TZE SHIN INTERNATIONAL CO., LTD. and subsidiaries

Consolidated financial statements and independent auditor's report

2022 and 2021

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Declaration of Consolidation of Financial Statements of Affiliates

Affiliated enterprises subject to the preparation of consolidated financial statements of affiliated enterprises under "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" were identical to the affiliated companies subject to the preparation of consolidated financial statements under International Financial Reporting Standards No. 10 (IFRS 10) for financial year 2022 (from January 1 to December 31, 2022). All mandatory disclosures of the consolidated financial statements of affiliated enterprises have been disclosed in the consolidated financial statements. Therefore, no separate consolidated financial statement of affiliated enterprises was prepared.

Very truly yours,

Company Name: TZE SHIN INTERNATIONAL CO., LTD.

Person in Charge: Chun-Fa Huang

March 24, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
TZE SHIN INTERNATIONAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of TZE SHIN INTERNATIONAL CO., LTD and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the [Regulations Governing the Preparation of Financial Reports by Securities Issuers, [other regulations (please specify),] and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China].

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Company's consolidated financial statements for the year ended December 31, 2022 is stated as follows:

Operating revenue

Operating revenue is a matter of great concern to the management and investors. The operating income of Tze Shin International Co., Ltd. and its subsidiaries mainly comes from transportation services and the operation of international tourist hotels, among which transportation income accounts for 72% and hence significantly impacts the financial statements of the merged company for this year. Therefore, we listed whether the transportation revenue actually occurred as a key verification item during the audit this year. For the accounting policies and relevant disclosure information related to the recognition of transportation revenue, please refer to Note 4 to the financial statements.

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

1. Understand and test the design and implementation effectiveness of internal controls related to the occurrence of transportation revenue recognition.
2. Select samples from the transportation revenue in 2022, carry out detailed verification tests, check the transaction vouchers and the subsequent payment situation, and confirm the occurrence of transportation revenue recognition.
3. Send the official letter to confirm the balance of the accounts receivable at the end of the year, and implement alternative procedures for those who fail to receive the confirmation reply in time, including checking transaction vouchers and observing the collection status after the period.

Other Matter

We have also audited the parent company only financial statements of TZE SHIN INTERNATIONAL CO., LTD as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the [Regulations Governing the Preparation of Financial Reports by Securities Issuers, [other regulations (please specify),] and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China], and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including [the audit committee], are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of

the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are FANG, HAN-NI and CHEN, CHAO-YU.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 24, 2023

Notice to Readers

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

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

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Balance Sheet

December 31, 2022 and 2021

Unit: NT$ thousand

Code	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash (Notes 4 and 6)	$ 347,821	10	$ 896,679	21
1110	Financial assets measured at fair value through profit or loss - Current statement (Notes 4, 7, 29 and 30)	1,103,396	31	853,475	20
1120	Financial assets measured at fair value through other comprehensive profit or loss - Current statement (Notes 4 and 30)	157,036	4	444,053	11
1136	Financial assets measured at amortized cost - current (Notes 4, 9 and 30)	23,800	1	35,250	1
1150	Net notes receivable (Notes 4, 10 and 22)	7,146	-	6,431	-
1160	Notes receivable - related parties (Notes 4, 22 and 29)	34,753	1	46,114	1
1170	Net accounts receivable (Notes 4, 10 and 22)	39,519	1	71,070	2
1180	Accounts receivable - related parties (Notes 4, 22 and 29)	37,367	1	46,233	1
1200	Other receivables, net (Notes 4, 10, 29 and 31)	5,406	-	18,017	-
1210	Other receivables - related parties (Notes 4 and 29)	270	-	-	-
1310	Net inventories (Notes 4, 11 and 30)	166,832	5	169,196	4
1410	Prepayments (Note 29)	19,183	-	33,596	1
1476	Other financial assets - current (Notes 4 and 30)	7,200	-	3,675	-
1479	Other current assets (Notes 4 and 24)	5,221	-	3,433	-
11XX	Total current assets	1,954,950	54	2,627,222	62
	non-current assets				
1510	Financial assets at fair value through profit or loss - non-current (Notes 4 and 7)	383	-	1,160	-
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	167,587	5	256,341	6
1550	Investments using the equity method (Notes 4 and 13)	-	-	-	-
1600	Property, plant and equipment (Notes 4, 14 and 30)	225,360	6	239,092	6
1755	Right-of-use assets (Notes 4 and 15)	506,851	14	539,342	13
1760	Investment real estate (Notes 4, 16, 21 and 30)	30,026	1	30,026	1
1780	Intangible assets (Notes 4, 17, 30 and 31)	416,257	12	437,093	10
1840	Deferred tax assets (Notes 4 and 24)	96,909	3	99,231	2
1920	Refundable deposits (Note 31)	152,044	4	2,175	-
1975	Net defined benefit assets (Notes 4 and 20)	610	-	-	-
1980	Other financial assets - non-current (Notes 4 and 30)	3,005	-	-	-
1990	Other non-current assets (Notes 30 and 31)	39,865	1	1,842	-
15XX	Total non-current assets	1,638,897	46	1,606,302	38
1XXX	Total liabilities and equity	$ 3,593,847	100	$ 4,233,524	100
Code	**Financial liabilities and equity**				
	Current liabilities				
2100	Short-term borrowings (Notes 4, 18 and 30)	$ 130,000	4	$ 130,000	3
2150	Notes payable	30,470	1	42,058	1
2160	Notes payable - related parties (Note 29)	10,522	-	13,531	-
2170	Accounts payable	22,726	1	28,753	1
2180	Accounts payable - related parties (Note 29)	5,462	-	8,027	-
2200	Other payables (Notes 19 and 29)	79,090	2	118,036	3
2220	Other payables - related parties (Note 29)	41	-	148	-
2230	Income tax liabilities for the current period (Notes 4 and 24)	5,664	-	4,208	-
2280	Lease liabilities - current (Notes 4 and 15)	17,464	1	21,324	-
2320	Long-term loans due within one year (Notes 4, 18 and 30)	10,000	-	-	-
2399	Other current liabilities	15,189	-	26,535	1
21XX	Total current liabilities	326,628	9	392,620	9
	Non-current liabilities				
2540	Long-term loans (Notes 4, 18 and 30)	30,833	1	20,000	1
2570	Deferred tax liabilities (Notes 4 and 24)	11	-	-	-
2580	Lease liabilities - non-current (Notes 4 and 15)	504,763	14	527,279	13
2640	Net defined benefit liabilities (Notes 4 and 20)	5,358	-	8,887	-
2645	Guarantee deposits	175	-	479	-
2670	Other non-current liabilities	11,914	-	12,805	-
25XX	Total non-current liabilities	553,054	15	569,450	14
2XXX	Total liabilities	879,682	24	962,070	23
	Equity attributed to owners of the Company				
3110	Common stock	1,890,023	53	1,718,202	41
3200	Capital reserve	20,857	-	20,858	-
	Retained earnings				
3310	Legal reserve	309,697	9	272,218	6
3350	Unappropriated earnings	153,135	4	698,489	17
3300	Total retained earnings	462,832	13	970,707	23
3400	Other equity	99,744	3	320,438	7
3500	Treasury shares	-	-	-	-
31XX	Total equity of the owner of the Company	2,473,456	69	3,030,205	71
36XX	Non-controlling interests	240,709	7	241,249	6
3XXX	Total Equity	2,714,165	76	3,271,454	77
	Total Liabilities and Equity	$ 3,593,847	100	$ 4,233,524	100

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang Managerial Officer: Ming-Tan Hsu Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2022 and 2021

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

Code		2021 Amount	%	2021 Amount	%
4000	Net operating revenue (Notes 4, 22 and 29)	$ 729,967	100	$ 791,835	100
5000	Operating costs (Notes 11, 23 and 29)	571,803	78	634,531	80
5950	Gross profit	158,164	22	157,304	20
	Operating expense				
6200	Operating expenses (Notes 23, 29 and 31)	170,972	23	189,197	24
6450	Expected credit impairment loss (reversal benefit) (Notes 4 and 10)	3,095	1	(90)	-
6000	Subtotal	174,067	24	189,107	24
6900	Net operating loss	(15,903)	(2)	(31,803)	(4)
	Non-operating income and expenses				
7010	Other income (Notes 23 and 29)	210,036	29	125,322	16
7020	Other gains and losses (Notes 15, 23, 26 and 29)	(424,133)	(58)	246,535	31
7050	Financial costs (Note 23)	(12,603)	(2)	(14,932)	(2)
7060	Loss share of affiliated enterprises using the equity method (Notes 4 and 13)	-	-	(1,116)	-
7100	Interest income (Note 29)	2,075	-	2,175	-
7000	Subtotal	(224,625)	(31)	357,984	45
7900	Net (loss) profit before tax	(240,528)	(33)	326,181	41
7950	Income tax expenses (Notes 4 and 24)	4,634	1	10,901	1
8000	Net (loss) profit for the current year	(245,162)	(34)	315,280	40

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Code		2021 Amount	2021 %	2021 Amount	2021 %
	Other comprehensive net income				
8310	Not to be reclassified to profit or loss in subsequent periods:				
8311	Remeasurements of defined benefit plans (Note 20)	$ 4,590	1	($ 2,605)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(131,004)	(18)	230,500	29
8349	Income tax related to items that will not be reclassified (Note 24)	(918)	-	521	-
8300	Other comprehensive income of the current year	(127,332)	(17)	228,416	29
8500	Total comprehensive profit and loss for the current year	($ 372,494)	(51)	$ 543,696	69
	Net (loss) profit attributed to				
8610	Owner of the Company	($ 259,843)	(36)	$ 291,201	37
8620	Non-controlling interests	14,681	2	24,079	3
8600		($ 245,162)	(34)	$ 315,280	40
	Comprehensive income attributable to				
8710	Owner of the Company	($ 384,927)	(53)	$ 519,890	66
8720	Non-controlling interests	12,433	2	23,806	3
8700		($ 372,494)	(51)	$ 543,696	69
	Earnings (loss) per share (Note 25)				
9710	Basic	($ 1.37)		$ 1.54	
9810	Diluted	($ 1.37)		$ 1.54	

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang　　Managerial Officer: Ming-Tan Hsu　　Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

		Equity attributed to owners of the Company (Notes 8 and 22)												
			Capital reserve				Retained earnings			Other equity				
Code		Share capital	Treasury shares transaction	Recognition of changes in ownership interests in subsidiaries	Others	Total	Legal reserve	Unappropriated earnings	Total	Unrealized profit and loss on the financial assets measured at fair value through other comprehensive income	Treasury shares	Total	Non-controlling interests (Note 22)	Total equity
A1	Balance as of January 1, 2021	$ 1,729,942	$ 17,272	$ 18	$ 496	$ 17,786	$ 272,195	$ 323,720	$ 595,915	$ 175,340	($ 8,664)	$ 2,510,319	$ 213,650	$ 2,723,969
	Appropriations and distributions of 2020 earnings													
B1	Legal reserve	-	-	-	-	-	23	(23)	-	-	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	(4)	(4)	-	-	-	-	-	(4)	-	(4)
D1	Net of 2021	-	-	-	-	-	-	291,201	291,201	-	-	291,201	24,079	315,280
D3	Other comprehensive income after tax of 2021	-	-	-	-	-	-	(782)	(782)	229,471	-	228,689	(273)	228,416
D5	Total comprehensive profit and loss of 2021	-	-	-	-	-	-	290,419	290,419	229,471	-	519,890	23,806	543,696
L3	Treasury stock cancelled	(11,740)	3,076	-	-	3,076	-	-	-	-	8,664	-	-	-
M7	Changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	8,298	8,298
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(4,505)	(4,505)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	84,373	84,373	(84,373)	-	-	-	-
Z1	Balance as of December 31, 2021	1,718,202	20,348	18	492	20,858	272,218	698,489	970,707	320,438	-	3,030,205	241,249	3,271,454
	Appropriations and distributions of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	37,479	(37,479)	-	-	-	-	-	-
B5	Cash dividends for shareholders of the Company	-	-	-	-	-	-	(171,821)	(171,821)	-	-	(171,821)	-	(171,821)
B9	Dividends of common stock	171,821	-	-	-	-	-	(171,821)	(171,821)	-	-	-	-	-
C17	Dividends not received by shareholders over time are transferred to capital reserves	-	-	-	(1)	(1)	-	-	-	-	-	(1)	-	(1)
D1	Net of 2022	-	-	-	-	-	-	(259,843)	(259,843)	-	-	(259,843)	14,681	(245,162)
D3	Other comprehensive income after tax of 2022	-	-	-	-	-	-	2,788	2,788	(127,872)	-	(125,084)	(2,248)	(127,332)
D5	Total comprehensive profit and loss of 2022	-	-	-	-	-	-	(257,055)	(257,055)	(127,872)	-	(384,927)	12,433	(372,494)
O1	Cash dividends for shareholders of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(12,973)	(12,973)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	92,822	92,822	(92,822)	-	-	-	-
Z1	Balance as of December 31, 2022	$ 1,890,023	$ 20,348	$ 18	$ 491	$ 20,857	$ 309,697	$ 153,135	$ 462,832	$ 99,744	$ -	$ 2,473,456	$ 240,709	$ 2,714,165

