SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

SEA & LAND INTEGRATED CORP.

DECEMBER 31, 2022 AND 2021 CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sea & Land Integrated Corp. (the "Consolidated FS of the Affiliates"), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2022 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those required to be included in the Consolidated Financial Statements of Sea & Land Integrated Corp. and its subsidiaries (the "Consolidated FS of the Group") in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sea & Land Integrated Corp. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
Sea & Land Integrated Corp.
By

Ying-Jin Ho, Chairman
March 15, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Sea & Land Integrated Corp.

Opinion

We have audited the accompanying consolidated balance sheets of Sea & Land Integrated Corp. and its subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and 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 Group’s 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group’s 2022 consolidated financial statements are stated as follows:

Machinery transportation and hoisting revenue recognition - assessment on the stage of completion

Description

The Group’s machinery transportation and hoisting revenue amounted to NT$ 451,524 thousand, constituting 23.07 % of operating revenue for the year ended December 31, 2022. Refer to Note 4(30) for the accounting policy on revenue recognition; Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to revenue recognition and Note 6(20) for details.

The Group’s heavy machinery transportation and hoisting revenue is calculated by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract. The aforementioned estimated total costs are assessed based on the estimated construction projects, which are planned for the heavy machinery transportation and hoisting services engaged by the client, and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labour expenses.

Given that the estimate of total cost affects the stage of completion and the recognition of revenue, and the complexity of aforementioned total cost estimation usually involves subjective judgement and contains a high degree of uncertainty, we consider the assessment on the stage of completion applied on revenue recognition a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the nature of the Group’s business and industry, and assessed the consistency of the estimate method and the internal process applied to estimate total cost, including the process for estimating the costs for each construction project (subcontract charges and material and labour expenses) that is planned for the heavy machinery transportation and hoisting services engaged by the client.
2. Assessed and tested the internal controls used by the management to recognise revenue based on the stage of completion, including checking the supporting documents of additional or reduced constructions and significant constructions performed in the period.
3. Performed onsite observations of or inquired into major construction projects still in progress at the year end.
4. Performed substantive procedures relating to the year-end construction profit or loss statement, including sampling and verifying the costs incurred in the period against the appropriate evidence, verifying the additional or reduced constructions in the period against the supporting documents and recalculating and confirming that construction revenue calculated based on the stage of completion had been accounted for appropriately.

Impairment assessment of accounts receivable

Description

The Group’s net accounts receivable amounted to NT$ 270,265 thousand, constituting 10.33 % of total assets as at December 31, 2022. Refer to Notes 4(10) and (11) for accounting policies, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to accounts receivable, Note 6(5) for details.

The Group manages the collections of accounts receivable and overdue accounts and takes on relevant credit risk. The management periodically assesses the credit quality and collection status of customers, and adjusts the credit policies for customers in due course. In addition, impairment assessment of accounts receivable was implemented in accordance with IFRS 9 using the simplified approach to estimate expected credit losses. The management uses the ageing of receivables as of the balance sheet date and the payment history of an individual customer, financial position and economic situation of the customer and many other factors that would affect the payment ability of the customer as well as includes the forward-looking information to assess the default possibility of accounts receivable.

Given that the amount of accounts receivable was material, and the determination of loss rates was subjected to the management’s judgement, we consider the estimates of expected credit losses on accounts receivable a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding of the Group’s credit quality control policy in order to evaluate the reasonableness of the Group’s expected credit loss provision policies and procedures on accounts receivable.
2. Assessed the appropriateness of provision rate of allowance for accounts receivable through referring to historical loss rate and taking into consideration the forecastability, and obtained and examined relevant data provided by the management.
3. Tested changes in the ageing of accounts receivable and checked the supporting documents relating to due dates of accounts receivable to ascertain the accuracy of the classification for accounts receivable aging.
4. Identified the reasons of past due accounts, examined the subsequent collections and discussed the adequacy of expected credit loss provision policies with the management, in particular for accounts receivable that are individually assessed to be material.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and a associate and the information disclosed in Note 13, is based solely on the reports of the other auditors. Total assets, including the investments accounted for using the equity method, of those consolidated subsidiaries and an associate amounted to NT$109,798 thousand and NT$ 115,757 thousand, constituting 4.20% and 3.97% of the consolidated total assets as of December 31, 2022 and 2021, respectively, total operating revenues amounted to NT$1,945 thousand and NT$1,778 thousand, constituting 0.10% and 0.09% of the consolidated total operating revenues for the years then ended, respectively, and the comprehensive income (loss) recognised from investments accounted for using the equity method amounted to NT($305) thousand and NT($442) thousand, constituting (0.16%) and (0.06%) of the consolidated total comprehensive income for the years then ended December 31, 2022 and 2021, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Sea & Land Integrated Corp. as at and for the years ended December 31, 2022 and 2021.

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 and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, 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 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 appropriate audit evidence regarding the financial information of the 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 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 of the current period 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.

Hsu, Ming-Chuan　　Chih, Ping-Chiun
For and on behalf of PricewaterhouseCoopers, Taiwan
March 15, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 175,280	7	$ 446,905	15
1110	Financial assets at fair value through profit or loss - current	6(2)	2	-	2	-
1120	Financial assets at fair value through other comprehensive income - current	6(3)	19,680	1	24,422	1
1136	Financial assets at amortised cost - current	6(4) and 8	32,529	1	32,500	1
1140	Contract assets - current	6(20)	22,969	1	53,317	2
1150	Notes receivable, net	6(5)	27,612	1	32,223	1
1160	Notes receivable - related parties	7	2,637	-	5,051	-
1170	Accounts receivable, net	6(5)	266,837	10	529,195	18
1180	Accounts receivable - related parties	7	3,428	-	198	-
1210	Other receivables - related parties	7	-	-	19	-
1220	Current income tax assets	6(28)	1,998	-	1,992	-
130X	Inventories	6(6)	84,319	3	69,431	3
1410	Prepayments		53,063	2	65,627	2
1470	Other current assets		1,719	-	4,650	-
11XX	**Total current assets**		692,073	26	1,265,532	43
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	85,762	3	93,199	3
1550	Investments accounted for using equity method	6(7)	247,319	10	178,429	6
1600	Property, plant and equipment	6(8) and 8	1,392,898	53	1,183,065	41
1755	Right-of-use assets	6(9) and 7	59,383	2	63,640	2
1760	Investment property - net	6(11) and 8	83,084	3	36,722	1
1780	Intangible assets	6(12)	134	-	342	-
1840	Deferred income tax assets	6(28)	11,705	1	11,696	1
1900	Other non-current assets	7 and 8	43,864	2	79,987	3
15XX	**Total non-current assets**		1,924,149	74	1,647,080	57
1XXX	**Total assets**		$ 2,616,222	100	$ 2,912,612	100

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SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 8	$ 50,500	2	$ 15,052	1
2130	Contract liabilities - current	6(20)	21,380	1	2,347	-
2150	Notes payable		108,773	4	215,720	7
2160	Notes payable - related parties	7	20,839	1	49,335	2
2170	Accounts payable		107,716	4	132,744	5
2180	Accounts payable - related parties	7	14,810	1	10,267	-
2200	Other payables	6(14)	111,814	4	145,741	5
2220	Other payables - related parties	7	373	-	380	-
2230	Current income tax liabilities		23,405	1	11,732	-
2280	Lease liabilities - current	6(9) and 7	12,731	1	10,902	-
2320	Long-term liabilities, current portion	6(15) and 8	88,875	3	82,164	3
2399	Other current liabilities, others		1,659	-	3,201	-
21XX	**Total current liabilities**		562,875	22	679,585	23
	Non-current liabilities					
2540	Long-term borrowings	6(15) and 8	170,583	6	201,634	7
2570	Deferred income tax liabilities	6(28)	35,285	1	34,804	1
2580	Lease liabilities - non-current	6(9) and 7	17,162	1	24,287	1
2600	Other non-current liabilities	6(16) and 7	18,770	1	25,244	1
25XX	**Total non-current liabilities**		241,800	9	285,969	10
2XXX	**Total liabilities**		804,675	31	965,554	33
	Equity attributable to owners of parent					
	Share capital	6(17)				
3110	Common stock		1,048,766	40	806,743	28
	Capital surplus	6(18)				
3200	Capital surplus		83,363	3	86,902	3
	Retained earnings	6(19)				
3310	Legal reserve		218,155	8	144,107	5
3320	Special reserve		66,693	3	66,693	2
3350	Unappropriated retained earnings		405,755	15	840,515	29
	Other equity interest					
3400	Other equity interest		(85,415)	(3)	(57,938)	(2)
31XX	**Equity attributable to owners of the parent**		1,737,317	66	1,887,022	65
36XX	Non-controlling interest		74,230	3	60,036	2
3XXX	**Total equity**		1,811,547	69	1,947,058	67
	Significant contingent liabilities and unrecognised contract commitments	6(9)(10) and 9				
	Significant disaster loss	10				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,616,222	100	$ 2,912,612	100

The accompanying notes are an integral part of these consolidated financial statements.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	Year ended December 31 2022 AMOUNT	%	2021 AMOUNT	%
4000	Sales revenue	6(20) and 7	$ 1,957,328	100	$ 1,988,088	100
5000	Operating costs	6(21)(26)(27) and 7	(1,642,821)	(84)	(1,711,680)	(86)
5900	Net operating margin		314,507	16	276,408	14
	Operating expenses	6(26)(27) and 7				
6100	Selling expenses		(71,391)	(3)	(65,628)	(3)
6200	General and administrative expenses		(115,319)	(6)	(112,419)	(6)
6000	Total operating expenses		(186,710)	(9)	(178,047)	(9)
6900	Operating profit		127,797	7	98,361	5
	Non-operating income and expenses					
7100	Interest income	6(22)	717	-	302	-
7010	Other income	6(23) and 7	35,150	2	11,917	1
7020	Other gains and losses	6(24)	(2,619)	-	608,240	30
7050	Finance costs	6(25)	(4,979)	-	(6,662)	-
7060	Share of profit of associates and joint ventures accounted for using equity method	6(7)	91,256	4	64,547	3
7000	Total non-operating income and expenses		119,525	6	678,344	34
7900	**Profit before income tax**		247,322	13	776,705	39
7950	Income tax expense	6(28)	(31,074)	(2)	(30,528)	(1)
8200	**Profit for the year**		$ 216,248	11	$ 746,177	38

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SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive (loss) income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(16)	$ 5,588	-	($ 7,610)	-
8316	Unrealised (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)	(31,750)	(1)	5,884	-
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(7)	496	-	388	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(28)	(1,118)	-	1,522	-
8310	Other comprehensive (loss) income that will not be reclassified to profit or loss		(26,784)	(1)	184	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		4,985	-	3,547	-
8360	Other comprehensive income that will be reclassified to profit or loss		4,985	-	3,547	-
8300	**Other comprehensive (loss) income for the year**		($ 21,799)	(1)	$ 3,731	-
8500	**Total comprehensive income for the year**		$ 194,449	10	$ 749,908	38
	Profit attributable to:					
8610	Owners of the parent		$ 198,504	10	$ 742,592	38
8620	Non-controlling interest		17,744	1	3,585	-
			$ 216,248	11	$ 746,177	38
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 176,705	9	$ 746,323	38
8720	Non-controlling interest		17,744	1	3,585	-
			$ 194,449	10	$ 749,908	38
	Basic earnings per share	6(29)				
9750	Basic earnings per share		$ 1.89		$ 7.08	
	Diluted earnings per share	6(29)				
9850	Diluted earnings per share		$ 1.88		$ 6.99	

