Deloitte & Touche

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

August 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

June 30, 2024 and December 31 and June 30, 2023

Unit: NT$ thousand

Code	Assets	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current assets						
1100	Cash (Note 6)	$ 1,043,424	23	$ 735,847	18	$ 248,844	6
1110	Financial assets at fair value through profit or loss - current (Notes 7 and 27)	1,089,860	24	1,181,327	28	985,353	25
1120	Financial assets measured at fair values through other comprehensive income - current (Notes 8 and 27)	124,211	3	163,945	4	139,907	4
1136	Financial assets measured at amortized cost - current (Notes 9 and 27)	23,350	-	23,650	1	23,700	1
1150	Net notes receivable (Notes 10 and 21)	8,782	-	81,652	2	6,756	-
1160	Notes receivable - related parties (Notes 10, 21 and 26)	28,419	1	29,350	1	37,342	1
1170	Net accounts receivable (Notes 10 and 21)	40,218	1	46,871	1	41,707	1
1180	Accounts receivable - related parties (Notes 10, 21 and 26)	29,809	1	33,003	1	36,936	1
1200	Net other receivables (Notes 10)	34,819	1	25,089	1	191,937	5
1210	Other receivables - related parties (Notes 10 and 26)	36,000	1	-	-	249,935	7
1310	Net inventory (Note 11)	341,554	7	186,769	4	195,984	5
1410	Pre-payments (Note 27)	24,471	-	21,255	-	24,153	1
1476	Other financial assets - current (Note 28)	6,673	-	7,323	-	15,829	-
1479	Other current assets	2,784	-	17,230	-	6,330	-
11XX	Total current assets	2,834,374	62	2,553,311	61	2,204,713	57
	non-current assets						
1510	Financial assets at fair value through profit or loss - non-current (Note 7)	-	-	-	-	362	-
1517	Financial assets at fair value through other comprehensive income - non-current (Note 8)	315,713	7	217,341	5	178,922	4
1600	Property, plant and equipment (Notes 13 and 27)	217,605	5	224,771	5	225,463	6
1755	Right-of-use assets (Note 14)	493,261	11	490,749	12	504,486	13
1760	Investment property (Note 15)	30,026	-	30,026	1	30,026	1
1780	Intangible assets (Notes 16, 27, and 28)	494,300	11	500,998	12	500,100	13
1840	Deferred income tax assets (Notes 4 and 23)	90,544	2	94,895	2	100,820	2
1920	Refundable deposits (Note 28)	81,394	2	81,807	2	151,857	4
1975	Net defined benefit assets (Notes 4 and 19)	2,558	-	2,558	-	611	-
1980	Other financial assets - non-current (Note 27)	3,031	-	3,021	-	3,013	-
1990	Other non-current assets	8,357	-	-	-	220	-
15XX	Total non-current assets	1,736,789	38	1,646,166	39	1,695,880	43
1XXX	Total assets	$ 4,571,163	100	$ 4,199,477	100	$ 3,900,593	100

Code	Financial liabilities and equity	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities						
2100	Short-term borrowings (Notes 17 and 27)	$ 130,000	3	$ 170,000	4	$ 323,000	8
2150	Notes payable	21,853	1	20,376	1	22,655	1
2160	Notes payable - related party (Note 26)	13,932	-	13,456	-	13,269	-
2170	Accounts payable	41,611	1	37,967	1	42,634	1
2180	Accounts payable - related parties (Note 26)	5,738	-	4,866	-	4,628	-
2200	Other payables (Note 18)	528,691	12	91,771	2	75,949	2
2220	Other payables - Related parties (Note 26)	735	-	522	-	660	-
2230	Income tax liabilities for the current period (Notes 4 and 23)	197	-	51	-	1,927	-
2280	Lease liabilities - current (Note 14)	15,115	-	17,738	1	21,641	1
2320	Long-term borrowings due within one year (Notes 17 and 27)	26,488	1	27,214	1	25,633	1
2399	Other current liabilities	14,084	-	17,518	-	14,646	-
21XX	Total current liabilities	798,444	18	401,479	10	546,642	14
	Non-current liabilities						
2540	Long-term borrowings (Notes 17 and 27)	50,465	1	52,902	1	56,137	1
2570	Deferred tax liabilities	-	-	-	-	8	-
2580	Lease liabilities - non-current (Note 14)	485,985	11	488,917	12	486,734	13
2640	Net defined benefit liabilities - non-current (Notes 4 and 19)	5,891	-	5,622	-	5,580	-
2645	Guarantee deposits	225	-	225	-	225	-
2670	Other non-current liabilities - others	11,222	-	11,307	-	11,914	-
25XX	Total non-current liabilities	553,788	12	558,973	13	560,598	14
2XXX	Total liabilities	1,352,232	30	960,452	23	1,107,240	28
	Equity attributable to owners of the Company (Note 20)						
	Share capital						
3110	Ordinary shares	1,890,023	41	1,890,023	45	1,890,023	48
3220	Capital reserve	27,504	1	20,886	-	20,854	1
	Retained earnings						
3310	Legal reserve	357,621	8	309,697	7	309,697	8
3350	Unappropriated earnings	466,940	10	632,367	15	238,855	6
3300	Total retained earnings	824,561	18	942,064	22	548,552	14
3400	Other equity	250,849	5	148,107	4	107,116	3
31XX	Total equity of the owner of the Company	2,992,937	65	3,001,080	71	2,566,545	66
36XX	Non-controlling interests	225,994	5	237,945	6	226,808	6
3XXX	Total equity	3,218,931	70	3,239,025	77	2,793,353	72
	Total liabilities and equity	$ 4,571,163	100	$ 4,199,477	100	$ 3,900,593	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