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang   Managerial Officer: Ming-Tan Hsu   Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Consolidated Statement of Cash Flows

January 1 to December 31, 2022 and 2021

Unit: NT$ thousand

Code		2021	2021
	Cash flows from operating activities		
A00010	Net (loss) profit before tax	($ 240,528)	$ 326,181
A20010	Adjustments to reconcile profit (loss):		
A20100	Depreciation	53,748	58,460
A20200	Amortization expenses	19,221	34,076
A20300	Expected credit impairment loss (reversal benefit)	3,095	(90)
A20400	Net loss (loss) on financial assets at fair value through profit or loss	450,959	(228,454)
A20900	Finance costs	12,603	14,932
A21200	Interest income	(2,075)	(2,175)
A21300	Dividend income	(174,715)	(69,854)
A22300	Loss share of affiliated enterprises using the equity method	-	1,116
A22500	Net (gain) loss from disposal and retirement of real estate, plant and equipment	(10,883)	25,998
A22700	Disposal of interests in investment property	-	(49,342)
A22800	Loss of disposal of intangible assets	2,606	44
A23200	Disposal of investment interests in subsidiaries	(18,752)	-
A23700	Inventory scrapping loss	18	1
A23800	Price recovery benefit for inventory	(11,202)	(1,823)
A29900	Others	(1,906)	1,226
	Net change in operating assets and liabilities		
A31130	Notes receivable	(4,471)	(2,754)
A31140	Notes receivable - related parties	11,361	(5,148)
A31150	Accounts receivables	22,772	(20,710)
A31160	Accounts receivable - related parties	8,866	(4,682)
A31180	Other receivables	7,512	(7,924)
A31190	Other receivables - related parties	(270)	-
A31200	Inventory	13,548	2,047
A31230	Prepayments	9,270	2,650
A31240	Other current assets	(2,743)	331,004
A32130	Notes payable	(11,588)	8,238
A32140	Notes payable - related parties	(3,009)	1,683
A32150	Accounts payable	(4,876)	6,829
A32160	Accounts payable - related parties	(2,565)	2,617
A32180	Other payables	(5,723)	(57,336)
A32190	Other payables - related parties	(107)	-
A32230	Other current liabilities	(11,492)	(13,460)
A32240	Net confirmed benefit debt	451	342
A33000	Cash flow generated from operating activities	109,125	353,692
A33300	Interest paid	(3,286)	(15,244)
A33500	Income tax paid	(1,208)	(245)
AAAA	Net cash flow generated from operating activities	104,631	338,203

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Code		2021	2021
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	($ 210,132)	($ 85,150)
B00020	Disposal of financial assets measured at fair value through other comprehensive income	454,899	288,802
B00040	Acquisition of financial assets at amortized cost	(50)	(11,400)
B00050	Disposal of financial assets measured at amortized cost	100	-
B00100	Acquisition of financial assets at fair value through profit or loss	(1,351,295)	(662,855)
B00200	Disposal of financial assets at fair value through profit or loss	597,695	570,577
B00300	Acquisition of capital reduction and return of financial assets measured at fair value through other comprehensive income	-	28,496
B02300	Net cash inflow from disposal of subsidiaries	66,341	-
B02700	Purchase of property, plant and equipment	(43,095)	(27,368)
B02800	Disposal of property, plant and equipment prices	18,301	610,906
B03700	Increase in refundable deposits	(150,228)	(507)
B04500	Acquisition of intangible assets	(991)	(3,468)
B05500	Disposal of investment property prices	-	171,550
B06600	Increase in their financial assets	(6,530)	-
B06700	Other non-current assets (increase) decrease	(38,478)	775
B07500	Interest received	2,046	2,295
B07600	Dividends received	174,715	69,854
B09900	Refund of capital reduction of financial assets measured at fair value through profit or loss	24,000	2,775
BBBB	Net cash generated from (used in) financing activities	(462,702)	955,282
	Cash flows from financing activities		
C00200	Decrease in short-term borrowings	-	(596,720)
C00600	Decrease in short-term notes payable	-	(49,939)
C01600	Increase in long-term loans	25,833	20,000
C01700	Decrease in long-term loans	(5,000)	(165,833)
C03000	Decrease (increase) in refundable deposits	(194)	9
C04020	Lease liability principal repayments	(26,632)	(28,041)
C04400	Other non-current liabilities	-	12,805
C04500	Cash dividends paid	(171,821)	-
C05800	Changes in non-controlling interests	(12,973)	3,793
CCCC	Net cash used in financing activities	(190,787)	(803,926)
EEEE	Net (decrease) increase in cash	(548,858)	489,559
E00100	Cash balance at the beginning of the year	896,679	407,120
E00200	Year-end cash balance	$ 347,821	$ 896,679

The notes constitute a part of the financial statements.

Chairman: Chun-Fa Huang

Managerial Officer: Ming-Tan Hsu

Head-Finance & Accounting: Chien-I Kao

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Notes to Consolidated Financial Statements

January 1 to December 31, 2022 and 2021

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

I. Corporate history

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

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

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

II. Date and Procedures for Passing the Financial Report

The financial report was approved by the board of directors on March 24, 2023.

III. Application of New and Revised International Financial Reporting Standards

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

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

(II) FSC-approved IFRSs applicable from 2023 onwards

New/amended/revised standards and interpretations	Effective date issued by the IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Income Tax Relating to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: This amendment shall apply to the annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments apply to changes in accounting estimates and changes in accounting policies that occur during the annual reporting periods beginning on or after January 1, 2023.

Note 3: In addition to recognizing deferred income tax on the temporary difference between leases and decommissioning obligations on January 1, 2022, the amendment is applicable to transactions that occur after January 1, 2022.

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

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

New/amended/revised standards and interpretations	Effective date published by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be determined
Amendments to IFRS 16 "Lease Liabilities under Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1, 2024

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

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

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

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC.

(II) Basis of preparation

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

Current assets include:

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

Current liabilities include:

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

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

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

(IV) Basis of consolidation

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

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

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

(V) Foreign currency

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

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

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

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

(VI) Inventory

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

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

(VII) Investment in Affiliated Enterprises

Affiliated enterprises are enterprises that have significant influence over the merged company but are not subsidiaries.

The merged company adopts the equity method to account for its investment in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the merged company's share of the profit or loss and other comprehensive income of the associate. In addition, the equity of the associate is recognized based on the shareholding percentage.

In the event the affiliated enterprise issues new shares, if the merged company does not subscribe in proportion to the ownership, resulting in a change in the ownership percentage, when the net equity value of the investment increases or decreases, the capital surplus - equity method is recognized as affiliated company Changes in the net equity value of the enterprise and investment using the equity method. However, if the shareholding ratio is not subscribed or acquired, resulting in a decrease in the ownership interest of the affiliated enterprise, the amount recognized in other comprehensive income related to the affiliated enterprise shall be reclassified according to the proportion of decrease. The same basis must be followed for the direct disposal of the relevant assets or liabilities; if the aforementioned adjustment should be debited to the capital surplus, and if the balance of the capital surplus generated from the investment by equity method is insufficient, the difference is debited to the retained earnings.

When the merged company's share of losses in an affiliated enterprise equals or exceeds its equity in said affiliated enterprise, that is, cease to recognize any further losses. The merged company recognizes additional losses and liabilities only to the extent that legal obligations, constructive obligations, or payments on behalf of affiliates have been incurred.

When assessing impairment, the merged company regards the entire book value of the investment as a single asset to compare the recoverable amount with the book value, and conducts an impairment test. The recognized impairment loss is also part of the book value of the investment. Any reversal of the impairment loss is recognized to the extent of the subsequent increase in the recoverable amount of the investment.

The merged company stops adopting the equity method on the date when the investment ceases to be an associate, and its retained equity in the original associate is measured at fair value. The difference between the fair value and the proceeds from the disposal and the carrying amount of the investment Included in the current year's profit or loss. In addition, all amounts recognized in other comprehensive income related to the affiliated enterprise shall be accounted for on the same basis as that required for the affiliated enterprise to directly dispose of the relevant assets or liabilities.

Gains and losses arising from upstream, downstream, and lateral transactions between the merged company and an affiliated enterprise are recognized in the consolidated financial statements only to the extent that they are not related to the merged company's equity in the affiliated enterprise.

(VIII) Property, plant and equipment

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

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

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

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

(IX) Investment property

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

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

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

(X) Intangible assets

1. Acquired separately

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

2. Service concession agreement

The intangible assets model under IFRS Interpretation No. 12 "Service Concession Agreement" that the merged company signed with the Tourism Bureau, Ministry of Transportation and Communications under the

"Development and Operation Agreement for the Promotion of Private Participation in the Construction of Affordable Hotels in Taipei" shall be applied; The cost directly related to the concession is measured at the cost less accumulated amortization and accumulated impairment loss. The concession is mainly the operation royalties, which can be used to engage in the following development and management businesses on the site: investment, design, construction, operation and management, and maintenance of the site and its ground features and ancillary facilities and equipment; Landscape design, construction, and maintenance of above-ground features. The intangible assets are amortized on a straight-line basis during the operating period.

3. Removed from Column

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

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

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

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

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

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

(XII) Financial instruments

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

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

1. Financial assets

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

(1) Type of measurement

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

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

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

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

B. Financial assets measured at amortized cost

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

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

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

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

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

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

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

(3) Removal of financial assets

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

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

2. Equity instruments

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

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

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) Removal of financial liabilities

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

(XIII) Provision for liabilities

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

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

<u>Warranty</u>

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

(XIV) Revenue Recognition

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

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

1. Transportation revenue

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

2. Revenue from guest rooms and hotels

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

3. Product sales revenue

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

(XV) Lease

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

1. The merged company as lessor

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

2. The merged company as lessee

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

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

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

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

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

In light of the rent reduction directly related to the COVID-19 pandemic between the merged company and the lessor, the merged company adjusted the payments due before December 31, 2022, resulting in a decrease in rent, and there was no substantive change in other lease terms and conditions. The merged company has elected to adopt practical expedients to treat all rent concessions that meet the aforementioned conditions, without evaluating whether it is a lease modification, and recognizes the reduction in lease payments in profit or loss (booked in other gains and losses) when the concession or such situation occurs. loss), and decreased lease liabilities accordingly.

(XVI) Cost of borrowing

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

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

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

(XVII) Government subsidies

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

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

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

(XVIII) Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

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

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

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

(XIX) Income tax

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

1. Current income tax

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

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

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

2. Deferred income tax

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

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

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

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

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

3. Current and deferred income tax

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

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

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

The merged company incorporates the recent development of the COVID-19 in Taiwan and the possible impact on the economic environment into its cash flow estimates, growth rates, discount rates, profitability, and other relevant important accounting estimates. The management will continue to Review estimates and basic assumptions. If the estimate revision affects only the current period, it shall be recognized in the current period; if the amendment to the accounting estimate affects the current period and future periods at the same time, it is recognized in the current period and future periods.

VI. Cash

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 1,390	$ 1,344
Checks and demand deposits at banks	346,431	895,335
	$ 347,821	$ 896,679

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

	December 31, 2022	December 31, 2021
Bank deposits	0.005% - 0.455%	0.001% - 0.29%

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets - current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic listed (OTC) stock	$ 1,072,727	$ 775,516
- Fund beneficiary certificate	30,669	77,959
	$ 1,103,396	$ 853,475

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	December 31, 2022	December 31, 2021
Financial assets - non-current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
- Domestic unlisted (non-OTC) stock	$ 383	$ 1,160

Please refer to Note 30 for information on financial assets at fair value through profit or loss - current pledge.

VIII. Financial assets at fair value through other comprehensive income

Investment in equity instruments

	December 31, 2022	December 31, 2021
Liquidity		
Domestic investment		
Listed (OTC) stock	$ 157,036	$ 444,053
Non-current		
Domestic investment		
Unlisted (non-OTC) stock	$ 165,926	$ 251,885
Foreign investment		
Unlisted (non-OTC) stock	1,661	4,456
	$ 167,587	$ 256,341

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

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

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

In 2021, the merged company purchased the common stocks of Cheng Mei Materials Technology Corporation at a price of NT$20,073 thousand, which was designated as a mid- and long-term strategic investment and measured at fair value through other comprehensive gains and losses.