The accompanying notes are an integral part of these consolidated financial statements.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent									
				Retained Earnings			Other equity interest				
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
Year 2021											
Balance at January 1, 2021		$ 783,246	$ 83,668	$ 131,563	$ 69,694	$ 214,397	($ 35,476)	($ 26,186)	$ 1,220,906	$ 75,650	$ 1,296,556
Profit for the year		-	-	-	-	742,592	-	-	742,592	3,585	746,177
Other comprehensive income (loss) for the year		-	-	-	-	(6,088)	3,547	6,272	3,731	-	3,731
Total comprehensive income		-	-	-	-	736,504	3,547	6,272	746,323	3,585	749,908
Appropriations of 2020 earnings:	6(19)										
Legal reserve		-	-	12,544	-	(12,544)	-	-	-	-	-
Cash dividend		-	-	-	-	(78,325)	-	-	(78,325)	-	(78,325)
Stock dividend		23,497	-	-	-	(23,497)	-	-	-	-	-
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	6,095	-	(6,095)	-	-	-
Reversal of special reserve		-	-	-	(3,001)	3,001	-	-	-	-	-
Reversal of land revaluation increment		-	-	-	-	(5,116)	-	-	(5,116)	-	(5,116)
Changes in ownership interests in associates and joint venture for using equity method	6(7)(18)	-	3,234	-	-	-	-	-	3,234	-	3,234
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash		-	-	-	-	-	-	-	-	1,250	1,250
Cash dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	(20,449)	(20,449)
Balance at December 31, 2021		$ 806,743	$ 86,902	$ 144,107	$ 66,693	$ 840,515	($ 31,929)	($ 26,009)	$ 1,887,022	$ 60,036	$ 1,947,058
Year 2022											
Balance at January 1, 2022		$ 806,743	$ 86,902	$ 144,107	$ 66,693	$ 840,515	($ 31,929)	($ 26,009)	$ 1,887,022	$ 60,036	$ 1,947,058
Profit for the year		-	-	-	-	198,504	-	-	198,504	17,744	216,248
Other comprehensive (loss) income for the year		-	-	-	-	4,470	4,985	(31,254)	(21,799)	-	(21,799)
Total comprehensive income (loss)		-	-	-	-	202,974	4,985	(31,254)	176,705	17,744	194,449
Appropriations of 2021 earnings:	6(19)										
Legal reserve		-	-	74,048	-	(74,048)	-	-	-	-	-
Cash dividend		-	-	-	-	(322,697)	-	-	(322,697)	-	(322,697)
Stock dividend		242,023	-	-	-	(242,023)	-	-	-	-	-
Disposal of equity investments at fair value through other comprehensive income	6(3)	-	-	-	-	1,208	-	(1,208)	-	-	-
Changes in ownership interests in associates and joint venture for using equity method	6(7)(18)	-	(3,539)	-	-	(174)	-	-	(3,713)	-	(3,713)
Cash paid from non-controlling interest of liquidation of a subsidiary		-	-	-	-	-	-	-	-	(171)	(171)
Cash dividend paid to non-controlling interest by subsidiaries		-	-	-	-	-	-	-	-	(3,379)	(3,379)
Balance at December 31, 2022		$ 1,048,766	$ 83,363	$ 218,155	$ 66,693	$ 405,755	($ 26,944)	($ 58,471)	$ 1,737,317	$ 74,230	$ 1,811,547

The accompanying notes are an integral part of these consolidated financial statements.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 247,322	$ 776,705
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and miscellaneous disbursements	6(8)(9)(11)(26)	102,334	99,960
Amortization expense	6(12)(26)	440	672
Gain on disposal of property, plant and equipment	6(24)	(6,308)	(632,494)
Fire losses	6(24)	-	25,192
Gains arising from lease modification	6(24)	(7)	(1)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(91,256)	(64,547)
Allowance (reversal of allowance) for inventory valuation losses	6(6)	3,468	(9,732)
Losses on disposal of investments	6(24)	3,976	-
Interest income	6(22)	(717)	(302)
Dividend income	6(23)	(10,694)	(5,483)
Interest expense	6(25)	4,979	6,662
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		30,348	26,232
Notes receivable		4,611	781
Notes receivable - related parties		2,414	(2,353)
Accounts receivable		262,358	(245,701)
Accounts receivable - related parties		(3,230)	1,610
Other receivable - related parties		19	(13)
Inventories		(18,356)	37,519
Prepayments		12,564	(13,084)
Other current assets		2,967	2,351
Other non-current assets		-	2,582
Changes in operating liabilities			
Contract liabilities - current		19,033	1,239
Notes payable		(107,878)	61,425
Notes payable - related parties		(28,496)	31,009
Accounts payable		(25,028)	47
Accounts payable - related parties		4,543	9,730
Other payables		(34,706)	62,772
Other payables - related parties		(7)	(24)
Other current liabilities		(1,542)	(1,258)
Other non-current liabilities		(589)	(627)
Net defined benefit liabilities		(2,404)	(10,723)
Cash inflow generated from operations		370,158	160,146
Interest received		674	261
Dividend received		30,249	22,819
Interest paid		(4,876)	(6,812)
Income taxes paid		(20,053)	(41,817)
Net cash flows from operating activities		376,152	134,597

(Continued)

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2022	2021
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	6(3)	($ 34,935)	($ 54,057)
Acquisition of financial assets at amortised cost		(29)	(32,500)
Acquisition of investments accounted for using equity method		-	(32,938)
Proceeds from disposal of financial assets at fair value through other comprehensive income		15,364	19,596
Acquisition of property, plant and equipment	6(30)	(346,423)	(178,940)
Proceeds from disposal of property, plant and equipment		13,171	770,115
Acquisition of intangible assets	6(12)	(232)	(735)
Decrease (increase) in refundable deposits		433	(2,365)
Decrease in other non-current assets		5,826	652
Decrease (increase) in prepayments for business facilities		29,864	(28,664)
Net cash flows (used in) from investing activities		(316,961)	460,164
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(31)	50,000	-
Decrease in short-term borrowings	6(31)	(14,552)	(138,095)
Proceeds from long-term borrowings	6(31)	85,000	111,000
Repayments of long-term borrowings	6(31)	(109,340)	(210,014)
Increase in guarantee deposits received	6(31)	4,725	-
Lease principal repayment	6(31)	(12,396)	(10,550)
Decrease in other non-current liabilities	6(31)	(2,617)	-
Cash dividends paid	6(19)	(322,697)	(78,325)
Cash paid from non-controlling interest of liquidation of a subsidiary		(171)	-
Cash receipt from non-controlling interest of a subsidiary through capital increase in cash		-	1,250
Cash dividend paid to non-controlling interest by subsidiaries		(3,379)	(20,449)
Net cash flows used in financing activities		(325,427)	(345,183)
Net effect of changes in foreign currency exchange rates		(5,389)	(2,529)
Net (decrease) increase in cash and cash equivalents		(271,625)	247,049
Cash and cash equivalents at beginning of year		446,905	199,856
Cash and cash equivalents at end of year		$ 175,280	$ 446,905

The accompanying notes are an integral part of these consolidated financial statements.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Sea & Land Integrated Corp. (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in the container transportation, ship transportation, warehousing business, hoist and forklift installation, crane and hoist services, imports and exports of foreign wine and spirits, petrol and liquefied petroleum gas (LPG) station business, etc.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These consolidated financial statements were authorised for issuance by the Board of Directors on March 15, 2023.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS") that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts - cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018–2020	January 1, 2022

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

(2) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Group

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, ‘Sale or contribution of assets between an investor and its associate or joint venture’	To be determined by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
IFRS 17, ‘Insurance contracts’	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial 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 covenants’	January 1, 2024

The above standards and interpretations have no significant impact to the Group’s financial condition and financial performance based on the Group’s assessment.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Description
Sea & Land Integrated Corp.	Eternal Full Enterprise Ltd. (Eternal Full)	Investment holding company	100.00	100.00	Note 2
Sea & Land Integrated Corp.	New An-Ho Gas Co., Ltd. (New An-Ho)	Real estate leases	100.00	100.00	Note 1
Sea & Land Integrated Corp.	Jui Shan Co., Ltd. (Jui Shan)	Real estate leases	0.00	82.76	Note 3
Sea & Land Integrated Corp.	Sea & Land Wine & Spirits Incorporation (Sea & Land Wine)	Imports and exports of foreign wine and spirits	55.23	55.23	-

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2022	December 31, 2021	Description
Sea & Land Integrated Corp.	Sea & Land Sinogreenergy Inc. (Sea & Land Sino)	Non-utility electricity generation and energy technical services	75.00	75.00	Note 4
Sea & Land Integrated Corp.	Chiayi New Energy Co.,Ltd. (Chiayi)	Renewable-energy-based electricity generation	77.27	77.27	Note 1
Eternal Full Enterprise Ltd. (Eternal Full)	Peace King Enterprise Co., Ltd. (Peace King)	Transportation and hoist equipment leasing	100.00	100.00	Note 6
Eternal Full Enterprise Ltd. (Eternal Full)	Glory Base Group Ltd. (Glory Base)	Crane and hoist services and planning, etc	100.00	100.00	-
Glory Base Group Ltd. (Glory Base)	CTY TNHH Sea And Land Formosa (Formosa)	Transportation and hoist equipment design, manufacturing and installments, etc.	100.00	100.00	Note 5

Note 1: Certain subsidiaries included in the consolidated financial statements for the years ended December 31, 2022 and 2021 were audited by other auditors.

Note 2: In September 2022 and March 2022, Eternal Full decreased its capital amounting to $7,698 and $19,607, respectively, and shares were fully reacquired in proportion to its ownership by the Company.

Note 3: On June 30, 2021, a special shareholders' meeting of Jui Shan approved dissolution plan, for the purpose of the organisational restructuring of the Group. The dissolution had been approved by the authorities on July 2, 2021. The liquidation was completed by the court on May 10, 2022.

Note 4: In June 2021, the Board of Directors of Sea & Land Sino resolved to increase its share capital at a total of $5,000. The Company subscribed shares in proportion to its ownership amounting to $3,750.

Note 5: In February 2022, Formosa increased its share capital at a total of $27,831 and was fully subscribed by Glory Base.

Note 6: In September 2022, Peace King decreased its share capital amounting to $7,698, and shares were fully reacquired in proportion to its ownership by Eternal Full.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2022 and 2021, the non-controlling interest amounted to $74,230 and $60,036, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest			
		December 31, 2022		December 31, 2021	
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)
Sea & Land Wine	Taiwan	$ 64,262	44.77%	$ 49,240	44.77%

Summarised financial information of the subsidiaries:

Balance sheets

	Sea & Land Wine	
	December 31, 2022	December 31, 2021
Current assets	$ 174,696	$ 123,822
Non-current assets	45,962	41,993
Current liabilities	(80,645)	(59,513)
Non-current liabilities	(1,830)	(1,674)
Total net assets	$ 138,183	$ 104,628

Statements of comprehensive income

	Sea & Land Wine	
	Year ended December 31,	
	2022	2021
Revenue	$ 214,188	$ 157,884
Profit before income tax	51,062	10,079
Income tax expense	(10,222)	(1,986)
Profit for the year	40,840	8,093
Total comprehensive income for the year	$ 40,840	$ 8,093
Dividends paid to non-controlling interest	$ 3,262	$ 6,016

Statements of cash flows

	Sea & Land Wine	
	Year ended December 31,	
	2022	2021
Net cash provided by operating activities	$ 64,534	$ 81,093
Net cash used in investing activities	(2,820)	(190)
Net cash used in financing activities	(20,868)	(61,640)
Increase in cash and cash equivalents	40,846	19,263
Cash and cash equivalents, beginning of year	30,237	10,974
Cash and cash equivalents, end of year	$ 71,083	$ 30,237

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars , which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(5) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets at amortised cost including accounts receivable or contract assets that have a significant financing component at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(13) Leasing arrangements (lessor) - operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(16) Joint operation and investment accounted for using equity method - joint ventures

The Group accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.

