

**EASTERN MEDIA INTERNATIONAL
CORPORATION AND SUBSIDIARIES**
Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2022 and 2021

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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Eastern Media International Corporation as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements," endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Eastern Media International Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Eastern Media International Corporation

Chairman: Liao, Shang Wen

Date: March 14, 2023

Independent Auditors' Report

To the Board of Directors of Eastern Media International Corporation:

Opinion

We have audited the consolidated financial statements of Eastern Media International Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements as of and for the year ended December 31, 2022 and 2021 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis of our opinion.

Other Matter

We did not audit the financial statements of partial companies, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 8.82% and 15.14% of consolidated total assets at December 31, 2022 and 2021, respectively, and the related share of profit of associates accounted for using the equity method constituting 13.61% and 65.85% of consolidated total (loss) profit before tax for the years then ended December 31, 2022 and 2021, respectively.

Eastern Media International Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2022 and 2021, on which we have issued an unqualified opinion with other matters paragraph and unqualified opinion with emphasis paragraph and other matter paragraph respectively.

Key Audit Matters

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

1. Revenue recognition

Please refer to Note 4q "Revenue recognition" for accounting policy related to revenue recognition, and Note 29 "Revenue from contracts with customers" to the consolidated financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Group are the services of warehousing, media advertising, and pet merchandise sales. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: understanding the sales and collection cycle, and sampling to test the effectiveness of manual control and internal control. Additionally, we would perform test of detail on revenue; as well as perform sales cut off test on the periods before and after the balance sheet date by inspecting relevant documents of sales transactions to determine whether sales had been appropriately recognized.

2. Right-of-use assets impairment

Please refer to Note 4n "Leases" and Note 4p "Impairment of non-financial assets" for accounting policy related to right-of-use assets impairment, and Note 17 "Right-of-use assets" to the consolidated financial statements.

Description of key audit matter:

The right-of-use assets of the Group constituted 41.38% of its consolidated assets. The assets mentioned above is likely to be influenced by the government policies and economic environments, which may result in the recoverability of the assets valued with discounted cash flow to be highly uncertain. Therefore, right-of-use assets impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we have performed the following audit procedures: evaluating the consistency of discounted cash flow and the future operating plans; the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.

3. The investments accounted of using equity method impairment

Please refer to Note 4l "Investment in associates" and Note 4p "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 12 "investments accounted for using equity method" to the consolidated financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Group amounted to \$1,366,514 thousand, constituting 8.82% of its consolidated assets. The evaluation of the impairment on

December 31 is significant to the consolidated financial statements. There are risks that the assumption of the financial performance and cash flows related to the Group's associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

In response to the risk mentioned above, we planned to perform the following audit procedures: obtaining the information on which the management relied to make assumptions and evaluations for the report made by external expert; engaging evaluation experts to assess the appropriateness of the evaluation methods and assumptions used by them, including the discount rate and the forecast of future cash flows; comparing the forecasted and historical data, past forecasts and actual conditions; evaluating the reasonableness of past management's estimates.

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 Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the IFRSs, IASs, IFRIC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditor's 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 auditor's 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including 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 group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

The engagement partners on the audit resulting in this independent auditors' report are Shih Chin Chih and Hsin-Ting Huang.

KPMG

Taipei, Taiwan (Republic of China)

March 14, 2023

Notes to Readers

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

The independent auditors' audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and consolidated financial statements, the Chinese version shall prevail.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%
Current assets:				
1100 Cash and cash equivalents (Notes 6 and 15)	\$ 1,914,254	12	\$ 1,761,806	11
1110 Current financial assets at fair value through profit or loss (Notes 7 and 37)	1,073,448	7	961,420	6
1151 Notes receivable, net (Notes 9 and 29)	40,204	-	49,092	-
1160 Notes receivable due from related parties, net (Notes 9, 29 and 36)	2,550	-	76,382	1
1170 Accounts receivable, net (Notes 9, 15 and 29)	415,014	4	417,572	3
1180 Accounts receivable due from related parties, net (Notes 9, 29 and 36)	34,270	-	29,065	-
1200 Other receivables, net (Notes 7, 10, 15 and 17)	122,683	1	85,626	1
1210 Other receivables due from related parties (Notes 10 and 36)	6,191	-	9,118	-
130X Inventories (Notes 11 and 15)	447,021	3	381,297	2
1400 Current biological assets, net	19,081	-	21,386	-
1410 Prepayments (Note 36)	99,992	1	61,316	-
1476 Other current financial assets (Notes 6 and 37)	38,055	-	52,440	-
1479 Other current assets, others (Note 15)	497	-	333	-
	<u>4,213,260</u>	<u>28</u>	<u>3,906,853</u>	<u>24</u>
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,510	-	7,510	-
1550 Investments accounted for using equity method, net (Notes 12 and 37)	1,366,514	9	2,409,481	15
1600 Property, plant and equipment (Notes 15, 16, 35, 36 and 37)	2,620,318	17	1,764,631	11
1755 Right of use assets (Notes 15, 17 and 37)	6,412,380	41	6,303,591	40
1780 Intangible assets (Notes 15, 18, 35 and 36)	24,602	-	405,966	3
1840 Deferred tax assets (Notes 26)	201,581	1	446,453	3
1920 Refundable deposits (Note 37)	432,274	3	582,267	4
1940 Long-term notes and accounts receivable due from related parties (Notes 9, 29 and 36)	76,083	-	-	-
1980 Other non-current financial assets (Note 17 and 37)	133,040	1	25,272	-
1990 Other non-current assets, others (Notes 15 and 38)	9,321	-	67,783	-
	<u>11,283,623</u>	<u>72</u>	<u>12,012,954</u>	<u>76</u>
Total assets	<u>\$ 15,496,883</u>	<u>100</u>	<u>\$ 15,919,807</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets (Cotn'd)
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2022		December 31, 2021	
	(Audited)		(Audited)	
	Amount	%	Amount	%
Liabilities and Equity				
Current liabilities:				
2100 Short-term loans (Notes 15, 19, 35 and 37)	\$ 377,450	2	\$ 93,445	1
2110 Short-term notes and bills payable (Notes 20 and 35)	349,427	2	79,848	1
2130 Current contract liabilities (Notes 29 and 36)	42,123	-	32,238	-
2150 Notes payable (Notes 21 and 35)	173,161	1	190,461	1
2160 Notes payable due from related parties (Notes 21 and 36)	2,550	-	-	-
2170 Accounts payable (Note 15)	315,719	2	274,282	2
2180 Accounts payable due from related parties (Note 36)	65,537	-	9,097	-
2200 Other payables (Notes 15 and 35)	860,554	6	662,071	4
2220 Other payables due from related parties (Notes 36)	13,073	-	32,124	-
2230 Current tax liabilities	821	-	2,412	-
2280 Current lease liabilities (Notes 15 and 24)	1,083,123	7	1,066,678	7
2310 Advance receipts (Note 36)	1,664	-	6,891	-
2320 Long-term liabilities, current portion (Notes 22, 23, 35 and 37)	322,475	2	1,066,787	7
2399 Other current liabilities, others (Note 15)	31,521	-	29,627	-
	<u>3,639,198</u>	<u>22</u>	<u>3,545,961</u>	<u>23</u>
Non-current liabilities:				
2540 Long-term loans (Notes 22, 35 and 37)	2,322,573	16	331,125	2
2570 Deferred tax liabilities (Note 26)	-	-	525	-
2580 Non-current lease liabilities (Notes 15 and 24)	5,425,792	36	5,320,955	33
2610 Long-term notes and accounts payable (Note 23)	30,000	-	35,843	-
2640 Net defined benefit liability, non-current (Note 25)	1,799	-	20,976	-
2645 Guarantee deposits received (Note 15)	4,185	-	4,317	-
	<u>7,784,349</u>	<u>52</u>	<u>5,713,741</u>	<u>35</u>
Total liabilities	<u>11,423,547</u>	<u>74</u>	<u>9,259,702</u>	<u>58</u>
Equity attributable to owners of parent (Note 27)				
3100 Capital stock	4,760,554	31	5,289,504	33
3200 Capital surplus	15,992	-	16,243	-
3300 Retained earnings	(1,098,138)	(7)	1,284,545	8
3400 Other equity interest	(144,353)	(1)	(346,609)	(2)
Total equity attributable to owners of parent	<u>3,534,055</u>	<u>23</u>	<u>6,243,683</u>	<u>39</u>
36XX Non-controlling interests (Note 14)	<u>539,281</u>	<u>3</u>	<u>416,422</u>	<u>3</u>
Total equity	<u>4,073,336</u>	<u>26</u>	<u>6,660,105</u>	<u>42</u>
Total liabilities and equity	<u>\$ 15,496,883</u>	<u>100</u>	<u>\$ 15,919,807</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
4000	Operating revenue (Notes 29 and 36)	\$ 5,949,064	100	\$ 5,511,919	100
5000	Operating costs (Notes 11, 25, 30 and 36)	4,030,778	68	3,843,658	70
	Gross profit from operations	1,918,286	32	1,668,261	30
6000	Operating expenses (Notes 25, 30 and 36)	1,706,439	28	1,497,702	27
6450	Impairment loss determined in accordance with IFRS9 (Note 9)	1,018	-	13,437	-
	Net operating gain	210,829	4	157,122	3
	Non-operating income and expenses:				
7100	Interest income (Notes 31)	11,047	-	5,682	-
7010	Other income (Notes 7, 31 and 36)	248,048	4	346,482	6
7020	Other gains and losses, net (Notes 15, 16, 17, 18, 31 and 36)	(1,520,758)	(26)	(42,655)	(1)
7050	Finance costs (Notes 24, 31 and 36)	(246,880)	(4)	(224,123)	(4)
7060	Share of profit of associates accounted for using equity method (Note 12)	(204,508)	(3)	467,644	9
7900	(Loss) profit before tax	(1,502,222)	(25)	710,152	13
7950	Less: tax expenses (income) (Note 26)	248,024	4	(39,138)	(1)
	Net (loss) profit	(1,750,246)	(29)	749,290	14
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Losses on remeasurements of defined benefit plans	13,465	-	655	-
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income	-	-	14	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	37,270	1	(78)	-
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified subsequently	-	-	-	-
	Total other comprehensive income that will not be reclassified to profit or loss	50,735	1	591	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	13,945	-	(4,268)	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	152,686	3	(46,459)	(1)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total other comprehensive income that will be reclassified to profit or loss	166,631	3	(50,727)	(1)
8300	Other comprehensive income, net of tax	217,366	4	(50,136)	(1)
	Total comprehensive income	(\$ 1,532,880)	(25)	\$ 699,154	13

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Cotn'd)
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31			
		2022		2021	
		Amount	%	Amount	%
(Loss) profit attributable to:					
8610	Owners of parent	(\$ 1,655,102)	(28)	\$ 745,493	14
8620	Non-controlling interests	(95,144)	(1)	3,797	-
		(\$ 1,750,246)	(29)	\$ 749,290	14
Comprehensive (loss) income attributable to:					
	Owners of parent	(\$ 1,438,312)	(24)	\$ 695,498	13
	Non-controlling interests	(94,568)	(1)	3,656	-
		(\$ 1,532,880)	(25)	\$ 699,154	13
(Loss) earnings per share (Unit: NT\$) (Note 28)					
9750	Basic (loss) earnings per share	(\$ 3.29)		\$ 1.37	
9850	Diluted (loss) earnings per share	(\$ 3.29)		\$ 1.37	

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent									
						Total other equity interest				
	Share capital		Retained earnings			Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-control ling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings					
Balance at January 1, 2021	\$5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 571,377	(\$ 292,290)	(\$ 3,666)	\$ 6,276,616	\$ 468,907	\$6,745,523
Profit for year ended December 31, 2021	-	-	-	-	745,493	-	-	745,493	3,797	749,290
Other comprehensive income, for the year ended December 31, 2021	-	-	-	-	603	(50,620)	22	(49,995)	(141)	(50,136)
Total comprehensive income for the year ended December 31, 2021	-	-	-	-	746,096	(50,620)	22	695,498	3,656	699,154
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	54,042	-	(54,042)	-	-	-	-	-
Special reserve appropriated	-	-	-	68,155	(68,155)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(445,432)	-	-	(445,432)	-	(445,432)
Capital reduction	(278,395)	-	-	-	-	-	-	(278,395)	-	(278,395)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	(4,526)	-	-	(78)	-	-	(4,604)	(40,118)	(44,722)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	(8,623)	(8,623)
Loss of control over the subsidiary	-	-	-	-	55	-	(55)	-	(7,400)	(7,400)
Balance at December 31, 2021	\$5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	\$6,243,683	\$ 416,422	\$6,660,105

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity (Cotn'd)
(In Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
	Share capital					Total other equity interest					
						Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total equity attributable to owners of parent	Non-controlling interests	Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
Balance at January 1, 2022	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	-	\$ 6,243,683	\$ 416,422	\$ 6,660,105
(Loss) profit for year ended December 31, 2022	-	-	-	-	(1,655,102)	-	-	-	(1,655,102)	(95,144)	(1,750,246)
Other comprehensive income, for the year ended December 31, 2022	-	-	-	-	14,534	166,152	4,989	31,115	216,790	576	217,366
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	(1,640,568)	166,152	4,989	31,115	(1,438,312)	(94,568)	(1,532,880)
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	74,607	-	(74,607)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	50,654	(50,654)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(528,950)	-	-	-	(528,950)	-	(528,950)
Capital reduction	(528,950)	-	-	-	-	-	-	-	(528,950)	-	(528,950)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	(5,664)	-	-	-	(5,664)	(39,696)	(45,360)
Changes in subsidiaries	-	388	-	-	-	-	-	-	388	(388)	-
Changes in investments accounted for using equity method	-	-	-	-	(207,501)	-	-	-	(207,501)	(3,312)	(210,813)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	-	(5,927)	(5,927)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	266,750	266,750
Others	-	(639)	-	-	-	-	-	-	(639)	-	(639)
Balance at December 31, 2022	\$ 4,760,554	\$ 15,992	\$ 313,375	\$ 346,610	(\$ 1,758,123)	(\$ 176,758)	\$ 1,290	\$ 31,115	\$ 3,534,055	\$ 539,281	\$ 4,073,336

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows (used in) from operating activities:		
(Loss) profit before tax	(\$ 1,502,222)	\$ 710,152
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,332,870	1,315,987
Amortization expense	30,220	40,401
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	257,234 (	40,997)
Interest expense	247,542	224,123
Interest income	(11,047)	(5,682)
Dividend income	(66,154)	(28,408)
Share of profit of associates and joint ventures accounted for using equity method	204,508 (	467,644)
(Gain) loss on disposal of property, plant and equipment	(2,079)	4,722
Loss on disposal of investments	-	4,327
Impairment loss determined in accordance with IFRS9	1,018	13,765
Impairment loss on non-financial assets	1,222,110	95,699
Rent reductions listed as other income	(78,668)	(248,391)
Amounts from modification of lease contracts	(696)	(474)
Total adjustments to reconcile profit	3,136,858	907,428
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Increase in current financial assets at fair value through profit or loss	(369,262)	(538,812)
Decrease (increase) in notes receivable	83,245 (	8,000)
Decrease (increase) in accounts receivable	1,554 (	104,477)
Increase in accounts receivable due from related parties	(5,205)	(10,581)
(Increase) decrease in other receivable	(7,571)	13,702
Increase in inventories	(65,265)	(59,321)
Decrease (increase) in biological assets	2,306 (	8,982)
(Increase) decrease in prepayments	(38,354)	595
(Increase) decrease in other current assets	(163)	458
Decrease in other operating assets	2,222	2,358
Total changes in operating assets, net	(396,493)	(713,060)
Changes in operating liabilities, net:		
Increase (decrease) in contract liabilities	9,885 (	2,405)
Decrease in notes payable	(76,410)	(34,394)
Increase in accounts payable	97,877	67,104
Increase in other payable	37,243	60,498
(Decrease) increase in advance receipts	(5,227)	716
Increase in other current liabilities	5,226	6,001
Decrease in net defined benefit liability, non-current	(2,028)	(4,087)
Total changes in operating liabilities	66,566	93,433
Net changes in operating assets and liabilities	(329,927)	(619,627)
Total adjustments	2,806,931	287,801
Cash inflow generated from operations	1,304,709	997,953
Tax income refunded (paid)	4,767 (	16,006)
Net cash inflow from operating activities	1,309,476	981,947

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Cotn'd)
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2022	2021
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries	(\$ 45,360)	(\$ 44,722)
Proceeds from disposal of subsidiaries	-	28,266
Acquisition of property, plant and equipment	(958,014)	(230,410)
Proceeds from disposal of property, plant and equipment	1,141	1,655
Decrease (increase) in refundable deposits	128,050	(21,925)
Increase in other receivables	(24,400)	-
Increase in long-term notes receivable due from related parties	(76,510)	-
Decrease in long-term lease payments receivables	5,491	-
Acquisition of intangible assets	(13,217)	(11,026)
Increase in other financial assets	(65,159)	(15,744)
Increase in other non-current assets	(3,736)	(46,726)
Interest received	10,684	5,708
Dividends received	203,508	482,630
Net cash flows (used in) from investing activities	(837,522)	147,706
Cash flows from (used in) financing activities:		
Increase in short-term loans	1,303,499	254,792
Decrease in short-term loans	(1,019,494)	(203,642)
Increase in short-term notes and bills payable	270,000	80,000
Increase in long-term loans	2,196,542	662,891
Decrease in long-term loans	(948,418)	(230,858)
(Decrease) increase in notes payable	(21,851)	121,195
Decrease in guarantee deposits received	(132)	(289)
Payment of lease liabilities	(1,127,582)	(943,703)
Increase in long-term notes payable	92,663	26,470
Capital reduction	(528,950)	(278,395)
Issuance cash dividends	(534,877)	(454,055)
Interest paid	(289,162)	(250,833)
Changes in non-controlling interests	266,750	-
Net cash flows used in financing activities	(341,012)	(1,216,427)
Effect of exchange rate changes on cash and cash equivalents	21,506	(7,073)
Net increase (decrease) in cash and cash equivalents	152,448	(93,847)
Cash and cash equivalents at beginning of period	1,761,806	1,855,653
Cash and cash equivalents at end of period	\$ 1,914,254	\$ 1,761,806

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Notes To Consolidated Financial Statements

For The Years Ended December 31, 2022 And 2021

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Company history

Eastern Media International Corporation (the “Company”) was established on May 14, 1975 to promote the private port silo business, and its warehouse officially opened in 1980 with the completion of its silo. In order to enhance the operating performance and expand the business scope, the Company merged with Grain Union Transport Ltd. on May 15, 1989. The Company’s shares listed on the Taiwan Stock Exchange, classified in the shipping category, on September 25, 1995. As the proportion of revenue from shipping has declined years by years, and the proportion of revenue from trading has increased to more than 50% of overall revenue, the Company’s stocks have changed classification to the retail sales category. The transfer was approved by the Taiwan Stock Exchange on July 1, 2014. In June 2019, the Group terminated all of the lease contracts of its shipping operations in advance. Since none of the operating segments owns more than 50% of overall revenue, the Company’s stocks have changed classification to other category, which was approved by the Taiwan Stock Exchange on June 1, 2021.