In 2021, the merged company adjusted its investment positions to diversify risks, and successively sold part of common shares of SIRTEC INTERNATIONAL CO.,LTD., IBF Financial Holdings Co., Ltd., Taisun Enterprise Co., Ltd. and Cheng Mei Materials Technology Corporation at fair values of NT$10,514 thousand, NT$201,664 thousand, NT$55,420 thousand and NT$21,204 thousand, respectively. And related other interests - unrealized interests in financial assets measured at fair value through other comprehensive gains and losses of NT$84,373 thousand were transferred to retained earnings.

The merged company recognized dividend income of NT$32,108 thousand and NT$31,293 thousand in 2022 and 2021, respectively.

Please refer to Note 30 for information on financial assets measured at fair value through other combined profits or losses - current pledge.

IX. Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Liquidity		
Domestic investment		
Time deposits with original maturity date of more than 3 months	$ 23,800	$ 35,250

As of December 31, 2022 and 2021, the annual interest rate of the time deposits with the original maturity date of more than 3 months was 0.975%~1.44% and 0.34%~0.815%, respectively.

For information on pledged financial assets measured at amortized cost, please refer to Note 30.

X. Notes receivable, accounts receivable and other receivables

	December 31, 2022	December 31, 2021
Notes receivable		
Measured at amortized cost		
Gross carrying amount	$ 7,146	$ 6,431

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	December 31, 2022	December 31, 2021
Accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 59,189	$ 90,740
Less: loss allowance	(19,670)	(19,670)
	$ 39,519	$ 71,070
Other receivables		
Measured at amortized cost		
Gross carrying amount	$ 334,282	$ 343,798
Less: loss allowance (Note 31)	(328,876)	(325,781)
	$ 5,406	$ 18,017

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 are 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. Because the merged company's credit loss history shows that there is no significant difference in the loss patterns of different customer merged companies, the reserve matrix does not further divide the customer merged companies, but only uses the notes receivable, accounts receivable, and other receivables overdue days to set the expected credit rating. Loss rate.

If there is evidence that the counterparty is facing serious financial difficulties and the 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. is recognized in profit or loss.

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

December 31, 2022

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

December 31, 2021

	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	-	-	-	-	100.00%	
Gross carrying amount	$ 187,865	$ -	$ -	$ -	$ 345,451	$ 533,316
Loss allowance (lifetime expected credit losses)	-	-	-	-	(345,451)	(345,451)
Cost after amortization	$ 187,865	$ -	$ -	$ -	$ -	$ 187,865

Information on changes in loss allowances is as follows:

	2021	2021
Balance at the beginning of the year	$ 345,451	$ 359,583
Add: Provision of impairment loss	3,095	-
Less:Elimination of actual expenses (Notes 13 and 31)	-	(14,042)
Less:Reversal impairment loss	-	(90)
Year-end balance	$ 348,546	$ 345,451

However, due to the significant financial difficulties, Far Eastern has entered into a cross-strait and domestic airline cooperative management services contract with Far Eastern Airlines. While the Company management estimates, as of December 31st 2019, the deposit of NTD 249,500 thousand is unlikely to be recovered; therefore, the security deposit of NTD 249,500 thousand has been classified as other receivable Please refer to Note 27.

On June 29, 2010, the Company and CPC Corporation, Taiwan (hereinafter referred to as "CPC") reached a settlement of a lawsuit concerning gains in the distribution of oil products and gas station rental. Both parties agreed to terminate the oil distribution contract and gas station rental contract. According to the settlement agreement, CPC should pay NT$107,542 thousand from the oil product revenue-rent and NT$2,581 thousand from distribution profit. The above amount is NT$110,123 thousand, after deducting the rent of NT$26,947 thousand from the court provided by CPC (which was fully recovered in 2011). As of the end of December 2022, NT$31,655 thousand had been recovered. As of December 31, 2022 and 2021, NT$51,521 thousand

and NT$51,281 thousand were recognized as other receivables in the aggregate amount uncollected, which was fully recognized as loss.

XI. Inventories - net

	December 31, 2022	December 31, 2021
Building and land under construction	$ 160,277	$ 159,361
Commodities	5,713	8,296
Food and beverage	456	1,077
Materials	386	462
	$ 166,832	$ 169,196

The inventory-related costs of sales in 2022 and 2021 were NT$57,244 thousand and NT$62,047 thousand, respectively.

The cost of sales in 2022 and 2021 included the loss on inventory obsolescence NT$18 thousand and NT$1 thousand, respectively; the loss on inventory valuation and recovery of obsolescence gains NT$11,202 thousand and NT$1,823 thousand, the recovery was due to the sale of inventory of obsolescent household appliances in the year.

Please refer to Note 30 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	December 31, 2022	December 31, 2021	Explanation
The company	Miramar Hospitality Co., Ltd. (Miramar Hospitality)	Development and management of tourist hotels	62.99%	62.99%	1.
	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	66.18%	66.18%	2.
	Hsin Hai Transportation & Terminal Co., Ltd. (Hsin Hai Transportation)	Operation and investment of automobile container and related businesses	47.47%	47.47%	3.
	ACMC Trading Co., Ltd.	International trade management	100.00%	100.00%	-
	Safe Cargo Transportation Co., Ltd.	Operation and investment of automobile freight, container and related businesses	-	100.00%	4.
	Safe Petroleum Transportation Co., Ltd.	Operation and investment of automobile freight and related businesses	-	100.00%	4.
	Safe Container Transportation Co., Ltd.	Operation and investment of automobile container and related businesses	-	100.00%	4.
	Safe Logistics Transportation Co., Ltd.	Operation and investment of automobile freight and related businesses	-	100.00%	4.
Miramar Hospitality Co., Ltd.	Miramar Resort Co., Ltd.	Management of hotels and water recreation activities	13.33%	13.33%	2.

Remarks:

1. It is a subsidiary with material non-controlling equity, and there is no material change in the current period.
2. The Company directly and indirectly holds 79.51% of the shares of Miramar Resort Co., Ltd., so it has the ability to control, so it is included in the consolidated financial statements as an entity.
3. As the legal representative of our company occupies more than half of the director seats in Hsin Hai Transportation, we have control over the company and therefore include it as a subsidiary in our consolidated financial statements.
4. The Company disposed of the entire equity of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd., and Safe Logistics Transportation Co., Ltd. in November 2022. The proceeds from the disposal and the profits were NT$73,778 thousand and NT$18,752 thousand, respectively, was completed and recovered at the end of November 2022. For information on the subsidiary disposed of, please refer to Note 26.

(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	December 31, 2022	December 31, 2021
Miramar Hospitality Co., Ltd.	Taipei City	37.01%	37.01%

	Profit or loss allocated to non-controlling equity		Non-controlling interests	
Name of subsidiaries	2021	2021	December 31, 2022	December 31, 2021
Miramar Hospitality Co., Ltd.	$ 3,720	$ 18,996	$ 144,756	$ 147,749
Others	10,961	5,083	95,953	93,500
Total	$ 14,681	$ 24,079	$ 240,709	$ 241,249

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

Miramar Hospitality Co., Ltd.

	December 31, 2022	December 31, 2021
Current assets	$ 129,592	$ 152,769
non-current assets	969,395	974,999
Current liabilities	(194,575)	(206,939)
Non-current liabilities	(513,277)	(521,602)

Equity	$ 391,135	$ 399,227
Equity attributable to:		
Owner of the Company	$ 246,379	$ 251,478
Non-controlling interests of Miramar Hospitality Co., Ltd.	144,756	147,749
	$ 391,135	$ 399,227

	2021	2021
Operating revenue	$ 194,461	$ 220,533
Net income for the year	$ 11,128	$ 51,328
Other comprehensive income	(8,466)	2,782
Total comprehensive income	$ 2,662	$ 54,110
Net income attributable to:		
Owner of the Company	$ 6,331	$ 32,332
Non-controlling interests of Miramar Hospitality Co., Ltd.	3,720	18,996
	$ 10,051	$ 51,328
Comprehensive income attributable to:		
Owner of the Company	$ 1,413	$ 34,084
Non-controlling interests of Miramar Hospitality Co., Ltd.	132	20,026
	$ 1,545	$ 54,110
Cash flow		
Business activities	$ 53,458	$ 100,303
Investment activities	(42,736)	6,003
Financing activities	(490)	(100,440)
Net cash inflow	$ 10,232	$ 5,866

XIII. Investment accounted for under the equity method

Aggregate information on affiliates that are not individually material

	2021	2021
Share of the merged company Net loss for the year	$ -	($ 1,116)

The merged company's investment in SUPER NOVA OPTOELECTRONICS CORPORATION using the equity method was completed on September 30, 2021. As of December 31, 2021, the other receivables were NT$98,529 thousand after deducting the credit of the investment using the equity method. The balance of NT$85,884 thousand was determined to be irrecoverable, so the related other receivables of NT$12,645 thousand and loss allowance of NT$12,645 thousand were written off.

The investment in SUPER NOVA OPTOELECTRONICS CORPORATION adopting the equity method in 2021 has not been audited by CPAs. However, the management of the merged company believes that the financial statements of the above-mentioned affiliates have not been audited by CPAs and thus no material adjustment has occurred.

XIV. Property, plant and equipment

	Land	Building	Transportation equipment	Office equipment	Restaurant and hotel equipment	Total
Cost						
Balance as of January 1, 2022	$ 156,144	$ 30,509	$ 251,330	$ 30,038	$ 62,716	$ 530,737
Increase	-	-	41,188	1,713	194	43,095
Disposition	-	-	(42,695)	(722)	(9,022)	(52,439)
Disposal of subsidiary	-	-	(57,420)	(1,923)	-	(59,343)
Balance as of December 31, 2022	$ 156,144	$ 30,509	$ 192,403	$ 29,106	$ 53,888	$ 462,050
Accumulated depreciation and impairment						
Balance as of January 1, 2022	$ -	$ 19,585	$ 189,315	$ 24,409	$ 58,336	$ 291,645
Depreciation	-	490	22,400	1,413	1,180	25,483
Disposition	-	-	(35,345)	(664)	(9,012)	(45,021)
Disposal of subsidiary	-	-	(33,858)	(1,559)	-	(35,417)
Balance as of December 31, 2022	$ -	$ 20,075	$ 142,512	$ 23,599	$ 50,504	$ 236,690
Net amount as of December 31, 2022	$ 156,144	$ 10,434	$ 49,891	$ 5,507	$ 3,384	$ 225,360

	Land	Building	Transportation equipment	Office equipment	Restaurant and hotel equipment	Real estate under construction (Note 31)	Total
Cost							
Balance as of January 1, 2021	$ 156,144	$ 30,775	$ 255,646	$ 37,463	$ 62,687	$ 957,959	$1,500,674
Increase	-	-	21,851	485	538	4,494	27,368
Disposition	-	(266)	(26,167)	(7,910)	(509)	(962,453)	(997,305)
Balance as of December 31, 2021	$ 156,144	$ 30,509	$ 251,330	$ 30,038	$ 62,716	$ -	$ 530,737
Accumulated depreciation and impairment							
Balance as of January 1, 2021	$ -	$ 19,334	$ 191,898	$ 30,171	$ 53,485	$ 328,071	$ 622,959
Depreciation	-	517	21,138	2,067	5,365	-	29,087
Disposition	-	(266)	(23,721)	(7,829)	(514)	(328,071)	(360,401)
Balance as of December 31, 2021	$ -	$ 19,585	$ 189,315	$ 24,409	$ 58,336	$ -	$ 291,645
Net amount as of December 31, 2021	$ 156,144	$ 10,924	$ 62,015	$ 5,629	$ 4,380	$ -	$ 239,092

Depreciation expenses are calculated on a straight-line basis over their estimated useful lives as shown in the following:

Building	3 to 55 years
Transportation equipment	1 to 8 years
Office equipment	3 to 20 years

Restaurant and hotel equipment	5 to 15 years

Please refer to Note 30 for the amount of property, plant and equipment provided by the merged company as collateral for borrowings.

XV. Lease agreement

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Book value of right-of-use assets		
Land	$ 504,275	$ 535,748
Building	2,576	3,117
Power-saving equipment	-	477
	$ 506,851	$ 539,342

	2021	2021
Increase in right-of-use assets	$ 3,804	$ 13,198
Depreciation expense of right-of-use assets		
Land	$ 27,246	$ 27,687
Building	542	541
Power-saving equipment	477	1,145
	$ 28,265	$ 29,373

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Book value of lease liabilities		
Liquidity	$ 17,464	$ 21,324
Non-current	$ 504,763	$ 527,279

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

	December 31, 2022	December 31, 2021
Land	1.70%～1.76%	1.70%～1.76%
Building	1.70%	1.70%
Power-saving equipment	1.81%	1.81%

(III) Significant lease activities and terms and conditions

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

On March 11, 2004, Miramar Hospitality Co., Ltd. leased 3,810 square meters of land from the Tourism Bureau, Ministry of Transportation and Communications.