(17) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 60 years
Machinery and equipment	4 ~ 20 years
Transportation equipment	2 ~ 16 years
Rental assets	9 ~ 16 years
Other equipment	4 ~ 20 years
Office equipment	4 ~ 9 years

(18) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
(a) The amount of the initial measurement of lease liability;
(b) Any lease payments made at or before the commencement date; and

(c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(19) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 24 years.

(20) Intangible assets

A. Licences

Separately acquired licences is stated at historical cost. Licences has a finite useful life and is amortised on a straight-line basis over their estimated useful lives of 20 years.

B. Computer software

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 3 years.

(21) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(22) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

(23) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(24) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(25) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(26) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group’s decision to terminate an employee’s employment before the normal retirement date, or an employee’s decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(27) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(28) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(29) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(30) Revenue recognition

A. Sales of goods

The Group sells liquefied petroleum gas, wine and related products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

B. Sales of services

(a) The Group provides machinery transportation and hoisting services. Revenue is calculated based on the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a contract is measured by the proportion of costs incurred for work performed to date to the estimated total costs for the construction contract. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) The Group provides container transportation services. If the outcome of a service transaction can be estimated reliably, revenue shall be recognised based on the stage of completion of the transaction at the balance sheet. Service revenue is recognised based on the proportion of the services performed to the total services to be performed according to the project nature. At the end of the period, the accumulated service revenue is calculated based on the proportion of the actual services performed, and the service revenue to be recognised for the current period is the accumulated service revenue after deducting the accumulated service revenue from the previous period.

(31) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(32) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Revenue recognition

Machinery transportation and hoisting revenue is calculated by reference to the stage of completion of the contract activity, using the percentage-of-completion method of accounting, over the contract term. The stage of completion of a construction contract is measured by the proportion of contract costs incurred for the construction performed as of the financial reporting date to the estimated total costs for the construction contract. The aforementioned estimated total costs are assessed based on the estimated construction projects planned for the heavy machinery transportation and hoisting services engaged by the client and the price fluctuations in the market to estimate the costs for each construction activity such as estimated subcontract charges and material and labor expenses. The estimate of total cost affects the stage of completion and the recognition of revenue, and the complexity of aforementioned total cost estimation usually involves subjective judgement and contains a high degree of uncertainty.

B. Impairment assessment of accounts receivable

Impairment assessment of accounts receivable was implemented in accordance with IFRS 9 using the expected credit loss model. The management uses the ageing of receivables as of the balance sheet date and the payment history of an individual customer, financial position and economic situation of the customer and many other factors that would affect the payment ability of the customer as well as includes the forward-looking information to assess the default possibility of accounts receivable and to assess whether accounts receivable would be considered impaired.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and revolving funds	$ 5,191	$ 4,479
Checking accounts	344	214
Demand deposits	159,139	392,212
Time deposits	10,606	50,000
	$ 175,280	$ 446,905

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group has no cash and cash equivalents pledged to others.

(2) Financial assets at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss		
Derivatives	$ 2	$ 2

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Year ended December 31,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss		
Derivatives	$ –	$ –

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

Derivative financial instruments	December 31, 2022 Contract amount (Nominal principal in thousands)		December 31, 2022 Contract period	December 31, 2021 Contract amount (Nominal principal in thousands)		December 31, 2021 Contract period
Forward foreign exchange contracts	GBP	205	2023.02.02	GBP	121	2022.01.14
"				GBP	234	2022.01.28
"				EUR	49	2022.02.25
"				EUR	68	2022.03.01
"				EUR	43	2022.03.19
"				GBP	263	2022.04.01

The Group entered into forward foreign exchange contracts to buy foreign currency (sell NTD buy EUR/GBP) to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.

C. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(3).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2022	December 31, 2021
Current items:		
Equity instruments		
Listed stocks	$ 38,290	$ 17,511
Unlisted stocks	120	120
Valuation adjustment	(18,730)	6,791
	19,680	24,422
Non-current items:		
Equity instruments		
Unlisted stocks	126,387	126,387
Valuation adjustment	(40,625)	(33,188)
	85,762	93,199
	$ 105,442	$ 117,621

A. The Group has elected to classify listed stocks, emerging stocks, unlisted stocks and emerging stocks investments that are considered to be steady dividend income as financial assets at fair value through other comprehensive income. The fair value of current and non-current investments amounted to $19,680, $85,762, $24,422 and $93,199 as at December 31, 2022 and 2021, respectively.

B. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2022	2021
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 31,750)	$ 5,884
Cumulative gains reclassified to retained earnings due to derecognition	$ 1,208	$ 6,095
Dividend income recognised in profit or loss		
Held at end of period	$ 10,694	$ 5,483

C. In December, September and February 2021, the Group invested $7,500, $7,500 and $7,500, respectively, in Elite Transport Co. Ltd., and has completed the transfer of stocks.

D. In September 2021, the Group invested $15,000 in Sheng He Energy Co., Ltd., and has completed the transfer of stocks.

E. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(3).

(4) Financial assets at amortised cost

Items	December 31, 2022	December 31, 2021
Current items:		
Pledged time deposits mature in excess of three months	$ 32,529	$ 32,500

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Year ended December 31	
	2022	2021
Interest income	$ 38	$ 19

B. As at December 31, 2022 and 2021, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $32,529 and $32,500, respectively.

C. Details of the Group’s financial assets at amortised cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(3). The counterparties of the Group’s investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 27,612	$ 32,223
Accounts receivable	267,155	529,837
	294,767	562,060
Less: Allowance for uncollectible accounts	(318)	(642)
	$ 294,449	$ 561,418

A. As of December 31, 2022 and 2021, the ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2022		December 31, 2021	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 266,138	$ 27,612	$ 525,985	$ 32,223
Up to 30 days	586	-	2,470	-
31 to ~ 90 days	82	-	735	-
91 to ~ 180 days	25	-	5	-
Over 180 days	324	-	642	-
	$ 267,155	$ 27,612	$ 529,837	$ 32,223

The above ageing analysis was based on past due date.

B. As of December 31, 2022 and 2021 and January 1, 2021, the balances of receivables (including notes receivable) from contracts with customers amounted to $293,888, $560,671, and $311,080, respectively.

C. The Group has no notes receivable and accounts receivable pledged to others as collateral.

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(3).

(6) Inventories

	December 31, 2022	December 31, 2021
Merchandise inventory	$ 93,623	$ 75,267
Less: Allowance for inventory valuation losses	(9,304)	(5,836)
	$ 84,319	$ 69,431

The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2022	2021
Cost of goods sold	$ 305,898	$ 248,662
Gain on reversal of decline in market value (Note)	-	(9,732)
Loss on decline in market value	3,468	-
	$ 309,366	$ 238,930

Note: The decrease in loss on decline in market value and reversal of cost of goods sold was caused by the Group's certain inventories which were recognised as allowance for inventory valuation losses in the prior period and were disposed due to the fire damage. Refer to Note 10 for details of the related fire damage.

(7) Investments accounted for using equity method

	2022	2021
At January 1	$ 178,429	$ 94,252
Addition of investments accounted for using equity method	-	32,938
Share of profit or loss of investments accounted for using equity method	91,256	64,547
Earnings distribution of investments accounted for using equity method	(19,555)	(17,336)
Changes in retained earnings	(174)	-
Changes in capital surplus	(3,539)	3,234
Deferred benefits	406	406
Changes in other equity items	496	388
At December 31	$ 247,319	$ 178,429

Investment details are as follows:

	December 31, 2022	December 31, 2021
Associates:		
Giant Heavy Machinery Service Corporation (Giant Heavy Machinery)	$ 247,017	$ 177,822
Joint ventures:		
Denzai Sea & Land Corporation (Denzai Sea & Land)	$ 302	$ 607

A. Associates

(a) The basic information of the Group's associates is as follows:

Company name	Principal place of business	Ownership (%)		Nature of relationship	Methods of measurement
		December 31, 2022	December 31, 2021		
Giant Heavy Machinery	Taiwan	31.92%	32.59%	Strategy investments	Equity method

i. On March 23, 2021, a meeting of the Board of Directors of Giant Heavy Machinery resolved the appropriation of 2020 earnings and issuing new shares through capitalisation of employee compensation amounting to 7,033 thousand shares. In addition, the effective date was set on September 1, 2021. The capital increase had been approved by the competent authority and was completed on September 17, 2020. After the capital increase, the Company's shareholding ratio has declined from 34.50% to 33.75%

ii. On September 22, 2021, a meeting of the Board of Directors of Giant Heavy Machinery resolved to increase its share capital amounting to $45,920 in cash with a par value of $10 (in dollars), and the issuance price was $25 (in dollars) per share. The record date for the capital increase was set on November 1, 2021. Giant Heavy Machinery reserved 15% of new shares for employee subscription in accordance with laws, and the Company acquired 1,318 thousand shares amounting to $32,938. After the capital increase, the Company's shareholding ratio declined from 33.75% to 32.59%.

iii. On June 9, 2022, a meeting of the Board of Directors of Giant Heavy Machinery resolved the appropriation of 2021 earnings and issuing new shares through capitalisation of employee compensation amounting to 7,565 thousand shares. In addition, the effective date was set on July 10, 2022. The capital increase had been approved by the competent authority and was completed on August 2, 2022. After the capital increase, the Company's shareholding ratio has declined from 32.59% to 31.92%.

(b) The summarised financial information of the Group's associates to is as follows:

Balance sheet

	Giant Heavy Machinery	
	December 31, 2022	December 31, 2021
Current assets	$ 734,974	$ 626,434
Non-current assets	516,676	398,880
Current liabilities	(364,682)	(348,615)
Non-current liabilities	(109,615)	(126,402)
Total net assets	$ 777,353	$ 550,297
Share in associate's net assets	$ 248,131	$ 179,342

Statement of comprehensive income

	Giant Heavy Machinery	
	Year ended December 31	
	2022	2021
Revenue	$ 1,027,651	$ 788,828
Profit for the year from continuing operations	283,428	145,470
Other comprehensive income, net of tax	1,554	1,193
Total comprehensive income	$ 284,982	$ 146,663
Dividends received from associates	$ 19,555	$ 17,336

(c) The Group is the single largest shareholder of Giant Heavy Machinery with a 31.92% equity interest. Given that other two large shareholders (not related parties) hold more shares than the Group and there is no agreement among shareholders to consult with each other or to make decisions collectively, which indicates that the Group has no current ability to direct the relevant activities of Giant Heavy Machinery, the Group has no control, but only has significant influence, over the investee.