The Company's business development is mainly based on diversification. In addition to land development, grain trading and consumer product development and sales, the Company has diversified into new businesses such as cross-strait trade platform and multimedia shopping through its investment in subsidiaries since 2009.

The main businesses of the Company and its subsidiaries (the “Group”) include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities, selling pet food and supplies, providing pet beauty service, video advertising services and the production of related shows.

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

3. New standards, amendments and interpretations adopted

- a. The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
 - Amendments to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”
 - Annual Improvements to IFRS Standards 2018–2020
 - Amendments to IFRS 3 “Reference to the Conceptual Framework”
- b. The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for

annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and liabilities arising from a Single Transaction”

c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 -Comparative Information”
- Amendments to IFRS 16 “Leases Liability in a Sale and leaseback”

4. Summary of significant accounting policies

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C. (hereinafter referred to as “IFRS endorsed by the FSC”).

b. Basis of consolidation

(a) Basis of preparation

Except for the following significant accounts, the consolidated financial statements have been prepared on a historical cost basis:

- (a-1) Financial instruments at fair value through profit or loss are measured at fair value;
- (a-2) Financial assets at fair value through other comprehensive income are measured at fair value;
- (a-3) The defined benefit liabilities (assets) are measured at the plan assets less the present value of the defined benefit obligation, limited as explained in Note 4u,

(b) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

c. Basis of consolidation

(a) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, 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.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income 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.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

When the Group loses control over a subsidiary, it derecognizes the assets (including any goodwill) and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any interest retained in the former subsidiary is measured at fair value when control is lost, with the resulting gain or loss being recognized in profit or loss. The Group recognizes as gain or loss in profit or loss the difference between (i) the fair value of the consideration received as well as any investment retained in the former subsidiary at its fair value at the date when control is lost; and (ii) the assets (including any goodwill), liabilities of the subsidiary as well as any related non-controlling interests at their carrying amounts at the date when control is lost, as gain or loss in profit or loss. When the Group loses control of its subsidiary, it accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if it had directly disposed of the related assets or liabilities.

(b) List of subsidiaries in the consolidated financial statements:

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	100.00%	100.00%	Note A

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	97.90%	Note A
The Company	Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	Investing activities	100.00%	100.00%	Note A (Note 6)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	Note A
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	Note A
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	Note A
The Company	Mohist Web Technology Co., Ltd. (MWT)	Application services	- %	- %	Note A (Note 3)
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	Note A
The Company	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	59.46%	- %	Note A (Note10)
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	Note B
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
ET New Media	Show Off Co., Ltd. (Show Off)	Video advertising service	- %	- %	Note C (Note 2)
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	26.43%	92.50%	Note B (Note 10)
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	Note C
ET New Media	Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	Amusementpark information leisure	100.00%	100.00%	Note C (Note 7)
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	Note C (Note 8)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen mu de tech)	Marketing, research and data collection	100.00%	100.00 %	Note C
ET New Media	MOOD Internet Corporation Limited (MOOD)	Consulting management, market research and opinion poll	100.00%	- %	Note C (Note 11)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	- %	88.51%	Note C (Note 4 and 9)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	- %	100.00%	Note C (Note 4 and 9)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	- %	100.00%	Note C (Note 4 and 9)

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2022	December 31, 2021	
ET Pet	Care Pet Bio-Tech Company (Care Pet Bio-Tech)	Pet food and supplies and providing pet beauty service	70.00 %	- %	Note C (Note 5)
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	Note C
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	Note C
FESS-Bermuda	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	8.77%	8.77%	Note C
Eastern Media Communication (Hong Kong)	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	91.23%	91.23%	Note C
RICHNESS TRADING (SHANGHAI)	Shanghai Rich Industry Ltd. (Shanghai Rich)	Producing and broadcasting TV programs, wholesale and retail groceries business	- %	- %	Note C (Note 1)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	Note C
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	Note C

Note A: The investee company is directly held over 50% by the Company

Note B: The investee company is directly held over 50% by the Group

Note C: The investee company is directly held over 50% by the Company's subsidiaries

Note 1: Shanghai Rich was liquidated on March 24, 2021.

Note 2: Show off was dissolved on July 30, 2020. The processure of liquidation was finished on July 9, 2021.

Note 3: The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, MWT. The share transfer resgistration procedures were finished on May 28, 2021.

Note 4: ET Pet resolved on November 4, 2021 to acquire the rest interests of 20% in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082. Additionally, the interests in Oscar were acquired partially. The company acquired 8.51% and 11.49% of the interests in December, 2021 and January, 2022, respectively.

Note 5: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 6: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 7: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 8: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 9: On September 23, 2022, ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet would be the surviving company. The reference date of merger was on November 1, 2022.

Note 10: On December 6, 2022, the board of directors of the subsidiary, ET Pet, resolved a capital injection by cash with an investment amount of \$500,000, and the reference date would be on December 26, 2022. The Company participated in the cash capital injection by \$416,250, and would obtain shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.

Note 11: On December 13, 2022, the ET New Media's Board of Directors resolved to invest \$50,000 in MOOD with a 100% shareholding. The registration procedures had been completed on December 27, 2022.

(c) Subsidiaries excluded from the consolidated financial statements: None.

d. Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional

currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to fair value through other comprehensive income equity investment, which are recognized in other comprehensive income.

(b) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future. Exchange differences arising thereon form part of the net investment in the foreign operation and are recognized in other comprehensive income.

e. Classification of current and non current assets and liabilities

An asset is classified as current under one of the following criteria and all other assets are classified as non-current.

- (a) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (b) It is held primarily for the purpose of trading;
- (c) It is expected to be realized within twelve months after the reporting period; or
- (d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

- (a) It is expected to be settled in the normal operating cycle;

- (b) It is held primarily for the purpose of trading;
- (c) It is due to be settled within twelve months after the reporting period; or
- (d) The Group does not have an unconditional right to defer settlement of at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

Since the operating cycles of EILF and TKLF are more than one year, the classification of balance sheet accounts depends on whether their realization or settlement will be within or beyond one year from the balance sheet date.

f. Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

g. Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(a) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a-1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any

loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(a-2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL :

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

(a-3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

(a-4) Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes :

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any

- related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

(a-5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial assets on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers :

- contingent events that would change the amount or timing of cash flows ;
- terms that may adjust the contractual coupon rate, including variable rate features ;
- prepayment and extension features ; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).

(a-6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivable, other receivable, refundable deposits and other financial assets).

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL :

- debt securities that are determined to have low credit risk at the reporting date ;
- and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not

increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade' which is considered to be BBB or higher per Standard & Poor's, Baa3 or higher per Moody's or twA or higher per Taiwan Ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 90 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data :

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 90 days past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

(a-7) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(b) Financial liabilities and equity instruments

(b-1) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(b-2) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(b-3) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

h. Program to be broadcast

The program to be broadcast is a video to be broadcast, a program to be broadcast, and a program to be produced. The videos to be broadcast and the programs to be broadcast are recognized at the original cost, and measured at the lower of unamortized cost and net realizable value. The programs to be produced are recognized on the base of actual input cost, and measured at the lower of cost and net realizable value.

i. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories includes expenditure incurred in acquiring the inventories and capitalized borrowing costs incurred in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

j. Biological assets

Biological assets shall be measured at fair value, except when the fair value of the biological assets determined by the market cannot be obtained and the alternative estimate of fair value is unreliable, then the cost is measured by the accumulated depreciation. The cost of raising the cost and other related costs are capitalized in the current period, and the impairment test is carried out regularly every year, and the impairment loss is recognized for objective evidence of impairment.

k. Investment subsidiary

Goodwill is measured at the consideration transferred less the amounts of the identifiable assets acquired and liabilities assumed (generally at fair value) at the acquisition date. If the amount of net assets acquired and liabilities assumed exceeds the acquisition price, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed, and recognizes a gain for the excess.

All transaction costs relating to a business combination are recognized immediately as expenses when incurred, except for the issuance of debt or equity instruments.

The Group shall measure any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other non controlling interests are evaluated by their fair value or by another basis permitted by the IFRSs endorsed by the FSC.

The change in ownership of the subsidiaries not causing losing control, are recognized as equity transaction. The Group recognizes directly in equity any difference between the carrying-amount of the investment and the fair value of the consideration paid or received.

1. Investment in associates

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of investment includes transaction costs. The carrying amount of investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group discontinues the use of the equity method and measures the retained interest at fair value from the date when its investment ceases to be an associate. The difference between the fair value of retained interest and proceeds from disposing, and the carrying amount of the investment at the date the equity method was discontinued is recognized in profit or loss. The Group accounts for all the amounts previously recognized in other comprehensive income in relation to that investment on the same basis as would have been required if the associates had directly disposed of the related assets or liabilities. If a gain or loss previously recognized in other comprehensive income would be reclassified to profit or loss (or retained earnings) on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) (or retained earnings) when the equity method is discontinued.

When the Group subscribes to additional shares in an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment will differ from the amount of the Group's proportionate interest in the net assets of the associate. The Group records such a difference as an adjustment to investments, with the corresponding amount charged or credited to capital surplus. The aforesaid adjustment should first be adjusted under capital surplus. If the capital surplus resulting from changes in ownership interest is not sufficient, the remaining difference is debited to retained earnings. If the Group's ownership interest is reduced due to the additional subscription to the shares of the associate by other investors, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate will be reclassified to profit or loss on the same basis as would be required if the associate had directly disposed of the related assets or liabilities.

m. Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(b) Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(c) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

Buildings	5 ~ 55 years
Transportation equipment	3 ~ 5 years
Leasehold improvements	1 ~ 20 years
Miscellaneous equipment	1 ~ 20 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

n. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise an extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets, including IT equipment. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a practical expedient, the Group elects not to assess whether all rent concessions that meets all the following conditions are lease modifications or not:

- the rent concessions occurring as a direct consequence of the COVID 19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease

- immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

(b) As a lessor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

o. Intangible assets

(a) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships, patents and trademarks, that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

(b) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditures, including expenditure on internally generated goodwill and brands, are recognized in profit or loss as incurred.

(c) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

Trademark rights	2~3 years
Computer software	1~10 years
Copyright	3 years
Client rights	3~10 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

p. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

q. Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

(a) Sale of goods

The Group is involved in TV shopping channels and E-commerce portal services, and sales of pet food and supplies and electronic tickets. Revenue can be reliably measured when the income is transferred, and future economic benefits are likely to be recognized as income when flowing into the company.

(b) Rendering of services

The Group is involved in loading and unloading, warehousing, ticket system construction and integration services, and recognizes relevant revenue during the financial reporting period of providing labor services.

In case of fixed-price contracts, the customer pays the fixed amount based on a payment schedule. If the services rendered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(c) Advertisement revenue

Advertising revenue is deducted from the agency commission and is recognized at the completion of the broadcast.

(d) Program authorization revenue

The program authorization revenue is recognized on an accrual basis based on the substance of the contract, or is recognized when the relevant program is delivered.

(e) Installment sales interest income

The Group engages in installment sales, wherein the amount exceeds the cash sales price, resulting in the difference to be recognized as unrealized interest income deducted to installment notes and accounts receivable, which interest is accounted for annually using the interest method over the installment period. The installment sales are transferred to the owner after the price has been fully paid.

r. Contract costs

Costs to fulfil a contract

If the costs incurred in fulfilling a contract with a customer are not within the scope of another Standard (for example, IAS 2 Inventories, IAS 16 Property, Plant and Equipment or IAS 38 Intangible Assets), the Group recognizes an asset from the costs incurred to fulfil a contract only if those costs meet all of the following criteria:

- (a) the costs relate directly to a contract or to an anticipated contract that the Group can specifically identify;
- (b) the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- (c) the costs are expected to be recovered.

General and administrative costs, costs of wasted materials, labor or other resources to fulfil the contract that were not reflected in the price of the contract, costs that relate to satisfied performance obligations (or partially satisfied performance obligations), and costs for which the Group cannot distinguish whether the costs relate to unsatisfied performance obligations or to satisfied performance obligations (or partially satisfied performance obligations), the Group recognizes these costs as expenses when incurred.

s. Employee benefits

(a) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(b) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding

requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

t. Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses that are related to business combinations or recognized directly in equity or other comprehensive income all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are not recognized except for the following:

- (a) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- (b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (c) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the

probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- (a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (b-1) the same taxable entity; or
 - (b-2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

u. Business combination

The Group accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Group recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

v. Earnings per share

The Group discloses the Company's basic and diluted earnings (loss) per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to the ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

w. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker

to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5. Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

- a. The Group is the single largest shareholder of an investee with less than 50% of the voting rights of it and concludes that the Group does not control but has significant influence over it.

It is stated in Note 12 that the Group is the single largest shareholder of EHS with 25.87% of the voting rights of the investee. Considering the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other shareholders and the voting patterns at previous shareholders' meetings, which indicate that other shareholders are not passive, the Group is not able to appoint more than half of the members of EHS's governing body. Therefore, the Group cannot direct the relevant activities of EHS and does not control EHS. Management of the Group considered the Group as exercising significant influence over EHS and; therefore, classified it as an associate of the Group.

It is stated in Note 12 that the Group is the single largest shareholder of Natural Beauty with 30% of the voting rights of the investee. After considering Natural Beauty is a listed company in Hong Kong, the independent executive directors and non-executive directors have the right to execute their own duty. Furthermore, the board of Natural Beauty directs the relevant activities, and no shareholder is able to appoint enough board members to direct the board's decision. Therefore, the Group cannot direct the relevant activities of Natural Beauty and does not control Natural Beauty. Management of the Group considered the Group as exercising significant influence over Natural Beauty and; therefore, classified it as an associate of the Group.