%. The aforementioned rent shall be adjusted when the land price adjustment is announced. However, if the difference between the land price increase announced in the future and the land price increase estimated in the financial plan of the investment implementation plan is too large, one may refer to the newly added Paragraph 3 of Article 2 of “Guidelines for Promoting Private Participation in Public Construction, Lease of Public Land and Setting Preferential Rents for Superficial Rights” which the stipulates that "During the construction and operation of public construction, if the reported land price of the required land for the year and the land price estimated in the original financial plan increase by more than 50%, the sponsoring authority may reduce the payable rent at its discretion. “, a separate version was drafted in consultation with the State-owned Property Bureau, Ministry of Finance. The duration of the surface right is 50 years from the date of development and operation.

Due to the impact of the COVID-19 epidemic on the market economy, Miramar Hospitality Co., Ltd. negotiated with the Tourism Bureau, MOTC on a land lease agreement. The Tourism Bureau MOTC agreed to unconditionally adjust and reduce the rent amount from January 1 to December 31, 2022 and 2021 by 20%. The Company and Hsin Hai Transportation & Terminal Co., Ltd. have negotiated a land lease with TAIWAN SUGAR CORPORATION Kaohsiung Branch. TAIWAN SUGAR CORPORATION Kaohsiung Branch agreed to unconditionally reduce the rent by 20% in 2022 and 2021. The effect of the aforementioned rent concessions recognized by the Group in 2022 and 2021 was NT$4,442 thousand and NT$4,504 thousand (stated as other gains and losses), respectively.

(IV) Other lease information

	2021	2021
Expenses relating to short-term leases	$ 1,712	$ 20
Lease expenses of low-value assets	$ 359	$ 438
Total cash (outflow) of leases	($ 28,703)	($ 38,450)

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

XVI. Investment property

	December 31, 2022	December 31, 2021

Land		
Keelung Nuan-Nuanyuan Section	$ 30,026	$ 30,026

The fair value of the investment property of the merged company was appraised by Li Qing Tang, an independent appraiser who is not a related party. The fair value was assessed at NT$40,789 thousand on December 20, 2021 with the real estate appraisal report of the remote area of Keelung warm area, the evaluation is made with reference to market evidence of real estate transaction prices. Because there is no significant change in the transaction price of real estate in this area, the fair value as of December 31, 2022 and December 31, 2021 should not be significantly different from the fair value evaluated by the unrelated independent appraiser.

XVII. Intangible assets

	Computer software	Operating concession	Total
Cost			
Balance as of January 1, 2022	$ 2,452	$ 916,604	$ 919,056
Acquired separately	12	979	991
Disposition	-	(34,523)	(34,523)
Balance as of December 31, 2022	$ 2,464	$ 883,060	$ 885,524
Accumulated amortization			
Balance as of January 1, 2022	$ 2,280	$ 479,683	$ 481,963
Amortization expenses	135	19,086	19,221
Disposition	-	(31,917)	(31,917)
Balance as of December 31, 2022	$ 2,415	$ 466,852	$ 469,267
Net amount as of December 31, 2022	$ 49	$ 416,208	$ 416,257

	Computer software	Operating concession	Others	Total
Cost				
Balance as of January 1, 2021	$ 2,952	$ 913,720	$ 1,506	$ 918,178
Acquired separately	62	3,406	-	3,468
Disposition	(562)	(522)	(1,506)	(2,590)
Balance as of December 31, 2021	$ 2,452	$ 916,604	$ -	$ 919,056
Accumulated amortization				
Balance as of January 1, 2021	$ 2,619	$ 446,308	$ 1,506	$ 450,433
Amortization expenses	223	33,853	-	34,076

Disposition	(562)	(478)	(1,506)	(2,546)
Balance as of December 31, 2021	$ 2,280	$ 479,683	$ -	$ 481,963
Net amount as of December 31, 2021	$ 172	$ 436,921	$ -	$ 437,093

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

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

The operating royalty cost of NT$883,060 thousand referred to above includes the royalty of NT$27,000 thousand and the planning fee of NT$2,390 thousand that were paid for signing the "Development and Operation Agreement for Private Participation in the Construction of Affordable Hotels in Taipei" with the Tourism Bureau of Ministry of Transportation and Miramar Hospitality Co., Ltd. Also, the construction cost was NT$853,670 thousand.

Please refer to Note 30 for the amount of intangible assets pledged as collateral for loans by the merged company.

XVIII. Borrowings

(I) Short-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings (Note 30)		
Bank loan	$ 130,000	$ 130,000

Bank borrowings are secured by the merged company's bank deposits, time certificates of deposit, and operating concessions (see Note 30). The interest rate of bank revolving borrowings as of December 31, 2022 and 2021 were 2.035% - 2.604% and 1.46%, respectively. ~1.50%.

(II) Long-term borrowings

	December 31, 2022	December 31, 2021
Secured borrowings (Note 30)		
Bank mortgage	$ 20,833	$ -
Unsecured borrowings		
Borrowings against credit lines	20,000	20,000
	40,833	20,000
Less: Portion due within one year	(10,000)	-

Long-term borrowings	$ 30,833	$ 20,000
Maturity date of mortgage repayment	2024.1.17	-
Repayment maturity date of unsecured borrowings	2026.5.4~9.3	2026.5.4~9.3

The bank secured borrowings were secured by the Company's bank deposits (see Note 30). As of December 31, 2022, the annual interest rate was 2.47%.

The interest rate of the unsecured borrowings was 2.345% and 1.85% as of December 31, 2022 and 2021, respectively, belongs to the Tourism Industry Revitalization Financing of the Tourism Bureau, MOTC.

XIX. Other payables

	December 31, 2022	December 31, 2021
Payroll payable	$ 33,547	$ 40,653
Premium payable	15,557	17,629
Tax payable	6,471	5,169
Stock settlement payable	4,912	-
Remuneration payable to directors	740	3,710
Remuneration payable to employees	740	3,710
Construction payable	-	9,435
Others	17,123	37,730
	$ 79,090	$ 118,036

XX. Post-employment benefit plan

(I) Defined contribution plan

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

(II) Defined benefit plan

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

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

	December 31, 2022	December 31, 2021
Defined benefit obligation	$ 54,359	$ 58,249
Fair value of plan assets	(49,611)	(49,362)
Net confirmed benefit debt	$ 4,748	$ 8,887

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

The merged company's net defined benefit liabilities as of December 31, 2021 were listed in the consolidated balance sheet under net defined benefit liabilities of NT$8,887 thousand.

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

	Defined benefit obligation	Fair value of plan assets	Net confirmed benefit debt
Balance as of January 1, 2022	$ 58,249	($ 49,362)	$ 8,887
Current period service costs	860	-	860
Interest expense (income)	307	(271)	36
Deferred tax income (expense) recognized in profit or loss	1,167	(271)	896
Re-measurement			
Return on plan assets (except for the amount included in net interest)	-	(2,899)	(2,899)
Actuarial gains or losses			
- Changes in financial assumptions	(1,790)	-	(1,790)
- Experience-based adjustments	99	-	99
Deferred tax income (expense) recognized in other comprehensive income	(1,691)	(2,899)	(4,590)
Contributions by employer	-	(445)	(445)
Plan asset payment	(3,366)	3,366	-
Balance as of December 31, 2022	$ 54,359	($ 49,611)	$ 4,748

Balance as of January 1, 2021	$ 54,188	($ 48,249)	$ 5,939
Current period service costs	798	-	798
Interest expense (income)	124	(115)	9
Deferred tax income (expense) recognized in profit or loss	922	(115)	807
Re-measurement			
Return on plan assets (except for the amount included in net interest)	-	(534)	(534)
Actuarial gains or losses			
- Changes in demographic assumptions	1,410	-	1,410
- Changes in financial assumptions	(1,439)	-	(1,439)
- Experience-based adjustments	3,168	-	3,168
Deferred tax income (expense) recognized in other comprehensive income	3,139	(534)	2,605
Contributions by employer	-	(464)	(464)
Balance as of December 31, 2021	$ 58,249	($ 49,362)	$ 8,887

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

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

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

	December 31, 2022	December 31, 2021
Discount rate	1.16%~1.40%	0.64%~0.75%
Expected rate of increase in salary	1.875%~2.000%	1.875%~2.000%
Turnover rate	2.000%~27.000%	2.000%~27.000%

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

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 779)	($ 947)
Decrease by 0.25%	$ 788	$ 959
Expected rate of increase in salary		
Increase by 0.25%	$ 1,116	$ 1,342
Decrease by 0.25%	($ 1,077)	($ 1,302)

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

	December 31, 2022	December 31, 2021
Expected contribution amount within 1 year	$ 444	$ 467
Average duration of defined benefit obligations	4.9 - 6 years	5.7 - 6 years

XXI. Equity

(I) Share capital

Common stock

	December 31, 2022	December 31, 2021
Number of shares (thousand)	250,000	250,000
Authorized capital	$ 2,500,000	$ 2,500,000
Number of shares issued and fully paid (thousand shares)	189,002	171,820
Issued capital stock	$ 1,890,023	$ 1,718,202

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

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

(II) Capital reserve

	December 31, 2022	December 31, 2021
May be used to offset losses, distribute cash or capitalize on capital (1)		
Treasury shares transaction	$ 20,348	$ 20,348
Can only be used to offset a deficit		
Recognition of changes in ownership interests of subsidiaries (2)	18	18
Unclaimed dividends after expiry date	491	492
	$ 20,857	$ 20,858

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 23(6) for the policy on the remuneration of employees and directors as stipulated in the Company's Articles of Incorporation.

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

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

The Company held a shareholders' meeting on June 24, 2022 and August 26, 2021, respectively, and resolved to pass the 2021 earnings appropriation and the 2020 loss appropriation proposal as follows:

	2021	2020
Legal reserve	$ 37,479	$ 23
Cash dividends	$171,821	$ -
Stock dividends	$171,821	$ -
Cash dividend per share (NTD)	$ 1	$ -
Dividends per share (NTD)	1	-

On March 24, 2023, the board of directors of the company proposed the 2022 loss compensation plan which is yet to be resolved at the shareholders' regular meeting expected to be held on June 30, 2023.

(IV) Treasury shares

Reason(s) for recall	Repurchase for cancellation (thousand shares)
Number of shares on January 1,	1,174

2021	
Decrease in the current year	(1,174)
Number of shares on December 31, 2021	-

According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the distribution of dividends and voting rights.

The Company canceled the treasury stock repurchased in March 2021. A total of 1,174 thousand shares were cancelled at a par value of NT$10 per share. The capital reduction amounted to NT$11,740 thousand. The change registration was completed on April 14, 2021.

(V) Non-controlling interests

	2021	2021
Balance at the beginning of the year	$ 241,249	$ 213,650
Net income for the year	14,681	24,079
Other comprehensive income of the current year		
Unrealized gains and losses measured at fair value through other comprehensive income	(3,132)	1,029
Re-measurement of defined benefit plan	884	(1,302)
Changes in ownership interests of subsidiaries	-	8,298
Cash dividend distributed by subsidiaries	(12,973)	(4,505)
Year-end balance	$ 240,709	$ 241,249

XXII. Revenue

	2021	2021
Revenue from contracts with customers		
Transportation revenue	$ 523,305	$ 559,052
Hospitality revenue	194,415	220,533
Rental income	10,834	10,846
Others	1,413	1,404
	$ 729,967	$ 791,835

For the breakdown of revenue from contracts with customers, please refer to Note 34.

XXIII. Net profit (loss)

(I) Others

	2021	2021
Subsidies income	$ 24,657	$ 44,606
Rental income	7,756	7,682
Dividend income	174,715	69,854
Others	2,908	3,180
	$ 210,036	$ 125,322

(II) Finance costs

	2021	2021
Interest on bank borrowings	$ 3,145	$ 4,981
Interest on lease liabilities	9,458	9,951
	$ 12,603	$ 14,932

(III) Other gains and losses

	2021	2021
Gains on disposal of subsidiary (Note 26)	$ 18,752	$ -
Net income (loss) from the disposal and retirement of property, plant, and equipment (Note 31)	10,883	(25,998)
Disposal of interests in investment property	-	49,342
Net loss on foreign currency exchange	(37)	(149)
Loss of disposal of intangible assets	(2,606)	(44)
Gains (losses) on financial assets at FVTPL	(450,959)	228,454
Others	(166)	(5,070)
	($ 424,133)	$ 246,535

In November 2020, the merged company sold the lands in the Zhulin Section (formerly the Jingpu Section) and the Changkeng Section in Bali, for a total price of NT$171,550 thousand. The transfer was completed in February 2021 and the disposal gains were recognized at NT$49,342 thousand.