From April 1 to June 30, 2024 and 2023 and January 1 to June 30, 2024 and 2023

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

		For the three months ended June 30, 2024		For the three months ended June 30, 2023		For the six months ended June 30, 2024		For the six months ended June 30, 2023	
Code		Amount	%	Amount	%	Amount	%	Amount	%
4000	Net operating revenue (Notes 21 and 26)	$ 165,330	100	$ 159,427	100	$ 332,842	100	$ 289,427	100
5000	Operating cost (Notes 11, 19, 22 and 26)	120,063	73	121,661	76	236,895	71	238,156	82
5950	Gross profit	45,267	27	37,766	24	95,947	29	51,271	18
	Operating expense								
6200	Operating expense (Notes 19, 22, 26, and 28)	45,089	27	43,320	27	94,724	29	79,805	28
6450	Expected credit impairment loss (Note 10)	-	-	170	-	-	-	248	-
6000	Subtotal	45,089	27	43,490	27	94,724	29	80,053	28
6900	Net operating income (loss)	178	-	(5,724)	(3)	1,223	-	(28,782)	(10)
	Non-operating income and expenses (Notes 22 and 26)								
7100	Interest income	2,018	1	3,017	2	2,540	1	3,286	1
7190	Others	57,411	35	239,246	150	62,314	19	244,332	85
7590	Other gains and losses	18,191	11	(163,951)	(103)	238,720	72	(139,326)	(48)
7050	Finance costs	(3,528)	(2)	(4,431)	(3)	(7,200)	(2)	(8,125)	(3)
7055	Expected credit impairment income (loss)	(105)	-	-	-	1,412	-	-	-
7000	Subtotal	73,987	45	73,881	46	297,786	90	100,167	35
7900	Net profit before tax	74,165	45	68,157	43	299,009	90	71,385	25
7950	Income tax expenses (gains) (Notes 4 and 23)	1,833	1	1,174	1	4,574	2	(1,876)	(1)
8000	Net profit for the period	72,332	44	66,983	42	294,435	88	73,261	26
	Other comprehensive income								
	Not to be reclassified to profit or loss in subsequent periods:								
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	52,849	32	4,490	3	136,234	41	18,089	6
8500	Total comprehensive income (loss) for the year	$ 125,181	76	$ 71,473	45	$ 430,669	129	$ 91,350	32
	Net profit (loss) attributed to								
8610	Owner of the Company	$ 69,678	42	$ 65,380	41	$ 285,917	86	$ 75,596	26
8620	Non-controlling interests	2,654	2	1,603	1	8,518	2	(2,335)	-
8600		$ 72,332	44	$ 66,983	42	$ 294,435	88	$ 73,261	26
	Comprehensive income attributable to								
8710	Owner of the Company	$ 121,642	74	$ 69,340	44	$ 421,447	126	$ 93,092	32
8720	Non-controlling interests	3,539	2	2,133	1	9,222	3	(1,742)	-
8700		$ 125,181	76	$ 71,473	45	$ 430,669	129	$ 91,350	32
	Earnings per share (Note 24)								
9710	Basic	$ 0.37		$ 0.35		$ 1.51		$ 0.40	
9810	Dilution	$ 0.37		$ 0.35		$ 1.51		$ 0.40	

The notes constitute a part of the financial statements.

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

Tze Shin International Co., Ltd. and its subsidiaries

Consolidated Statement of Changes in Equity

For the six months ended June 30, 2024 and 2023

Unit: NT$ thousand

		Equity attributable to owners of the Company (Notes 8 and 20)								
				Retained earnings			Other equity			
Code		Share capital	Capital reserve	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Total equity of the owner of the Company	Non-controlling interests	Total equity
A1	Balance as of January 1, 2023	$ 1,890,023	$ 20,857	$ 309,697	$ 153,135	$ 462,832	$ 99,744	$ 2,473,456	$ 240,709	$ 2,714,165
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(3)	-	-	-	-	(3)	-	(3)
D1	Net profit for the six months ended June 30, 2023	-	-	-	75,596	75,596	-	75,596	(2,335)	73,261
D3	Other comprehensive income after tax for the six months ended June 30, 2023	-	-	-	-	-	17,496	17,496	593	18,089
D5	Total comprehensive income after tax for the six months ended June 30, 2023	-	-	-	75,596	75,596	17,496	93,092	(1,742)	91,350
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(12,159)	(12,159)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	10,124	10,124	(10,124)	-	-	-
Z1	Balance as of June 30, 2023	$ 1,890,023	$ 20,854	$ 309,697	$ 238,855	$ 548,552	$ 107,116	$ 2,566,545	$ 226,808	$ 2,793,353
A1	Balance as of January 1, 2024	$ 1,890,023	$ 20,886	$ 309,697	$ 632,367	$ 942,064	$ 148,107	$ 3,001,080	$ 237,945	$ 3,239,025
	Appropriations and distributions of 2023 earnings									
B3	Contribution to legal reserve	-	-	47,924	(47,924)	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	(434,705)	(434,705)	-	(434,705)	-	(434,705)
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	(20)	-	-	-	-	(20)	-	(20)
D1	Net profit for the six months ended June 30, 2024	-	-	-	285,917	285,917	-	285,917	8,518	294,435
D3	Other comprehensive income after tax for the six months ended June 30, 2024	-	-	-	-	-	135,530	135,530	704	136,234
D5	Total comprehensive income after tax for the six months ended June 30, 2024	-	-	-	285,917	285,917	135,530	421,447	9,222	430,669
M5	Difference between the price and book value of the subsidiary's equity acquired or disposed	-	6,638	-	-	-	(1,503)	5,135	(5,135)	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	(7,025)	(7,025)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	(9,013)	(9,013)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	31,285	31,285	(31,285)	-	-	-
Z1	Balance as of June 30, 2024	$ 1,890,023	$ 27,504	$ 357,621	$ 466,940	$ 824,561	$ 250,849	$ 2,992,937	$ 225,994	$ 3,218,931

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

For the six months ended June 30, 2024 and 2023

Unit: NT$ thousand

Code		For the six months ended June 30, 2024	For the six months ended June 30, 2023
	Cash flows from operating activities		
A00010	Net profit before tax	$ 299,009	$ 71,385
	Adjustments to reconcile profit (loss)		
A20100	Depreciation	21,629	22,837
A20200	Amortization expenses	11,804	10,736
A20300	Expected credit impairment loss (credit)	(1,412)	248
A20400	Net (gain) loss of financial assets at fair value through profit or loss	(239,007)	139,847
A20900	Finance costs	7,200	8,125
A21200	Interest income	(2,540)	(3,286)
A21300	Dividend income	(52,898)	(235,835)
A22500	Net loss (gain) from disposal and retirement of real estate, plant and equipment	29	(704)
A22800	Loss from the disposals and scrap of intangible assets	19	1
A23800	Gains on inventory devaluation and obsolescence recovery	-	(83)
A29900	Others	234	761
	Net change in operating assets and liabilities		
A31130	Notes receivable	72,870	390
A31140	Notes receivable - related parties	931	(2,589)
A31150	Accounts receivables	6,653	(2,293)
A31160	Accounts receivable - related parties	3,194	431
A31180	Other receivables	(656)	21,265
A31190	Other receivables - related parties	-	(21,830)
A31200	Inventory	(140,015)	(29,455)
A31230	Prepayments	(3,535)	(9,054)
A31240	Other current assets	(258)	(1,248)
A32130	Notes payable	1,477	(7,815)
A32140	Notes payable - related parties	476	2,747
A32150	Accounts payable	3,644	19,908
A32160	Accounts payable - related parties	872	(834)
A32180	Other payables	(14,375)	(15,056)
A32190	Other payables - related parties	213	619
A32230	Other current liabilities	(3,434)	(548)
A32240	Net confirmed benefit debt	269	221
A33000	Cash from operating activities	(27,607)	(31,109)
A33300	Interest paid	(3,120)	(3,762)
A33500	Income tax paid	(143)	(5,636)
AAAA	Net cash outflow from operating activities	(30,870)	(40,507)

(Cont'd)

(Cont'd.)