B. Joint venture

The carrying amount of the Group's interests in immaterial joint ventures and the Group's share of the operating results are as follow:

As of December 31, 2022 and 2021, the carrying amount of the Group's immaterial joint ventures amounted to $302 and $607, respectively.

	Denzai Sea & Land	
	Year ended December 31	
	2022	2021
Revenue	$ -	$ 4,623
Loss for the year from continuing operations	(610)	(883)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	($ 610)	($ 883)

C. As of December 31, 2022 and 2021, among the investments accounted under equity method, the amounts were measured based on the financial reports audited by other auditors.

D. For the years ended December 31, 2022 and 2021, none of investees accounted for using equity method had quoted market prices.

(8) Property, plant and equipment

	2022								
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Rental assets	Others	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	$ 435,301	$ 363,616	$ 81,675	$ 785,098	$ 13,222	$ 137,142	$ 14,831	$ 762	$ 1,831,647
Accumulated depreciation	-	(147,673)	(39,984)	(416,632)	(12,220)	(20,624)	(11,449)	-	(648,582)
	$ 435,301	$ 215,943	$ 41,691	$ 368,466	$ 1,002	$ 116,518	$ 3,382	$ 762	$ 1,183,065
Opening net book amount as at January 1	$ 435,301	$ 215,943	$ 41,691	$ 368,466	$ 1,002	$ 116,518	$ 3,382	$ 762	$ 1,183,065
Additions	-	8,522	-	240,356	2,709	-	1,111	90,234	342,932
Disposal - cost	-	(19,055)	(402)	(63,761)	(774)	-	(6,524)	-	(90,516)
Disposal - accumulated depreciation	-	13,176	402	62,371	774	-	6,524	-	83,247
Reclassifications		(42,632)	-	-	-	-	-	(819)	(43,451)
Depreciation charge	-	(8,880)	(3,775)	(64,974)	(519)	(8,603)	(845)	-	(87,596)
Net exchange differences	-	4,554	-	606	-	-	-	57	5,217
Closing net book amount as at December 31	$ 435,301	$ 171,628	$ 37,916	$ 543,064	$ 3,192	$ 107,915	$ 3,648	$ 90,234	$ 1,392,898
At December 31									
Cost	$ 435,301	$ 308,908	$ 81,273	$ 963,851	$ 15,157	$ 137,142	$ 9,418	$ 90,234	$ 2,041,284
Accumulated depreciation	-	(137,280)	(43,357)	(420,787)	(11,965)	(29,227)	(5,770)	-	(648,386)
	$ 435,301	$ 171,628	$ 37,916	$ 543,064	$ 3,192	$ 107,915	$ 3,648	$ 90,234	$ 1,392,898

	2021								
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Rental assets	Others	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	$ 495,466	$ 344,806	$ 85,485	$ 748,125	$ 13,044	$ 137,142	$ 14,009	$ 708	$ 1,838,785
Accumulated depreciation	-	(159,484)	(35,923)	(378,328)	(12,138)	(12,022)	(12,206)	-	(610,101)
	$ 495,466	$ 185,322	$ 49,562	$ 369,797	$ 906	$ 125,120	$ 1,803	$ 708	$ 1,228,684
Opening net book amount as at January 1	$ 495,466	$ 185,322	$ 49,562	$ 369,797	$ 906	$ 125,120	$ 1,803	$ 708	$ 1,228,684
Additions	55,780	51,457	-	69,036	492	-	2,375	-	179,140
Disposal - cost	(115,945)	(36,477)	(3,810)	(34,117)	(314)	-	(1,553)	-	(192,216)
Disposal - accumulated depreciation	-	20,517	-	28,963	314	-	1,528	-	51,322
Depreciation charge	-	(8,326)	(4,061)	(65,887)	(396)	(8,602)	(771)	-	(88,043)
Net exchange differences	-	3,450	-	674	-	-	-	54	4,178
Closing net book amount as at December 31	$ 435,301	$ 215,943	$ 41,691	$ 368,466	$ 1,002	$ 116,518	$ 3,382	$ 762	$ 1,183,065
At December 31									
Cost	$ 435,301	$ 363,616	$ 81,675	$ 785,098	$ 13,222	$ 137,142	$ 14,831	$ 762	$ 1,831,647
Accumulated depreciation	-	(147,673)	(39,984)	(416,632)	(12,220)	(20,624)	(11,449)	-	(648,582)
	$ 435,301	$ 215,943	$ 41,691	$ 368,466	$ 1,002	$ 116,518	$ 3,382	$ 762	$ 1,183,065

A. Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

B. No property, plant and equipment were capitalized interest for the years ended December 31, 2022 and 2021.

	Year ended December 31	
	2022	2021
Amount capitalised	$ 370	$ -
Range of the interest rates for capitalisation	1.60%~1.95%	

C. In August 2021, the Group disposed land, buildings and structures, and the disposal proceeds amounted to $749,233.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically expired between 2011 and 2027. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. In December 2010, the Group signed a land use right contract for the use of the land in Vietnam with a term of 40 years. All rentals had been paid on the contract date.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	2022			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	$ 62,465	$ 11,782	$ 6,983	$ 81,230
Accumulated depreciation	(12,548)	(4,184)	(858)	(17,590)
	$ 49,917	$ 7,598	$ 6,125	$ 63,640
Opening net book amount as at January 1	$ 49,917	$ 7,598	$ 6,125	$ 63,640
Additions	3,235	2,803	1,781	7,819
Disposal - cost	(3,092)	(2,369)	(1,684)	(7,145)
Disposal - accumulated depreciation	3,092	2,369	972	6,433
Depreciation charge	(8,550)	(2,713)	(2,248)	(13,511)
Net exchange differences	2,147	-	-	2,147
Closing net book amount as at December 31	$ 46,749	$ 7,688	$ 4,946	$ 59,383
At December 31				
Cost	$ 65,001	$ 12,216	$ 7,080	$ 84,297
Accumulated depreciation	(18,252)	(4,528)	(2,134)	(24,914)
	$ 46,749	$ 7,688	$ 4,946	$ 59,383

	2021			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	$ 50,569	$ 7,262	$ 4,256	$ 62,087
Accumulated depreciation	(8,828)	(2,709)	(2,430)	(13,967)
	$ 41,741	$ 4,553	$ 1,826	$ 48,120
Opening net book amount as at January 1	$ 41,741	$ 4,553	$ 1,826	$ 48,120
Additions	13,222	5,254	6,519	24,995
Disposal - cost	(3,585)	(734)	(3,792)	(8,111)
Disposal - accumulated depreciation	3,536	734	3,792	8,062
Depreciation charge	(7,083)	(2,209)	(2,220)	(11,512)
Net exchange differences	2,086	-	-	2,086
Closing net book amount as at December 31	$ 49,917	$ 7,598	$ 6,125	$ 63,640
At December 31				
Cost	$ 62,465	$ 11,782	$ 6,983	$ 81,230
Accumulated depreciation	(12,548)	(4,184)	(858)	(17,590)
	$ 49,917	$ 7,598	$ 6,125	$ 63,640

D. The information on lease liability relating to lease contracts is as follows:

	December 31, 2022	December 31, 2021
Total lease liability	$ 29,893	$ 35,189
Less: Current portion (shown as 'lease liabilities - current')	(12,731)	(10,902)
	$ 17,162	$ 24,287

E. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2022	2021
Items affecting profit or loss		
Interest expense on lease liabilities	$ 548	$ 450
Expense on short-term lease contracts	6,768	2,621
Expense on leases of low-value assets	139	261
Gains arising from lease modification	7	1

F. For the years ended December 31, 2022 and 2021, the Group's total cash outflow for leases were $19,377 and $14,320, respectively.

(10) Leasing arrangements – lessor

A. The Group leases various assets including land, buildings and machinery and equipment. Rental contracts are typically expired between 2018 and 2027. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.

B. For the years ended December 31, 2022 and 2021, the Group recognised rent income in the amounts of $46,240 and $33,447, respectively, based on the operating lease agreement, which does not include variable lease payments.

C. The maturity analysis of the lease payments under the operating leases is as follows:

	December 31, 2022		December 31, 2021
2023	$ 43,216	2022	$ 24,696
2024	40,793	2023	23,049
2025	29,102	2024	22,283
After 2026	20,234	2025	17,162
	$ 133,345	After 2026	11,380
			$ 98,570

(11) Investment property

	2022		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 31,110	$ 9,707	$ 40,817
Accumulated depreciation	-	(4,095)	(4,095)
	$ 31,110	$ 5,612	$ 36,722
At January 1	$ 31,110	$ 5,612	$ 36,722
Additions	-	5,097	5,097
Depreciation charge	-	(1,227)	(1,227)
Reclassifications	-	43,451	43,451
Net exchange differences	-	(959)	(959)
At December 31	$ 31,110	$ 51,974	$ 83,084
At December 31			
Cost	$ 31,110	$ 64,741	$ 95,851
Accumulated depreciation	-	(12,767)	(12,767)
	$ 31,110	$ 51,974	$ 83,084

	2021		
	Land	Buildings and structures	Total
At January 1			
Cost	$ 31,110	$ 9,707	$ 40,817
Accumulated depreciation	-	(3,690)	(3,690)
	$ 31,110	$ 6,017	$ 37,127
At January 1	$ 31,110	$ 6,017	$ 37,127
Depreciation charge	-	(405)	(405)
At December 31	$ 31,110	$ 5,612	$ 36,722
At December 31			
Cost	$ 31,110	$ 9,707	$ 40,817
Accumulated depreciation	-	(4,095)	(4,095)
	$ 31,110	$ 5,612	$ 36,722

A. Rental income from investment property and direct operating expenses arising from investment property are shown below:

	Year ended December 31	
	2022	2021
Rental income from investment property	$ 6,118	$ 857
Direct operating expenses arising from the investment property that generated rental income during the year	$ 1,297	$ 475

B. The fair value of the investment property held by the Group as at December 31, 2022 and 2021 was $130,607 and $60,995, respectively, which was determined based on the transaction price of similar properties in the neighboring areas. Valuations are categorised within Level 3 in the fair value hierarchy.

C. Information about the investment property that was pledged to others as collaterals is provided in Note 8.

(12) Intangible assets

	2022
	Software
At January 1	
Cost	$ 1,192
Accumulated amortisation	(850)
	$ 342
At January 1	$ 342
Additions	232
Disposals	(457)
Disposal - accumulated amortisation	457
Amortisation charge	(440)
At December 31	$ 134
At December 31	
Cost	$ 967
Accumulated amortisation	(833)
	$ 134

	2021
	Software
At January 1	
Cost	$ 488
Accumulated amortisation	(209)
	$ 279
At January 1	$ 279
Additions	735
Disposals	(31)
Disposal - accumulated amortisation	31
Amortisation charge	(672)
At December 31	$ 342
At December 31	
Cost	$ 1,192
Accumulated amortisation	(850)
	$ 342

The amortisation on intangible assets are included under ‘administrative expenses’.

(13) Short-term borrowings

Type of borrowings	Collateral	December 31, 2022	December 31, 2021
Bank borrowings			
Unsecured borrowings	-	$ 50,500	$ -
Purchase borrowings	-	-	15,052
		$ 50,500	$ 15,052
Interest rate range		1.75%~1.875%	1.0571%~2.45%

Details of short-term borrowings jointly guaranteed by related parties and collaterals provided by the Group are provided in Notes 7 and 8.