(IV) Depreciation and amortization

	2021	2021
Depreciation expenses by function		
Operating cost	$ 35,695	$ 37,827
Operating expense	18,053	20,633
	$ 53,748	$ 58,460

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	2021	2021
Amortization expenses are summarized by function		
Operating cost	$ 18,244	$ 32,716
Operating expense	977	1,360
	$ 19,221	$ 34,076

(V) Employee benefits expense

	2021	2021
Post-employment benefits		
Defined contribution plan	$ 9,710	$ 9,763
Defined benefit plan	896	807
	10,606	10,570
Other employee benefits	212,145	239,627
Total employee benefit expenses	$ 222,751	$ 250,197
Summary by function		
Operating cost	$ 140,135	$ 161,580
Operating expense	82,616	88,617
	$ 222,751	$ 250,197

(VI) Employees' compensation and remuneration of directors

According to the Company's Articles of Incorporation, the employees' compensation and directors' remuneration shall be appropriated at 1% and no more than 1% of the profit before tax, respectively, in the current year before deduction of the employees' and directors' remuneration. 2022 was the net loss before tax, which has not been estimated as employees' remuneration and directors' remuneration. On March 28, 2022, the board of directors resolved the compensation for employees and directors for 2021 as follows:

<u>Estimated allowance</u>

	2021
Employee remuneration	1%
Remuneration to directors	1%

Amount

	2021	
	Cash	Stock
Employee remuneration	$ 3,031	$ -
Remuneration to directors	3,031	-

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

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

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

XXIV. Income tax

(I) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2021	2021
Current income tax		
Incurred in the current year	$ 6,354	$ 9,291
Adjustment from previous year	(2,994)	(80)
	3,360	9,211
Deferred income tax		
Incurred in the current year	1,241	1,670
Adjustment from previous year	33	20
	1,274	1,690
Income tax expenses recognized in profit or loss	$ 4,634	$ 10,901

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

	2021	2021
Net (loss) profit before tax	($ 240,528)	$ 326,181
Income tax (gain) for net profit (loss) before tax calculated at statutory tax rate	($ 48,105)	$ 63,656
Non-deductible expenses and losses for tax purposes	249	728
Tax-exempted income	49,750	(74,400)
Basic tax difference payable	-	3,006
Imposition on undistributed earnings	1	-
Unrecognized deductible temporary difference	-	(70,063)
Unrecognized loss carryforwards	-	87,595
Income tax expenses of previous years are adjusted in the current year	(2,961)	(60)
Others	5,700	439
Income tax expenses recognized in profit or loss	$ 4,634	$ 10,901

(II) Income tax assets and liabilities for the current year

	December 31, 2022	December 31, 2021
Income tax assets for the current year		
Tax refund receivable (included in other current assets)	$ 819	$ 1,719
Current income tax liabilities		
Income tax payable	$ 5,664	$ 4,208

(III) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2021

Deferred tax assets	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Recognized in others Comprehensive income	Effects of loss of control over subsidiaries	Year-end balance
Temporary difference					
Failing to achieve the preparation for the accident-causing vehicle	$ 2,561	($ 37)	$ -	($ 141)	$ 2,383
Unrealized inventory	2,277	(2,241)	-	-	36

valuation losses					
Unrealized exchange loss	30	(30)	-	-	-
Allowance for doubtful debts	13,986	648	-	-	14,634
Exceeding the pension limit	7,263	26	(918)	-	6,371
Loss deduction	18,201	384	-	-	18,585
Impairment loss	54,900	-	-	-	54,900
Others	13	(13)	-	-	-
	$ 99,231	($ 1,263)	($ 918)	($ 141)	$ 96,909
Deferred tax liabilities					
Temporary difference					
Unrealized gain on exchange	$ -	$ 11	$ -	$ -	$ 11

2021

	Balance at the beginning of the year	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Year-end balance
Deferred tax assets				
Temporary difference				
Failing to achieve the preparation for the accident-causing vehicle	$ 2,627	($ 66)	$ -	$ 2,561
Unrealized inventory valuation losses	2,642	(365)	-	2,277
Unrealized exchange loss	-	30	-	30
Allowance for doubtful debts	16,544	(2,558)	-	13,986
Exceeding the pension limit	6,719	23	521	7,263
Loss deduction	16,948	1,253	-	18,201
Impairment loss	54,900	-	-	54,900
Others	20	(7)	-	13
	$ 100,400	($ 1,690)	$ 521	$ 99,231

(IV) The deductible temporary difference and unused loss credit of deferred income tax assets not recognized in the consolidated balance sheet

	December 31, 2022	December 31, 2021
Loss deduction		
Due 2022	$ -	$ 46,093
Due 2023	55,569	55,569
Due 2024	57,730	57,730
Due 2025	39,299	39,299
Due 2026	134,973	134,973
Due 2027	16,383	16,383
Due 2028	22,403	22,403
Due 2029	19,880	19,880
Due 2030	20,431	20,431
Due 2031	741,594	741,594
Due 2032	228	-
	$ 1,108,490	$ 1,154,355
Deductible temporary differences		
Impairment loss of financial assets	$ 242,442	$ 304,894
Impairment of long-term equity investment under equity method	50,968	50,968
	$ 293,410	$ 355,862

(V) Information on unused loss carryforwards

As of December 31, 2022, information about loss carryforwards of Tze Shin International Co., Ltd. is as follows:

Balance yet to be deducted		Final year of deduction
$ 55,569	(Approved)	2023
57,730	(Approved)	2024
39,299	(Approved)	2025
134,973	(Approved)	2026
16,383	(Approved)	2027
22,403	(Approved)	2028
19,880	(Approved)	2029
105,172	(Approved)	2030
747,696	(not yet approved)	2031
2,310	(not yet approved)	2032
$ 1,201,415		

(6) Authorization of income tax

For the profit-seeking enterprise income tax declaration of the company and its subsidiaries, except for the declaration cases of ACMC Trading Co., Ltd. as of 2021, which have been approved by the tax collection agency, the rest of the declaration cases as of 2020 have been approved by the tax collection agency.

XXV. Earnings (losses) per share

Unit: NTD per share

	2021	2021
Basic earnings (loss) per share	($ 1.37)	$ 1.54
Diluted earnings (loss) per share	($ 1.37)	$ 1.54

The effect of stock dividends has been adjusted retrospectively in the calculation of earnings per share. Due to the retrospective adjustment, changes in basic and diluted earnings per share are as follows:

	Before retrospective adjustment	After retrospective adjustment
	2021	2021
Basic earnings per share	$ 1.69	$ 1.54
Diluted earnings per share	$ 1.69	$ 1.54

The net income (loss) and the weighted average number of ordinary shares issued for the calculation of earnings (loss) per share are as follows:

Net income (loss) of the year

	2021	2021
Net profit (loss) attributable to owners of the Company	($ 259,843)	$ 291,201

Shares

Unit: Thousand shares

	2021	2021
Weighted average number of ordinary shares used in calculating basic earnings (loss) per share	189,002	189,002
Effect of potential dilutive common stock:		
Employee remuneration	-	106
Weighted average number of ordinary shares used in the computation of diluted earnings (loss) per share	189,002	189,108

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 potential common stock may be included into the weighted average number of shares outstanding when there is a dilution effect. 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 potential common shares will also be considered.

For the period from January 1 to December 31, 2022, the employee compensation of the Company was not included in the calculation of diluted loss per share due to its anti-dilutive effect.

XXVI. Disposal of subsidiary

In November 2022, the Company signed an agreement with a non-related party to dispose of the entire equity of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd. and Safe Logistics Transportation Co., Ltd. The aforementioned equity was settled on November 16, 2022; therefore, the Company lost control over the subsidiary.

(I) Consideration received

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.
Cash and cash equivalents	$ 2,991	$ 36,889	$ 28,763	$ 5,135

(II) Analysis of assets and liabilities for which control was lost

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Current assets					
Cash and cash equivalents	$ 4,529	$ 1,456	$ 981	$ 471	$ 7,437
Financial asset measured at fair value through profit or loss	-	10,199	19,298	-	29,497
Financial assets measured at amortized cost	-	2,400	5,000	4,000	11,400
Notes receivable - related parties	3,756	-	-	-	3,756
Accounts receivable, net	-	2,476	-	-	2,476
Accounts receivable - related parties	6,259	-	44	-	6,303
Net other receivables	75	85	314	6	480
Other receivables - related parties	-	-	676	877	1,553
Current tax assets	-	345	-	-	345
Prepayments	1,571	1,115	8	26	2,720
Other current assets	55	-	-	-	55
non-current assets					
Property, plant and equipment	5,563	17,809	554	-	23,926
Right-of-use assets	279	619	-	-	898
Deferred tax assets	127	12	-	2	141
Refundable deposits	110	249	-	-	359
Other non-current assets	-	455	-	-	455

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	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Current liabilities					
Accounts payable - related parties	($ 1,147)	$ -	$ -	($ 4)	($ 1,151)
Other payables	(2,573)	(2,183)	(838)	(987)	(6,581)
Other payables - related parties	(26,341)	(214)	(11)	(11)	(26,577)
Tax liability	-	(141)	-	-	(141)
Lease liabilities - current	(227)	(635)	-	-	(862)
Advanced receipts	-	(88)	-	-	(88)
Other current liabilities	(51)	(27)	(15)	(24)	(117)
Non-current liabilities					
Other payables - related parties	(1,103)	(35)	-	(10)	(1,148)
Guarantee deposits	-	(110)	-	-	(110)
Net assets of disposal	($ 9,118)	$ 33,787	$ 26,011	$ 4,346	$ 55,026

(III) Gains from disposal of subsidiary

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Consideration received	$ 2,991	$ 36,889	$ 28,763	$ 5,135	$ 73,778
Less: Net assets from disposals	9,118	(33,787)	(26,011)	(4,346)	(55,026)
Gains from disposal	$ 12,109	$ 3,102	$ 2,752	$ 789	$ 18,752

(IV) Net cash inflow from disposal of subsidiaries

	Safe Cargo Transportation Co., Ltd.	Safe Petroleum Transportation Co., Ltd.	Safe Container Transportation Co., Ltd.	Safe Logistics Transportation Co., Ltd.	Total
Consideration received in cash and cash equivalents	$ 2,991	$ 36,889	$ 28,763	$ 5,135	$ 73,778
Less: Balance of cash and cash equivalents from disposals	(4,529)	(1,456)	(981)	(471)	(7,437)
	($ 1,538)	$ 35,433	$ 27,782	$ 4,664	$ 66,341

XXVII. Capital risk management

The capital structure management strategy of the merged company is based on the characteristics of the existing industry, future growth and development blueprint, and calculates the required working capital and the size of various assets for long-term development. The Company also ensures that the merged company's invested companies can continue to operate and grow by optimizing debt and equity balances to provide shareholders with sufficient returns and maintain the most appropriate capital structure.

The management of the merged company reviews the capital structure on a regular basis, and takes into account the costs and risks that may be involved in different capital structures, and monitors funds through the asset-liability ratio in order to adopt prudent risk management strategies.

XXVIII. Financial instruments

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

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

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

1. Fair value hierarchy

December 31, 2022

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

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial asset measured at fair value through profit or loss				
Domestic listed (OTC) stock	$ 775,516	$ -	$ -	$ 775,516
Domestic unlisted (non-OTC) stock	-	1,160	-	1,160
Fund beneficiary certificate	77,959	-	-	77,959
	$ 853,475	$ 1,160	$ -	$ 854,635
Financial assets at fair value through other comprehensive income				
Investment in equity instruments				
- Domestic listed (OTC) stock	$ 444,053	$ -	$ -	$ 444,053
- Domestic unlisted (non-OTC) stock	-	251,885	-	251,885
- Foreign unlisted (non-OTC) stocks	-	4,456	-	4,456
	$ 444,053	$ 256,341	$ -	$ 700,394

There were no transfers between Level 1 and Level 2 fair value measurements in 2021 and 2021.

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

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

(III) Types of Financial Instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measured at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	$ 1,103,779	$ 854,635
Financial assets at amortized cost (Note 1)	658,331	1,125,589
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	324,623	700,394
Financial liabilities		
Measured at amortized cost (Note 2)	319,377	361,091

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

Note 2: The balance includes short-term loans, notes payable, notes payable - related parties, accounts payable, accounts payable - related parties, other payables, other payables - related parties, long-term loans (including the part due within one year), deposits Deposit deposits – current (included in other current liabilities) and deposit received are financial liabilities measured at amortized cost.