- b. Lease term

The Group determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee. The Group reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 17 and 24.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID 19 pandemic:

a. The loss allowance of trade receivables

The Group has estimated the loss allowance of trade receivables that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs. The relevant assumptions and input values, please refer to Note 9.

b. Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation, there may be significant changes in the net realizable value of inventories. Please refer to Note 11 for further description of the valuation of inventories.

c. Impairment of investments accounted for using equity method

The Group immediately recognizes impairment losses on its net investment in an associate when there is an indication that the investment may be impaired and the carrying amount may not be recoverable. The Group's management evaluates the impairment based on the estimated future cash flows expected to be generated by the associate, including assumptions on the growth rate of revenue and profit and also takes into consideration market conditions and industry development when evaluating the appropriateness of the relevant assumptions. Please refer to Note 12 for further description of the valuation of the impairment of investments accounted for using equity method.

d. Impairment of property, plant and equipment, and right-of-use assets

In the process of evaluating the potential impairment, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future income and expenses related to the specific asset groups considering of the nature of the industry. Any changes in these estimates based on changed economic conditions or business strategies and could result in significant impairment charges or reversal in future years. Refer to Note 16 and 17 for further description of the key assumptions used to determine the recoverable amount.

e. Impairment of goodwill

The assessment of impairment of goodwill requires the Group to make subjective judgments to identify CGUs, allocate the goodwill to relevant CGUs, and estimate the recoverable amount of relevant CGUs. Refer to Note 18 for further description of the impairment of goodwill.

f. Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions

and may have a material impact on the amount of the expense and the liability. Refer to Note 25 for further description of the actuarial assumptions and sensitivity analysis.

g. Revenue recognition

The Group records a refund liability using the expected value or the most likely amount for estimated future returns and other allowances in the same period the related revenue is recorded. Refund liability for estimated sales returns and other allowances is generally made and adjusted based on historical experience, market and economic conditions, and any other known factors that would significantly affect the allowance. The adequacy of estimations is reviewed periodically. The fierce market competition and evolution of technology could result in significant adjustments to the estimation made.

h. Recognition of deferred tax assets

As of December 31, 2022 and 2021, the carrying amounts of deferred tax assets in relation to unused tax losses were \$201,581 and \$445,416, respectively. As of December 31, 2022 and 2021, no deferred tax assets have been recognized on tax losses of \$1,251,804 and \$1,292,410, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

The Group's accounting policies include measuring financial and nonfinancial assets and liabilities at fair value through profit or loss.

The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

- Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data.

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to the following notes for assumptions used in measuring fair value:

- (a) Note 16, Property, plant and equipment.
- (b) Note 32, Financial instruments.

6. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	\$ 16,418	\$ 15,410
Cash in banks	1,513,294	979,918
Cash equivalents	384,542	766,478
	<u>\$ 1,914,254</u>	<u>\$ 1,761,806</u>

- a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$3,900, and \$17,715 which

did not meet the definition of cash and cash equivalents, were classified as other current financial assets for December 31, 2022 and 2021, respectively.

- b. Please refer to Note 32 for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

7. Financial assets at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	\$ 1,073,448	\$ 961,420

- a. Please refer to Note 31 for the remeasurement of fair value.
- b. For the years ended December 31, 2022 and 2021, the dividends from financial assets designated as at fair value through profit or loss were \$63,346 and \$26,895, respectively.
- c. As of December 31, 2022 and 2021, the amount of \$1,733 and \$440 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received by the Group as of the reporting date.
- d. Please refer to Note 37 for the details of the financial assets at fair value through profit or loss pledged as collateral.

8. Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity investments at fair value through other comprehensive income:		
Unlisted common shares domestic Company	\$ 7,510	\$ 7,510

- a. Equity investments at fair value through other comprehensive income

The Group designated the investments shown above as equity securities as at fair value through other comprehensive income because these equity securities represent those investments that the Group intends to hold for long-term for strategic purposes.

For the years ended December 31, 2022 and 2021, the Group recognized the dividends of \$2,808 and \$1,513 related to equity instruments measured at fair value through other comprehensive income, respectively.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2022 and 2021.

- b. For credit risk and market risk; please refer to Note 32 and 33.
- c. No financial assets mentioned above were pledged as collateral.

9. Notes and accounts receivable (including related parties)

	December 31, 2022	December 31, 2021
Notes receivable-generated from operation	\$ 5,143	\$ 5,785
Installment notes receivable	42,600	131,397
Accounts receivable	498,841	497,999
Long-term installment notes receivable	85,344	-
Less: Allowance for doubtful accounts	(50,197)	(52,019)
Unrealized interest revenue	(13,610)	(11,051)
	\$ 568,121	\$ 572,111

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected

credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provision in warehousing segment was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 33,675</u>	-	<u>\$ -</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 16,065</u>	-	<u>\$ -</u>

The loss allowance provision in trading segment was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 27,583	-	\$ -
More than 91 days past due	793	100%	793
	<u>\$ 28,376</u>		<u>\$ 793</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 20,328	-	\$ -
More than 91 days past due	782	100%	782
	<u>\$ 21,110</u>		<u>\$ 782</u>

The loss allowance provision in media segment was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 380,863	0~0.25%	\$ 931
1 to 30 days past due	11,078	0~12.09%	1,340
31 to 60 days past due	3,386	0~28.14%	953
More than 91 days past due	2,180	100~100%	2,180
	<u>\$ 397,507</u>		<u>\$ 5,404</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 408,469	0~0.21%	\$ 855
1 to 30 days past due	10,071	0~11.39%	1,145
31 to 60 days past due	374	0~26.54%	99
61 to 90 days past due	36	0~78.62%	28
More than 91 days past due	1,745	100~100%	1,745
	\$ 420,695		\$ 3,872

The loss allowance provision in other segments was determined as follows:

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision(Note)
Current	\$ 114,606	0.07~1.25%	\$ 1,429
More than 91 days past due	4	100~100%	4
	\$ 114,610		\$ 1,433

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision(Note)
Current	\$ 120,537	0~1.25%	\$ 537
More than 91 days past due	3	100~100%	3
	\$ 120,540		\$ 540

Note: As of December 31, 2022 and 2021, the receivables amounted to \$44,150 and \$45,720 were unrecoverable due to the financial difficulty of the customers. Therefore, the Group had recognized the allowance for doubtful accounts for all of its receivables.

The movement in the allowance for notes and accounts receivable was as follows:

	For the years ended December 31	
	2022	2021
Balance on January 1	\$ 52,019	\$ 39,803
Recognition of impairment losses	1,018	13,437
Impairment losses reversed	(1,570)	-
Amounts written off	(1,270)	(53)
Loss of control of the subsidiary	-	(1,168)
Balance on December 31	\$ 50,197	\$ 52,019

No financial assets mentioned above were pledged as collateral.

10. Other receivables and other notes receivable (including related parties)

	December 31, 2022	December 31, 2021
Other accounts receivable—loans to associates	\$ 54,400	\$ 30,000
Other accounts receivable—others	76,291	66,561
Less: Loss allowance	(1,817)	(1,817)
	\$ 128,874	\$ 94,744

- a. As of December 31, 2022 and 2021, there were no bills past due but not impaired of other receivables.
- b. For credit risk and market risk; please refer to Note 32 and 33.

11. Inventories

	December 31, 2022	December 31, 2021
Goods held for sale	\$ 414,248	\$ 329,335
Spare programs	-	15,264
Programs in progress	-	7,632
Raw materials and others (including fuel)	32,773	29,066
	\$ 447,021	\$ 381,297

- a. For the years ended December 31, 2021 due to the decrease in the net realizable value of inventories, the loss on inventory valuation the Group recognized was \$471.
- b. No inventories were pledged as collateral on December 31, 2022 and 2021, respectively.

12. Investments accounted for using equity method

- a. The Group's financial information for investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2022	December 31, 2021
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,300,901	\$ 1,905,459
Eastern Home Shopping & Leisure Co., Ltd (EHS)	65,613	504,022
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-
	\$ 1,366,514	\$ 2,409,481

- b. Affiliates which are material to the Group consisted of the following:

Affiliate Name	Within the Group Nature of Relationship	Main operating location	Proportion of shareholding and voting rights	
			December 31, 2022	December 31, 2021
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	25.87%

(a) Natural Beauty Bio-Technology Limited

Natural Beauty Bio-Technology Limited ("Natural Beauty") was one of the listing companies in Hong Kong Exchanges and Clearing Limited ("Hong Kong Exchange"). Its fair value is as follows:

	December 31, 2022	December 31, 2021
Fair value	\$ 1,300,901	\$ 1,215,030

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2022	December 31, 2021
Current assets	\$ 1,436,971	\$ 1,598,223
Non-current assets	1,998,172	1,703,915
Liabilities	(1,082,343)	(967,194)
Net assets	\$ 2,352,800	\$ 2,334,944
Net assets attributable to investee	\$ 2,352,800	\$ 2,334,944
	For the years ended December 31	
	2022	2021
Operating revenue	\$ 1,278,228	\$ 1,757,635
Net (loss) income	(\$ 112,270)	\$ 127,059
Other comprehensive (loss) income	(94,947)	62,804
Total comprehensive (loss) income	(\$ 207,217)	\$ 189,863
Comprehensive (loss) income attributable to investee	(\$ 207,217)	\$ 189,863
	For the years ended December 31	
	2022	2021
Share of net assets attributable to the Group of beginning balance	\$ 700,483	\$ 673,513
Comprehensive (loss) income attributable to the Group	(62,165)	56,959
Dividends received from associates	(6,826)	(6,471)
Effect of exchange rate fluctuations	74,348	(23,518)
Subtotal	705,840	700,483
Add: Goodwill	338,653	305,240
Trademark	306,062	275,864
Property, plant and equipment	500,046	465,145
Other intangible assets in useful life (e.g., memberships and patents, etc.)	163,180	169,415
Effect of exchange rate fluctuations	(22,848)	(706)
Less: adjustment for inventories	(11,075)	(9,982)
Impairment loss	(678,957)	-
Book value of net assets attributable to the Group of ending balance	\$ 1,300,901	\$ 1,905,459

(b) Eastern Home Shopping & Leisure Co., Ltd.

The following consolidated financial information of significant affiliates had been adjusted according to individually prepared IFRS financial statements of these affiliates:

	December 31, 2022	December 31, 2021
Current assets	\$ 4,774,859	\$ 4,572,514
Non-current assets	6,196,361	7,635,401
Liabilities	(10,709,994)	(9,944,589)
Net assets	\$ 261,226	\$ 2,263,326
Non-controlling interests, attributable to investee	\$ 7,584	\$ 314,919
Net assets attributable to investee	\$ 253,642	\$ 1,948,407
	For the years ended December 31	
	2022	2021
Operating revenue	\$ 24,656,410	\$ 27,200,172
Net income	(528,777)	1,843,015
Other comprehensive loss	141,635	(34,712)
Total comprehensive income	(\$ 387,142)	\$ 1,808,303
Comprehensive income (loss), attributable to non-controlling interests	(\$ 16,903)	\$ 26,269
Comprehensive income attributable to investee	(\$ 370,239)	\$ 1,782,034
	For the years ended December 31	
	2022	2021
Share of net assets attributable to the Group of beginning balance	504,022	491,228
Comprehensive income attributable to the Group	(95,775)	460,985
Dividends received from associates	(131,821)	(448,191)
Changes in investments accounted for using equity method	(210,813)	-
Share of net assets attributable to the Group of ending balance	\$ 65,613	\$ 504,022

- c. Nature Beauty had been continuously affected by the Covid-19 pandemic, leading to a decline in revenue in Taiwan and China. In addition, the escalating trade war between the US and China, which has evolved into a diplomatic war, has caused the Chinese economy to slow down and the possibility of a recession due to debt defaults and inflation in the real estate industry. Overall, the profitability of the investment could not compare to that at the time of acquisition. Therefore, the management of the Group carried out an impairment test for these investments, comparing the carrying amount of the investment with its recoverable amount. In determining the value in use of the investment, the Group estimated the present value of the cash flows arose from the operation of the invested company and from the ultimate disposal by using the discount rate 8.86%. Based on the assessment, the carrying amount of Natural Beauty was higher

than its recoverable amount. Therefore, the Group recognized impairment loss of \$678,957 in 2022.

- d. Please refer to Note 37 for the details of the investments accounted for using equity method pledged as collateral.

13. Acquire a subsidiary

- a. In order to enhance its market share and competitiveness in the pet industry, the consolidated subsidiary, ET Pet, resolved on November 4, 2021 to acquire the rest 20% interests in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082, making ET Pet hold 100% interests of these three companies. As of the reporting date, the transactions mentioned above were completed and the investment was fully paid. The acquisition was as follow:

Subsidiary	December 3, 2021			January 3, 2022		
	Investment amount	Shares/ Units	Proportion of shareholding	Investment amount	Shares/ Units	Proportion of shareholding
Oscar	\$ 33,586	518,300	8.51%	\$ 45,360	700,000	11.49%
Pet Kingdom	9,161	860,000	20%	-	-	- %
Kaou Sin	<u>1,975</u>	20,000	20%	<u>-</u>	-	- %
	<u>\$ 44,722</u>			<u>\$ 45,360</u>		

The influence on equity attributable to owners of parent was as follow:

	For the Year Ended December 31	
	2022	2021
Non-controlling interests carrying amount	\$ 38,574	\$ 39,205
Investment amount	(45,360)	(44,722)
Subtotal	(6,786)	(5,517)
Less: Changes in non-controlling interests	(1,122)	(913)
	<u>(\$ 5,664)</u>	<u>(\$ 4,604)</u>

Please refer to Note 27 for the details.

On September 23, 2022, ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet would be the surviving company. As these three companies were held 100% by ET Pet, there was no need to release new shares to merge. The capital of ET Pet still remained \$200,000. The reference date of merger would be on November 1, 2022

- b. On November 4, 2021, the board of directors of the consolidated subsidiary, EHR, resolved a capital injection by cash with an investment amount of \$200,000, and the reference date was on December 15, 2021. This capital injection was participated by the Company, EILF, TKLF and EIC in proportion to the shareholding ratio. The registration was completed on January 6, 2022.
- c. On March 16, 2022, the ET Pet's board of directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase of \$3,000 on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.
- d. On September 5, 2022, the board of directors of the consolidated subsidiary, Eastern Asset, resolved a capital injection by cash with an investment amount of \$400,000, and

the reference date would be on October 7, 2022. This capital injection was participated by the Company and EHS in proportion to the shareholding ratio. The registration was completed on November 1, 2022.

- e. On August 2, 2022, the consolidated subsidiary, Dung sen shin guang yun, was approved to hold capital injection by cash with an investment amount of \$2,900, and the reference date was on September 1, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registration was completed on September 26, 2022.
- f. On August 4, 2022, the consolidated subsidiary, Dung sen shin guang yun, was approved to hold capital injection by cash with an investment amount of \$4,000, and the reference date was on August 15, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registration was completed on September 6, 2022.
- g. On December 6, 2022, the board of directors of the subsidiary, ET Pet, resolved a capital injection by cash with an investment amount of \$500,000, and the reference date would be on December 26, 2022. The Company participated in the cash capital injection by \$416,250, and obtained shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.
- h. On December 13, 2022, the ET New Media's board of directors resolved to invest \$50,000 in MOOD with 100% shareholding. The registration procedures had been completed on December 27, 2022.

14. Material non-controlling interests of subsidiaries

Non-controlling interests of subsidiaries material to the Group are as follows:

Subsidiary name	Main operating location	Percentage of non-controlling interests	
		December 31, 2022	December 31, 2021
Eastern Asset	Taiwan	45.00%	45.00%

The following information of the aforementioned subsidiaries had been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information were the fair value adjustment and accounting policies adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

The financial information of Eastern Asset was as follows:

	December 31, 2022	December 31, 2021
Current assets	\$ 555,076	\$ 253,631
Non-current assets	2,245,918	1,542,669
Current liabilities	(119,519)	(5,390)
Non-current liabilities	(1,394,508)	(892,705)
Net assets	<u>\$ 1,286,967</u>	<u>\$ 898,205</u>

	For the years ended December 31	
	2022	2021
Operating revenue	\$ -	\$ -
Net loss	(\$ 11,238)	(\$ 1,366)
Other comprehensive income	-	-
Total comprehensive loss	(\$ 11,238)	(\$ 1,366)
Net cash flows used in operating activities	(\$ 45,772)	(\$ 7,477)
Net cash flows used in investing activities	(575,658)	(16,151)
Net cash flows used in financing activities	887,182	(40,062)
Net increase (decrease) in cash and cash equivalents	\$ 265,752	(\$ 63,690)

15. Loss of control of subsidiaries

- a. The Group liquidated its subsidiaries, Shanghai Rich on March 24, 2021, and lost control over Shanghai Rich due to the disposal.
- b. The Company resolved on May 6, 2021 to dispose of the entire equity in the subsidiary, MWT with the price \$35,400. After deducting relevant fees \$106, the net price was fully received on May 10, 2021. The share transfer registration procedures were finished on May 28, 2021, and lost control over MWT since then. The loss on disposal of the investment was amounted to \$4,327. The unrealized losses on financial assets measured at fair value through other comprehensive income relating to MWT amounted to \$55 were also reclassified to retained earnings. Please refer to Note 18 for the details of transfer of goodwill generated from MWT.