(14) Other payables

	December 31, 2022	December 31, 2021
Wages and salaries payable	$ 80,407	$ 115,002
Accrued expenses	28,462	20,927
Other payables	2,270	9,812
Payable on machinery and equipment	675	-
	$ 111,814	$ 145,741

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured borrowings	Borrowing period is from November 14, 2022 to November 14, 2024; interest is repayable monthly; principal is repayable at maturity.	1.79%	Property, plant and equipment	$ 30,000
Installment borrowings				
Secured borrowings	Borrowing period is from June 28, 2019 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from July 28, 2019.	1.85%~ 1.951%	Property, plant and equipment	229,458
Less: Current portion				(88,875)
				$ 170,583

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2021
Installment borrowings				
Secured borrowings	Borrowing period is from June 28, 2019 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from July 28, 2019.	1.24%~ 1.45%	Property, plant and equipment	$ 283,798
Less: Current portion				(82,164)
				$ 201,634

Details of assets pledged as collateral for long-term borrowings are provided in Note 8.

(16) Pensions

A. (a) The Company and its domestic subsidiary have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 8%~12% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

(c) The amounts recognised in the balance sheet are as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	($ 76,174)	($ 77,160)
Fair value of plan assets	70,531	63,525
Net defined benefit liability	($ 5,643)	($ 13,635)

(d) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
At January 1	($ 77,160)	$ 63,525	($ 13,635)
Current service cost	(671)	-	(671)
Interest (expense) income	(463)	415	(48)
	(78,294)	63,940	(14,354)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	5,075	5,075
Change in financial assumptions	1,789	-	1,789
Experience adjustments	(1,276)	-	(1,276)
	513	5,075	5,588
Pension fund contribution	-	3,123	3,123
Paid pension	1,607	(1,607)	-
At December 31	($ 76,174)	$ 70,531	($ 5,643)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2021			
At January 1	($ 74,937)	$ 58,189	($ 16,748)
Current service cost	(739)	-	(739)
Interest (expense) income	(450)	395	(55)
	(76,126)	58,584	(17,542)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	574	574
Experience adjustments	(8,184)	-	(8,184)
	(8,184)	574	(7,610)
Pension fund contribution	-	11,158	11,158
Paid pension	7,150	(6,791)	359
At December 31	($ 77,160)	$ 63,525	($ 13,635)

(e) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2022 and 2021 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(f) The principal actuarial assumptions used were as follows:

	Year ended December 31	
	2022	2021
Discount rate	1.250%	0.600%
Future salary increases	1.125%	1.125%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2022 and 2021, respectively.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1.00%	Decrease 1.00%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 669)	$ 688	$ 2,890	($ 2,653)
December 31, 2021				
Effect on present value of defined benefit obligation	($ 908)	$ 933	$ 3,843	($ 3,506)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(g) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2023 amount to $0.

(h) As of December 31, 2022, the weighted average duration of the retirement plan is 7.5 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	69,523
2-5 years		6,510
5-10 years		1,178
	$	77,211

(i) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were $719 and $794, respectively.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2022 and 2021, were $11,892 and $10,582, respectively.

(17) Share capital

A. As of December 31, 2022, the Company's authorised capital was $1,230,000, consisting of 123,000 thousand shares of ordinary stock, and the paid-in capital was $1,048,766 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares (units: thousand shares) outstanding are as follows:

	2022		2021	
At January 1	$	80,674	$	78,324
Surplus profit distributed in the form of new shares		24,203		2,350
At December 31	$	104,877	$	80,674

B. On July 23, 2021, the shareholders' meeting of the Company resolved to issue new shares amounting to 2,350 thousand shares from undistributed earnings of $23,497, which was approved by the competence authority. On September 9, 2021, the Board of Directors resolved that the record date for ex-rights was October 4, 2021, and the registration for the change was completed on October 26, 2021.

C. On June 27, 2022, the shareholders' meeting of the Company resolved to issue new shares amounting to 24,203 thousand shares from undistributed earnings of $242,023, which was approved by the competence authority. On August 12, 2022, the Board of Directors resolved that the record date for ex-rights was September 4, 2022, and the registration for the change was completed on September 30, 2022.

(18) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2022				
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures accounted for using equity method	Others	Total
At January 1	$ 62,214	$ 15,659	$ 3,539	$ 5,490	$ 86,902
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	(3,539)	-	(3,539)
At December 31	$ 62,214	$ 15,659	$ -	$ 5,490	$ 83,363

	2021				
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures accounted for using equity method	Others	Total
At January 1	$ 62,214	$ 15,659	$ 305	$ 5,490	$ 83,668
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	3,234	-	3,234
At December 31	$ 62,214	$ 15,659	$ 3,539	$ 5,490	$ 86,902

(19) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, except for be used to pay all taxes and offset prior year's operating losses, 10% of the remaining amount shall first be set aside as legal reserve until the legal reserve equals the total capital stock balance and setting aside or reversal for special reserve in accordance with related laws or Authority's rule. The remaining earnings, if any, plus prior year's accumulated unappropriated earnings were accumulated distributable earnings. For the accumulated distributable earnings mentioned above, the Board of Directors shall consider the funds required for the growth of the enterprise and propose an earnings distribution to the shareholders for obtaining approval. The Company is in the business growth stage, and the dividend distribution policy must be based on the Company's current and future investment environment, capital needs, market competition and capital budget factors, taking into account shareholders' interests, balanced dividends and the Company's long-term financial plan. The appropriation is proposed by the Board of Directors and then reported to the shareholders. Distribution of dividends to shareholders, of which cash dividends should be 20%~100% of the total dividends, and the rest should be stock dividends.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The appropriations of 2020 earnings had been approved by the shareholders during their meeting on July 23, 2021 is as follows:

	Year ended December 31, 2020			
		Amount		Dividends per share (in dollars)
Legal reserve	$	12,545		
Cash dividends		78,325	$	1
Stock dividends		23,497		0.30
	$	114,367		

E. The appropriations of 2021 earnings had been approved by the shareholders during their meeting on June 27, 2022 is as follows:

	Year ended December 31, 2021			
		Amount		Dividends per share (in dollars)
Legal reserve	$	74,048		
Cash dividends		322,697	$	4
Stock dividends		242,023		3
	$	638,768		

F. The appropriations of 2022 earnings had been proposed by the Board of Directors on March 15, 2023. Details are summarised below:

	Year ended December 31, 2022			
		Amount		Dividends per share (in dollars)
Legal reserve	$	20,401		
Special reserve		18,722		
Cash dividends		104,877	$	1
	$	144,000		

The aforementioned appropriations of 2022 earnings has not yet been resolved at the stockholders' meeting.

(20) Operating revenue

	Year ended December 31			
	2022		2021	
Revenue from contracts with customers	$	1,908,281	$	1,939,569
Rental revenue		45,358		32,565
Warehousing revenue		3,689		15,954
	$	1,957,328	$	1,988,088

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

Year ended December 31, 2022	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Imports of foreign wine segmemt	Other	Total
Total segment revenue	$ 1,048,718	$ 451,524	$ 194,033	$ 214,188	$ 1,260	$ 1,909,723
Intra-sector transaction revenue	(166)	-	-	(1,276)	-	(1,442)
Revenue from contracts with external customers	$ 1,048,552	$ 451,524	$ 194,033	$ 212,912	$ 1,260	$ 1,908,281
Timing of revenue						
At a point in time	-	-	194,033	212,912	1,260	408,205
Over time	1,048,552	451,524	-	-	-	1,500,076
	$ 1,048,552	$ 451,524	$ 194,033	$ 212,912	$ 1,260	$ 1,908,281

Year ended December 31, 2021	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Imports of foreign wine segmemt	Other	Total
Total segment revenue	$ 1,068,375	$ 531,585	$ 178,662	$ 157,885	$ 4,532	$ 1,941,039
Intra-sector transaction revenue	(241)	-	-	(1,229)	-	(1,470)
Revenue from contracts with external customers	$ 1,068,134	$ 531,585	$ 178,662	$ 156,656	$ 4,532	$ 1,939,569
Timing of revenue						
At a point in time	-	-	178,662	156,656	4,532	339,850
Over time	1,068,134	531,585	-	-	-	1,599,719
	$ 1,068,134	$ 531,585	$ 178,662	$ 156,656	$ 4,532	$ 1,939,569

B. Contract assets and liabilities

The Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2022	December 31, 2021	January 1,2021
Contract assets:			
Contract assets relating to - heavy machinery contracts	$ 22,969	$ 53,317	$ 79,549
Contract liabilities:			
Contract liabilities relating to - sale contracts	$ 21,380	$ 2,347	$ 1,108

C. Revenue recognised that was included in the contract liability balance at the beginning of the period

	2022	2021
Revenue recognised that was included in the contract liability balance at the beginning of the year	$ 2,211	$ 850

(21) Operating cost

	Year ended December 31,	
	2022	2021
Cost of transportation sales	$ 906,175	$ 954,006
Cost of machinery transportation and hoisting sales	402,912	471,254
Cost of goods	310,185	253,657
Cost of rental sales	18,324	15,282
Cost of warehousing sales	5,225	17,481
	$ 1,642,821	$ 1,711,680

(22) Interest income

	Year ended December 31,	
	2022	2021
Interest income from bank deposits	$ 544	$ 100
Interest income from financial assets measured at amortised cost	38	19
Other interest income	135	183
	$ 717	$ 302

(23) Other income

	Year ended December 31, 2022	2021
Dividend income	$ 10,694	$ 5,483
Rental income	881	882
Other income - others	23,575	5,552
	$ 35,150	$ 11,917

(24) Other gains and losses

	Year ended December 31, 2022	2021
Fire loss and indemnity income (Note10)	$ -	($ 25,192)
Gains on disposals of property, plant and equipment	6,308	632,494
Losses on disposal of investments	(3,976)	-
Gains arising from lease modification	7	1
Net foreign exchange (losses) gains	(1,992)	1,479
Compensation losses	(1,000)	(38)
Other losses	(1,966)	(504)
	($ 2,619)	$ 608,240

(25) Finance costs

	Year ended December 31, 2022	2021
Interest expense - bank borrowings	$ 4,801	$ 6,212
Interest expense - lease liabilities	548	450
Less: Capitalized borrowing costs	(370)	-
	$ 4,979	$ 6,662

(26) Expenses by nature

	Year ended December 31, 2022	Year ended December 31, 2021
Freight	$ 526,683	$ 642,254
Employee benefit expense	322,041	340,129
Cost of merchandise sold	305,898	248,662
Other cost of machinery transportation and hoisting sales	194,695	194,454
Diesel fee	137,036	124,899
Depreciation expense	101,107	99,555
Stevedorage & cargo charges	22,382	51,891
Repairs and maintenance expense	41,856	33,782
Tire charges	13,924	15,236
Amortization expense	440	672
Others	163,469	138,193
Operating costs and expenses	$ 1,829,531	$ 1,889,727

(27) Employee benefit expense

	Year ended December 31, 2022	Year ended December 31, 2021
Wages and salaries	$ 276,873	$ 300,271
Labour and health insurance fees	24,724	21,793
Pension costs	12,611	11,376
Other personnel expenses	7,833	6,689
	$ 322,041	$ 340,129

A. Information on the provisions of distribution of earnings in the Company's Articles of Incorporation is provided in Note 6(19). A ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 5% for directors'.

B. For the years ended December 31, 2022 and 2021, employees' compensation was accrued at $12,209 and $41,682, respectively; while directors' remuneration was accrued at $12,209 and $20,842, respectively. The aforementioned amounts were recognised in salary expenses.