(IV) Financial Risk Management Objectives and Policies

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

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

1. Market risk

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

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

(1) Interest rate risk

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

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

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 20,400	$ 35,250
- Financial liabilities	522,227	548,603
Cash flow interest rate risk		
- Financial assets	359,102	896,659
- Financial liabilities	170,833	150,000

Sensitivity analysis

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

If the interest rate increased/decreased by 100 basis points, with all other variables remaining unchanged, the merged company's net loss before tax for 2022 and 2021 would have increased/decreased by NT$1,883 thousand and NT$7,467 thousand, mainly due to the variable interest rate deposits of the merged company and variable interest rate borrowings.

(2) Other pricing risks

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

Sensitivity Analysis

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

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT$11,038 thousand in 2022 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2022 would have increased/decreased by NT$3,246 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

If the equity price increased/decreased by 1%, the pre-tax/after-tax profit or loss would have increased/decreased by NT$8,546 thousand in 2021 due to the increase/decrease in the fair value of financial assets at FVTPL. Other comprehensive income before/after tax in 2021 would have increased/decreased by NT$7,004 thousand due to the increase/decrease in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of the financial loss of the merged company caused by the counterparty defaulting on the contractual obligations. As of the balance sheet date, the largest credit risk exposure of the merged company that may cause financial losses due to the counterparty's failure to perform its obligations mainly comes from the book value of financial assets recognized in the consolidated balance sheet.

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

Those subject to accounts receivable cover many customers of different industries and sectors. The merged company conducts ongoing assessments of the financial condition of customers of accounts receivable.

In addition, the credit risk is minor because the counterparties of the liquid capital transaction are financial institutions and companies with a good credit rating.

3. Liquidity risk

The merged company manages and maintains sufficient cash to support the merged company's operations and mitigate the impact of cash flow fluctuations. The management level of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank loans are an important source of liquidity for the merged company. For the merged company's unused financing facilities as of the end of 2022 and 2021, 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 rate, the undiscounted interest amount is inferred based on the yield curve on the balance sheet date.

December 31, 2022

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

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

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

December 31, 2021

	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	$ 77,253	$ 54,291	$ 24,516	$ 1,238	$ -
Lease liabilities	935	1,759	27,763	97,657	595,784
Floating interest rate instruments	30,175	305	100,640	21,356	-
	$ 108,363	$ 56,355	$ 152,919	$ 120,251	$ 595,784

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	$ 30,457	$ 97,657	$ 111,650	$ 100,861	$ 100,861	$ 282,412

The bank loans that the merged company can be required to repay immediately are included in the above-mentioned maturity analysis table within a period shorter than 1 month. As of December 31, 2022 and 2021, the balance of undiscounted principal of these bank loans are NT$833 thousand and NT$30,000 thousand respectively.

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

(2) Financing limit

	December 31, 2022	December 31, 2021
Unsecured bank facilities (reviewed every year)		
- Amount used	$ 20,000	$ -
- Unutilized amount	115,000	85,000
	$ 135,000	$ 85,000

Guaranteed bank

facilities		
- Amount used	$ 150,833	$ 150,000
- Unutilized amount	388,000	510,000
	$ 538,833	$ 660,000

XXIX. Related-Party Transactions

Except for those disclosed in Note 33 to the consolidated financial statements, all transactions, account balances, income, and expenses between the Company and its subsidiaries (which are related parties of the Company) are eliminated upon consolidation and are not disclosed in The Notes. The material transactions between the merged company and other related parties are disclosed as follows.

(I) Names of related parties and their relationships

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

(II) Operating revenue

Accounting item	Type/Name of related parties	2021	2021
Transportation revenue	Type of related parties		
	T&W Transportation Services	$ 230,815	$ 249,100
Hospitality revenue	Type of related parties	308	648
		$ 231,123	$ 249,748

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	2021	2021
Transportation cost	Type of related parties		
	T&W Transportation Services	$ 47,984	$ 52,966
Dining and travel expenses	Type of related parties	$ 326	$ 318

There is no significant difference between the transaction price between the merged company and the related party and the non-related party.

(IV) Operating expense

Accounting item	Type of related parties	2021	2021
Dining and travel expenses	Type of related parties	$ 476	$ 500
Transportation expenses	Type of related parties	84	84
		$ 560	$ 584

(V) Rental agreement

Operating leases

The merged company leases the right-to-use transportation equipment and buildings to the substantially related party by operating lease with a lease period of 1 year. The lease income recognized in 2022 and 2021 was NT$777 thousand and NT$902 thousand, respectively.

The merged company leases the right-to-use building to the affiliated enterprise for operating lease with a lease term of 1 year. The lease income recognized in 2022 and 2021 were both NT$24 thousand .

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

(VI) Other gains and losses

Type of related parties	2021	2021
Type of related parties	$ 724	$ 1,101

(VII) Interest income

Category/name of related party	2021	2021
Associates		
SUPER NOVA	$ -	$ 1,025

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

Accounting item	Type/Name of related parties	December 31, 2022	December 31, 2021
Notes receivable - related parties	Type of related parties		
	T&W Transportation Services	$ 34,753	$ 46,114
Accounts receivable - related parties	Type of related parties		
	T&W Transportation Services	$ 37,367	$ 46,020
	Others	-	213
		$ 37,367	$ 46,233
Other receivables - related parties	Type of related parties		
	Mayer Inn Corporation	$ 270	$ -

No guarantee is collected for accounts receivable from related parties.

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

Accounting item	Type/Name of related parties	December 31, 2022	December 31, 2021
Notes payable - related parties	Type of related parties		
	T&W Transportation Services	$ 10,522	$ 13,531
Accounts payable - related parties	Type of related parties		
	T&W Transportation Services	$ 5,462	$ 8,027
Other payables	Type of related parties	$ 41	$ 148

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

(X) Prepayments

Type of related parties	December 31, 2022	December 31, 2021
Type of related parties	$ 129	$ 232

(XI) Dividend income

Type/Name of related parties	2021	2021
Type of related parties		
Mayer Steel Pipe Corporation	$ 59,550	$ 32,215
Associates		
Yuanquan Steel	15,814	13,561
	$ 75,364	$ 45,776

(XII) Compensation of key management personnel

	2021	2021
Short-term employee benefits	$ 21,415	$ 18,897
Post-employment benefits	794	805
	$ 22,209	$ 19,702

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

XXX. Pledged Assets

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

	December 31, 2022	December 31, 2021
Operating concession (stated as intangible assets)	$ 397,790	$ 417,760
Financial assets measured at fair value through profit or loss - current	211,140	291,180
Property, plant and equipment	111,436	111,918
Building and land under construction (stated as inventory)	74,618	74,618
Bank deposits (booked in other financial assets - current and non-current)	10,205	3,675
Pledged certificate of deposit (recognized as financial assets measured at amortized cost - current)	3,100	3,050
Financial assets measured at fair	-	212,470

	December 31, 2022	December 31, 2021
values through other comprehensive income - current	$ 808,289	$ 1,114,671

XXXI. Material contingent liabilities and unrecognized contractual commitments

Significant contract

(I) The company

Cooperative management contract

The Company has signed a distribution management service contract with Far Eastern Airways to provide passenger transportation and cargo transportation for cross-strait and domestic routes. The contract period is from November 1, 2019 to October 31, 2020, and the contract margin is managed at NTD 249,500 thousand.

The Company signed the cross-strait and domestic route cooperation management service contract with Far Eastern Airline. Due to the major financial difficulty of Far Eastern Airline, the Company terminated the related service for Far Eastern Airline on December 12, 2019. The Company obtained the check from Far Eastern Airlines according to the contract. Commercial paper issued by Mr. Gang-Wei Chang, the person-in-charge, with an amount of NT$249,500 thousand, and the mortgage on the real estate is the second priority; the Company has discussed the corresponding legal procedures with a lawyer to ensure the Company's equity. After the termination of the business, the management of the Company has assessed that the accounts receivable of NT$4,530 thousand and the deposit of NT$249,500 thousand on the 2019 account are unlikely to be recovered. All accounts receivable are recognized as impairment loss.

Commitments

In November 2022, the Company signed the joint construction contract for the Shi Shi Section (Practical Plan), Wenshan District, Taipei City, with the landowner. The total joint construction deposit provided was NT$350,000 thousand, and the Company issued NT$ 80,000 thousand respectively for the first integration payment and NT$80,000 thousand of promissory notes from the landowner. The landowner provided a promissory note of NT$160,000 thousand as collateral, and the landowners consolidated them. As of December 31, 2022, NT$80,000 thousand of notes payable have been cashed (booked in the book as deposits). The check for the remainder of the first tranche of NT$80,000 thousand is expected to be cashed on May 28, 2023. The second tranche will be issued according to the development progress.

In December 2022, the Company signed a joint construction contract with the landowner for the construction of the Juguang Section (Juguang Project) in Wanhua District, Taipei City. delivered a check for NT$100,000 thousand into the trust account according to the progress of the consolidation, and obtained a promissory note of NT$170 thousand as collateral for the consolidation. As of December 31, 2022, the notes payable had been cashed. NT$70,000 thousand (recognized as guarantee deposits). The check for the second instalment of $170,000 thousand is expected to be cashed on September 30, 2023.

(II) Miramar Hospitality Co., Ltd.

1. Operating concession contract

On March 11, 2004, the Company signed the "Development and Operation Contract for the Promotion of Private Participation in the Construction of Taipei City Affordable Hotels" with the Tourism Bureau, Ministry of Transportation and Communications. The operating period was from April 12, 2014 to April 12, 2044. The operating concession amounted to NT$27,000 thousand (included in the intangible assets), which had been paid at the time of signing the contract. According to the contract, the Company's average room price shall not exceed the agreed price. The Company shall not increase the room rate within 3 years after the formal signing of the contract, and may adjust the price index according to the commodity price index after the fourth year, but the adjustment range is subject to the consent of the Tourism Bureau. to be processed. The operating royalty is calculated based on 8% of the annual operating revenue. The operating royalties in 2022 and 2021 were NT$15,298 thousand and NT$17,335 thousand (included in the operating expenses).

2. Memorandum of Sale of Shares

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

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

This share trading memorandum was expired on April 23, 2019. The Company's board of directors resolved to terminate the above investment plan; the Company applied to the Taipei District Court on May 31, 2019 for the promissory notes of the joint guarantor and the The ruling was finalized on March 2. However, the debtor has no property to execute, so the Company turned to ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd. After informing ECFA Hotel Co., Ltd. and Go Sleep Co., Ltd. that the joint liquidator Attorney Wu Yi-Hsuan must include the creditor's rights of Millikin Corporation into the scope of liquidation, the court submitted the "Certificate of Confirmation" and "Certificate of Confirmation" to the court on December 21, 2022. The Company applied for compulsory execution and issued the claim certificate directly. So far, the Company has received the claim certificate issued by the court on December 28, 2022, and is awaiting the notice from the liquidator for subsequent claims negotiation.

3. Decoration contract

As of December 31, 2022, the unrecognized contractual commitment amount of beautiful letter due to decoration works amounted to NT$101,200 thousand and the amount paid was NT$39,864 thousand (recognized as other non-current assets).

(III) Miramar Resort Co., Ltd.

1. Development and management contract

On December 14, 2004, Miramar Resort Co., Ltd. signed the "Contract for Soliciting Private Sectors to Participate in the Construction and Operation of the Shanyuan Beach Investment and Operation Project" with the Taitung County Government. The development and operation period was from December 14, 2004 to December 14, 2054, and a development royalties of NT$5,000 thousand and a performance bond of NT$10,000 thousand were provided as a guarantee, which have been fully paid (included in other non-current assets and refundable deposits).

In accordance with the provisions of the Arbitration Law of ROC and the Arbitration Rules of the Chinese Arbitration Association, Taipei, Miramar Resort Co., Ltd. has applied for the settlement of the disputes such as the environmental impact assessment procedure of the above-mentioned development project by arbitration. The main texts of the arbitration issued by the Chinese Arbitration Association, Taipei on October 23, 2020 is as follows:

(1) The "Contract for Soliciting Private Sectors to Participate in the Construction and Operation of the Shanyuan Beach Investment and Operation Project" between Miramar Resort Co., Ltd. and Taitung County Government was terminated.
(2) The Taitung County Government shall pay Miramar Resort Co., Ltd. a performance bond of NT$10,000 thousand and a development royalty of NT$2,500 thousand. The development royalty will be calculated at a statutory rate of 5% from July 10, 2018 to the settlement date, and the statutory delay interest is calculated at 5%.
(3) The Taitung County Government shall purchase the completed assets of the Miramar Resort Co., Ltd. located at Shanyuan No. 2, Beinan Township, Taitung County at NT$629,638 thousand.
(4) The Taitung County Government shall cooperate with the Miramar Resort Co., Ltd. to handle the asset transfer procedure of the building located at Shanyuan No. 2, Beinan Township, Taitung County.
(5) The Taitung County Government shall bear 52% of the arbitration fee, while Miramar Resort Co., Ltd. shall bear 48% of such fee. The request for appraisal fee was rejected.
(6) Miramar Resort Co., Ltd.'s remaining claims were rejected.