Code		For the six months ended June 30, 2024	For the six months ended June 30, 2023
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 57,717)	($ 31,580)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	135,313	55,463
B00050	Disposal of financial assets measured at amortized cost	300	100
B00100	Acquisition of financial assets at fair value through profit or loss	(864,076)	(272,022)
B00200	Disposal of financial assets at fair value through profit or loss	1,214,553	250,239
B02700	Acquisition of property, plant and equipment	(1,775)	(10,134)
B02800	Disposal of property, plant and equipment prices	-	1,136
B03800	Decrease in refundable deposits	413	187
B04300	Increase in other receivables - related parties	-	(200,000)
B04500	Acquisition of intangible assets	(5,125)	(94,580)
B06500	Increase in their financial assets	(10)	(8,637)
B06600	Decrease in other financial assets	650	-
B06700	Increase of other non-current assets	(8,357)	-
B06800	Decrease of other non-current assets	-	39,645
B07500	Interest received	2,719	3,347
B07600	Dividends received	900	-
BBBB	Net cash inflows (outflows) from investing activities	417,788	(266,836)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	193,000
C00200	Decrease in short-term borrowings	(40,000)	-
C01600	Increase in long-term loans	10,000	50,000
C01700	Decrease in long-term loans	(13,163)	(9,063)
C03000	Increase in guarantee deposits	-	50
C04020	Lease liability principal repayments	(25,351)	(25,621)
C05400	Acquisition of equity in subsidiaries	(7,025)	-
C05800	Changes in non-controlling interests	(3,802)	-
CCCC	Net cash inflow (outflow) from financing activities	(79,341)	208,366
EEEE	Net cash increase (decrease) in the current period	307,577	(98,977)
E00100	Cash balance at the beginning of the period	735,847	347,821
E00200	Cash balance at the end of the period	$ 1,043,424	$ 248,844

The notes constitute a part of the financial statements.

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

Tze Shin International Co., Ltd. and its subsidiaries

Notes to Consolidated Financial Statements

For the six months ended June 30, 2024 and 2023

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

I. Corporate history

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

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

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

II. Date and Procedures for Passing the Financial Report

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

III. Application of New and Revised International Financial Reporting Standards

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

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

(II) 2025 IFRSs endorsed by the FSC

New/amended/revised standards and interpretations	Effective date issued by the IASB
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 1)

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

(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)
"IFRS Accounting Standards Annual Improvement - Volume 11"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Non-Publicly Accountable Subsidiaries: Disclosures"	January 1, 2027

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.

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

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

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

(II) Basis of preparation

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

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

1. Level 1 input: refers to the quotation (unadjusted) of the same asset or liability in an active market on the measurement date.

2. Level 2 input: in addition to the quoted price in Level 1, the direct (i.e., price) or indirect (i.e., inference from price) observable input of the asset or liability.
3. Level 3 inputs: The unobservable inputs for the asset or liability.

(III) Basis of consolidation

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

Please refer to Note 12 and Table 2 for details of subsidiaries, shareholding ratio and business items.

(IV) Other material accounting policies

Except for the following descriptions, please refer to the summary of material accounting policies in the 2023 consolidated financial statements.

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

Current assets include:

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

Current liabilities include:

(1) Liabilities held mainly for the purpose of trading;
(2) Liabilities due and settled within 12 months after the balance sheet date; and
(3) At the balance sheet date, the liabilities to which the Company has no substantive right to defer the settlement thereof for at least 12 months after the balance sheet date.

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

2. Defined benefits and post-employment benefits

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

3. Income tax

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

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

Major sources of uncertainty in major accounting judgments, estimates, and assumptions adopted by the consolidated financial statements are equivalent to that of the 2023 consolidated financial statements.

VI. Cash

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and working capital	$ 1,501	$ 1,641	$ 1,459
Checks and demand deposits at banks	1,041,923	734,206	247,385
	$ 1,043,424	$ 735,847	$ 248,844

VII. Financial instruments at fair value through profit or loss

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets - current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
- Domestic listed (OTC Listed) stock	$ 1,058,623	$ 1,150,292	$ 954,507
- Fund beneficiary certificate	31,237	31,035	30,846
	$ 1,089,860	$ 1,181,327	$ 985,353
Financial assets - non-current			
Non-derivative financial assets mandatorily measured at fair value through profit or loss			
- Domestic unlisted (non-OTC Listed) stock	$ -	$ -	$ 362

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

VIII. Financial assets measured at fair value through other comprehensive income

Investment in equity instruments

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Domestic investment			
Listed (OTC Listed) stock	$ 124,211	$ 163,945	$ 139,907
Non-current			
Domestic investment			
Unlisted (non-OTC Listed) stock	$ 311,153	$ 213,898	$ 175,522
Foreign investment			
Unlisted (non-OTC Listed) stock	4,560	3,443	3,400
	$ 315,713	$ 217,341	$ 178,922

The merged company invests in the ordinary shares of the above-mentioned domestic and foreign listed (TWSE) and unlisted (OTC Listed) companies based on medium and long-term strategic purposes and expects to make profits through long-term investments. The management of the merged company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

For the six months ended June 30, 2024, the merged company purchased ordinary shares of IBF Financial Holdings Co., Ltd. at a price of NT$57,717 thousand. As it is a mid- and long-term strategic investment, it is designated to be measured at fair value through other comprehensive gains and losses.

For the six months ended June 30, 2023, the merged company purchased ordinary shares of IBF Financial Holdings Co., Ltd. and Taisun Enterprise Co., Ltd. at a price of NT$24,784 thousand and NT$6,796 thousand, respectively. As it is a mid- and long-term strategic investment, it is designated to be measured at fair value through other comprehensive gains and losses.

For the six months ended June 30, 2024, the merged company adjusted its investment position to diversify risks and sold some ordinary shares of IBF Financial Holdings Co., Ltd. at fair values of NT$135,313 thousand, and other related interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT$31,285 thousand were transferred to retained earnings.

For the six months ended June 30, 2023, the merged 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$16,454 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$10,124 thousand were transferred to retained earnings.

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

IX. Financial assets measured at amortized cost

	June 30, 2024	December 31, 2023	June 30, 2023
Current			
Domestic investment			
Time deposits with an original maturity date of more than 3 months	$ 23,350	$ 23,650	$ 23,700

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

X. Notes receivable, accounts receivable and other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Measured at amortized cost			
Gross carrying amount			
Notes receivable	$ 8,782	$ 81,652	$ 6,756
Notes receivable - related parties	$ 28,419	$ 29,350	$ 37,342
Accounts receivables	$ 40,932	$ 47,585	$ 61,482
Less: loss allowance	(714)	(714)	(19,775)
	$ 40,218	$ 46,871	$ 41,707
Accounts receivable - related parties	$ 29,809	$ 33,003	$ 36,936
Other receivables	$ 35,288	$ 26,970	$ 520,956
Less: loss allowance	(469)	(1,881)	(329,019)
	$ 34,819	$ 25,089	$ 191,937
Other receivables - related parties	$ 36,000	$ -	$ 249,935

The merged company terminated its cooperation with the landlord on the joint construction project of Juguang Section, Wanhua District, Taipei City (Juguang Project) in December 2023. According to the agreement in the joint construction contract, because the landlord did not complete the land integration within the time limit and it was not feasible to plan for a joint building, both parties agreed to terminate the joint construction contract, and the landlord should pay a liquidated damage of NT$70,000 thousand to the Company (accounted in Notes receivable), which has been fully collected on schedule in 2024.