C. Employees' compensation and directors' and supervisors' remuneration of 2021 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2021 financial statements.

Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(28) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31, 2022	Year ended December 31, 2021
Current tax:		
Current tax on profits for the year	$ 30,377	$ 12,531
Land value increment tax	-	35,389
Prior year income tax underestimation	1,343	69
Total current tax	31,720	47,989
Deferred tax:		
Origination and reversal of temporary differences	(646)	4,157
Provision for land increment tax	-	(21,618)
Total deferred tax	(646)	(17,461)
Income tax expense	$ 31,074	$ 30,528

(b) The income tax (charge)/credit relating to components of other comprehensive income is as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Remeasurement of defined benefit obligations	($ 1,118)	$ 1,522

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2022	Year ended December 31, 2021
Tax calculated based on profit before tax and statutory tax rate	$ 53,651	$ 153,605
Expenses disallowed by tax regulation	433	26
Tax exempt income by tax regulation	(23,669)	(135,727)
Temporary difference not recognised as deferred tax assets	(512)	457
Taxable loss not recognised as deferred tax assets	121	-
Prior year income tax underestimation	1,343	69
Change in assessment of realisation of deferred tax assets	(293)	12,098
Income tax expense	$ 31,074	$ 30,528

C. Amounts of deferred tax assets or liabilities as a result of temporary differences and tax losses are as follows:

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Deferred gains	$ 305	($ 81)	$ -	$ 224
Actuarial losses (gains) on defined benefit plan	10,148	-	(1,118)	9,030
Loss on inventory valuation	1,167	694	-	1,861
Unused compensated absences	76	-	-	76
Unrealised exchange losses	-	109	-	109
Tax loss	-	405	-	405
	$ 11,696	$ 1,127	($ 1,118)	$ 11,705
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(4,667)	(481)	-	(5,148)
Provision for land increment tax	(30,137)	-	-	(30,137)
	(34,804)	(481)	-	(35,285)
	($ 23,108)	$ 646	($ 1,118)	($ 23,580)

	2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Difference between accounting and tax bases due to depreciation	$ 56	($ 56)	$ -	$ -
Deferred gains	386	(81)	-	305
Actuarial loss on defined benefit plan	8,626	-	1,522	10,148
Loss on inventory valuation	3,114	(1,947)	-	1,167
Unused compensated absences	76	-	-	76
	$ 12,258	($ 2,084)	$ 1,522	$ 11,696
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(2,594)	(2,073)	-	(4,667)
Provision for land increment tax	(51,755)	21,618	-	(30,137)
	(54,349)	19,545	-	(34,804)
	($ 42,091)	$ 17,461	$ 1,522	($ 23,108)

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2022							
Year incurred	Amount filed/ assessed		Unused amount		Unrecognised deferred tax assets		Expiry year
2015	$	431	$	431	$	431	2025
2016		2,051		2,051		2,051	2026
2017		1,332		1,332		1,332	2027
2018		3,731		3,731		3,731	2028
2019		3,840		3,840		3,840	2029
2020		1,447		1,447		1,447	2030
2021		663		663		663	2031
2022		2,630		2,630		604	2032
	$	16,125	$	16,125	$	14,099	

December 31, 2021							
Year incurred	Amount filed/ assessed		Unused amount		Unrecognised deferred tax assets		Expiry year
2015	$	792	$	431	$	431	2025
2016		9,211		2,051		2,051	2026
2017		1,332		1,332		1,332	2027
2018		3,731		3,731		3,731	2028
2019		3,840		3,840		3,840	2029
2020		1,447		1,447		1,447	2030
2021		663		663		663	2031
	$	21,016	$	13,495	$	13,495	

E. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2022		December 31, 2021	
Share of profit or loss of subsidiaries accounted for using equity method	$	116,524	$	119,083
Exchange differences on translation of foreign financial statements		26,944		31,929
	$	143,468	$	151,012

F. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(29) Earnings per share

On June 27, 2022 and July 23, 2021, the shareholders' meeting of the Company approved 2021 and 2020 surplus profit distributed in the form of new shares. On August 12, 2022 and September 9, 2021, the distribution was resolved by the Board of Directors. The record date was set on September 4, 2022 and October 4, 2021, respectively. Earnings per share were retrospectively adjusted for the effect of stock dividends. The information was as follows:

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 198,504	104,877	$ 1.89
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 198,504	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	554	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 198,504	105,431	$ 1.88

	Year ended December 31, 2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 742,592	104,877	$ 7.08
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	742,592	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,294	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 742,592	106,171	$ 6.99

(30) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31, 2022	Year ended December 31, 2021
Purchase of property, plant and equipment	$ 348,029	$ 179,140
Add: Opening balance of notes payable on equipment	200	-
Less: Ending balance of payable on equipment	(675)	-
Less: Ending balance of notes payable on equipment	(1,131)	(200)
Cash paid during the year	$ 346,423	$ 178,940

B. Investment activities with no cash flow effects:

	Year ended December 31, 2022	Year ended December 31, 2021
Property, plant and equipment transferred to investment property	$ 43,451	$ -

(31) Changes in liabilities from financing activities

2022	Short-term borrowings	Lease liabilities (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities gross
At January 1	$ 15,052	$ 35,189	$ 283,798	$ 4,002	$ 2,617	$ 340,658
Changes in cash flow from financing activities	35,448	(12,396)	(24,340)	4,725	(2,617)	820
Changes in other non-cash items	-	7,100	-	-	-	7,100
At December 31	$ 50,500	$ 29,893	$ 259,458	$ 8,727	$ -	$ 348,578

	2021					
	Short-term borrowings	Lease liabilities (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Other non-current liabilities	Liabilities from financing activities gross
At January 1	$ 153,147	$ 20,793	$ 382,812	$ 4,002	$ 2,431	$ 563,185
Changes in cash flow from financing activities	(138,095)	(10,550)	(99,014)	-	-	(247,659)
Impact of exchange rate changes	-	-	-	-	186	186
Changes in other non-cash items	-	24,946	-	-	-	24,946
At December 31	$ 15,052	$ 35,189	$ 283,798	$ 4,002	$ 2,617	$ 340,658

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Ever Glory Transportation Inc. (Ever Glory)	Other related party (this company's major shareholder was the Company's chairman)
Champion Shipping Agency Co., Ltd. (Champion)	Other related party (this company's chairman was the same as the Company's chairman)
Li Fung Transportation Enterprise Co., Ltd. (Li Fung)	Other related party (this company's major shareholder was the Company's director)
Deluxe Wine & Spirits Inc. (Deluxe Wine)	Other related party (this company's chairman was the same as the Company's chairman)
Giant Heavy Machinery Service Corp. (Giant Heavy Machinery)	Associate (investee accounted for using equity method by the Company)
Giant Heavy Machinery Transportation Service Corp. (Giant Heavy Machinery Transportation)	Associate (subsidiary of the investee accounted for using equity method by the Company)
Denzai Sea & Land Corporation (Denzai Sea & Land)	Joint venture (investee accounted for using equity method by the Company)
Che-chun Su	Key management of second-tier subsidiary, Formosa

(2) Significant related party transactions

A. Sales of services and goods

	Year ended December 31,	
	2022	2021
Sales of services:		
Associates		
Giant Heavy Machinery	$ 44,103	$ 2,932
Joint venture		
Denzai Sea & Land	81	305
Other related parties	693	1,112
Rental revenue:		
Associates		
Giant Heavy Machinery	9,822	9,777
Giant Heavy Machinery Transportation	2,095	1,838
Other related parties	72	72
	$ 56,866	$ 16,036

Selling prices and collection terms to associates, joint ventures and other related parties are comparable to those provided to non-related parties. The collection terms are monthly billings by issuing 2~3-month notes.

B. Purchase of services and other operating costs

	Year ended December 31,	
	2022	2021
Purchases of services:		
Associates		
Giant Heavy Machinery	$ 100,799	$ 108,806
Giant Heavy Machinery Transportation	4,124	5,109
Other related parties	3,342	3,725
	$ 108,265	$ 117,640

The prices for services purchased from certain other related parties are higher than normal suppliers due to its special nature. The payment term is 30~45 days after monthly billings, slightly shorter days than normal suppliers. Purchase prices and payment terms to associates and other related parties are comparable to those provided by non-related parties. The payment terms are monthly billings paid by issuing 2~3-month notes.

C. Receivables from related parties

	December 31, 2022	December 31, 2021
Notes receivable:		
Associates		
Giant Heavy Machinery	$ -	$ 2,470
Giant Heavy Machinery Transportation	2,581	2,581
Other related parties	56	-
	2,637	5,051
Accounts receivable:		
Associates		
Giant Heavy Machinery	3,135	126
Giant Heavy Machinery Transportation	240	-
Joint ventures		
Denzai Sea & Land	-	10
Other related parties	53	62
	3,428	198
Other receivables:		
Associates		
Giant Heavy Machinery Transportation	-	19
	-	19
Long-term notes receivable (shown as “other non-current assets”)		
Associates		
Giant Heavy Machinery Transportation	4,732	7,314
	$ 10,797	$ 12,582

Long-term notes receivable of the Group is rent from renting transportation equipment to associates. All of notes agreed in the contract had been collected at once and turned into cash monthly.

D. Payables to related parties

	December 31, 2022	December 31, 2021
Notes payable:		
Associates		
Giant Heavy Machinery	$ 19,010	$ 47,188
Giant Heavy Machinery Transportation	210	210
Other related parties	1,619	1,937
	20,839	49,335
Accounts payable:		
Associates		
Giant Heavy Machinery	$ 14,326	$ 9,320
Giant Heavy Machinery Transportation	-	499
Other related parties	484	448
	$ 14,810	$ 10,267

	December 31, 2022	December 31, 2021
Other payables:		
Other related parties	$ 373	$ 380
	373	380
	$ 36,022	$ 59,982

E. Property transactions

Acquisition of financial assets:

	Accounts	No. of shares	Objects	Year ended December 31, 2021 Consideration
Giant Heavy Machinery	Investments accounted for using equity method	1,318 thousand shares	Stock	$ 32,938

F. Lease transactions - lessee

(a) The Group leased land from other related parties. Rental contracts are typically expired between 2021 and 2026. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets could not be used as security for borrowing purposes and could not transfer to others in the forms of business transfer, merger and other ways.

(b) Acquisition of right-of-use assets:

	Year ended December 31,	
	2022	2021
Other related parties	$ -	$ 4,803

(c) Lease liabilities

i. Outstanding balance

	December 31, 2022	December 31, 2021
Total lease liabilities	$ 3,253	$ 4,034
Less: Current portion (shown “current lease liabilities”)	(794)	(781)
	$ 2,459	$ 3,253

ii. Interest expense

	Year ended December 31,	
	2022	2021
Other related parties	$ 59	$ 71

G. Other income

	Year ended December 31, 2022	Year ended December 31, 2021
Service income:		
Other related parties	$ 690	$ 690

H. Other expense

	Year ended December 31, 2022	Year ended December 31, 2021
Service expenses:		
Li Fung	$ 4,091	$ 5,533
Deluxe Wine	1,800	-
	$ 5,891	$ 5,533

I. Loans from related parties (shown as “other non-current liabilities”)

	December 31, 2022	December 31, 2021
Key management of second-tier subsidiary	$ -	$ 2,617

The second-tier subsidiary, Formosa, borrowed money from its key management to meet the operating requirements.