The carrying amount of assets and liabilities of MWT on May 28, 2021, was as follows:

Cash and cash equivalents	\$ 7,028
Inventories	22,733
Accounts receivable and other accounts receivable	12,783
Other current assets	20,962
Property, plant and equipment	1,082
Right-of-uses assets	1,893
Other non-current assets	3,459
Short term loans	(20,000)
Accounts payable and other accounts payable	(5,664)
Current lease liabilities	(645)
Other current liabilities	(27,145)
Non-current lease liabilities	(1,235)
Guarantee deposits received	(149)
Carrying amount of net assets	<u>\$ 15,102</u>

- c. The Group liquidated its subsidiary, Show off on July 9, 2021, and lost control over it due to the liquidation.
- d. The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.
- e. ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

16. Property, plant and equipment

- a. The cost, depreciation, and impairment loss of the property, plant and equipment of the Group were as follows:

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Cost or deemed cost:								
Balance on January 1, 2022	\$ 596,742	\$ 1,024,259	\$ -	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Additions	29,236	88	-	1,437	143,865	906,652	51,482	1,132,760
Transfers	-	-	-	-	62,000	18,191	3,435	83,626
Disposals / Written-off	-	-	-	(10,245)	(70,311)	-	(176,634)	(257,190)
Balance on December 31, 2022	\$ 625,978	\$ 1,024,347	\$ -	\$ 16,161	\$ 860,157	\$ 1,160,086	\$ 250,472	\$ 3,937,201
Balance on January 1, 2021	\$ 596,742	\$ 1,024,477	\$ 3,674	\$ 41,326	\$ 502,263	\$ 163,714	\$ 347,381	\$ 2,679,577
Loss of control of the subsidiary	-	-	-	(450)	-	-	(5,084)	(5,534)
Additions	-	678	-	1,277	132,504	73,593	68,946	276,998
Transfers	-	-	-	-	115,316	(2,064)	839	114,091
Disposals	-	(896)	(3,674)	(17,184)	(25,480)	-	(39,893)	(87,127)
Balance on December 31, 2021	\$ 596,742	\$ 1,024,259	\$ -	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Depreciation and impairment loss:								
Balance on January 1, 2022	\$ -	\$ 801,196	\$ -	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Depreciation	-	6,922	-	3,759	113,930	-	58,181	182,792
Transfers	-	-	-	-	-	-	-	-
Disposals / Written-off	-	-	-	(9,580)	(68,657)	-	(176,557)	(254,794)
Impairment loss	-	175,511	-	-	-	-	-	175,511
Balance on December 31	\$ -	\$ 983,629	\$ -	\$ 8,797	\$ 217,140	\$ -	\$ 107,317	\$ 1,316,883
Balance on January 1, 2021	\$ 5,740	\$ 654,298	\$ 3,674	\$ 27,380	\$ 105,579	\$ -	\$ 213,222	\$ 1,009,893
Loss of control of the subsidiary	-	-	-	(450)	-	-	(4,002)	(4,452)
Depreciation	-	56,981	-	4,872	86,822	-	54,948	203,623
Transfers	-	-	-	-	-	-	(13)	(13)
Disposals	-	(896)	(3,674)	(17,184)	(20,534)	-	(38,462)	(80,750)
(Reversal of) Impairment loss	(5,740)	90,813	-	-	-	-	-	85,073
Balance on December 31	\$ -	\$ 801,196	\$ -	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Carrying amounts:								
December 31, 2022	\$ 625,978	\$ 40,718	\$ -	\$ 7,364	\$ 643,017	\$ 1,160,086	\$ 143,155	\$ 2,620,318
January 1, 2021	\$ 591,002	\$ 370,179	\$ -	\$ 13,946	\$ 396,684	\$ 163,714	\$ 134,159	\$ 1,669,684
December 31, 2021	\$ 596,742	\$ 223,063	\$ -	\$ 10,351	\$ 552,736	\$ 235,243	\$ 146,496	\$ 1,764,631

- b. For the year ended December 31, 2021, the decrease in the Group's property, plant and equipment due to the loss of control over the subsidiary was described in Note 15.
- c. In March 2020, the Group signed a land rights contract with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-Owned Property Department of the Ministry of Finance in the form of land lease rights; and it has completed the establishment of land rights as of April 13, 2020. It is expected to be used for the construction of Eastern Media Group headquarters. The cost invested in the planning and construction is recognized under property, plant and equipment. In addition, please refer to Note 17 for the details of the lease of land rights.
- d. The subsidiary-EHR resolved to reconstruct its real estate in the extraordinary general meeting in 2021 and appointed Formosa international hotels corporation to manage resorts in Yilan. EHR recognized impairment loss of \$85,073 due to the reconstruction in 2021. During the period, the professional team carefully planned the construction project. However, as of December 2022, EHR had been unable to obtain a construction license. After reassessment, the company planned to submit a new application for reconstruction urban unsafe and old buildings. Due to the change in construction purpose, all of the basements of the building would need to be demolished. Therefore, EHR recognized impairment loss of \$175,511 as the same amount of the book value of the basements in 2022. Please refer to Note 31 for the details.

- e. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the interest expenses of loans during the planning and construction period will be capitalized. The interest rates were at 2.87%~3.14%. Details are as follows:

	For the years ended December 31	
	2022	2021
Interest expense on loans	\$ 3,763	\$ -

- f. The fair values of parts of the Group's land, and buildings on December 31, 2021 were measured by the third-level input value of the expert report of the real estate appraiser. The evaluation is based on a comprehensive consideration of the comparative method, the cost method and the land development analysis method. After the estimation, there was no indication of impairment in 2021.
- g. Please refer to Note 37 for the details of the property, plant and equipment pledged as collateral.

17. Right-of-use assets

- a. The cost, depreciation, and impairment loss of the land and equipment, buildings, media exhibition boards and transportation equipment of the Group were as follows:

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
Right of use asset costs:					
Balance on January 1, 2022	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Additions	97,027	428,526	959,467	1,049	1,486,069
Write off - lease modification	(59)	(56,348)	(155,917)	-	(212,324)
Write off - lease ending	-	(174,121)	(1,088,870)	-	(1,262,991)
Write off - sublease	-	(46,335)	-	-	(46,335)
Balance on December 31, 2022	\$ 5,330,416	\$ 1,396,176	\$ 2,514,947	\$ 6,681	\$ 9,248,220
Balance on January 1, 2021	\$ 5,233,445	\$ 1,085,759	\$ 2,763,333	\$ 4,732	\$ 9,087,269
Loss of control of the subsidiary	-	(992)	-	(1,492)	(2,484)
Additions	-	225,127	36,892	2,392	264,411
Write off - lease modification	3	(34,058)	42	-	(34,013)
Write off - lease ending	-	(31,382)	-	-	(31,382)
Balance on December 31, 2021	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Accumulated depreciation and impairment losses:					
Balance on January 1, 2022	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Depreciation	228,301	226,911	716,176	2,143	1,173,531
Impairment loss	-	-	-	-	-
Write off - lease modification	-	(34,619)	(19,864)	-	(54,483)
Write off - lease ending	-	(174,121)	(1,088,870)	-	(1,262,991)
Write off - sublease	-	(427)	-	-	(427)
Balance on December 31, 2022	\$ 896,993	\$ 480,408	\$ 1,454,498	\$ 3,941	\$ 2,835,840

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
Accumulated depreciation and impairment losses:					
Balance on January 1, 2021	\$ 441,315	\$ 297,986	\$ 1,136,693	\$ 598	\$ 1,876,592
Loss of control of the subsidiary	- (	83)	- (	508)	(591)
Depreciation	227,377	206,041	699,768	1,708	1,134,894
Impairment loss	-	-	10,595	-	10,595
Write off - lease modification	- (	9,898)	-	- (	9,898)
Write off - lease ending	- (	31,382)	-	- (	31,382)
Balance on December 31, 2021	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Carrying amounts:					
December 31, 2022	\$ 4,433,423	\$ 915,768	\$ 1,060,449	\$ 2,740	\$ 6,412,380
January 1, 2021	\$ 4,792,130	\$ 787,773	\$ 1,626,640	\$ 4,134	\$ 7,210,677
December 31, 2021	\$ 4,564,756	\$ 781,790	\$ 953,211	\$ 3,834	\$ 6,303,591

- b. In March 2020, Group subsidiary Eastern Asset cooperated with the Economic Development Bureau of the New Taipei City Government and the North District Office of the State-owned Property Administration on the “Linkou International Media Park Investment Promotion Project” and signed a contract to establish land usage rights. The duration of the land usage rights is 50 years from the date of registration of the land usage, and the land usage was set up on April 13, 2020. During the duration of the contract, Eastern Asset shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price.

Eastern Asset also signed an investment contract with the Economic Development Bureau of New Taipei City Government in March 2020. The main contents of the contract are as follows:

- (a) Development and operation period: 50 years from the date of establishment and registration of land usage rights.
 - (b) Development royalties: The total amount is \$200,000 under the right-of-use assets account.
 - (c) Operating royalties: Starting from the date of operation, the actual net operating income of each base for the year is multiplied by the percentage of operating royalties contained in the contract to the net operating income to calculate the actual operating royalties payable by each base.
 - (d) Performance bond: The performance bond has been paid according to the contract amounting to \$200,000 under the guarantee deposits paid account. However, on September 6, 2022, the guarantee deposits paid account was retrieved and replaced it with a joint performance bond issued by the bank also amounting to \$200,000.
- c. In May 2022, the Company signed a contract with the North District Office of the State-owned Property Administration to establish land usage rights. The duration of the land usage rights is 70 years from the date of registration, and the land usage was set up on May 3, 2022. In the duration of the contract, the Company shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price. While constructing the areas, the cost would be listed under property, plant and equipment. Please refer to Note 16 for the details
- d. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the

depreciation expenses of the right-of-use assets and the interest expenses of lease liabilities during the planning and construction period will be capitalized. The interest rates were at 2.75%~3.25%. Details are as follows:

	For the years ended December 31	
	2022	2021
Right-of-use assets depreciation expense	\$ 23,453	\$ 22,530
Interest expense on lease liabilities	\$ 24,555	\$ 24,009

The above accounts are listed under property, plant and equipment. Please refer to Note 16 for details.

- e. In July, 2022, Care Pet Bio-Tech subleased its leasehold properties partially in financial leasing, and the initial investments were \$45,908. The durations of subleases were the same as the original leases. The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31, 2022	December 31, 2021
Within 1 year	\$ 12,366	\$ -
1-3 years	19,185	-
3-5 years	10,613	-
More than 5 years	943	-
Total subleasing investment	43,107	-
Unearned finance income	(2,689)	-
Lease payments receivables (current and non-current)	\$ 40,418	\$ -

For credit risk; please refer to Note 32.

- f. Impairment losses

The media segment was affected by the Covid-19 pandemic, which caused a decline in advertising business. The Group expects that the future cash inflow generated by outdoor advertising boards will decrease, causing its recoverable amount to be less than the book value of the right-of-use assets. Therefore, for the years ended December 31, 2021, the impairment loss recognized was \$10,595. The impairment loss has been included in the other gains and losses net of the consolidated comprehensive income statement; please refer to Note 31.

The recoverable amount of outdoor advertising boards is calculated based on the value in use, and the value in use in turn is calculated based on the pre-tax cash flow forecast of the financial forecast for the remaining lease period of the outdoor advertising boards. The discount rate used to estimate the value in use was 7.02%. The discount rate is a pre-tax rate measured on the basis of the estimated industry weighted average cost of capital, and the risk premium is adjusted to reflect the increased risk of general investment in equity and the specific systemic risk of cash-generating units.

The cash flow estimation is based on the financial budget of the remaining lease period of the outdoor advertising boards estimated by the management. The estimation of EBITDA during the financial budget period is based on past experience, actual operating results and future lease expiry dates. Considering the nature of the outdoor media business, the management believes that the aforementioned forecast period is reasonable. The relevant operating income is estimated based on past experience and actual operating conditions, taking into account the market environment and the growth of the industry market. It also estimates operating costs and expenses based on past experience and changes in various costs and expenses, and calculates the recoverable

amount using the pre-tax discount rate. The values of these key assumptions represent the management's assessment of the future trend of the outdoor media space operation business, while taking external and internal information (historical information) into account.

g. Please refer to Note 37 for the details of the right-of-use assets pledged as collateral.

19. Intangible assets

a. The cost, depreciation, and impairment loss of the Intangible assets of the Group were as follows:

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
Cost:						
Balance on January 1, 2022	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Additions	-	3,428	-	12,467	603	16,498
Disposal	(79,165)	(267,021)	(73,169)	(16,097)	(13,563)	(449,015)
Based on December 31, 2022	\$ -	\$ 8,357	\$ -	\$ 58,979	\$ 6,629	\$ 73,965
Balance on January 1, 2021	\$ 111,084	\$ 271,695	\$ 73,169	\$ 53,856	\$ 19,290	\$ 529,094
Additions	-	255	-	9,562	1,166	10,983
Disposal	-	-	-	(809)	(867)	(1,676)
Loss of control of the subsidiary	(31,919)	-	-	-	-	(31,919)
Based on December 31, 2021	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Amortization and impairment loss:						
Balance on January 1, 2022	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Amortization for the period	-	1,738	7,317	16,126	5,039	30,220
Disposal	(79,165)	(267,021)	(73,169)	(16,097)	(13,563)	(449,015)
Impairment loss	79,165	239,088	49,389	-	-	367,642
Based on December 31, 2022	\$ -	\$ 5,500	\$ -	\$ 39,025	\$ 4,838	\$ 49,363
Balance on January 1, 2021	\$ -	\$ 16,518	\$ 9,146	\$ 27,551	\$ 8,545	\$ 61,760
Amortization for the period	-	15,177	7,317	12,223	5,684	40,401
Disposal / Written-off	-	-	-	(809)	(867)	(1,676)
Impairment loss	-	-	-	31	-	31
Based on December 31, 2021	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Carrying amounts:						
December 31, 2022	\$ -	\$ 2,857	\$ -	\$ 19,954	\$ 1,791	\$ 24,602
January 1, 2021	\$ 111,084	\$ 255,177	\$ 64,023	\$ 26,305	\$ 10,745	\$ 467,334
December 31, 2021	\$ 79,165	\$ 240,255	\$ 56,706	\$ 23,613	\$ 6,227	\$ 405,966

b. For the year ended December 31, 2021, due to the loss of control of the subsidiary, the goodwill decreased of \$31,919. Please refer to Note 15 for the details.

c. The allocation of goodwill was as follows:

	December 31 , 2022	December 31 , 2021
Retail business	\$ -	\$ 79,165

d. Trademark, Client rights, brand values and Supplier contracts

The Group measured the fair value of the net assets at acquisition date and evaluated the fair value and durability of intangible assets which were met the standard and significant. The identifiable intangible assets with determined durability would amortize since the acquisition year.

e. The impairment evaluation of goodwill

Goodwill had been allocated to the acquirer's identifiable cash generating units. The recoverable amount was based on its value in use, determined by pre tax cash flow forecasts of five-year financial budgets approved by the management.

The discount rate adopted by the management was a pre-tax rate that reflected the specific risks of the relevant operating departments.

On October 1, 2019, the goodwill, trademarks and client rights were generated due to the acquisition of Oscar, Pet Kingdom and Kaou Sin. The brands of the three companies remained to be used, but their revenue and profits did not meet expectations. In 2022, based on considerations of resource integration and long-term development, the original brands of pet stores were gradually replaced by "ET Pet". Afterwards, Oscar, Pet Kingdom and Kaou Sin were dissolved. Furthermore, the original brands would not be used in the future. Therefore, after evaluating the recoverable amount of related intangible assets, which was lower than their carrying amount, the Group recognized impairment loss of \$367,642 in 2022. Please refer to Note 31 for the details.

The recoverable amount was based on its value in use. In determining the value in use of the intangible assets, the management of ET Pet estimated the present value of pre tax cash flow forecasts of five-year financial budgets by using the discount rate 8.35% and growth rate 2%. The discount rate the management adopted was a pre tax measure reflecting specific risks of the relative operating divisions.

The management believed that any reasonable changes to key assumptions used for determining recoverable amount of each cash generating unit would not cause its carrying amount greater than the recoverable amount. The recoverable amount determined under aforesaid the key assumptions comparing with the carrying amount of the assets used for operation and the goodwill on the valuation date, ended up with no impairment loss should be recognized for the year ended December 31, 2021.

19. Short-term loans

Details of short-term loans of the Group were as follows:

	December 31, 2022	December 31, 2021
Unsecured bank loans	\$ 2,450	\$ 49,500
Secured bank loans	375,000	43,945
Total	<u>\$ 377,450</u>	<u>\$ 93,445</u>
Unused credit lines	<u>\$ 1,614,550</u>	<u>\$ 1,666,607</u>

- a. For the year ended December 31, 2021, the reduction of short-term loans was due to the loss of control of the subsidiary. The information please refer to Note 15.
- b. Please refer to Note 37 for the details of the related assets pledged as collateral.
- c. Please refer to Note 21 for the details of the interest rates.

20. Short-term notes and bills

Details of short-term notes and bills of the Group were as follows:

	December 31, 2022	December 31, 2021
No guarantees to pay commercial promissory notes	\$ 350,000	\$ 80,000
Less: discount amount	(573)	(152)
Carrying amount	<u>\$ 349,427</u>	<u>\$ 79,848</u>
Unused credit lines	<u>\$ 300,000</u>	<u>\$ 330,000</u>

Please refer to Note 21 for the details of the interest rates.