The Company's other receivables - share settlement amounted to NT$15,410 thousand, has been fully received in July 2024.

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:

June 30, 2024

	Not overdue	Past due by 1 to 60 days	Past due by 61 to 90 days	Past due by 91 to 180 days	Overdue for more than 180 days	Total
Expected credit loss rate	0.001%	-	5.000%	-	100%	
Gross carrying amount	$ 174,955	$ -	$ 3,258	$ -	$ 1,017	$ 179,230
Loss allowance (lifetime expected credit losses)	(3)	-	(163)	(-)	(1,017)	(1,183)
Cost after amortization	$ 174,952	$ -	$ 3,095	$ -	$ -	$ 178,047

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%	
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

June 30, 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	-	-	-	14.774%	100%	
Gross carrying amount	$ 563,849	$ -	$ -	$ 1,017	$ 348,541	$ 913,407
Loss allowance (lifetime expected credit losses)	(103)	-	-	(150)	(348,541)	(348,794)
Cost after amortization	$ 563,746	$ -	$ -	$ 867	$ -	$ 564,613

Information on changes in loss allowances is as follows:

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Balance at the beginning of the period	$ 2,595	$ 348,546
Add: Provision of impairment loss	-	248
Less: Reversal impairment loss	(1,412)	-
Balance at the end of the period	$ 1,183	$ 348,794

The merged company entered into a cross-strait and domestic route cooperation management service contract with Far Eastern Transport Corporation (hereinafter referred to as Far Eastern Air). However, due to significant financial difficulties faced by Far Eastern Air, 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 merged company 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 merged company will continue to recover the above-mentioned funds through legal channels to maintain the interests of the merged company.

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 merged company 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

	June 30, 2024	December 31, 2023	June 30, 2023
Land held for sale	$ 159,361	$ 159,361	$ 159,361
Building and land under construction	175,040	20,421	29,213
Commodities	5,828	5,628	5,684
Food and beverage	1,325	1,359	1,726
	$ 341,554	$ 186,769	$ 195,984

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

The inventory-related costs of sales for the three months and six months ended June 30, 2024 and 2023, were NT$ 16,465 thousand, NT$ 12,740 thousand, NT$ 31,578 thousand and NT$23,854 thousand, respectively.

The cost of sales for the three months ended June 30, 2023 includes the loss of inventory devaluation of NT$ 29 thousand; the cost of sales for the six months ended June 30, 2023 includes the gains on the net realizable value of inventory of NT$ 83 thousand.

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

XII. Subsidiary

(I) Subsidiaries included in the consolidated financial statements:

The entities preparing the consolidated financial statements are as follows:

			Percentage of shareholding			
Name of the investors	Name of subsidiaries	Main Business Activity	June 30, 2024	December 31, 2023	June 30, 2023	Explanation
The Company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	65.94%	62.99%	62.99%	1.2.
	Miramar Resort Co., Ltd. (Miramar Resort)	Management of hotels and water recreation activities	66.18%	66.18%	66.18%	3.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses Operation and investment	47.47%	47.47%	47.47%	4.
	ACMC TRADING CO., LTD. (ACMC Trading)	International trade management	100.00%	100.00%	100.00%	5.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	13.33%	3.

Remarks:

1. In March 2024, the Company acquired 1,099 thousand shares of Miramar Hospitality Co., Ltd. for the price of NT$7,025 thousand, resulting in an increase of shareholding to 65.94%, and the difference between the price and book value of the subsidiary's equity acquired or disposed was recognized for NT$6,638 thousand.

2. It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
3. The Company directly and indirectly holds 79.51% of the shares of Miramar Resort Co., Ltd., so it has the ability to control, so it is included in the consolidated financial statements as an entity.
4. As the legal representative of our company occupies more than half of the director seats in Hsin Hai Transportation, we have control over the company and therefore include it as a subsidiary in our consolidated financial statements.
5. The Company's subsidiary, ACMC Trading Co., Ltd., was resolved to dissolve and liquidate on August 31, 2023. As of June 30, 2024, ACMC Trading Co., Ltd. was in the process of liquidation.

(II) Subsidiaries with significant non-controlling equity

		Percentage of shareholding and voting rights held by non-controlling interests		
Name of subsidiaries	Principal place of business	June 30, 2024	December 31, 2023	June 30, 2023
Miramar Hospitality Co., Ltd.	Taipei City	34.06%	37.01%	37.01%

XIII. <u>Property, plant and equipment</u>

	June 30, 2024	December 31, 2023	June 30, 2023
Land	$ 156,144	$ 156,144	$ 156,144
Buildings	9,724	9,959	10,195
Transportation equipment	33,243	40,361	41,490
Office equipment	5,995	5,480	5,134
Restaurant and hotel equipment	12,499	12,827	12,500
	$ 217,605	$ 224,771	$ 225,463

On October 21, 2022, in line with the government's deregulation policy, Miramar Hospitality Co., Ltd. withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operations. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. For the six months ended June 30, 2023, there was an addition of restaurant and hotel equipment in the amount of NT$10,002 thousand.

Except for the abovementioned descriptions and the depreciation expenses recognized, the property, plant and equipment of the merged company had no material addition, disposal, or impairment for the six months ended June 30, 2024 and 2023. Depreciation expenses are calculated on a straight-line basis over their estimated useful lives, as shown in the following:

Buildings	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 20 years
Restaurant and hotel equipment	5-10 years

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

XIV. Lease agreement

(I) Right-of-use assets

	June 30, 2024	December 31, 2023	June 30, 2023
Book value of right-of-use assets			
Land	$ 491,854	$ 489,214	$ 502,181
Buildings	1,407	1,535	2,305
	$ 493,261	$ 490,749	$ 504,486

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Increase in right-of-use assets			$ -	$ 10,873
Depreciation expense of right-of-use assets				
Land	$ 6,071	$ 6,484	$ 12,589	$ 12,968
Buildings	65	135	128	270
	$ 6,136	$ 6,619	$ 12,717	$ 13,238

(II) Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Book value of lease liabilities			
Current	$ 15,115	$ 17,738	$ 21,641
Non-current	$ 485,985	$ 488,917	$ 486,734

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

	June 30, 2024	December 31, 2023	June 30, 2023
Land	1.70%~1.76%	1.70%~1.76%	1.70%~1.95%
Buildings	1.70%~1.95%	1.70%~1.95%	1.70%

(III) Significant lease activities and terms and conditions

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

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

(IV) Other lease information

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Expenses relating to short-term leases	$ 315	$ 350	$ 680	$ 732
Lease expenses of low-value assets	$ 155	$ 163	$ 306	$ 307
Total cash (outflow) of leases			($ 26,337)	($ 26,660)

XV. Investment property

	June 30, 2024	December 31, 2023	June 30, 2023
Land			
Keelung Nuan-Nuan Yuanyuan Section	$ 30,026	$ 30,026	$ 30,026

The fair value of the merged company's investment property was evaluated by Ching-Tang Li, an independent evaluator who is not a related party. On December 20, 2021, upon the release of the Real Estate Valuation Report for the Nuan-Nuan 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. Since there is no significant change in the real estate transaction price in the area, the fair value on June 30, 2024, December 31, 2023, and June 30, 2023 was appraised and the aforementioned fair value evaluated by an independent appraiser who is not a related party. There should be no significant difference.