J. Endorsements and guarantees provided to related parties

The Group’s certain short-term borrowings are jointly guaranteed by key management.

(3) Key management compensation

	Year ended December 31, 2022	Year ended December 31, 2021
Other short-term employee benefits	$ 19,374	$ 32,403

8. Pledged Assets

The Group’s assets pledged as collateral are as follows:

Pledged asset	Purpose	Book value December 31, 2022		Book value December 31, 2021	
Financial assets at amortised cost - current	Performance bond and deposits	$	32,529	$	32,500
Other non-current assets					
Time deposits	Business guarantee		1,064		1,056
Refundable deposits	Performance bond and deposits		17,708		18,149
			18,772		19,205
Property, plant and equipment					
Land, buildings and structures and transportation equipment	Long-term and short-term borrowings and business guarantee		737,019		598,622
Investment property	Long-term and short-term borrowings		36,318		36,722
		$	824,638	$	687,049

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Commitments

A. Operating lease commitments

Please refer to Notes 6(9) and (10) for details.

B. As of December 31, 2022 and 2021, the Group entered into a significant construction contract with related suppliers for machine transportation and hoisting business at a price of $152,000 and $152,000, and the Group had paid $126,077 and $118,231, respectively. The remaining would be paid gradually according to the construction progress.

C. As of December 31, 2022 and 2021, the subsidiary's letters of credit issued but not used for purchasing goods amounted to $3,330 and $10,836, respectively.

D. As of December 31, 2022 and 2021, the Group entered into a purchase contract with CPC Corporation, Taiwan for oil products and liquefied petroleum gas. According to the contract, the amount of guaranteed notes payable issued by the Group was $30,000 and $16,000, respectively. The guarantee amount which was provided by banks for purchasing oil products and liquefied petroleum gas was $16,000. Additionally, the Group issued guaranteed notes payable to guarantee banks in the amount of $16,000.

E. As of December 31, 2022 and 2021, the Group entered into a significant construction contract with related suppliers for operation at a price of $290,300 and $236,304, and the Group had paid $187,177 and $57,742, respectively.

(2) Significant litigation

The Company's employee incurred a traffic accident with other road users. The Company was accused of joint responsibility for compensation through the court. On March 15, 2022, the Company reached a settlement with aforementioned road users. The final compensation amount was $1,300 in total. On October 31, 2022, the Company made an agreement with its employees on the compensation amount, of which $1,000 was paid by the Company and the remaining $300 was paid by the Company's employees.

10. Significant Disaster Loss

The logistics outsourcing warehouse of the Group's subsidiary, Sea & Land Wine & Spirits, which are located in Dayuan, Taoyuan City, caught fire on February 26, 2021. The warehouse was mainly stored merchandise inventory of wine and spirits. The subsidiary recognised fire loss amounting to $25,192 for the year ended December 31, 2021.

11. Significant Events after the Balance Sheet Date

The distribution of earnings was approved by the Company's Board of Directors on March 15, 2023. Please refer to Note 6(19) for more details in relation to the distribution of earnings.

12. Others

(1) The impact of the COVID-19 pandemic

In response to the outbreak of Covid-19, the Group had adopted related pandemic prevention measures and follows pandemic prevention measures promoted by the government. After assessment, for the year ended December 31, 2022, the pandemic had no significant effects on operating and business activities, ability of going concern, impairment of assets and financing risk.

(2) Capital management

Since the Group should maintain massive amount of capital to support the needs for purchasing equipment. The Group's objectives when managing capital are to secure necessary financial resources and operating plans to meet the needs of operating funds for the next 12 months, capital expenditure, debt repayment and dividend payment.

(3) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	$ 2	$ 2
Financial asset measured at fair value through other comprehensive income - current		
Designation of equity instrument	19,680	24,422
Financial asset measured at fair value through other comprehensive income - non-current		
Designation of equity instrument	85,762	93,199
Financial assets at amortised cost		
Cash and cash equivalents	175,280	446,905
Financial assets at amortised cost - current	32,529	32,500
Notes receivable (including related parties)	30,249	37,274
Accounts receivable (including related parties)	270,265	529,393
Other receivables (including related parties)	-	19
Guarantee deposits paid	18,772	19,205
Long term notes receivable (shown as other non-current assets)	4,732	7,314
Other financial assets (shown as other non-current financial assets)	1,920	1,920
	$ 639,191	$ 1,192,153

	December 31, 2022	December 31, 2021
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 50,500	$ 15,052
Notes payable (including related parties)	129,612	265,055
Accounts payable (including related parties)	122,493	143,011
Other accounts payable (including related parties)	112,187	146,121
Long-term borrowings (including current portion)	259,458	283,798
Guarantee deposits received	8,727	4,002
	$ 682,977	$ 857,039
Lease liabilities (including current portion)	$ 29,893	$ 35,189

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) The Group's significant financial activities are reviewed by the Board of Directors in accordance with related regulations and internal control system. In the period of executing financial plan, the Group should follow related financial operational procedures in relation to whole financial risk management and separation of rights and responsibilities.

(c) For the information on the derivative financial instruments that the Group enters into, refer to Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

i. The Group's businesses involve some non-functional currency operations (the Company's and part of its subsidiaries' functional currency: NTD, part of its subsidiaries' functional currency: VND). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

(Foreign currency: functional currency)	December 31, 2022 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ 1,000	30.71	$ 30,710
Financial liabilities			
Monetary items			
USD：VND	$ 1,000	23,899	$ 30,710

(Foreign currency: functional currency)	December 31, 2021 Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD：NTD	$ 1,000	27.68	$ 27,680
Financial liabilities			
Monetary items			
USD：VND	$ 1,000	23,163	$ 27,680

ii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2022 and 2021, amounted to ($1,992) and $1,479, respectively.

iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2022	
	Sensitivity analysis	
(Foreign currency: functional currency)	Degree of variation	Effect on profit or loss (NTD)
Financial assets		
Monetary items		
USD:NTD	1%	$ 307
Financial liabilities		
Monetary items		
USD:VND	1%	$ 307

(Foreign currency: functional currency)	Year ended December 31, 2021		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss (NTD)	
Financial assets			
Monetary items			
USD:NTD	1%	$	277
Financial liabilities			
Monetary items			
USD:VND	1%	$	277

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2022 and 2021 would have increased/decreased all were $0, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $1,054 and $1,176, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2022 and 2021, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, Euro, Great Britain Pound and United States dollar.

ii. For borrowings held by the Group at floating rates which was not expected to have significant changes, there were no significant risks in floating rates.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

vi. The Group classifies customer's accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.

vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2022 and 2021, the Group's written-off financial assets that are still under recourse procedures amounted to $324 and $0, respectively

viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable and contract assets. On December 31, 2022 and 2021, the loss rate methodology is as follows:

	Individual	Group	Total
December 31, 2022			
Expected loss rate	100%	0.05%~87.88%	
Total book value	$ 318	$ 317,418	$ 317,736
Loss allowance	$ 318	$ -	$ 318

	Individual	Group	Total
December 31, 2021			
Expected loss rate	100%	0.05%~63.68%	
Total book value	$ 642	$ 614,735	$ 615,377
Loss allowance	$ 642	$ -	$ 642

ix. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2022
	Accounts receivable
At January 1	$ 642
Amounts written off due to irrecoverability	(324)
December 31	$ 318

	2021
	Accounts receivable
At January 1/December 31	$ 642

The Group's impairment loss of accounts receivable all arose from customers' contract.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. The Group has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Expiring within one year	$ 408,855	$ 486,092

iii. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities.

December 31, 2022	Less than one year	Over one year	Total
Non-derivative financial liabilities			
Short-term borrowings	$ 50,500	$ -	$ 50,500
Notes and accounts payable (including related parties)	252,105	-	252,105
Other payables (including related parties)	111,898	289	112,187
Lease liabilities (including current portion)	13,132	17,490	30,622
Long-term borrowings (including current portion)	93,016	181,415	274,431
Guarantee deposits received	8,727	-	8,727

December 31, 2021	Less than one year	Over one year	Total
Non-derivative financial liabilities			
Short-term borrowings	$ 15,052	$ -	$ 15,052
Notes and accounts payable (including related parties)	408,063	3	408,066
Other payables (including related parties)	145,841	280	146,121
Lease liabilities (including current portion)	11,392	24,905	36,297
Long-term borrowings (including current portion)	85,528	209,187	294,715
Guarantee deposits received	4,002	-	4,002

iv. The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(4) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in derivative instruments is included in Level 2.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(11).

C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), long-term notes receivable (including related parties), guarantee deposits paid, other financial assets (shown as other non-current financial assets), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), lease liabilities (including current portion), long-term borrowings (including current portion) and guarantee deposits received) approximate to their fair values.

D. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2022 and 2021 are as follows:

(a) The related information of natures of the assets is as follows:

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 2	$ -	$ 2
Financial assets at fair value through other comprehensive income				
Equity securities	19,680	-	85,762	105,442
	$ 19,680	$ 2	$ 85,762	$ 105,444

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 2	$ -	$ 2
Financial assets at fair value through other comprehensive income				
Equity securities	24,422	-	93,199	117,621
	$ 24,422	$ 2	$ 93,199	$ 117,623

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

v. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.

vi. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. For the years ended December 31, 2022 and 2021, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2022 and 2021:

	2022	2021
	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
At January 1	$ 93,199	$ 63,589
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	(7,437)	(6,255)
Acquired in the year	-	37,500
Sold in the year	-	(1,635)
At December 31	$ 85,762	$ 93,199

G. Financial segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 6,000	Market comparable companies	Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares	79,762	Discounted cash flow	Weighted average cost of capital	4.16%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2021		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	13,437	Market comparable companies	Discount for lack of marketability	30.00%~ 50.00%	The higher the discount for lack of marketability, the lower the fair value
Unlisted shares		79,762	Discounted cash flow	Weighted average cost of capital	4.74%	The higher the weighted average cost of capital, the lower the fair value
				Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value

I. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2022	
			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	$ 858	($ 858)

			December 31, 2021	
			Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change
Financial assets				
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	$ 932	($ 932)

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 3.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).

J. Significant inter-company transactions during the reporting periods: The amount was not significant.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 4.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Please refer to table 5.

14. Operating Segment Information

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

Since more than 90% of the Group’s revenue and operations are arising from Taiwan, considering that the Group’s chief operating decision-maker makes strategic decisions from a product type perspective, the information on the Group’s operating segments will be presented in a product type, and would not disclose geographical information separately. The Group currently focuses on four business group, including transportation business, machinery transportation and hoisting business, LPG station business, and imports of foreign wine business. The operating scales of the other segments are not included in the reportable segments because they do not meet the quantitative thresholds for reportable segments as required by IFRS 8. The remaining segments are consolidated and disclosed under "Other segments", including rental income from the general affairs segment, warehouse rental income from the transportation and warehousing segment, and electricity retailing income from the power plants.

(2) Measurement of segment information

A. The Group’s chief operating decision-maker evaluates the performance of the operating segments based on the segments revenue and segments net operating profit or loss. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as goodwill impairments (when the impairment is the result of an isolated, non-recurring event), gains and losses on disposal of fixed assets, gains and losses on disposals of investments, the effects of unrealised valuation gain or loss of financial assets, interest income and interest expenses are also not classified to operating segments, as this type of activity is managed by the Group’s treasury segment.