21. Notes payable (including related parties)

	December 31, 2022	December 31, 2021
Generated from operation	\$ 11,163	\$ 4,539
Non-generated from operation	164,548	185,922
	\$ 175,711	\$ 190,461

- a. Notes payable which were not generated from operation were 12 periods of repayment checks issued to the leasing company. Since there were demands for short-term working capital of the Group, the Group signed loan contracts with leasing companies. The loaning duration was lasting for one year.
- b. The interest rates in short-term loans, short-term notes and bills and notes payable are 1.53%~3.25% and 2.00%~3.00% on December 31, 2022 and 2021, respectively.

22. Long-term loans

Details, conditions, and terms of long-term loans of the Group were as follows:

	December 31, 2022	December 31, 2021
Unsecured loans	\$ 35,000	\$ 99,948
Secured bank loans	2,461,457	1,148,385
Less: Current portion	(151,211)	(910,549)
Fees	(22,673)	(6,659)
Total	\$ 2,322,573	\$ 331,125
Duration year	112~126	111~118
Unused credit lines	\$ 4,742,567	\$ 4,453,609

- a. Please refer to Note 23 for the details of the interest rates.
- b. Please refer to Note 37 for the details of the related assets pledged as collateral.

23. Long term notes and accounts payable

	December 31, 2022	December 31, 2021
Generated from operation	\$ 17,300	\$ 99,302
Non-generated from operation	183,964	92,779
Less: Current portion	(171,264)	(156,238)
	\$ 30,000	\$ 35,843

- a. Long-term notes payable were 18 and 24 periods of repayment checks. Since there were demands for working capital of the Group, the Group signed installment purchase contracts.
- b. The interest rates in long-term loans and long-term notes and accounts payable are 2.43%~4.52% and 1.80%~3.94% on December 31, 2022 and 2021, respectively.

24. Lease liabilities

Book value of the Group's lease liabilities were as follows:

	December 31, 2022	December 31, 2021
Current	\$ 1,083,123	\$ 1,066,678
Non-current	\$ 5,425,792	\$ 5,320,955

For the maturity analysis, please refer to Note 32.

Lease amounts recognized as profit or loss were as follows:

	For the years ended December 31	
	2022	2021
Interest on lease liabilities	\$ 162,495	\$ 178,621
Interest capitalized on lease liabilities	\$ 24,555	\$ 24,009
Variable lease payments not included in the measurement of lease liabilities	\$ 33,254	\$ 31,681
Expenses relating to short term leases	\$ 323,381	\$ 295,301
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ 1,181	\$ 1,347
Covid-19 related rent concessions recognized as other income	(\$ 78,668)	(\$ 248,391)

Lease amounts recognized in the Statements of Cash Flows were as follows:

	For the years ended December 31	
	2022	2021
Total cash outflow for leases	\$ 1,672,448	\$ 1,474,662

- a. For the nine months ended September 30, 2021, the reduction of lease liabilities was due to the loss of control of the subsidiary. The information please refer to Note 15.
- b. For the years ended December 31, 2022 and 2021, newly added lease liabilities amounted to \$1,486,069 and \$264,411, respectively, and the interest rates were 2.75%~3.25%. Lease period ending dates extend from February 2023 to May 2092. However, for the years ended December 31, 2022 and 2021, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$158,537 and \$24,589, respectively. The information on modifications of the Group's lease contracts, please refer to Note 17 and 31.
- c. Leases of land and equipment, and buildings

As of December 31, 2022 and 2021, the Group leased land and buildings for its warehousing operations, office space and retail stores, and the land rights of the group headquarters. The leases of office space typically run for a period of 20 years, retail stores for 1 to 10 years, and land usage rights for 50 to 70 years. Some leases included an option to renew the lease for an additional period of the same duration after the end of the contract term.

The Group subleased its leasehold properties partialy in financial leasing. Please refer to Note 17 for the details.

Some leases of office buildings contained extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

- d. Other leases

The Group leases outdoor advertising boards and transportation equipment with lease terms of three to five years. In some cases, the Group has options to extend lease terms at the end of the contract term.

The Group also leases IT equipment and machinery with contract terms of one to three

years. These leases are short-term or leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

25. Employee benefits

a. Defined benefit plans

The Group determined the movement in the present value of the defined benefit obligations and fair value of plan assets as follows:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	\$ 131,378	\$ 143,259
Fair value of plan asset	(129,579)	(122,283)
Net defined benefit liabilities	\$ 1,799	\$ 20,976

(a) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$129,579 as of December 31, 2022. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(b) Movements in present value of the defined benefit obligations

The movement in present value of the defined benefit obligations for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	2021
Defined benefit obligations on January 1	\$ 143,259	\$ 148,076
Current service cost and interest	2,360	1,903
Remeasurements of the net defined benefit liability:		
—Actuarial (losses) gains due to experience adjustments	(3,948)	1,324
Benefits paid by the plan	(6,981)	(8,044)
Others	(3,312)	-
Defined benefit obligations on December 31	\$ 131,378	\$ 143,259

(c) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	2021
Fair value of plan assets on January 1	\$ 122,283	\$ 122,359
Interest revenue	784	232
Remeasurements of the net defined liability:		
—Return on plan assets (excluding interest for the period)	9,517	1,979
Contributions made from employer	3,582	5,757
Benefits paid by the plan	(6,556)	(8,044)
Refund	(31)	-
Fair value of plan assets on December 31	\$ 129,579	\$ 122,283

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	2021
Service cost of the period	\$ 1,466	\$ 1,617
Net interest on net defined benefit liability	110	54
	\$ 1,576	\$ 1,671
Operating cost	\$ 1,095	\$ 1,011
General and administrative expense	481	660
	\$ 1,576	\$ 1,671

(e) Actuarial valuations

The principal actuarial assumptions at the reporting date were as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.09%	0.61%~0.64%
Future salary increase	1.00%	0.50%~1.00%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$2,657.

The weighted-average lifetime of the defined benefits plans is 2 years.

The defined benefit plans were paid off partially in December 2022.

(f) Sensitivity analysis

When calculating the present value of the defined benefit obligations, the Group uses judgments and estimations to determine the actuarial assumptions, including employee turnover rates and future salary changes, as of the financial statement date. Any changes in the actuarial assumptions may significantly impact the amount of the defined benefit obligations.

As of December 31, 2022 and 2021, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2022		
Discount of 0.50%	(\$ 1,112)	\$ 1,679
Future salary change of 0.50%	1,658	(1,118)
December 31, 2021		
Discount of 0.50%	(\$ 1,813)	\$ 7,206
Future salary change of 0.50%	7,142	(1,773)

The sensitivity analysis assumed all other variables remain constant during the measurement. This may not be representative of the actual change in defined benefit obligation as some of the variable may be correlated in the actual situation. The model used in the sensitivity analysis is the same as the defined benefit obligation liability.

The analysis is performed on the same basis for prior year.

b. Defined contribution plans

The Group contributed 6% of the employees' monthly wages to the Labor Pension personal accounts at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. The Group contributed a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

For the years ended December 31, 2022 and 2021, the Group contributed \$53,623 and \$55,116, respectively, under the pension plan to the Bureau of Labor Insurance.

26. Income taxes

a. The components of income tax (profit) for the years ended December 31, 2022 and 2021 were as follows:

	For the years ended December 31	
	2022	2021
Current income tax expense		
Current period	\$ 2,008	(\$ 1,660)
Undistributed earnings additional tax	1,679	-
Adjustment for prior periods	(10)	(5,166)
	<u>3,677</u>	<u>(6,826)</u>
Deferred tax expense		
Origination and reversal of temporary differences	244,347	(32,312)
Income tax (profit) expense	<u>\$ 248,024</u>	<u>(\$ 39,138)</u>

The reconciliation of income tax (profit) and (loss) profit before tax was as follows:

	For the years ended December 31	
	2022	2021
(Loss) profit before tax	(\$ 1,502,222)	\$ 710,152
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	(300,444)	142,030
Differences of income tax rate in foreign countries	(19,239)	11,621
Investment gain or loss from domestic investment accounted for using equity method	40,902	93,529
Other adjustments in accordance with tax laws	237,823	(292,004)
Prior years' adjustment	(10)	(5,166)
Undistributed earnings additional tax	1,679	-
Income basic tax	743	-
Deferred income taxes	286,570	10,852
Total	\$ 248,024	(\$ 39,138)

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2022	December 31, 2021
Tax effect of deductible temporary differences	\$ 348,145	\$ 199,051
The carryforward of unused tax losses	1,251,804	1,292,410
	\$ 1,599,949	\$ 1,491,461

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2022, the information of the Group's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

Year of Occurrence	Remaining Creditable Amount	Year of Expiration
2013	1,549,200	2023
2014	1,487,363	2024
2015	1,240,281	2025
2016	255,502	2026
2017	232,394	2027
2018	267,037	2028
2019	369,511	2029
2020	427,135	2030
2021	208,954	2031
2022	221,643	2032
	\$ 6,259,020	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2022 and 2021, were as follows:

	For the years ended December 31	
	2022	2021
Deferred Tax Assets:		
Balance, January 1	\$ 446,453	\$ 414,169
Loss control	-	(505)
Recognized in profit or loss	(244,872)	32,789
Balance, December 31	<u>\$ 201,581</u>	<u>\$ 446,453</u>

For the years ended December 31, 2021, previously unrecognized tax losses of \$31,795 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

	For the years ended December 31	
	2022	2021
Deferred Tax Liabilities:		
Balance, January 1	\$ 525	\$ 48
Recognized in profit or loss	(525)	477
Balance, December 31	<u>\$ -</u>	<u>\$ 525</u>

- c. The Company's tax returns for the years through 2020 were examined and approved by the tax authority.

27. Capital and other equity

a. Ordinary shares

As of December 31, 2022 and 2021, the total value of nominal ordinary shares amounted to \$15,000,000 with a par value of \$10 (dollars) per share. The total number of shares was 476,055 and 528,950 thousand shares, respectively.

For increasing the return on equity, on March 23, 2022 and March 25, 2021, a resolution was passed in the Boardmeeting for the capital reduction with \$1(NT\$) and \$0.5(NT\$) per share, amounting to \$528,950 and \$278,395, cancelling 52,895 and 27,840 thousand ordinary shares, and passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction in 2022 was approved by the Taiwan Stock Exchange on June 30, 2022. On July 4, 2022, the Company's board of directors approved the reference date for capital reduction would be on July 5, 2022. The registration procedures were finished on July 14, 2022. The capital reduction in 2021 was approved by the Taiwan Stock Exchange on July 23, 2021. On July 27, 2021, the Company's board of directors approved the reference date for capital reduction would be on July 28, 2021. The registration procedures were finished on August 6, 2021. However, the Company resolved to make a capital reduction by \$1,758,123 with the ratio 36.93105921% on March 14, 2023. The resolution would be passed in the Boardmeeting on May 30, 2023. For further information, please refer to the Market Observation Post System.

b. Capital surplus

The balances of capital surplus as of December 31, 2022 and 2021, were as follows:

	December 31, 2022	December 31, 2021
Changes in equity of associates and subsidiaries accounted for using equity method	\$ -	\$ 639
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,992	15,604
	\$ 15,992	\$ 16,243

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

c. Retained earnings

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

By choosing to apply exemptions granted under IFRS 1 First time Adoption of International Financial Reporting Standards during the Company's first-time adoption of the International Financial Reporting Standards (IFRSs) endorsed by the Financial Supervisory Commission, unrealized revaluation gains recognized under shareholders' equity and cumulative translation adjustments (gains) shall be reclassified as investment property at the adoption date. In accordance with permit as issued by the Financial Supervisory Commission, an increase in retained earnings due to the first-time adoption of IFRSs shall be reclassified as a special earnings reserve during earnings distribution, and when the relevant asset is used, disposed of, or reclassified, this special earnings reserve shall be reversed as distributable earnings proportionately.

A portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current period reduction of special earnings reserve resulting from the first-time adoption of IFRSs and the carrying amount of other shareholders' equity as stated above. Similarly, a portion of undistributed prior period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes in other shareholders' equity pertaining to prior periods due to the first-time adoption of IFRSs. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

(c) Earnings distribution

The dividend policy of the Company takes into consideration the expenditures for its

business expansion, investment, and improvement of its financial structure. Dividend distributions should not be less than 15% of distributable earnings. The Company distributes dividends of at least 10% of the aggregated dividends, if the distributions include cash dividends. However, the Company may be exempt from dividend distribution if distributable profits per share is less than NT\$0.1. The policy requires that all after-tax earnings shall first offset any deficit, and 10% of the balance shall be set aside as legal reserve. The appropriation for legal reserve is discontinued when the balance of the legal reserve equals the amount of issued share capital. Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve. If there is still surplus, and the undistributed surplus at the beginning of the same period (including adjustment of the amount of undistributed surplus), its distribution shall be prepared by the board of directors and approved by the shareholders' meeting.

If the profit, legal reserve, and capital surplus in the preceding paragraph are issued incash, they shall be authorized for distribution by resolution of board of directors with at least two-thirds of the directors present and more than half of the attending directors in agreement, and this shall be reported to the shareholders meeting. When issuing new shares, this shall be handled by a resolution of the shareholders meeting in accordance with the regulations.

The appropriations of 2021 and 2020 earnings concerning cash dividends have been approved by the Company's board of directors on March 23, 2022 and March 25, 2021. The rest appropriations of 2021 and 2020 earnings were resolved by the shareholder's meeting on June 13, 2022 and July 7, 2021, respectively. The appropriations were as follows:

	Amount		Dividend per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$ 74,607	\$ 54,042	\$ -	\$ -
Special reserve	50,654	68,155	-	-
Cash dividends	528,950	445,432	1.0	0.8

On March 14, 2023, the Company's Board of Directors resolved to make a capital reduction, and would not distribute dividends this year for there was net loss in 2022. The capital reduction for 2022 would be passed in the Board meeting on May 30, 2023 (expected). For further information, please refer to the Market Observation Post System.

- (d) As the Group disposed its subsidiary—MWT on May 28, 2021, the unrealized losses on financial assets measured at fair value through other comprehensive income relating to MWT amounted to \$55 were also reclassified to retained earnings.
- (e) In 2022 and 2021, the Group's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$5,664 and \$4,604, respectively. In 2021, this transaction reduced capital surplus, difference between consideration and carrying-amount of subsidiaries acquired or disposed from \$4,526 to nil, and retained earnings of \$78. In 2022, it reduced retained earnings of \$5,664 directly. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$207,501.
- (f) In 2022, as the Group did not increase the capital of subsidiaries in proportion to the shareholding ratio, making differences between consideration and carrying-amount of subsidiaries. This incident increased (decreased) capital surplus by \$388 and \$(639), respectively

d. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2022	(\$ 342,910)	(\$ 3,699)	\$ -	(\$ 346,609)
Exchange differences on foreign operation	13,945	-	-	13,945
Change in other comprehensive income of associates accounted for using equity method	152,207	4,989	31,115	188,311
Balance on December 31, 2022	(\$ 176,758)	\$ 1,290	\$ 31,115	(\$ 144,353)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2021	(\$ 292,290)	(\$ 3,666)	\$ -	(\$ 295,956)
Exchange differences on foreign operation	(4,268)	-	-	(4,268)
Change in other comprehensive income of associates accounted for using equity method	(46,352)	15	-	(46,337)
Unrealized losses from financial assets measured at fair value through other comprehensive income	-	7	-	7
Loss of control of the subsidiary	-	(55)	-	(55)
Balance on December 31, 2021	(\$ 342,910)	(\$ 3,699)	\$ -	(\$ 346,609)

28. (Loss) earnings per share

The basic (losses) earnings per share and diluted (losses) earnings per shares were calculated as follows:

	For the years ended December 31	
	2022	2021
Basic (loss) earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company	(\$ 1,655,102)	\$ 745,493
The weighted average number of ordinary shares outstanding (thousand shares)	502,865	544,815
	(\$ 3.29)	\$ 1.37
Diluted (loss) earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company	(\$ 1,655,102)	\$ 745,493
The weighted average number of ordinary shares outstanding (thousand shares)	502,865	544,815
Effect of dilutive potential ordinary shares:		
Employee stock bonus	178	925
Loss attributable to ordinary shareholders of the Company (weighted average number of ordinary shares (diluted) on December 31)	503,043	545,740
	(\$ 3.29)	\$ 1.37

29. Revenue from contracts with customers

a. Details of revenue

For the years ended December 31, 2022					
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 2,136,959	\$ 10	\$ -	\$ 2,136,969
Media revenue	-	-	2,043,974	-	2,043,974
Loading and storage revenue	1,479,159	-	-	-	1,479,159
Other revenue	-	193,303	86,941	8,718	288,962
	<u>\$ 1,479,159</u>	<u>\$ 2,330,262</u>	<u>\$ 2,130,925</u>	<u>\$ 8,718</u>	<u>\$ 5,949,064</u>

For the years ended December 31, 2021					
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 1,910,361	\$ 24,526	\$ 18,162	\$ 1,953,049
Media revenue	-	-	1,866,720	-	1,866,720
Loading and storage revenue	1,369,908	-	-	-	1,369,908
Other revenue	-	189,525	106,855	25,862	322,242
	<u>\$ 1,369,908</u>	<u>\$ 2,099,886</u>	<u>\$ 1,998,101</u>	<u>\$ 44,024</u>	<u>\$ 5,511,919</u>

b. Contract balances

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable	\$ 5,143	\$ 5,785	\$ 4,406
Installment notes receivable	42,600	131,397	121,735
Accounts receivable	498,841	497,999	395,034
Long-term installment notes receivable	85,344	-	-
Less: Allowance for doubtful accounts	(50,197)	(52,019)	(39,803)
Unrealized interest revenue	(13,610)	(11,051)	(7,856)
	<u>\$ 568,121</u>	<u>\$ 572,111</u>	<u>\$ 473,516</u>
Contract liability advertising services	\$ 28,626	\$ 26,134	\$ 32,912
Contract liability others	13,497	6,104	4,527
Total	<u>\$ 42,123</u>	<u>\$ 32,238</u>	<u>\$ 37,439</u>

- (a) Please refer to Note 9 for the details of accounts receivable and its impairment.
- (b) The major change in the balance of contract assets and contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no significant changes.