As of December 31, 2020, the unamortized balance of development royalties was NT$3,417 thousand and the water and soil conservation deposit was NT$480 thousand. According to the arbitration judgment issued by the Chinese

Arbitration Association, Taipei on October 23, 2020, the recoverable development royalties was NT$2,500 thousand. The aforementioned irrecoverable amount of NT$1,397 thousand has been transferred to other receivables with full allowance against impairment loss. Miramar Resort Co., Ltd. has delisted other receivables and related allowance for impairment losses in 2021.

The management level of Miramar Resort Co., Ltd. evaluated the impairment of property, plant and equipment based on the recoverable amount determined by the arbitration, and listed the impairment losses of NT$328,231 thousand on December 31, 2020. In addition, business equipment of NT$2,967 thousand and office equipment of NT$1,137 thousand originally for business use were reclassified as idle assets (included in other non-current assets) in July 2013. According to the evaluation of the arbitration results, the management level of Miramar Resort Co., Ltd. has fully listed as the impairment loss.

Miramar Resort Co., Ltd. completed the transfer of building ownership to the Taitung County Government in April 2021, and received payments of NT$400,000 thousand, NT$220,000 thousand and NT$ 7,324 thousand from the Taitung County Government for the building in April, July, and September 2021, respectively. Therefore, Miramar Resort Co., Ltd. has delisted the building in 2021 and recognized a disposal loss of NT$31,217 thousand which was listed under other interests and losses.

2. Major construction contracts

Miramar Resort Co., Ltd. signed an engineering contract with Daqing Construction Co., Ltd. on the basis of its engagement in the investment and operation of Shanyuan Beach. The total contract price is NT$1,018,500 thousand. As of December 31, 2021, an amount of NT$925,895 thousand has been paid.

As of December 31, 2021, the above-mentioned construction contract has recognized NT$962,454 thousand of real estate under construction. The management level of Miramar Resort Co., Ltd. has evaluated the impairment loss of NT$328,232 thousand on December 31, 2020 according to the arbitration result. Please refer to the notes herein for details.

3. Environmental assessment issues

Miramar Resort Co., Ltd. entered a legal proceeding due to an administrative dispute between the Taitung County Government and Taiwan Environmental Protection Union. Therefore, starting from October 1st, 2007, the main request of Taiwan Environmental Protection Union for the suspension of construction is that Miramar Resort Co., Ltd. should first pass the environmental assessment and ask the construction site to stop the development work. The Supreme Administrative Court made its decision regarding the suspension of work filed by Taiwan Environmental Protection Union in its Tsai-Zi No. 1888 dated 2012 on September 20, 2012.

Miramar Resort Co., Ltd. passed the Taitung County Government's environmental impact assessment in October 2008, and completed the follow-up administrative procedures on September 28, 2010 to obtain the use permit; on January 4, 2011, the decoration permit was obtained, but the Supreme Administrative Court ruled on January 19, 2012 by Judgment 2012 Pan Zi No. 55 with the the conclusion that the EIA passed by Taitung County Government in 2008 shall be revoked, and the Taitung County Government on February 4, 2012 ordered Miramar Resort Co., Ltd. to suspend the development with the official letter Fuguanguanzi No. 1010020168, but did not adjust the rights and obligations of both parties in the BOT project. Taitung County Government also issued an official letter Fushouhuanshui Zi No. 1010002329 on February 20, 2012 to order Miramar Resort Co., Ltd. to supplement the relevant documents and materials of the environment impact statement which shall be submitted to the Taitung County Government for review. On December 22, 2012, Miramar Resort Co., Ltd. conditionally passed the EIA review by the "Taitung County Environmental Impact Assessment Review Committee", and announced the review conclusion on February 1, 2013 (hereinafter referred to as the conclusion of the second EIA), the Taitung County Government had originally approved the resumption of work in the official letter Fuganguanzi No. 1020036513 on March 13, 2013. However, on June 28, 2013, the Kaohsiung High Administrative Court ruled to suspend the execution before the end of the administrative dispute that conditionally passed the EIA review by the judgement 2013 Ting Zi No. 7, and the Taitung County Government also issued an official letter Shou Huam Shui Zi No. 1020014722 on July 18, 2013 to Miramar Resort Co., Ltd. in accordance with the judgment of the Kaohsiung High Administrative Court. Afterwards, Taitung County Government and Miramar Resort Co., Ltd. filed appeals with the Supreme Administrative Court on July 17, 2013 and July 18, 2013, respectively. The Supreme Administrative Court ruled via Tsai No. 1554 on October 11, 2013 to order to suspend the execution of the project before the end of the administrative dispute that conditionally passed the environmental impact assessment review. On October 28, 2014, the Kaohsiung High Administrative Court ruled to revoke the conditionally passed conclusion of EIA published in 2013, the Taitung County Government filed an appeal with the Supreme Administrative Court on November 30, 2016, however, on March 31, 2016, the Supreme Administrative Court ruled that the appeal shall be rejected via Judgment 2016 Pan Zi No. 123, so the conclusion of the second EIA review was revoked and such judgement was finalized. On September 10, 2015, the Kaohsiung High Administrative Court reached the judgment 2013 Su Zi No. 481, and revoked the Taitung County Government's official letter Fuguanguanzi No. 1020036513 issued on March 13, 2013 (resumption letter), and Taitung County Government and Miramar Resort Co., Ltd. both filed appeal with the Supreme Administrative Court on October 12, 2015. However, on April 21, 2015, the Supreme Administrative Court rejected the appeal via the judgment 2016 Pan Zi No. 179, and ordered to revoke the Taitung County Government's order of resumption of work via official letter Fuganguanzi No. 1020036513 on March 13, 2013. On September 10, 2015, the Kaohsiung High Administrative Court reached a judgment 2013 Su Zi No. 252 of 102 to order that Miramar Resort Co., Ltd.’s construction permits Fujianzi No. A0997002105 of August 11, 2010 and Fujianzi No. C0997002602 of September 21, 2010 shall become invalid. The Taitung County Government and Miramar Resort Co., Ltd. filed the appeals with the Supreme Administrative Court on September 30, 2015 and September 29, 2015, respectively. The Supreme Administrative Court ruled on October 26, 2016 to invalidate the former judgement of Kaohsiung High Administrative Court on September 10, 2015, and rejected the lawsuit filed by environmentalists. The Taitung County Government has won the case, which was finalized. And both the construction permits and the use permit shall remain valid. Later, the environmentalists also filed a lawsuit to revoke the construction license and the user license in this case. The Kaohsiung High Administrative Court had dismissed the plaintiff's lawsuit on September 6, 2017. Therefore, the construction license and the user license in this case were not revoked. Due to the above-mentioned disputes over the EIA procedures of the development, Miramar Resort Co., Ltd. was unable to proceed with the enforcement of the environmental impact assessment procedure. The Company has resolved the matter through arbitration in accordance with the Arbitration Law of the ROC and the Chinese Arbitration Association, Taipei. On October 23, 2020, Miramar Resort Co., Ltd. ruled that the development and operation contract signed by Miramar Resort Co., Ltd. and the Taitung County Government was terminated. Please refer to the notes herein for details.

XXXII. Others

Due to the impact of the global pandemic of COVID-19, Miramar Resort Co., Ltd. was temporarily unable to visit Taiwan from foreign countries, and hence Miramar Resort Co., Ltd. became a pandemic-proof hotel instead. On October 21, 2022, in line with the government's deregulation policy, the Company withdrew from the ranks of epidemic-proof hotels and returned to general hotels for business operation. The entire hotel was replaced by new ones and was officially completed and reopened on January 18, 2023. It is expected that Miramar Resort Co., Ltd.'s operations will gradually return to normal and the overall occupancy rate and average house price will increase in the future.

XXXIII. Additional Disclosures

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

1. Loans to others: Table 1.
2. Endorsements/guarantees provided: Table 2
3. Marketable securities held at the end of the year (excluding investments in subsidiaries and associates): Table 3.
4. Cumulative amount of the same marketable securities purchased or sold reaching 300 million NTD or more or 20% of the paid-in capital: Table 4.
5. Acquisition of real estate at a cost of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount exceeding NT$300 million or 20% of the paid-in capital: None.

7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Engagement in derivative transactions: None.
10. Others: Business relationships and significant transactions between the parent company and its subsidiaries: Table 7.
11. Information on investees: Table 6.

(III) Information on investments in Mainland China:

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

(IV) Information of major shareholders: Names of shareholders with a shareholding ratio of more than 5%, number of shares held, and percentage. (Table 8)

XXXIV. Department Information

The information provided to the major operational decision-makers for the purpose of allocating resources and evaluating the department'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 department:

	Segment revenue		Segment profit	
	2021	2021	2021	2021
Transportation segment	$ 523,305	$ 559,052	($ 8,729)	($ 21,658)
Hotel segment	194,415	220,533	3,698	(5,769)
Other segments	12,247	12,250	(6,261)	3,792
Construction segment	-	-	(4,611)	(8,168)
Profit/loss from continuing operations	$ 729,967	$ 791,835	(15,903)	(31,803)
Others			210,036	125,322
Other gains and losses			(424,133)	246,535
Finance costs			(12,603)	(14,932)
Loss share of affiliated enterprises using the equity method			-	(1,116)
Interest income			2,075	2,175
Net (loss) profit before tax			($ 240,528)	$ 326,181

The segment revenue reported above is generated from transactions with external customers. There were no inter-segment sales in 2022 and 2021.

Segment profit is the profit earned by each segment, excluding the share of loss, other income, other gains and losses, interest income, finance costs, and income tax expenses (benefit) of affiliates using the equity method. This measure is provided to the chief operating decision-makers for allocating resources to departments and measuring their performance.

(II) Total assets of department

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

(III) Information of other departments

Other information that has been reviewed by the chief operating decision-maker or provided to the chief operating decision-maker on a regular basis:

	Depreciation and amortization	
	2021	2021
Transportation segment	$ 31,955	$ 31,446
Hotel segment	35,586	55,985
Other segments	5,428	5,105
	$ 72,969	$ 92,536

(IV) Income from main products and services

For the income from main products and services of the merged company's business units, please see (1) Departmental revenue and operating results.

(V) Information by geographical location

The place of operation of the merged company's business units is Taiwan.

(VI) Information of major customers

Where the revenue from a single customer exceeds 10% of the merged company's net revenue:

	2021	2021
Customer A	$ 230,815	$ 249,100

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Loans to others

January 1 to December 31, 2022

Table 1

Unit: NT$ thousand

No.	Name of financing provider	Name of counter party	Current account	Related party?	Maximum balance in the current year (Note 2)	Year-end balance (Note 2)	Actual amount provided	Interest rates	Nature of financing activity	Amount of sales to (purchase from) counter-party	Reason for short-term financing	Allowance for doubtful accounts	Assets pledged		Limit of financing amount for individual counter-party	Maximum loan amount	Remarks
													Company Name	Value			
0	TZE SHIN INTERNATIONAL CO., LTD.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	Yes	$ 50,000	$ -	$ -	2.75%	Short-term financing	$ -	Operating turnover	$ -	None	None	$ 742,036 (30% of Tze Shin's net worth)	$ 989,382 (40% of Tze Shin's net worth)	
		Miramar Resort Co., Ltd.	Other receivables - related parties	Yes	148,000	-	-	3.00%	Short-term financing	-	Operating turnover	-	None	None	742,036 (30% of Tze Shin's net worth)	989,382 (40% of Tze Shin's net worth)	
		Miramar Hospitality Co., Ltd.	Other receivables - related parties	Yes	50,000	50,000	-	3.00%	Short-term financing	-	Operating turnover	-	None	None	742,036 (30% of Tze Shin's net worth)	989,382 (40% of Tze Shin's net worth)	
1	Safe Petroleum Transportation Co., Ltd.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	No	13,000	-	-	2.75%	Short-term financing	-	Operating turnover	-	None	None	Note 4	Note 4	
2	Safe Container Transportation Co., Ltd.	Safe Cargo Transportation Co., Ltd.	Other receivables - related parties	No	10,000	-	-	2.75%	Short-term financing	-	Operating turnover	-	None	None	Note 4	Note 4	

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

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

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

Note 4: Tze Shin International Co., Ltd. sold all the shares of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd. and Safe Container Transportation Co., Ltd. in November 2022 and the loaning of the funds was cancelled.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Making endorsements/guarantees for others

January 1 to December 31, 2022

Table 2

Unit: NT$ thousand

No.	Endorsing/guaranteeing company name	Endorsee		Limit of endorsements/guarantees made to a single enterprise (Note 2)	Maximum endorsement/guarantee balance for the current year (Note 4)	Endorsement/guarantee balance at year-end (Note 4)	Actual amount provided	Endorsement/guarantee amount secured by property	Ratio of cumulative endorsement and guarantee amount to net worth in the most recent financial statements (%)	Maximum amount of endorsements/guarantees (Note 3)	Endorsement/guarantee made by parent company to subsidiary	Endorsement/guarantee provided by the subsidiary to the parent company	Provision of endorsements/guarantees to the party in China	Remarks
		Company name	Relationship (Note 5)											
0	TZE SHIN INTERNATIONAL CO., LTD.	Safe Petroleum Transportation Co., Ltd.	(2)	$ 2,473,456	$ 5,000	$ -	$ -	$ -	-	$ 3,710,184	Y	—	—	Note 6
1	Safe Petroleum Transportation Co., Ltd.	TZE SHIN INTERNATIONAL CO., LTD.	(3)	Note 6	5,000	-	-	-	-	Note 6	—	Y	—	

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

Note 2: The limits are 100% and 30% of the net worth in the most recent financial statements of Tze Shin and Aetna, respectively.