XVI. Intangible assets

	June 30, 2024	December 31, 2023	June 30, 2023
Operating concession	$ 494,187	$ 500,864	$ 500,006
Computer software	113	134	94
	$ 494,300	$ 500,998	$ 500,100

On October 21, 2022, in line with the government's deregulation policy, Miramar Hospitality Co., Ltd. withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operations. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. For the six months ended June 30, 2023, there was an addition of operating royalty cost in the amount of NT$94,520 thousand.

Except for the abovementioned descriptions and the amortization expenses recognized, the intangible assets of the merged company had no material addition, disposal, or impairment for the six months ended June 30, 2024 and 2023. Amortization expenses are accrued on a straight-line basis over the following useful years:

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

The cost and cumulative amortization of the abovementioned operating royalty on June 30, 2024 in the amount of NT$494,187 thousand were NT$993,536 thousand and NT$499,349 thousand, respectively. The cost includes the royalty of NT$27,000 thousand and the planning fee of NT$2,390 thousand that was paid for signing the "Development and Operation Agreement for Private Participation in the Construction of Affordable Hotels in Taipei" with the Tourism Bureau of Ministry of Transportation and Miramar Hospitality Co., Ltd. Also, the construction cost was NT$964,146 thousand.

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

XVII. Borrowings

(I) Short-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (Note 27)			
Bank mortgage	$ 130,000	$ 170,000	$ 268,000
Unsecured borrowings			
Borrowings against credit lines	-	-	55,000
	$ 130,000	$ 170,000	$ 323,000

Bank borrowings are secured by the merged company's bank deposits, time certificates of deposit, and operating concessions (see Note 27). The interest rate of bank revolving borrowings as of June 30, 2024 and December 31 and June 30, 2023 were 2.225%, 2.100~2.520%, and 2.100%~2.520%, respectively.

(II) Long-term borrowings

	June 30, 2024	December 31, 2023	June 30, 2023
Secured borrowings (Note 27)			
Bank mortgage	$ 43,064	$ 52,894	$ 61,881
Unsecured borrowings			
Borrowings against credit lines	33,889	27,222	19,889
	76,953	80,116	81,770
Less: Portion of long-term borrowings due within one year	(26,488)	(27,214)	(25,633)
	$ 50,465	$ 52,902	$ 56,137
Repayment maturity date of secured borrowings	2024.7.10~ 2028.1.30	2025.1.17~ 2028.1.30	2025.1.17~ 2028.1.30
Repayment maturity date of unsecured borrowings	2026.9.3~ 2027.4.29	2026.5.4~9.3	2026.9.3

Secured bank borrowings are secured by the certificates of term deposits, land, buildings, operating royalty, and development royalty (please refer to Note 27) of the merged company; as of June 30, 2024 and December 31 and June 30, 2023, the interest rate was 2.325%~2.720%, 2.325%~2.595%, and 2.325%~2.595%, respectively.

The interest rates of the unsecured borrowings and Post-Pandemic Revitalization Program were 2.220%~2.720, 2.595%, and 2.595% as of June 30, 2024 and December 31 and June 30, 2023, respectively, belongs to the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XVIII. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Dividends payable	$ 439,916	$ -	$ 12,159
Payroll payable	29,061	37,394	28,262
Premium payable	12,703	19,014	7,119
Stock settlement payable	11,846	-	3,603
Remuneration payable to directors	8,236	5,134	1,511
Remuneration payable to employees	8,236	5,134	1,511
Others	18,693	25,095	21,784
	$ 528,691	$ 91,771	$ 75,949

XIX. Post-employment benefit plan

The pension expenses related to defined benefit plans recognized for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2023 and 2022 were calculated based on the pension cost rate determined through an actuary as of December 31, 2023 and 2022, and the amount was NT$195 thousand, NT$286 thousand, NT$389 thousand, and NT$573 thousand, respectively.

XX. Equity

(I) Share capital

Common stock

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares (thousand)	250,000	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	189,002	189,002
Issued capital stock	$ 1,890,023	$ 1,890,023	$ 1,890,023

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

(II) Capital reserve

	June 30, 2024	December 31, 2023	June 30, 2023
May be used to offset losses, distribute cash or capitalize on capital (1)			
Treasury shares transaction	$ 20,348	$ 20,348	$ 20,348
Difference between the price and book value of the subsidiary's equity acquired or disposed actually	6,638	-	-
Can only be used to offset a deficit			
Recognition of changes in ownership interests of subsidiaries (2)	18	18	18
Unclaimed dividends after expiry date	500	520	488
	$ 27,504	$ 20,886	$ 20,854

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. In principle, the cash dividends distributed for retained earnings shall not be less than 20% of the distributable earnings, and the percentage of dividends distributed shall not be less than 50% of the total dividends distributed in the current year. The proportion of dividend distribution and cash dividends may depend on the operating capital required by Company and other related circumstances. When the board of directors is authorized to formulate an earnings distribution plan adopting the method of issuing new shares, such plan may be implemented after being submitted to the shareholders' meeting for resolution and when making distribution in cash. It shall be distributed based on the resolution of the board of directors, which shall be submitted to the shareholders' meeting.

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

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

	2023
Legal reserve	$ 47,924
Cash dividends	$ 434,705
Cash dividend per share (NTD)	$ 2.3

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

XXI. Revenue

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Revenue from contracts with customers				
Transportation revenue	$ 85,069	$ 97,553	$ 168,378	$ 194,694
Hospitality revenue	77,365	58,997	158,670	88,934
Rental income	2,896	2,894	5,794	5,786
Others	-	(17)	-	13
	$ 165,330	$ 159,427	$ 332,842	$ 289,427

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

XXII. Net profit

(I) Others

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Dividend income	$ 52,898	$ 235,835	$ 52,898	$ 235,835
Rental income	1,970	2,251	4,381	4,185
Others	2,543	1,160	5,035	4,312
	$ 57,411	$ 239,246	$ 62,314	$ 244,332

(II) Other gains and losses

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Net gain (loss) on financial assets at fair value through profit or loss	$ 18,353	($ 163,971)	$ 239,007	($ 139,847)
Net gain (loss) from disposal and retirement of real estate, plant and equipment	(24)	107	(29)	704
Others	(138)	(87)	(258)	(183)
	$ 18,191	($ 163,951)	$ 238,720	($ 139,326)

(III) Finance costs

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Interest on lease liabilities	$ 2,282	$ 2,315	$ 4,577	$ 4,644
Interest on bank borrowings	1,246	2,116	2,623	3,481
	$ 3,528	$ 4,431	$ 7,200	$ 8,125

(IV) Depreciation and amortization

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Depreciation expenses by function				
Operating cost	$ 6,819	$ 6,708	$ 12,900	$ 13,392
Operating expense	3,673	4,707	8,729	9,445
	$ 10,492	$ 11,415	$ 21,629	$ 22,837
Amortization expenses are summarized by function				
Operating cost	$ 5,655	$ 5,365	$ 11,300	$ 10,255
Operating expense	252	242	504	481
	$ 5,907	$ 5,607	$ 11,804	$ 10,736

(V) Employee benefits expense

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Post-employment benefits				
Defined contribution plan	$ 2,274	$ 1,844	$ 3,925	$ 3,782
Defined benefit plan	195	286	389	573
	2,469	2,130	4,314	4,355
Other employee benefits	59,682	47,625	103,266	90,131
Total employee benefit expenses	$ 62,151	$ 49,755	$ 107,580	$ 94,486
Summary by function				
Operating cost	$ 43,500	$ 33,014	$ 70,343	$ 61,613
Operating expense	18,651	16,741	37,237	32,873
	$ 62,151	$ 49,755	$ 107,580	$ 94,486

(VI) Employees' compensation and remuneration of directors

For 2023, 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.