30. Remuneration of employees

If the Company makes a profit during the year (referring to profit before tax minus the profit before the distribution of employee compensation), then after deducting any accumulated loss, 3.5% of the balance shall be allocated as employee compensation and the amount allocated shall be used as the current year's expense. Employees' remuneration is based on stocks or cash, subject to a special resolution of the board of directors and reporting to the regular shareholders meeting.

Since there was net loss in 2022, no remuneration should be calculated.

The company's employee compensation for the years ended December 31, 2021 was \$25,402. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, multiplied by the percentage of remuneration to employees. These remunerations were expensed under operating costs or expenses during those periods. The differences between the actual distributed amounts, as determined by the board of directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

For the years ended December 31, 2021 and 2020, the Company estimated its employee remuneration amounting to \$25,402 and \$11,637, respectively. The amounts of employees' and directors' remuneration, as stated in the consolidated financial statements, were identical to the actual distributions amounts for the years 2021 and 2020. For further information, please refer to the Market Observation Post System.

31. Non-operating income and expenses

a. Interest income

The details of interest income of the Group were as follows:

	For the years ended December 31	
	2022	2021
Interest income from bank deposits	\$ 10,044	\$ 5,474
Interest income from financial assets measured at amortized cost	253	183
Other interest income	750	25
	\$ 11,047	\$ 5,682

b. Other income

The details of other revenue of the Group were as follows:

	For the years ended December 31	
	2022	2021
Rental income	\$ 58,790	\$ 32,922
Dividend income	66,154	28,408
Liquidated damages	-	6,762
Other revenue (Note)	123,104	278,390
	\$ 248,048	\$ 346,482

Note: Other revenue includes rent reductions of the Group due to the Covid-19 pandemic. For the years ended December 31, 2022 and 2021, the amount was \$78,668 and \$248,391, respectively. Please refer to Note 24 for details.

c. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2022	2021
Gain (loss) on disposal of property, plant, and equipment	\$ 2,079	(\$ 4,722)
Lease modification benefits (loss)	696	474
Foreign exchange (loss) gain	(18,576)	3,149
Net (loss) gain on evaluation of financial assets at fair value through profit or loss	(257,234)	40,997
Impairment loss on intangible assets	(367,642)	(31)
Impairment loss on right-of-use assets	-	(10,595)
Impairment loss on investments accounted for using equity method	(678,957)	-
Impairment loss on property, plant, and equipment	(175,511)	(85,073)
Expected credit loss	-	(328)
Loss on disposal of investments	-	(4,327)
Other income (loss)	(25,613)	17,801
	(\$ 1,520,758)	(\$ 42,655)

d. Finance costs

The Group's finance costs were as follows:

	For the years ended December 31	
	2022	2021
Interest expenses – lease liabilities	\$ 162,495	\$ 178,621
Interest expenses – bank loans	71,497	41,031
Finance expense	13,550	4,471
	247,542	224,123
Less: operating costs	(662)	-
	\$ 246,880	\$ 224,123

32. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2022 and 2021, the maximum credit exposure for the Group originates from possible non-fulfillment of obligations by counterparties and from financial losses arising from financial guarantees provided by the Company, mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Group providing financial guarantees to its customers was \$3,302,085 and \$1,674,569.

(b) Concentration of credit risk

The Group caters to a large group of customers; therefore, there is no concentration of regional credit risk.

For credit risk exposure of notes and accounts receivable, please refer to Note 9.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4g.

The loss allowance provision for the years ended December 31, 2022 and 2021 were determined as follows:

	For the years ended December 31	
	2022	2021
Other receivables		
Balance on January 1	\$ 1,817	\$ 1,697
Impairment losses recognized	-	328
Amounts written-off	-	(208)
Balance on December 31	\$ 1,817	\$ 1,817

b. Liquidity risk

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	More than 5 years
December 31, 2022						
Non derivative financial liabilities						
Loans	\$ 2,851,234	\$ 3,450,615	\$ 608,538	\$ 1,088,878	\$ 317,658	\$ 1,435,541
Short term notes and bills payable	349,427	350,000	350,000	-	-	-
Payables (current and non-current)	1,631,858	1,637,351	1,607,275	30,076	-	-
Lease liabilities (current and non-current)	6,508,915	8,237,273	1,259,897	1,394,785	934,006	4,648,585
Guarantee deposits received	4,185	4,185	-	4,185	-	-
	\$ 11,345,619	\$ 13,679,424	\$ 3,825,710	\$ 2,517,924	\$ 1,251,664	\$ 6,084,126
December 31, 2021						
Non derivative financial liabilities						
Loans	\$ 1,335,119	\$ 1,364,399	\$ 1,025,959	\$ 216,386	\$ 96,151	\$ 25,903
Short term notes and bills payable	79,848	80,000	80,000	-	-	-
Payables (current and non-current)	1,360,116	1,366,346	1,330,226	36,120	-	-
Lease liabilities (current and non-current)	6,387,633	8,183,871	1,239,320	1,298,719	780,626	4,865,206
Guarantee deposits received	4,317	4,317	-	4,317	-	-
	\$ 9,167,033	\$ 10,998,933	\$ 3,675,505	\$ 1,555,542	\$ 876,777	\$ 4,891,109

The Group does not expect that the cash flows included in the maturity analysis could occur significantly earlier or in significantly different amounts.

c. Exchange rate risk

(a) Exposure to exchange rate risk

The Group's financial assets and liabilities exposed to exchange rate risk were as follows:

	December 31, 2022			December 31, 2021		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial assets						
Moneytary items						
USD:TWD	\$	149	30.712	\$	293	8,105
USD:HKD		6,037	7.798		5,419	149,998
EUR:TWD		9	32.720		234	7,333
CNY:HKD		28	0.893		4,107	17,843
USD:CNY		42	6.967		42	1,187
EUR:HKD		1	8.309		117	3,674
Non-moneytary items						
USD:TWD		43,214	30.712		72,523	2,007,438
HKD:TWD		14,835	3.938		15,832	56,187
CNY:HKD		1,578	0.893		1,787	7,765
HKD:USD		364,257	0.128		557,569	1,981,425
Financial liabilities						
Moneytary items						
USD:TWD	\$	5,757	30.712	\$	6,395	177,015

(b) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net (loss) profit before tax would have respectively increased or decreased by \$149 and \$111 for the years ended December 31, 2022 and 2021, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the the years ended December 31, 2022 and 2021, foreign currency exchange (losses) gains (including realized and unrealized) amounted \$(18,576) and \$3,149, respectively.

d. Interest rate analysis

The interest risk exposure of the Group's financial assets and liabilities is described in the note on market risk management.

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities on the reporting date have been outstanding for the whole year. The Group's internal management reported the increases/decreases in interest rates, and changes in interest rates of one basis point are considered by management to be reasonably possible.

If the interest rate had increased or decreased by 1% and assuming all other variable factors remained constant, the Group's net (loss) profit after tax would have respectively increased or decreased by \$(10,297) and \$5,386 for the the years ended December 31, 2022 and 2021. This is mainly due to the Group's variable rate deposit and borrowing.

e. Other market price risk

Sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the profit and loss as illustrated below:

Price of securities at reporting date	For the years ended December 31			
	2022		2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	32,203	\$ 225	28,843
Decreasing 3%	(\$ 225)	(\$ 32,203)	(\$ 225)	(\$ 28,843)

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

December 31, 2022	Book Value	Fair value				Total
		Level 1	Level 2	Level 3		
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 1,073,448	\$ 1,073,448	\$ -	\$ -	\$ -	\$ 1,073,448
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510		7,510
Financial assets measured at amortized cost						
Cash and cash equivalents	\$ 1,914,254					
Notes and accounts receivable (including related parties)	492,038					
Other receivables (including related parties)	128,874					
Other current financial assets	38,055					
Long-term notes and accounts payable (including related parties)	76,083					
Refundable deposits	432,274					
Other non-current financial assets	133,040					
Financial liabilities measured at amortized cost						
Short-term loans	377,450					
Short term notes and bills payable	349,427					
Notes and accounts payable (including related parties)	556,967					
Other payables (including related parties)	873,627					
Long-term loans (including current portion of long-term loans)	2,473,784					
Lease liabilities (current and non-current)	6,508,915					
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	201,264					

		Fair value				
December 31, 2022	Book Value	Level 1	Level 2	Level 3	Total	
Guarantee deposits received	\$ 4,185					

		Fair value				
December 31, 2021	Book Value	Level 1	Level 2	Level 3	Total	
Financial assets at fair value through profit or loss						
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 961,420	\$ 961,420	\$ -	\$ -	\$ 961,420	
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510	7,510	
Financial assets measured at amortized cost						
Cash and cash equivalents	1,761,806					
Notes and accounts receivable (including related parties)	572,111					
Other receivables (including related parties)	94,744					
Other current financial assets	52,440					
Refundable deposits	582,267					
Other non-current financial assets	25,272					
Financial liabilities measured at amortized cost						
Short-term loans	93,445					
Short term notes and bills payable	79,848					
Notes and accounts payable (including related parties)	473,840					
Other payables (including related parties)	694,195					
Long-term loans (including current portion of long-term loans)	1,241,674					
Lease liabilities (current and non-current)	6,387,633					
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	192,081					
Guarantee deposits received	4,317					

(b) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(b-1) Financial assets measured at amortized cost and financial liabilities measured at amortized cost

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted price are available, estimates shall be used. The estimates and assumptions used in the evaluation method

shall be the discounted value of cash flows to estimate the fair value.

(c) Valuation techniques for financial instruments measured at fair value

(c-1) Non-derivative financial instruments

If there is a quoted market price in an active market for a financial instrument, the fair value is based on the quoted market price in an active market. The fair value of listed (over-the-counter) equity instruments and debt instruments with quoted prices in active markets are based on quoted market prices on major exchanges and over-the-counter (OTC) central government bond marketplaces, which are judged to be popular securities.

A financial instrument is publicly quoted in an active market if quoted prices are readily and consistently available from exchanges, brokers, underwriters, industry associations, pricing services authorities, or regulatory authorities, and if those prices represent prices that are representative of actual and regularly occurring fair market activity. If the above conditions are not met, the market is considered inactive. In general, large bid-ask spreads, significant increases in bid-ask spreads, or low trading volume are indicators of an inactive market.

The fair values of the Group's financial assets and liabilities, such as shares, funds and bonds of listed companies, with standard terms and conditions and traded in active markets, are determined by reference to quoted market prices, respectively.

Except for the above-mentioned financial instruments for which there is an active market, the fair values of other financial instruments are based on valuation techniques or quoted prices with reference to counterparties.

(c-2) Derivative financial instruments

Derivative financial instruments are valued based on widely accepted valuation models, such as discounted and option pricing models. Structured interest rate derivative financial instruments are valued using an appropriate option pricing model (e.g., Black-Scholes model) or other valuation techniques, such as Monte Carlo simulation.

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2022 and 2021.

(e) Reconciliation of Level 3 fair values

There was no change in fair value through other comprehensive income recognized for the years ended December 31, 2022 and 2021

(f) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value are "Financial assets at fair value through other comprehensive income."

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	- Price to book ratio multiple (1.29 and 1.97 as of December 31, 2022 and 2021, respectively) - Discount for lack of marketability (20%)	- The higher the multiple, the higher the fair value - The higher the discount, the lower the fair value
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	Net Asset Value	Not applicable

- (g) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Group's fair value measurement of financial instruments is reasonable, but using different evaluation models or evaluation parameters may result in different evaluation results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

			Other comprehensive income	
	Inputs	Rate increasing or decreasing	Favourable	Unfavourable
December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 124	(\$ 124)
Equity investments without an active market	Discount for lack of marketability	1%	124	(124)

			Other comprehensive income	
	Inputs	Rate increasing or decreasing	Favourable	Unfavourable
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 191	(\$ 191)
Equity investments without an active market	Discount for lack of marketability	1%	191	(191)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

33. Financial risk management

a. Overview

The Group is exposed to the following risks due to usage of financial instruments:

- (a) Credit risk
- (b) Liquidity risk
- (c) Market risk

This note describes the Group's information concerning risk exposure and the Group's targets, policies and procedures to measure and manage the risks. For more quantitative information about the financial instruments, please refer to related notes to the financial statements.

b. Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has deputized the management of core business departments to develop and monitor the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

c. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty of a financial instrument fails to meet its contractual obligations, which arises principally from the Group's receivables from customers and financial instruments.

(a) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. For the year ended December 31, 2022, 10% of the Group's revenue was not concentrated with a single customer; therefore, there was no significant concentration of credit risk.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Risk Management Committee; these limits are reviewed periodically. The Group would not trade with clients who cannot meet the basic credit rating requirement through regular review.

The Group monitored customer credit risk, customers are grouped according to their credit characteristics. Trade and other receivables relate mainly to the Group's wholesale customers. Customers that are graded as "high risk" are placed on a restricted customer list and monitored by the Risk Management Committee, and future sales are made on a prepayment basis.

The Group established a credit policy to obtain the necessary collateral to mitigate risks arising from financial loss due to default risk.

The Group has set up an allowance for impairment to reflect the estimate of

incurred losses with respect to trade receivables. The collectible status of the allowance for doubtful accounts is divided into five stages: normal, noticeable, recoverable, recoverable with difficulty, and uncollectible. The Group recognizes the balance of the accounts receivable as impairment loss.

(b) Investment

The credit risk exposure of the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the General Manager's office. The Group only deals with financial institutions, corporations and organizations with a credit rating of investment grade or higher; therefore, there are no significant doubts regarding default on the above financial instruments, and as a result, there is no significant credit risk.

(c) Guarantee

The Group's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2022 and 2021, no other guarantees were outstanding.

d. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

As of December 31, 2022 and 2021, the Group had unused bank credit lines for short term borrowings amounting to \$6,657,117 and \$6,450,216, respectively. According to the Group's evaluation, the working funds of the Group are sufficient to meet its entire contractual obligations and non hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. Equity investments recorded as financial assets carried at cost do not have reliable market prices and are expected to have liquidity risk.

e. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Group is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the New Taiwan Dollar (TWD), US Dollar (USD), and Chinese Yuan (CNY). The currencies used in these transactions are the TWD, EUR, and USD.

Interest is denominated in the same currency as borrowings. Generally, borrowings are denominated in currencies that match the cash flows generated by the underlying operations of the Group, and the main currency is the New Taiwan Dollar and US Dollar.

In respect of other monetary assets and liabilities denominated in foreign currencies, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short term

imbalances.

(b) Interest rate risk

The Group's interest rate risk is managed by maintaining an appropriate combination of fixed and floating interest rates. The Group periodically evaluates the hedging activities and makes the interest rate and risk preference consistent, so that the hedging strategies are most cost effective.

(c) Other market price risk

The Group is exposed to equity price risk due to the investments in equity securities. This is a strategic investment and is not held for trading. The Group does not actively trade in these investments since the management of the Group monitors and manages the equity investments by holding different investment portfolios. The Group's management will adjust the investment portfolios of stocks and bonds based on the market price. The significant components of the investment portfolios are individually managed.

34. Capital management

Based on current operating characteristics and future development of the Group and external environmental changes, the Group is planning for the need of operating usage, research and development expenses and dividend payment, the Group meets its objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return to shareholders, to safeguard the interests of related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabilities.

The Group uses the debt to equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, other equity interest, and non controlling interests plus net debt.

As at December 31, 2022, the Group's capital management strategy is consistent with the prior year as at December 31, 2021, ensure financing at a reasonable cost. The Group's debt to equity ratios at the balance sheet dates were as follows:

	December 31, 2022	December 31, 2021
Total liabilities	\$ 11,423,547	\$ 9,259,702
Less: cash and cash equivalents	(1,914,254)	(1,761,806)
Net debt	9,509,293	7,497,896
Total Equity	4,073,336	6,660,105
Total capital	\$ 13,582,629	\$ 14,158,001
Net Debt-to-equity ratio	70.01%	52.96%

As of December 31, 2022, the increase in the debt-to-equity ratio was due to the increase in loans.

35. Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	For the years ended December 31	
	2022	2021
Acquisition of property, plant and equipment	\$ 1,132,760	\$ 276,998
Add: Notes payable January 1	706	2,752
Other payables January 1	38,584	36,489
Less: Interest and depreciation capitalization	(51,771)	(46,539)
Notes payable December 31	-	(706)
Other payables December 31	(162,265)	(38,584)
Cash paid in this period	<u>\$ 958,014</u>	<u>\$ 230,410</u>
Acquisition of intangible assets	\$ 16,498	\$ 10,983
Add: Notes payable January 1	-	178
Other payables January 1	149	14
Other payables December 31	(3,430)	(149)
Cash paid in this period	<u>\$ 13,217</u>	<u>\$ 11,026</u>

The Group's financing activities which did not affect the current cash flow for the years ended December 31, 2022 and 2021, were as follows:

	January 1, 2022	Cash flows	Non-cash changes			December 31, 2022
			Discount	Loss of control	Amortization of financing use commitment fees	
Short term notes and bills payable	\$ 79,848	\$ 270,000	(\$ 421)	\$ -	\$ -	\$ 349,427
Long-term loans	1,241,674	1,248,124	-	-	(\$ 16,014)	2,473,784
Total	<u>\$ 1,321,522</u>	<u>\$ 1,518,124</u>	<u>(\$ 421)</u>	<u>\$ -</u>	<u>(\$ 16,014)</u>	<u>\$ 2,823,211</u>

	January 1, 2021	Cash flows	Non-cash changes			December 31, 2021
			Discount	Loss of control	Amortization of financing use commitment fees	
Short term loans	\$ 62,295	\$ 51,150	\$ -	(\$ 20,000)	\$ -	\$ 93,445
Short term notes and bills payable	-	80,000	(152)	-	-	79,848
Long-term loans	812,511	432,033	-	-	(2,870)	1,241,674
Total	<u>\$ 874,806</u>	<u>\$ 563,183</u>	<u>(\$ 152)</u>	<u>(\$ 20,000)</u>	<u>(\$ 2,870)</u>	<u>\$ 1,414,967</u>

36. Related party transactions

a. Names and relationship with related parties

The followings are entities that have had transactions with related party during the period covered in the consolidated financial statements:

Name of related party	Relationship with the Group
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Strawberry Cosmetics Holdings Limited	An associate
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate
Happy Shopping CO., LTD.	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
Taiwan Gift Card Co. Ltd. (Taiwan Gift Card)	Other related parties (Note 3)
Enlighten Innovative Transformation Co., Ltd.	Other related parties
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Eastern Realty Co., Ltd.	Other related parties

Name of related party	Relationship with the Group
Good pay Web Financial Technology Co., Ltd. (Good pay)	Other related parties (Note 1)
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
Quantum Entertainment Production Co., Ltd. (Quantum Entertainment)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Xing Kai Media Co., Ltd. (Xing Kai Media)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Taiwan Information and Communication Association	Other related parties
Chunghwa New Media Industry Development Association (Chunghwa New Media)	Other related parties
Dongsen Culture Foundation (Dongsen Culture)	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties (Note 2)
Xu Bon Development Co., Ltd. (Xu Bon)	Other related parties
Dongsen Health Biotechnology Co., Ltd. (Dongsen Health Biotechnology)	Other related parties
Dongsen wang hong Co., Ltd. (Dongsen wang hong)	Other related parties
Dongsen Social Welfare Foundation (Dongsen Social Welfare)	Other related parties
Sen Yue Chuan Bo Co., Ltd. (Sen Yue Chuan Bo)	Other related parties
FAR RICH INTERNATIONAL CORPORATION (FAR RICH)	Key management
All Directors, Supervisors, general manager and vice personnel general of the Group	Key management personnel (Note 2)

Note 1: Since May 28, 2021, due to the loss of control over MWT, it was not a related party.

Note 2: Since September 23, 2022, due to the merger of Oscar, Pet Kingdom and Kaou Sin, Huangjue and Fangcheng Su were not related parties.

Note 3: Since August 6, 2021, due to the liquidation of Taiwan Gift Card Co. Ltd., it was not a related party.

b. Significant transactions with related parties

(a) Sales of goods and services

The amounts of significant sales transactions between the Group and related parties were as follows:

	For the years ended December 31	
	2022	2021
Associates	\$ 90,613	\$ 71,554
Other related parties	37,700	64,148
Key management	7,857	2,286
	\$ 136,170	\$ 137,988

The above revenues consist of program production revenue and project planning service revenue.

Transaction terms for the above are the same as those for ordinary transactions.

(b) Purchase of goods

(b-1) The amounts of significant purchase transactions between the Group and related parties were as follows:

	For the years ended December 31	
	2022	2021
Associates	\$ 1,564	\$ 22,935
Other related parties	76,000	91,804
	\$ 77,564	\$ 114,739

(b-2) The amount of programs production and other between the Group and related parties were as follows:

	For the years ended December 31	
	2022	2021
Associates	\$ 8,940	\$ 2,533
Other related parties	116,980	105,776
Key management	9,000	2,667
	\$ 134,920	\$ 110,976

Transaction terms for the above are the same as those for ordinary transactions.

(c) Receivables

Accounts	Related parties	December 31, 2022	December 31, 2021
Notes receivable	EIP	\$ -	\$ 76,382
Notes receivable	FAR RICH	2,550	-
Long-term accounts receivable	EIP	76,083	-
Accounts receivable	Associates	1,216	57
Accounts receivable	EHS	22,598	13,669
Accounts receivable	Natural Beauty	479	3,449
Accounts receivable	Other related parties	654	2,333
Accounts receivable	Xu Bon	8,675	-
Accounts receivable	Eastern E-Commerce	648	7,157
Accounts receivable	Key management	\$ -	\$ 2,400
Other receivables	Associates	39	-
Other receivables	EHS	5,532	6,339
Other receivables	Natural Beauty	579	1,804
Other receivables	Other related parties	41	575
Other receivables	Key management	-	400
		\$ 119,094	\$ 114,565

The Group took installment sale with EIP, and collecting installment notes receivable at an annual interest rate of 4.5% plus interest. In addition, the interest received by the Group was \$3,432 and \$3,139 for the years ended December 31, 2022 and 2021, respectively.

(d) Payables

Accounts	Related parties	December 31, 2022	December 31, 2021
Notes payable	FAR RICH	\$ 2,550	\$ -
Accounts payable	Associates	716	613
Accounts payable	Other related parties	95	157
Accounts payable	Xu Bon	49,473	252
Accounts payable	EIP	15,253	-
Accounts payable	Huangjue	-	5,275
Accounts payable	FAR RICH	-	2,800
Other payables	Associates	161	5
Other payables	EHS	11,983	2,539
Other payables	Other related parties	352	4,223
Other payables	Xu Bon	195	25,174
		\$ 80,778	\$ 41,038

(e) Prepayments, advance receipts and contract liabilities

Details of advance receipts / prepayments from related parties to the Group were as follows:

Accounts	Related parties	December 31, 2022	December 31, 2021
Accounts receivable	Associates	\$ -	\$ 255
Accounts receivable	Other related parties	6,150	180
		\$ 6,150	\$ 435

Accounts	Related parties	December 31, 2022	December 31, 2021
Advance receipts	Quantum Entertainment	\$ -	\$ 4,114
Contract liabilities	Other related parties	-	2,401
		\$ -	\$ 6,515

(f) Borrowings from related parties

The amount of borrowing from related parties as of December 31, 2022 and 2021 was nil.

Interest expenses:

	For the years ended December 31	
	2022	2021
EHS	\$ -	\$ 2,975

Interest which results from the unsecured borrowings by the Group from related parties would be calculated based on the average rates in the current year obtained from financial institutions. As of December 31, 2022 and 2021, the Group's interest payables were all nil, respectively.

(g) Endorsement / Guarantee provided

For the years ended December 31, 2022 and 2021 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$1,162 and \$531, respectively. As of December 31, 2022 and 2021, the Group's remuneration payable was amounted to \$382 and \$183, respectively.

(h) Leases

(h-1)The Group rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the years ended December 31, 2022 and 2021 were amounted to \$1,390 and \$711, respectively.

(h-2)As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the years ended December 31, 2022 and 2021 were amounted to \$3,061 and \$1,970, respectively.

(h-3)The Group leased right-of-use of office spaces and pet stores from its related party in August and December 2022, respectively. The lease terms of the two contracts were 2 years and 10 years, respectively; the rental is based on similar asset's market rental rates. The contract values were \$39,142 listed under right-of-use assets and lease liabilities. For the years ended December 31, 2022, the interest expenses of lease liabilities were \$227. As of December 31, 2022, the ending balance of lease liabilities was \$38,769.

(h-4)Transaction terms for the above are the same as those for ordinary transactions.

(i) Acquisition of property, plant and equipment

Related parties	For the years ended December 31	
	2022	2021
Other related parties	\$ 179	\$ 267

(j) Acquisition of intangible assets

Related parties	For the years ended December 31	
	2022	2021
Associates	\$ 222	\$ 919

(k) Other

(k-1)For the years ended December 31, 2022 and 2021, the Group paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$25,289 and \$8,312, respectively.

(k-2)In order to follow its operating plan, the Group donated \$5,700 and \$3,000 to related parties in related industries for the years ended December 31, 2022 and 2021, respectively.

(k-3)For the years ended December 31, 2022 and 2021, the Group received non-operating revenue from related parties amounted to \$4,680 and \$5,228, respectively.

(k-4)For the years ended December 31, 2022 and 2021, the Group paid non-operating expenses to related parties amounted \$25and \$52, respectively.

(k-5)In May 2021, the Group sold the shares of MWT at the net price \$35,294 and recognized loss on disposal of the investment amounted to \$4,327.

(k-6)In January 2022 and December 2021, the Group acquired the shares of Oscar, Pet kingdom and Kaou Sin at the prices \$45,360 and \$44,722, respectively. The transaction prices had been fully paid.

c. Key management personnel compensation

	For the years ended December 31	
	2022	2021
Short-term employee benefits	\$ 98,752	\$ 107,045

37. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	December 31, 2022	December 31, 2021
Property, plant and equipment	Short-term and long-term loans	\$ 776,296	\$ 968,538
Investments accounted for using equity method	Long-term loans	1,321,177	155,809
Other current financial assets-demand deposits	Reserve and its interest	34,134	31,285
Other current financial assets-demand deposits	Letter of credit	-	1,198
Other current financial assets-demand deposits	Security for issuance of travel vouchers at travel fair	-	2,242
Refundable deposits	Bid bonds, performance bonds and security deposits	373,432	530,026
Other non-current financial assets—reserve account	Deposit in long-term loans	103,875	25,272
Investments accounted for using equity method for subsidiary (Note)	Long-term loans	-	45,053
Current financial assets at fair value through profit or loss	Short-term loans	543,235	-
Right-of-use assets	Long-term loans	1,161,287	-
		<u>\$ 4,313,436</u>	<u>\$ 1,759,423</u>

Note: The investments accounted for using equity method for subsidiary's stocks have been written off in the preparation of consolidated financial statement.

38. Significant commitments and contingencies

a. Major commitments were as follows:

(a)Unused standby letters of credit:

	December 31, 2022	December 31, 2021
Unused standby letters of credit	\$ -	\$ 8,954

(b)The Company and its subsidiary-EHR had signed contracts relating to manage resorts in Yilan and Linkuo, and also had signed services agreements relating to the hotel's business and authorization with Formosa international hotels corporation. The Company and EHR should pay expenses proportionally while the services provided by Formosa international hotels corporation achieve the standards as the contracts recorded.

(c)Unrecognized contractual commitments:

The Group's unrecognized contractual commitments are as follows:

	December 31, 2022	December 31, 2021
Total contract price	\$ 3,687,320	\$ 616,332
Accounted amount	\$ 968,876	\$ 340,053

b. Contingent liabilities were as follows:

(a)On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. (both are subsidiaries of the Company). The SFIPC also demanded the compensation of \$41,038. The Taipei District Court ruled that the Company violated the Commercial Company Act. However, both the ex-chairman and the general manager were acquitted, and not only did the Company did not bear any losses from the said transaction above, but on the contrary, it gained a profit amounting to \$6,894, plus an additional 5% interest arising from the delayed payment amounting to \$6,884 with a total amount around \$13,000. In other words, the transaction did not do any damage to the Company and its shareholders. As a result, the appeal filed against the Company was denied by the Taipei District Court on December 5, 2012. However, the SFIPC was not satisfied with the decision made by the court. Therefore, it filed another appeal, this time with the Taiwan High Court, demanding compensation amounting to \$22,664. The appeal was denied on December 3, 2013. Nevertheless, the SFIPC filed an appeal once more with the Taiwan High Court on December 24, 2013. The case was transferred from the Supreme Court to the High Court on April 23, 2015, for further investigation. On May 10, 2017, the Taiwan High Court ruled against SFIPC. Therefore, SFIPC filed an appeal to the Supreme Court on June 6, 2017. On February 23, 2021, the Taiwan High Court still ruled against SFIPC. However, SFIPC filed an appeal and the Supreme Court retimed to the High Court for a third trial. Currently, the arbitration process is still in progress and the results have yet to be determined.

(b)The Company and its subsidiary, FESS Panama, jointly chartered and returned the ship to South Korea's Sammok Shipping Co., Ltd. (hereinafter referred to as Sammok) at Kaohsiung Port in accordance with the contract signed on August 10, 2018. Sammok

believed that the ship still has many defects due to its usual operation and negligence of maintenance; hence, submitted arbitration to the London Maritime Arbitration Association. The Company also filed a statement of defense to the arbitral tribunal in July 2019. Currently, the arbitration process is still in progress and the results have yet to be determined.

(c) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2022 and 2021, all unsettled lawsuits had no impact on its financial and business operation.

39. Losses Due to Major Disasters: None.

40. Subsequent Events:

a. On March 14, 2023, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 27 for the details.

41. Other

A summary of current period employee benefits, depreciation, and amortization, by function, is as follows:

By function	For the years ended December 31		
	2022		
By nature	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 626,407	\$ 791,662	\$ 1,418,069
Health and labor insurance	60,792	60,282	121,074
Pension	28,910	26,289	55,199
Remuneration of directors	-	30,650	30,650
Others	11,307	12,435	23,742
Depreciation expense	1,006,936	325,934	1,332,870
Amortization expense	14,381	15,839	30,220

By function	For the years ended December 31		
	2021		
By nature	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 645,992	\$ 699,059	\$ 1,345,051
Health and labor insurance	61,320	56,614	117,934
Pension	29,387	27,400	56,787
Remuneration of directors	-	34,997	34,997
Others	9,559	12,252	21,811
Depreciation expense	976,784	339,203	1,315,987
Amortization expense	14,169	26,232	40,401

42. Other disclosures

a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the years ended December 31, 2022.

- (a) Please refer to Table 1 for the loans to other parties.
- (b) Please refer to Table 2 for the guarantees and endorsements for other parties.
- (c) Please refer to Table 3 for the securities held as of December 31, 2022 (excluding investment in subsidiaries, associates and joint ventures).
- (d) The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None
- (e) Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- (f) Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- (g) Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: None.
- (h) Please refer to Table 4 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.
- (i) Trading in derivative instruments: None.
- (j) Please refer to Table 5 for the business relationships and significant intercompany transactions.

b. Information on investees

Please refer to Table 6 for the information on investees for the years ended December 31, 2022.

c. Information on investment in Mainland China

- (a) Please refer to Table 7 for the relevant information such as the name and main business items of the investee company in Mainland China.
- (b) Please refer to Table 7 for the limitation on investment in Mainland China
- (c) Please refer to Table 7 for the significant transactions with investee companies in Mainland China.

d. Major shareholders

Please refer to Table 8 for the major shareholders for the years ended December 31, 2022.

43. Segment information

a. General Information

The Group's reportable segments are warehousing, trading, media, and tourism. The warehousing segment operates a cargo storage business; the trading segment operates a retail business; the media segment operates a channel agency and advertising business; the tourism segment operates a hotel and catering business.

b. Reportable segment profit or loss, segment assets, segment liabilities, and their measurement and reconciliation

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, excluding any extraordinary activity and foreign exchange gain or losses, because taxation, extraordinary activity, and foreign exchange gains or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of significant non cash items. The reportable amount is similar to that in the report used by the chief operating decision maker.

Except for the recognition and measurement of pension cost, which is on a cash basis, there was no material inconsistency between the accounting policies of the operating segments and the accounting policies described in Note 4. The intercompany transaction price was the same

as that with other customers, and the price was based on the market value.