Note 3: The caps are 150% and 50% of the net worth in the most recent financial statements of Tze Shin and Aetna, respectively.

Note 4: The amount of the endorsement and guarantee approved by the board of directors.

Note 5: There are seven types of relationship between the endorser/guarantee and the endorsed/guaranteed object, and it is sufficient to indicate the type:

(1) A business associate.

(2) Subsidiaries with more than 50% common shares held directly.

(3) A company in which more than 50% of its voting shares are held directly or indirectly by the company.

(4) A company in which the Company directly or indirectly holds more than 90% of its shares with voting rights.

(5) A company that provides mutual insurance between peers in accordance with the contract for the needs of undertaking construction projects.

(6) A company that has been endorsed and guaranteed by each of the contributing shareholders in proportion to their shareholding ratio due to a joint investment relationship.

(7) The joint and several guarantees for the performance of the pre-sale housing contract are provided by the peers in accordance with the Consumer Protection Act.

Note 6: In November 2022, Tze Shin International Co., Ltd. sold the entire equity of Safe Petroleum Transportation Co., Ltd. and canceled the endorsement and guarantee balance.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries
Marketable securities held at the end of the year
December 31, 2022

Table 3

Unit: NT$ thousand

Names of companies held	Types and names of securities	Relationship with the securities issuer	Presentation account	Year-end				Remarks
				Number of shares or units (thousand)	Carrying amount	Shareholding ratio (%)	Market price/equity net value (Note 1)	
TZE SHIN INTERNATIONAL CO., LTD.	Common stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	20,100	$ 461,295	9.03	$ 461,295	Note 2
	EVERGREEN MARINE CORP. (TAIWAN) LTD.	—	Financial assets measured at fair value through profit or loss - current	2,570	418,910	0.12	418,910	
	Yang Ming Marine Transport Corp.	—	Financial assets measured at fair value through profit or loss - current	1,100	72,050	0.03	72,050	
	ADATA Technology Co., LTD.	—	Financial assets measured at fair value through profit or loss - current	500	28,500	0.19	28,500	
	Taiwan Navigation Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	600	16,140	0.14	16,140	
	Taiwan Semiconductor Manufacturing Co., Ltd.	—	Financial assets measured at fair value through profit or loss - current	100	44,850	-	44,850	
	IBF Financial Holdings Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	9,500	107,350	0.28	107,350	
	Taisun Enterprise Co., Ltd.	—	Financial assets measured at fair values through other comprehensive income - current	1,000	32,550	0.20	32,550	
	HERMOSA OPTOELECTRONICS CORPORATION	—	Financial assets measured at fair value through profit or loss - Current-Non-current	4,088	-	5.37	-	
	Yuhua Venture Capital Co., Ltd.	—	Financial assets measured at fair value through profit or loss - Current-Non-current	20	243	5.00	243	
	Ouhua Venture Capital Co., Ltd.	—	Financial assets measured at fair value through profit or loss - Current-Non-current	20	140	2.50	140	
	Yuan Chuan Steel Co. Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	4,457	165,538	18.57	165,538	
	Du Centre Co., Ltd.	Chairman	Financial assets measured at fair value through other comprehensive income - Non-current	1,438	388	4.79	388	
	Chi Min Corporation (Originally: Le Sheng Technology Co., Ltd.)	—	Financial assets measured at fair value through other comprehensive income - Non-current	5	-	-	-	
	Taiwan Youli Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	33	-	0.05	-	
	CPC Corporation, Taiwan	—	Financial assets measured at fair value through other comprehensive income - Non-current	5,460	-	9.47	-	
	MEGAFUL CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	368	-	0.99	-	
	iOne E-Commerce Network Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	200	-	0.35	-	
	Epoch Electronics Corp.	—	Financial assets measured at fair value through other comprehensive income - Non-current	249	-	3.83	-	
	ROSA FOODS CO., LTD.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,837	-	2.09	-	
Miramar Hospitality Co., Ltd.	Common stock							
	Mayer Steel Pipe Corporation	Chairman	Financial assets measured at fair value through profit or loss - current	1,350	30,982	0.61	30,982	
	China Petrochemical Development Corporation	—	Financial assets measured at fair values through other comprehensive income - current	1,734	17,136	0.05	17,136	
	Meilixin Development Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - Non-current	1,900	1,661	10.00	1,661	
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	5,136	-	5,136	
	Union Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	381	5,112	-	5,112	
	Taishin Ta Chong Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	354	5,111	-	5,111	
	Nomura Taiwan Select Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	308	5,105	-	5,105	
	CTBC Hua Win Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	457	5,104	-	5,104	
	Fubon Chi-Hsiang Money Market Fund	—	Financial assets measured at fair value through profit or loss - current	321	5,101	-	5,101	

Note 1: Marketable securities in this table refer to common stocks 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 have been pledged as collateral for short-term bank loans and short-term notes payable.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital.

January 1 to December 31, 2022

Table 4

Unit: NT$1 thousand, unless stated otherwise

Buying and selling company	Types and names of securities (Note 1)	Presentation account	Trading counterpart	Relationship	Beginning		Buy (Note 2)		Sell (Note 2)				End of period	
					Shares	Amount	Shares	Amount	Shares	Selling price	Book cost	Gains and Losses from Disposal	Shares	Amount
TZE SHIN INTERNATIONAL CO., LTD.	Common stock EVERGREEN MARINE CORP. (TAIWAN) LTD.	Financial assets measured at fair value through profit or loss - current	-	-	200	$ 28,500	4,170 (Note 3)	$ 763,310 (Note 4)	1,800	$ 258,501	$ 372,900 (Note 5)	($ 114,399)	2,570	$ 418,910
TZE SHIN INTERNATIONAL CO., LTD.	Common stock IBF Financial Holdings Co., Ltd.	Financial assets measured at fair values through other comprehensive income - current	-	-	20,000	321,000	18,620	74,834 (Note 6)	29,120	359,193	288,484 (Note 5)	70,709	9,500	107,350

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates, and marketable securities derived from the above.

Note 2: The cumulative amount of purchases and sales should be separately calculated at the market price to determine whether it reaches NT$300 million or 20% of the paid-in capital.

Note 3: Including the 6,570 thousand shares purchased and the 2,400 thousand shares reduced by 60%.

Note 4: Including the purchase amount of NT$859,442 thousand, valuation gains and losses of NT$72,132 thousand, and refund of capital reduction of NT$ (24,000) thousand.

Note 5: Based on the cost price.

Note 6: Including the purchase amount of NT$203,208 thousand and valuation gains and losses of NT$ (128,374) thousand in the current period.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Total purchases from and sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital.

January 1 to December 31, 2022

Table 5

Unite: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Purchase (sale) company	Name of counterparty	Relationship	Transaction status				Conditions and causes of difference from general transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale) of goods	Amount	Percentage of total purchase (sale)	Duration of credit extension	Unit price	Duration of credit extension	Balance	Percentage of total notes and accounts receivable (payable)	
Hsin Hai Transportation & Terminal Co., Ltd.	T&W Transportation Services	Type of related parties	Transportation revenue	($ 230,815)	57%	(Note)	$ -	—	$ 72,120	68%	

Note: Payment terms are equivalent to those of non-related parties.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

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

January 1 to December 31, 2022

Table 6

Unit: NT$ thousand

Name of the investors	Name of the investees	Location	Main business and products	Original / investment amount		Held at the end of the year			Gains (losses) of investees for the current year	Investment gains (losses) recognized in the current year	Remarks
				December 31, 2022	December 31, 2021	Shares (Thousands)	Percentage (%)	Carrying amount			
TZE SHIN INTERNATIONAL CO., LTD.	Miramar Hospitality Co., Ltd.	Taipei City	Tourist Hotel	$ 260,040	$ 260,040	23,442	62.99	$ 246,379	$ 10,051	$ 6,331	Subsidiary (Note 1)
	Hsin Hai Transportation & Terminal Co., Ltd.	New Taipei City, TW	Automobile container transportation and related business operations and investments	33,787	33,787	2,452	47.47	86,703	24,015	11,400	Subsidiary (Note 1)
	Miramar Resort Co., Ltd.	Taipei City	Management of hotels and water recreation activities	431,702	431,702	40,070	66.18	7,908	(162)	2,568	Subsidiary (Notes 1, 2)
	ACMC TRADING CO., LTD.	Taipei City	International trade management	22,500	22,500	2,500	100.00	370	(67)	(67)	Subsidiary (Note 1)
	Safe Cargo Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight, container and related businesses	-	58,205	-	-	-	(15,429)	(15,569)	Subsidiary (Note 1, 3); The difference of NT$140 thousand is the effect of upstream trading.
	Safe Petroleum Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight and related businesses	-	26,950	-	-	-	646	648	Subsidiary (Note 1, 3); The shortfall of NT$20 thousand was the effect of upstream trading.
	Safe Container Transportation Co., Ltd.	Keelung City	Operation and investment of automobile container and related businesses	-	30,000	-	-	-	(22)	93	Subsidiary (Note 1, 3); The difference of NT$115 thousand is the effect of lateral and upstream transactions.
	Safe Logistics Transportation Co., Ltd.	Keelung City	Operation and investment of automobile freight and related businesses	-	25,000	-	-	-	(388)	(17)	Subsidiary (Note 1, 3); The difference of NT$371 thousand is the effect of lateral and upstream transactions.
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	-	(162)	-	Subsidiary (Note 1)

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

Note 2: The number of shares held by Tze Shin International Co., Ltd. in the Miramar Resort Co., Ltd. includes 17,570 thousand ordinary shares and 22,500 thousand special shares. According to the number of special shares held, the net equity recovery benefit of NT$2,568 thousand is recognized.

Note 3: Tze Shin International Co., Ltd. sold all the shares of Safe Cargo Transportation Co., Ltd., Safe Petroleum Transportation Co., Ltd., Safe Container Transportation Co., Ltd. and Safe Logistics Transportation Co., Ltd. in November 2022.

TZE SHIN INTERNATIONAL CO., LTD. and its subsidiaries

Significant inter-company transactions during the reporting periods

January 1 to December 31, 2022

Table 7

Unit: NT$ thousand

No. (Note 1)	Company	Counter-party	Relationship (Note 2)	Status of transaction			
				Account	Amount	Term	Percentage (%) of consolidated total operating revenues or total assets (Note 3)
0	TZE SHIN INTERNATIONAL CO., LTD.	Safe Cargo Transportation Co., Ltd.	1	Transportation cost	$ 54,162	No significant difference from non-related party	7.42
		Safe Petroleum Transportation Co., Ltd.	1	Transportation cost	3,064	No significant difference from non-related party	0.42
		Hsin Hai Transportation & Terminal Co., Ltd.	1	Other receivables	8	As agreed by both parties	-

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

Note 2: 1: represents parent company to subsidiary; 2: subsidiary to parent company; 3: subsidiary to subsidiary.

Note 3: The ratio of the transaction amount to the total consolidated net revenue or total assets is calculated. For assets and liabilities, the year-end balance is calculated as a percentage of the consolidated total assets and liabilities; for profit and loss, it is calculated as a percentage of annual cumulative amount in the consolidated total revenue. be calculated.

Note 4: All transactions listed in the table above have been eliminated when the consolidated financial statements were prepared.

TZE SHIN INTERNATIONAL CO., LTD.

Information of principal shareholders

December 31, 2022

Table 8

Name of major shareholder	Share	
	Shares held	Percentage
TienPin Development Co., Ltd.	43,791,000	23.16%
Yuan Chuan Steel Co. Ltd.	15,000,762	7.93%

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