Per resolution passed at the June 25, 2024 shareholders’ meeting approving an amendment to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at between 1-5% and no more than 3% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. Remuneration of employees and remuneration of directors estimated for the six months ended June 30, 2024 and 2023 are as follows:

Estimated allowance

	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Employee remuneration	1%	1%
Remuneration to directors	1%	1%

Amount

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Employee remuneration	$ 711	$ 667	$ 2,920	$ 771
Remuneration to directors	$ 711	$ 667	$ 2,920	$ 771

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

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

Amount

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

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

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

XXIII. Income tax

(I) Income tax recognized in profit or loss

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

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Current income tax				
Generated during the period	$ 24	$ 1,066	$ 243	$ 1,954
Adjustment from previous year	(20)	(4)	(20)	84
	4	1,062	223	2,038
Deferred income tax				
Generated during the period	1,829	112	4,351	(3,914)
Income tax (gain) expenses recognized in profit or loss	$ 1,833	$ 1,174	$ 4,574	($ 1,876)

(II) Authorization of income tax

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

XXIV. Earnings per share (EPS)

Unit: NTD per share

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Basic earnings per share				
Basic earnings per share	$ 0.37	$ 0.35	$ 1.51	$ 0.40
Diluted earnings per share				
Diluted earnings per share	$ 0.37	$ 0.35	$ 1.51	$ 0.40

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

Net profit for the period

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Net profit attributable to owners of the Company	$ 69,678	$ 65,380	$ 285,917	$ 75,596

Number of shares

Unit: Thousand shares

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Weighted average number of ordinary shares used in the computation of basic and diluted earnings per share	189,002	189,002	189,002	189,002
Effect of potential dilutive ordinary shares:				
Employee remuneration	89	50	187	58
Weighted average number of ordinary shares used in the computation of diluted earnings per share	189,091	189,052	189,189	189,060

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

XXV. Financial instruments

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

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

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

1. Fair value hierarchy

June 30, 2024

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stock	$ 1,058,623	$ -	$ -	$ 1,058,623
Fund beneficiary certificate	31,237	-	-	31,237
	$ 1,089,860	$ -	$ -	$ 1,089,860
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC) stock	$ 124,211	$ -	$ -	$ 124,211
- Domestic unlisted (non-OTC Listed) stock	-	311,153	-	311,153
- Foreign unlisted (non-OTC Listed) stocks	-	4,560	-	4,560
	$ 124,211	$ 315,713	$ -	$ 439,924

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

June 30, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed (OTC) stock	$ 954,507	$ -	$ -	$ 954,507
Domestic unlisted (non-OTC Listed) stock	-	362	-	362
Fund beneficiary certificate	30,846	-	-	30,846
	$ 985,353	$ 362	$ -	$ 985,715

(Cont'd)

(Cont'd.)

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC) stock	$ 139,907	$ -	$ -	$ 139,907
- Domestic unlisted (non-OTC Listed) stock	-	175,522	-	175,522
- Foreign unlisted (non-OTC Listed) stocks	-	3,400	-	3,400
	$ 139,907	$ 178,922	$ -	$ 318,829

There were no transfers between Level 1 and Level 2 fair value measurements during the six months ended June 30, 2024 and 2023.

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

Type of financial instrument	Valuation techniques and inputs
Domestic and foreign unlisted (OTC Listed) stocks	Market method: For companies in the same industry and with similar operating and financial conditions, the transaction price of their stocks in an active market, and the corresponding value multiplier, and consider the liquidity risk to calculate the liquidity discount to convert the value of the target. Asset method: Fair value is derived from inputs that are directly (i.e., prices) or indirectly (i.e., derived from prices) observable, which is belonging to the assets or liabilities.

(III) Types of Financial Instruments

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets			
Measured at fair value through profit or loss			
Mandatory measurement at fair value through profit or loss	$ 1,089,860	$ 1,181,327	$ 985,715
Financial assets at amortized cost (Note 1)	1,335,919	1,067,613	1,007,856
Financial assets measured at fair value through other comprehensive income			
Investment in equity instruments	439,924	381,286	318,829
Financial liabilities			
Measured at amortized cost (Note 2)	819,938	419,599	564,840

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

parties, other financial assets - current, refundable deposits - non-current and other financial assets - non-current.

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

(IV) Financial Risk Management Objectives and Policies

The merged company's main financial instruments include cash, investment in equity instruments, accounts receivable, accounts payable, and borrowings. The merged company's financial strategy is mainly based on the principle of conservatism and stability. The goal of financial risk management is to manage the interest rate risk, credit risk and liquidity risk related to operating activities. In order to mitigate related financial risks, the merged company has established a complete approval authority to stipulate a financial policy with clear powers and responsibilities and supervise the implementation process to reduce the potential adverse impact of market changes on the merged company's financial performance.

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

1. Market risk

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

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

(1) Interest rate risk

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

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

	June 30, 2024	December 31, 2023	June 30, 2023
Fair value interest rate risk			
- Financial assets	$ -	$ 5,000	$ 5,000
- Financial liabilities	501,100	506,655	508,375
Cash flow interest rate risk			
- Financial assets	1,074,554	762,573	284,348
- Financial liabilities	206,953	250,116	404,770

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate risk exposure of the non-derivative instruments at the balance sheet date. Assets and liabilities with floating interest rates are analyzed on the assumption that the amount of assets and liabilities outstanding on the balance sheet date is outstanding throughout the reporting period. The rate of change used when the interest rate is reported to key management within the merged company is 100 basis points for an increase or decrease in interest rate, which also represents management's assessment of the scope of reasonable and possible changes in interest rates.

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the merged company's net profit before tax for the six months ended June 30, 2024 and 2023 would have increased/decreased by NT$4,338 thousand and decreased/increased by NT$602 thousand, mainly due to the variable interest rate deposits of the merged company and variable interest rate borrowings.

(2) Other pricing risks

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

Sensitivity Analysis

The sensitivity analysis below was conducted based on the equity price risk exposure on the balance sheet date.