The Group's operating segment information and reconciliation are as follows:

For the year ended December 31, 2022						
	Warehousing	Trading	Media	Tourism	Others	Total
Revenue:						
Revenue from external customers	\$1,479,159	\$2,330,262	\$2,130,925	-	\$ 8,718	\$5,949,064
Interest revenue	-	958	1,137	534	8,418	11,047
Total revenue	\$1,479,159	\$2,331,220	\$2,132,062	\$ 534	\$ 17,136	\$5,960,111
Interest expense	106,047	49,284	41,111	32,222	18,878	247,542
Depreciation and amortization	266,434	274,691	773,517	5,100	43,348	1,363,090
Share of profit of associates and joint ventures accounted for using equity method	-	(130,333)	-	-	(74,175)	(204,508)
Material non-monetary item:						
Impairment losses	-	367,642	-	175,511	678,957	1,222,110
Reportable segment profit or loss before tax	461,948	(600,519)	(53,579)	(233,397)	(1,076,675)	(1,502,222)
For the year ended December 31, 2021						
	Warehousing	Trading	Media	Tourism	Others	Total
Revenue:						
Revenue from external customers	\$1,369,908	\$2,099,886	\$1,998,101	-	\$ 44,024	\$5,511,919
Interest revenue	-	132	710	25	4,815	5,682
Total revenue	\$1,369,908	\$2,100,018	\$1,998,811	\$ 25	\$ 48,839	\$5,517,601
Interest expense	110,918	39,711	50,547	21,173	1,774	224,123
Depreciation and amortization	245,399	247,224	793,248	53,812	16,705	1,356,388
Share of profit of associates and joint ventures accounted for using equity method	-	460,360	-	-	7,284	467,644
Material non-monetary item:						
Impairment losses	-	-	10,595	85,104	-	95,699
Reportable segment profit or loss before tax	\$ 364,442	\$ 412,368	\$ 62,433	(\$ 182,630)	\$ 53,539	\$ 710,152

Information on the Group's reportable segment assets and liabilities were not provided to the chief operating decision maker, so the related information is not disclosed.

c. Information about products and services

Information on the Group's reportable segments (excluding discontinued operation amount) is classified by different products and services, and the relevant information is disclosed in the revenue from external customers. Therefore, the Group would not make any additional disclosure regarding the revenue from external customers by products and services.

d. Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers, and segment assets are based on the geographical location of the assets.

For the years ended December 31		
Region	2022	2021
External revenue:		
Taiwan	\$ 5,949,064	\$ 5,505,284
China	-	6,635
	\$ 5,949,064	\$ 5,511,919
Non-current assets		
Taiwan	\$ 9,066,621	\$ 8,541,971

Non current assets include property, plant and equipment, intangible assets, right of use assets, and other non current assets, excluding financial instruments, deferred tax assets and pension fund assets.

e. Information about major customers

The Group does not concentrate on a single customer; therefore, there is no need to disclose any information.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Loans to other parties
For the year ended December 31, 2022
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 1

No. .	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	ET New Media	Other receivables - related parties	Yes	\$ 600,000	\$ 600,000	\$ 260,000	3~3.25	2	-	Operation requirements	-		-	\$ 1,413,622 (Note 2)	\$ 2,120,433 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	100,000	100,000	48,000	3.25	2	-	"	-		-	1,413,622 (Note 2)	2,120,433 (Note 2)
0	"	ET Pet	"	Yes	100,000	100,000	-	3~3.25	2	-	"	-		-	1,413,622 (Note 2)	2,120,433 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	170,000	100,000	3~3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
1	"	EHR	"	Yes	50,000	-	-	3~3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	10,000	-	3.25	2	-	"	-		-	195,852 (Note 3)	293,778 (Note 3)
2	TKLF	ET New Media	"	Yes	200,000	200,000	200,000	3~3.25	2	-	"	-		-	247,694 (Note 4)	371,541 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	-	-	8	2	-	"	-		-	30,962 (Note 4)	371,541 (Note 4)
2	"	A li shan dong fang ming shu	"	No	25,000	25,000	25,000	8	2	-	"	-	Longtan land mortgage	25,730	30,962 (Note 4)	371,541 (Note 4)
2	"	Lido International Managerment	"	No	30,000	30,000	29,400	8.5	2	-	"	-	Shiding land mortgage	31,716	30,962 (Note 4)	371,541 (Note 4)
3	EILF	Sunflower leisure	"	No	20,000	-	-	8.0	2	-	"	-		-	27,288 (Note 5)	327,461 (Note 5)
3	"	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-		-	218,308 (Note 5)	327,461 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	63,263	63,263	54,232	1	2	-	"	-		-	58,419 (Note 6)	116,839 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	58,963	58,963	58,963	1	2	-	"	-		-	83,340 (Note 7)	166,679 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,758	45,758	45,758	1	2	-	"	-		-	49,551 (Note 8)	99,103 (Note 8)

(to be continued)

(continued)

No .	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
7	FESS-Panama	The Company	Other receivables - related parties	Yes	\$ 49,136	\$ 49,136	\$ 17,854	1	2	-	Operation requirements	-		-	\$ 1,326,825 (Note 9)	\$ 2,653,650 (Note 9)

Note 1: Lending of capital has the following two types:
(1) Those with business dealings.
(2) The necessity for short-term financing.

Note 2: The Company’s total amount available for lending shall not exceed 60% of its net worth. For subsidiaries where the Company holds more than 50% of the shares, the individual amount available for lending shall not exceed 40% of its net worth in the most recent financial statements. For subsidiaries where the Company holds less than 50% of the shares, the individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company, subsidiaries or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements.

Note 4: For TKLF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending shall not exceed 5% of its net worth in the most recent financial statements.

Note 5: For EILF, the aggregate amount available for lending shall not exceed 60% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company or to its parent company’s subsidiary company shall not exceed 40% of its net worth in the most recent financial statements. The individual amount available for lending to other companies short-term financing facility, if necessary, shall not exceed 5% of its net worth in the most recent financial statements.

Note 6: For Grand Richness (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 7: For GRAND SCENE TRADING (HONG KONG), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 8: For Eastern Media Communication (Hong Kong), the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 9: For FESS-Panama, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

Note 10: Since MTW was not the subidiay of the Group on May 28, 2021, the individual amount available for lending shall follow the limits of subsidiaries where the Company holds less than 50% of the shares.

Note 11: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Guarantees and endorsements for other parties

For the year ended December 31, 2022

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 2

No. ·	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	ET New Media	2	\$ 14,136,218 (Note 2)	\$ 553,652	\$ 553,652	\$ 354,000	\$ -	15.67%	\$ 14,136,218 (Note 2)	Y	N	N
0	The Company	EHR	2	14,136,218 (Note 2)	2,112,000	1,312,000	752,000	-	37.12%	14,136,218 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	14,136,218 (Note 2)	5,875,000	5,875,000	718,147	-	166.24%	14,136,218 (Note 2)	Y	N	N
0	The Company	Kaou Sin	2	- (Note 5)	5,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	Pet Kingdom	2	- (Note 5)	15,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	Oscar	2	- (Note 5)	250,000	-	-	-	0.00%	- (Note 5)	Y	N	N
0	The Company	ET Pet	2	14,136,218 (Note 2)	1,969,163	1,770,563	546,650	15,858	50.10%	14,136,218 (Note 2)	Y	N	N
0	The Company	TKLF	2	14,136,218 (Note 2)	50,000	-	-	-	0.00%	14,136,218 (Note 2)	Y	N	N
0	The Company	EILF	2	14,136,218 (Note 2)	50,000	-	-	-	0.00%	14,136,218 (Note 2)	Y	N	N
1	EIC	ET Pet	4	353,405 (Note 2)	220,000	220,000	131,288	4,418	44.93%	353,405 (Note 2)	N	N	N
2	FESS-Panama	The Company	4	4,389,326 (Note 2)	1,000,000	1,000,000	800,000	1,300,901	75.37%	4,389,326 (Note 2)	N	Y	N

Note 1: The relationship between the one providing endorsements/guarantees and the one receiving endorsements/guarantees is classified into seven types:

- (1) The intercompany business transaction
- (2) Companies in which the Company directly and indirectly holds more than 50% of the voting rights.
- (3) Companies that directly and indirectly hold more than 50% of the voting shares of the Company.
- (4) The Company holds, directly or indirectly, 90% or more of the voting shares of the Company.
- (5) Company that is mutually protected under contractual requirements based on the needs of the contractor.
- (6) Company that is endorsed by its shareholders in accordance with its shareholding ratio because of the joint investment relationship.
- (7) Performance guarantees for pre-sale contracts under the Consumer Protection Act.

Note 2: The Company's aggregate amount allows endorsement or guarantee that does not exceed 400% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Group holds more than 50% of the shares that does not exceed 400% of its net worth in the most recent financial statements.

Note 3: For EIC, the aggregate amount allows an endorsement or guarantee that does not exceed 500% of its total assets in the most recent financial statements. The individual amount allows endorsement or guarantee to subsidiaries where the Company, holding more than 90% of shares of EIC, holds more than 90% of the shares that does not exceed 500% of its total assets or 10% of the Company's net worth in the most recent financial statements. The limit on endorsement or guarantee was determined by 500% of EIC's total assets or 10% of the Company's net worth whichever is lower.

Note 4: FESS-Panama's aggregate amount allows endorsement or guarantee that does not exceed 300% of its net worth in the most recent financial statements. The individual amount allows endorsement or guarantee to the company which holds FESS-Panama more than 50% of the shares that does not exceed 300% of its net worth in the most recent financial statements.

Note 5: Since Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, the amount of guarantees and endorsements was cancelled.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Securities held
December 31, 2022
(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 3

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of Owner ship	Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value		
The Company	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss	6,819,555	\$ 229,478	0.10 %	\$ 229,478	0.10 %	Note
"	Formosa Plastics corporation	-	"	4,670,000	405,356	0.07 %	405,356	0.07 %	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	393,000	176,261	0.00 %	176,261	- %	
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	15.00 %	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	11.43 %	
EILF	Formosa Plastics corporation		Financial assets at fair value through profit or loss	700,000	60,760	0.01 %	60,760	0.01 %	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	53,820	0.00 %	53,820	- %	Note
"	China Steel Corporation	-	"	150,000	4,470	0.00 %	4,470	- %	
TKLF	Taiwan Cement Co., Ltd.	-	"	769,959	25,908	0.01 %	25,908	0.01 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	35,880	0.00 %	35,880	- %	
"	Formosa Plastics corporation	-	"	200,000	17,360	0.00 %	17,360	- %	
"	China Steel Corporation	-	"	850,000	25,330	0.01 %	25,330	0.01 %	
EIC	TCI CO.,Ltd	-	"	130,000	22,230	0.11 %	22,230	0.11 %	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37,000	16,595	0.00 %	16,595	- %	
ET Pet	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	- %	

Note: For the details of the financial instruments pledged as collateral of the Group please refer to Note 7 and 37.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Receivables from related parties of at least \$100 million or 20% of the paid-in capital
December 31, 2022
(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 4

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	ET New Media	Subsidiary	\$ 263,618	Not applicable	\$ -	-	\$ 3,618	\$ -
EIC	ET New Media	Subsidiary	100,267	Not applicable	-	-	267	-
EILF	ET New Media	Subsidiary	150,401	Not applicable	-	-	401	-
TKLF	ET New Media	Subsidiary	200,427	Not applicable	-	-	427	-

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Business relationships and significant intercompany transactions
December 31, 2022
(Experssed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 5

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ET New Media	1	Other receivables - related parties	\$ 263,618	Refer to contract terms or market price	1.70%
1	EIC	ET New Media	3	Other receivables - related parties	100,267	Refer to contract terms or market price	0.65%
2	EILF	ET New Media	3	Other receivables - related parties	150,401	Refer to contract terms or market price	0.97%
3	TKLF	ET New Media	3	Other receivables - related parties	200,427	Refer to contract terms or market price	1.29%

Note 1 : For the inter-company business relationship and transaction condition in the “Number” column, the labeling method is as follows:
1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2 : Relationship is classified into three types:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2022

(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 6

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Owner ship	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value				
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 283	100.00%	(\$ 628)	(\$ 628)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,326,825	100.00%	(840,937)	(840,937)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	58,419	100.00%	(3,795)	(3,795)	Note 1
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	479,348	97.90%	(152,135)	(148,939)	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	293,459	53.77%	(61,248)	(32,933)	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	332,927	53.76%	(48,166)	(25,896)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	16,518	6.51%	(511,875)	(33,337)	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(581,576)	89.20%	(259,331)	(231,335)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	329,731	32,973,086	60.40%	(87,192)	60.40%	(218,948)	(132,245)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	715,000	495,000	71,500,000	55.00%	707,832	55.00%	(11,238)	(6,181)	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	416,250	-	41,625,000	59.46%	38,087	59.46%	(466,375)	(225,467)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(6,818)	1.05%	(259,331)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	49,095	19.36%	(511,875)	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	61,924	10.00%	(48,166)	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	54,577	10.00%	(61,248)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	(19,055)	13.20%	(218,948)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	196,477	36.00%	(61,248)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	(19,055)	13.20%	(218,948)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	222,925	36.00%	(48,166)	"	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	(19,055)	13.20%	(218,948)	"	Subsidiary

(to be continued)

(continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Owner ship	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value				
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	\$ 137,363	\$ 137,363	450,000	100.00%	\$ 85,627	100.00%	(\$ 849)	Exempt from disclosure	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	49,551	100.00%	(958)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,300,901	30.00%	(112,270)	"	Associate (Note 2)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	83,340	100.00%	(550)	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	100	300,000	100.00%	3,052	100.00%	(148)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	-	100.00%	45	"	Note 3
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	5,000	5,000	500,000	100.00%	3,099	100.00%	(265)	"	Note 4
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	5,000	1,000	500,000	100.00%	1,794	100.00%	(3,118)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	26.43%	16,927	92.50%	(466,375)	"	Subsidiary
ET New Media	Dung sen mu de tech	Taiwan	Marketing, research and data collection	50,000	-	5,000,000	100.00%	50,000	100.00%	-	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	-	334,788	-	0.00%	-	100.00%	(926)	"	Note 5
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	-	45,997	-	0.00%	-	100.00%	(8,573)	"	Note 5
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	-	9,916	-	0.00%	-	100.00%	1,829	"	Note 5
ET Pet	Care Pet Bio-Tech	Taiwan	Pet food and supplies and providing pet beauty service	7,000	-	700,000	70.00%	3,915	100.00%	(4,407)	"	Subsidiary

Note 1: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 2: The amount of accumulated impairment was included in the ending balance of the investment. Please refer to Note 12 for the details.

Note 3: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

Note 4: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the audit reporting date.

Note 5: Oscar, Pet Kingdom and Kaou Sin were merged by ET Pet on November 1, 2022, and ET Pet was the surviving company.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Information on investment in Mainland China
For the year ended December 31, 2022
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 8

1. Relevant information such as the name and main business items of the investee company in Mainland China:

Name of investee	Main businesses and products	Total amount of paid in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2022	Net income (losses) of the investee	Percentage of ownership	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business	\$ -	Note 2	\$ 1,004,217	\$ -	\$ -	\$ 1,004,217	\$ -	- %	- %	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	393,165	-	-	393,165	-	- %	- %	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	173,416	-	-	173,416	-	- %	- %	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,105,412	Note 5	1,170,051	-	-	1,170,051	(790)	100.00 %	100.00 %	(790)	3,259	-
Nanjing Yun Fu	Wholesale trading	45,794	Note 6	92,130	-	-	92,130	(204)	100.00 %	100.00 %	(204)	3,985	-
Jiangsu Sen Fu Da	Research and development of film and television technology	44,080	Note 7	-	-	-	-	-	34.00 %	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	440,443	Note 5	-	-	-	-	21,238	30.00 %	30.00 %	6,371	157,731	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	94,863	Note 5	-	-	-	-	1,296	30.00 %	30.00 %	389	31,583	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,068,808	Note 5	-	-	-	-	1,790	30.00 %	30.00 %	537	321,067	-

(to be continued)

(continued)

- Note 1: Except that the investment gain (loss) of RICHNESS TRADING (SHANGHAI) and Nanjing Yun Fu was recognized based on the financial statements audited by the same audit team of the Company, the rest of the investment gain (loss) was recognized based on financial statements audited by other audit teams.
- Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.
- Note 3: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on September 21, 2018.
- Note 4: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on February 21, 2019.
- Note 5: The Group indirectly invested through FESS-Panama.
- Note 6: The Group indirectly invested through FESS-Panama, and the investment was handling capital reduction and returning shares of CNY \$9,467 on February 1, 2018, the amount of the share is remitted back to the GRAND SCENE TRADING (HONG KONG).
- Note 7: The Group indirectly invested t through Nanjing Ji Cheng on August 30, 2012.
- Note 8: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year

.2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,832,979	\$ 4,743,706	\$ 2,444,001

Note: The limit on investment was determined by 60% of the individual or consolidated total net worth whichever is higher.

3. Significant transactions with investee companies in Mainland China:

For the Group’s significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the years ended December 31, 2022, please refer to “Information on significant transactions” above.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Major shareholders
December 31, 2022
(Expressed in Units)
Table 8

Shareholding Shareholders name	Shares	Percentage
Jinxin Trading Co., Ltd.	45,873,612	9.63%