B. The accounting policies of operating segments are consistent with the accounting policies stated in Note 4 in the consolidated financial statements for the year ended December 31, 2022.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

Year ended December 31, 2022	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Imports of foreign wine segmemt	Other segments	Amount of write-offs	Total
Revenue from external customers	$ 1,049,208	$ 463,395	$ 194,033	$ 212,912	$ 37,780	$ -	$ 1,957,328
Inter-segment revenue	166	-	-	1,276	48	(1,490)	-
Total segment revenue	$ 1,049,374	$ 463,395	$ 194,033	$ 214,188	$ 37,828	($ 1,490)	$ 1,957,328
Segment income (loss)	$ 107,669	$ 51,425	$ 2,171	$ 32,433	($ 65,901)	$ -	$ 127,797
Segment income, including depreciation and amortisation	$ 55,611	$ 15,599	$ 4,096	$ 1,943	$ 25,122	$ -	$ 102,371

Year ended December 31, 2021	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Imports of foreign wine segmemt	Other segments	Amount of write-offs	Total
Revenue from external customers	$ 1,068,900	$ 543,200	$ 178,662	$ 156,656	$ 40,670	$ -	$ 1,988,088
Inter-segment revenue	241	-	-	1,229	274	(1,744)	-
Total segment revenue	$ 1,069,141	$ 543,200	$ 178,662	$ 157,885	$ 40,944	($ 1,744)	$ 1,988,088
Segment income (loss)	$ 78,084	$ 63,054	$ 585	$ 31,375	($ 74,737)	$ -	$ 98,361
Segment income, including depreciation and amortisation	$ 58,681	$ 11,173	$ 4,398	$ 1,983	$ 23,992	$ -	$ 100,227

(4) Reconciliation for segment income (loss)

The Group's operating decision makers evaluate departmental performance and decide how to allocate resources, based on segment revenue and segment net operating profit or loss that measured in a manner consistent with that in the statement of comprehensive income.

(5) Information on products and services

Please refer to Note 14(3).

(6) Geographical information

None.

(7) Major customer information

The Group's operating income from a single customer does not exceed 10% of the consolidated operating income for the year ended December 31, 2022.

Major customer information of the Group for the year ended December 31, 2021 is as follows:

	Year ended December 31, 2021	
	Revenue	Segment
A	$ 173,417	Transportation segment
B	188,635	"
C	312,686	Machinery transportation and hoisting segment

Sea & Land Integrated Corp.

Loans to others

Year ended December 31, 2022

(Expressed in thousands of NTD, except as otherwise indicated)

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account (Note 2)	Is a related party	Maximum outstanding balance during the year ended December 31, 2022 (Note 5)	Balance at December 31, 2022 (Note 6)	Actual amount drawn down	Interest rate (Note 7)	Nature of loan (Note 2)	Amount of transactions with the borrower (Note 2)	Reason for short-term financing (Note 3)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 4)	Ceiling on total loans granted (Note 4)	Footnote
1	Eternal Full Enterprise Limited	CTY TNHH Sea and Land Formosa	Other receivables - related parties	Yes	21,497	-	-	3%	2	-	Repayment of loans	-	-	-	173,732	347,463	
1	Eternal Full Enterprise Limited	CTY TNHH Sea and Land Formosa	Other receivables - related parties	Yes	1,170	-	-	3%	2	-	Working capital	-	-	-	173,732	347,463	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

(1) Business transaction.

(2) Short-term financing.

Note 3: Fill in purpose of loan when nature of loan is for short-term financing, for example, repayment of loan, acquisition of equipment, working capital, etc.

Note 4: Limit on loans granted to a single party:

(1) Where an inter-company or inter-firm short-term financing facility is necessary, the ceiling on total loans granted by the Company to others is 20% of the Company’s net asset value based on the most recent financial statements. (The ceiling: 1,737,317x20%=347,463)

(2) The limit on loans granted by the Company to a single party is 10% of the Company’s net asset value based on the most recent financial statements. (1,737,317x10%=173,732)

Note 5: As approved by the Board of Directors, the limit on loans granted by ETERNAL FULL ENTERPRISE LIMITED to CTY TNHH Sea and Land Formosa is USD 738 thousand (equivalent to NTD 22,667 thousand).

The quota of USD 700 thousand (equivalent to NTD 21,497 thousand) expired in February 2022, and the quota of US$38 thousand (equivalent to NTD 1,170 thousand) expired in September 2022.The actual drawn down amount at the end of the period were all $0 thousand.

Note 6: The loans approved in foreign currencies by the Board of Directors were translated at the closing exchange rate at the balance sheet date.

Note 7: It was based on the average interest rate at which the Company borrowed from financial institutions.

Sea & Land Integrated Corp.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2022

(Expressed in thousands of NTD, except as otherwise indicated)

Table 2

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	General ledger account	As of December 31, 2022 Number of shares	Book value (Note 3)	Ownership (%)	Fair value	Footnote (Note 4)
Sea & Land Integrated Corp.	Stocks of Mozido, Inc.	None	Financial assets at fair value through profit or loss - current	14,561	$ -	-	$ -	
Sea & Land Integrated Corp.	Stocks of Loyalty Alliance Enterprise	None	"	75,000	-	-	-	
Sea & Land Integrated Corp.	Stocks of InfoValue Computing, Inc.	None	"	260,000	-	1.33	-	
	Subtotal				-		$ -	
	Valuation adjustment				-			
					$ -			
Sea & Land Integrated Corp.	Stocks of Evergreen Marine Corp. (Taiwan) Ltd.	None	Financial assets at fair value through profit or loss - current	120,000	38,290	-	19,560	
	Subtotal				38,290		$ 19,560	
	Valuation adjustment				(18,730)			
	Total				$ 19,560			
Sea & Land Integrated Corp.	Stocks of Elite Transport Co., Ltd.	None	Financial assets at fair value through other comprehensive income - non-current	3,300,000	$ 33,000	15.00	$ 33,000	
Sea & Land Integrated Corp.	Stocks of Irso Precision Co., Ltd.	None	"	2,756,000	40,625	13.59	-	
Sea & Land Integrated Corp.	Stocks of Tiantai Optoelectronics Co., Ltd.	None	"	3,176,174	31,762	10.55	31,762	
Sea & Land Integrated Corp.	Stocks of Century Heavy Industry International Co., Ltd.	None	"	600,000	6,000	10.00	6,000	
Sea & Land Integrated Corp.	Sheng He Energy Co., Ltd.	None	"	1,500,000	15,000	1.50	15,000	
	Subtotal				126,387		$ 85,762	
	Valuation adjustment				(40,625)			
	Total				$ 85,762			
Sea & Land Integrated Corp.	Stocks of SinoGreenergy Consultancy Co., Ltd.	None	Financial assets at fair value through other comprehensive income - current	23,500	$ 120	4.70	$ 120	

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities in accordance with IFRS 9'Financial Instruments'.

Note 2: Leave the column blank if the issuer of marketable securities is non-related party.

Note 3: Fill in the amount after adjusted at fair value and deducted by accumulated impairment for the marketable securities measured at fair value; fill in the acquisition cost or amortised cost deducted by accumulated impairment for the marketable securities not measured at fair value.

Note 4: The number of shares of securities and their amounts pledged as security or pledged for loans and their restrictions on use under some agreements should be stated in the footnote if the securities presented herein have such conditions.

Sea & Land Integrated Corp.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2022

(Expressed in thousands of NTD, except as otherwise indicated)

Table 3

			Transaction				Differences in transaction terms compared to third party transactions (Note 1)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Sea & Land Integrated Corp.	Giant Heavy Machinery Service Corp.	Substantial related party	Purchases	$ 100,799	6.14%	Notes due within 2~3 months	Negotiated prices	Notes due within 2~3 months	($ 33,336)	13.22%	

Note 1: The nature of services rendered by Giant Heavy Machinery Service Corp. is the same as those by third parties. However, the price is slightly lower than third parties as it is a associate.
The payment term is 60 ~ 90 days, which is the same as third parties.

Sea & Land Integrated Corp.

Information on investees (not including investee company of Mainland China)

Year ended December 31, 2022

(Expressed in thousands of NTD, except as otherwise indicated)

Table 4

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended December 31, 2022 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2022 (Note 2(3))	Footnote
				Balance as at December 31, 2022	Balance as at December 31, 2021	Number of shares	Ownership (%)	Book value			
Sea & Land Integrated Corp.	Eternal Full Enterprise Ltd.	Seychelles	Investment holding company	225,717	253,022	-	100.00	$ 117,737	$ 2,560	$ 2,560	Subsidiary
Sea & Land Integrated Corp.	New An-Ho Gas Co., Ltd.	Taiwan	Real estate leases	104,765	104,765	7,800,000	100.00	90,331	50	50	Subsidiary
Sea & Land Integrated Corp.	Jui Shan Co., Ltd.	Taiwan	Real estate leases	-	828	-	82.76	-	-	-	Subsidiary
Sea & Land Integrated Corp.	Sea & Land Wine & Spirits Incorporation	Taiwan	Imports and exports of foreign wine and spirits	27,501	27,501	4,418,463	55.23	76,588	40,840	22,556	Subsidiary
Sea & Land Integrated Corp.	Sea & Land Sinogreenergy Inc.	Taiwan	Non-utility electricity generation and energy technical services	9,982	9,982	1,603,453	75.00	17,268	(1,614)	(1,211)	Subsidiary
Sea & Land Integrated Corp.	Chiayi New Energy Co., Ltd.	Taiwan	Renewable-energy-based electricity generation	19,550	19,550	1,955,000	77.27	14,517	(604)	(466)	Subsidiary
Sea & Land Integrated Corp.	Denzai Sea & Land Corporation	Taiwan	Crane and hoist services and installations	1,000	1,000	100,000	50.00	302	(610)	(305)	Investee accounted for using equity method
Sea & Land Integrated Corp.	Giant Heavy Machinery Service Corp.	Taiwan	Crane and hoist services and installations	79,233	79,233	8,799,807	31.92	247,017	283,428	91,561	Investee accounted for using equity method
Eternal Full Enterprise Ltd.	Peace King Enterprise Co., Ltd.	Seychelles	Transportation and hoist equipment leasing	46,649	54,347	-	100.00	30,174	594	594	Second-tier subsidiary of the Company
Eternal Full Enterprise Ltd.	Glory Base Group Ltd.	Seychelles	Crane and hoist services, planning, etc.	158,617	158,617	-	100.00	85,363	3,609	3,609	Second-tier subsidiary of the Company
Glory Base Group Ltd.	CTY TNHH Sea and Land Formosa	Vietnam	Transportation and hoist equipment design, manufacturing and installments, etc.	148,752	120,921	-	100.00	84,736	3,648	3,648	Third-tier subsidiary of the Company

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

(1)The columns of 'Investee', 'Location', 'Main business activities', Initial investment amount' and 'Shares held as at December 31, 2022' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column..

(2)The 'Net profit (loss) of the investee for the year ended December 31, 2022' column should fill in amount of net profit (loss) of the investee for this period.

(3)The 'Investment income (loss) recognised by the Company for the year ended December 31, 2022' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period. When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

Sea & Land Integrated Corp.

Major shareholders information

December 31, 2022

Table 5

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Ying-Jin Ho	11,115,162	10.59
HSBC takes custody of BNP Paribas Singapore Branch	6,751,950	6.43
Chun-Ying Ho	6,578,634	6.27