If the equity price increased/decreased by 1%, the profit or loss before tax/after tax would have increased/decreased by NT$10,899 thousand for the six months ended June 30, 2024 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax for the six months ended June 30, 2024 would have increased/decreased by NT$4,399 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the profit or loss before tax/after tax would have increased/decreased by NT$9,857 thousand for the six months ended June 30, 2023 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax for the six months ended June 30, 2023 would have increased/decreased by NT$3,188 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 June 30, 2024, and December 31 and June 30, 2023, please refer to the description of (2) financing facilities below.

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

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

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

June 30, 2024

	Pay on demand or less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years
Non-interest-bearing liabilities	$ 515,161	$ 26,203	$ 23,701	$ 1,000	$ -
Lease liabilities	1,032	2,232	30,173	157,976	618,588
Floating interest rate instruments	133,340	4,703	20,180	51,785	-
	$ 649,533	$ 33,138	$ 74,054	$ 210,761	$ 618,588

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	$ 33,437	$ 157,976	$ 111,865	$ 131,988	$ 125,333	$ 249,402

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

June 30, 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	$ 101,062	$ 27,733	$ 8,946	$ 1,000	$ -
Lease liabilities	404	1,395	29,336	95,540	541,741
Floating interest rate instruments	197,500	57,831	96,814	58,153	-
	$ 299,506	$ 86,959	$ 135,096	$ 154,693	$ 541,741

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

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years
Lease liabilities	$ 31,135	$ 95,540	$ 104,865	$ 99,290	$ 99,290	$ 238,296

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 June 30, 2024, and December 31 and June 30, 2023, the balance of undiscounted principal of these bank loans is NT$133,010 thousand, NT$172,994 thousand and NT$196,850 thousand, respectively.

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

(2) Financing limit

	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank facilities (reviewed every year)			
- Amount used	$ 33,889	$ 27,222	$ 74,889
- Unutilized amount	105,000	115,000	60,000
	$ 138,889	$ 142,222	$ 134,889
Guaranteed bank facilities			
- Amount used	$ 173,064	$ 222,894	$ 329,881
- Unutilized amount	698,000	458,000	350,000
	$ 871,064	$ 680,894	$ 679,881

XXVI. Related-Party Transactions

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

(I) Names of related parties and their relationships

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

(II) Operating revenue

Accounting item	Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Transportation revenue	Substantially related party				
	T&W Transportation Services	$ 42,169	$ 52,695	$ 85,707	$ 99,308
Hospitality revenue	Substantially related party				
	Others	85	94	406	287
		$ 42,254	$ 52,789	$ 86,113	$ 99,595

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

(III) Operating cost

Accounting item	Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Transportation cost	Substantially related party				
	T&W Transportation Services	$ 13,578	$ 13,292	$ 25,497	$ 23,988
Dining and travel expenses	Substantially related party				
	Athena Information Systems International Co., Ltd.	108	93	211	186
		$ 13,686	$ 13,385	$ 25,708	$ 24,174

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

(IV) Operating expense

Accounting item	Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Dining and travel expenses	Substantially related party				
	Athena Information Systems International Co., Ltd.	$ 160	$ 170	$ 318	$ 327
Transportation expenses	Substantially related party				
	T&W Transportation Services	26	169	52	195
		$ 186	$ 339	$ 370	$ 522

(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. For the six months ended June 30, 2024 and 2023, lease income recognized was NT$401 thousand and NT$381 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. For the six months ended June 30, 2024 and 2023, the lease income recognized was NT$12 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) Dividend income

Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Substantially related party				
Mayer Steel Pipe Corporation	$ 36,000	$ 22,100	$ 36,000	$ 22,100
Associates				
Yuanquan Steel	-	27,835	-	27,835
	$ 36,000	$ 49,935	$ 36,000	$ 49,935

(VII) Interest income

Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Substantially related party				
Mayer Steel Pipe Corporation	$ -	$ 2,356	$ -	$ 2,356

(VIII) Other gains and losses

Type/Name of related parties	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Substantially related party				
T&W Transportation Services	$ 120	$ 108	$ 230	$ 203

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

Accounting item	Type/Name of related parties	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 28,409	$ 29,350	$ 37,342
	Others	10	-	-
		$ 28,419	$ 29,350	$ 37,342
Accounts receivable - related parties	Substantially related party			
	T&W Transportation Services	$ 29,787	$ 32,933	$ 36,919
	Others	22	70	17
		$ 29,809	$ 33,003	$ 36,936
Other receivables - related parties	Type of related parties			
	Mayer Steel Pipe Corporation	$ 36,000	$ -	$ 22,100
	Associates			
	Yuanquan Steel	-	-	27,835
		$ 36,000	$ -	$ 49,935

No guarantee is collected for accounts receivable from related parties.

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

Accounting item	Type/Name of related parties	June 30, 2024	December 31, 2023	June 30, 2023
Notes payable - related parties	Substantially related party			
	T&W Transportation Services	$ 13,932	$ 13,456	$ 13,269
Accounts payable - related parties	Substantially related party			
	T&W Transportation Services	$ 5,138	$ 4,823	$ 4,463
	Others	600	43	165
		$ 5,738	$ 4,866	$ 4,628
Other payables - related parties	Substantially related party			
	Durban Development Co., Ltd.	$ 315	$ 389	$ 630
	Athena Information Systems International Co., Ltd.	420	133	30
		$ 735	$ 522	$ 660

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

(XI) Loans to related parties

Accounting item	Type/Name of related parties	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables - related parties	Type of related parties			
	Mayer Steel Pipe Corporation	$ -	$ -	$ 200,000

Loans provided by the Company to related parties are unsecured loans, and the contract interest rate is 5%; such loans were recovered on July 11, 2023.

(XII) Building and land under construction

Accounting item	Type/Name of related parties	June 30, 2024	December 31, 2023	June 30, 2023
Inventory	Substantially related party Durban Development Co., Ltd.	$ 5,700	$ 3,900	$ 3,600

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.

(XIII) Prepayments

Type of related parties	June 30, 2024	December 31, 2023	June 30, 2023
Substantially related party Athena Information Systems International Co., Ltd.	$ 358	$ 206	$ -

(XIV) Compensation of key management personnel

	For the three months ended June 30, 2024	For the three months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Short-term employee benefits	$ 5,029	$ 3,963	$ 8,960	$ 8,925
Post-employment benefits	193	171	298	338
	$ 5,222	$ 4,134	$ 9,258	$ 9,263

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

XXVII. Pledged Assets

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

	June 30, 2024	December 31, 2023	June 30, 2023
Operating concession (stated as intangible assets)	$ 494,187	$ 483,034	$ 481,727
Financial assets measured at fair values through other comprehensive income - current	106,260	80,850	79,530
Property, plant and equipment	110,729	110,964	111,198
Financial assets measured at fair value through profit or loss - current	439,740	294,860	216,660
Building and land under construction (stated as inventory)	74,618	74,618	74,618
Bank deposits (booked in other financial assets - current and non-current)	9,704	10,345	18,842
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,050	3,050	3,050
	$ 1,238,288	$ 1,057,721	$ 985,625

XXVIII. Material contingent liabilities and unrecognized contractual commitments

Significant contract

(I) The company

Commitments

In November 2022, the Company signed the joint construction contract for the Shi Jian Section (Practical Plan), Wenshan District, Taipei City, with the landowner. The total joint construction deposit provided was NT$350,000 thousand, and the Company issued checks in the amount of NT$80,000 thousand and NT$80,000, respectively, as the guarantee for phase 1. The landowner provided a promissory note of NT$160,000 thousand as collateral, and the landowners consolidated them. The guarantee checks for phase 2 are expected to be issued based on the consolidation progress of the landowner. The Company shall deliver guarantee checks in the amount of NT$95,000 thousand (demand) and NT$95,000 thousand (one-year), totaling NT$190,000 thousand of guarantee, when the guarantee checks for phase 1 are cashed and obtain the promissory note of NT$190,000 thousand as collateral. The ownership of all houses and parking spaces acquired by the Company under the co-building contract is sold to buyers designated by the landlord. As of June 30, 2024, 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. Additionally, due to the landowner's failure to integrate the land as expected, the Board of Directors resolved on August 13, 2024, to terminate the joint construction agreement with the landowner. Following this, the Company will reclaim the joint construction deposit of NT$80,000 thousand as stipulated in the contract and proceed with the compensation claim against the landowner.

(II) Miramar Hospitality Co., Ltd.

Operating concession contract

On March 11, 2004, the Company signed the "Development and Operation Contract for the Promotion of Private Participation in the Construction of Taipei City Affordable Hotels" with the Tourism Bureau, Ministry of Transportation and Communications. The operating period was from April 12, 2004 to April 12, 2054. The operating concession amounted to NT$27,000 thousand (included in the intangible assets), which had been paid at the time of signing the contract. According to the contract, the Company's average room price shall not exceed the agreed price. The Company shall not increase the room rate within 3 years after the formal signing of the contract, and may adjust the price index according to the commodity price index after the fourth year, but the adjustment range is subject to the consent of the Tourism Bureau. to be processed. The operating royalty is calculated based on 8% of the annual operating revenue. The operating royalties during the six months ended June 30, 2024 and 2023 were NT$12,492 thousand and NT$7,000 thousand (included under the operating expenses).

XXIX. 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. The Miramar Hospitality Co., Ltd. has received a letter from the Taipei Exchange, stating that the trading in the Emerging Stocks Market will be terminated from March 30, 2024.

XXX. Additional Disclosures

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

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

(III) Information on investments in Mainland China:

1. Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and the limit on investment in Mainland China: none.
2. Any of the following material transactions with the investee in Mainland China, either directly or indirectly through a third party, and their prices, terms of payment, and unrealized gains or losses: None.
   (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the relevant receivables at the end of the period.
   (3) The value of the property transaction and the amount of profit or loss thereupon.
   (4) Period-end balance of endorsements/guarantees or collateral provided and the purpose thereof.
   (5) The maximum balance of financing, period-end balance, interest rate range, and total interest of the current period.
   (6) Other transactions that have a significant impact on the profit or loss or financial position of the current period, such as the provision or acceptance of labor services.

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

XXXI. Segments information

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

(I) Segment revenue and operating results

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

	Segment revenue		Segment profit	
	For the six months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Transportation segment	$ 168,378	$ 194,694	($ 3,250)	($ 9,229)
Hotel segment	158,670	88,934	21,820	(15,650)
Other segments	5,794	5,799	(7,580)	(1,492)
Construction segment	-	-	(9,767)	(2,411)

(Cont’d)

(Cont'd.)

	Segment revenue		Segment profit	
	For the six months ended June 30, 2024	For the six months ended June 30, 2023	For the six months ended June 30, 2024	For the six months ended June 30, 2023
Net worth of continuing operations	$ 332,842	$ 289,427	$ 1,223	($ 28,782)
Interest income			2,540	3,286
Others			62,314	244,332
Other gains and losses			238,720	(139,326)
Finance costs			(7,200)	(8,125)
Expected credit impairment income			1,412	-
Net profit before tax			$ 299,009	$ 71,385

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales during the six months ended June 30, 2024 and 2023.

Segment profit or loss refers to the profit earned by each department, excluding interest revenue, other income, other gains and losses, finance costs, expected credit impairments, and income tax to be apportioned. This amount is provided to the chief operating decision-maker for resource allocation to departments and evaluate their performance.

(II) Total assets of segments

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

Tze Shin International Co., Ltd. and its subsidiaries

Marketable securities held at the end of the period

June 30, 2024

Table 1

Unit: NT$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	End of period				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Fair value	
The company	Ordinary shares							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	17,650	$ 636,283	7.93	$ 636,283	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	1,500	289,500	0.07	289,500	Note 2
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	300	32,400	0.10	32,400	
	QUANTA COMPUTER INC.	—	Financial assets measured at fair value through profit or loss - current	20	6,240	0.00	6,240	
	TATUNG COMPANY	—	Financial assets measured at fair value through profit or loss - current	1,350	76,950	0.06	76,950	
	Formosa Plastics Corporation	—	Financial assets measured at fair value through profit or loss - current	300	17,250	0.00	17,250	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	6,600	106,260	0.19	106,260	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	311,153	18.57	311,153	
	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							
	China Petrochemical Development Corporation	—	Financial assets measured at fair values through other comprehensive income - current	1,734	17,951	0.05	17,951	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	4,560	10.00	4,560	
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	5,229	-	5,229	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,207	-	5,207	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,208	-	5,208	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,195	-	5,195	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,201	-	5,201	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,197	-	5,197	

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, 6,600 thousand of IBF Financial Holdings Co., Ltd., and 560 thousand of Evergreen Marine Corp. (Taiwan) Ltd. shares have been pledged as collateral for short-term bank loans and short-term notes payable.

Tze Shin International Co., Ltd. and its subsidiaries

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

For the six months ended June 30, 2024

Table 2

Unit: NT$ thousand

Name of the investors	Name of the investees	Location	Main business and products	Original / investment amount		Held at the end of the period			Gains (losses) of investees for the current period	Investment gains (losses) recognized in the current period	Remarks
				June 30, 2024	December 31, 2023	Shares (Thousands)	Percentage (%)	Carrying amount			
The company	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	$ 267,065	$ 260,040	24,541	65.94	$ 274,453	$ 22,802	$ 14,742	Subsidiary
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City, TW	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	76,145	715	418	Subsidiary
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,846	(20)	(20)	Subsidiary (Note 1)
	ACMC Trading Co., Ltd.	Taipei City	International trade management	22,500	22,500	2,500	100	313	-	-	Subsidiary
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	71,400	71,400	3,540	13.33	-	(20)	-	Subsidiary (Note 2)

Note 1: The number of shares held by the Company in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, an investment loss of NT$20 thousand is recognized.

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

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

Tze Shin International Co., Ltd.

Information of principal shareholders

June 30, 2024

Table 3

Name of major shareholder	Share	
	Shares held	Percentage
TienPin Development Co., Ltd.	43,761,000	23.15%
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.