

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

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2023 and 2022

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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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Independent Auditors' Review Report

To the Board of Directors of Eastern Media International Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Eastern Media International Corporation and its subsidiaries as of March 31, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months ended March 31, 2023 and 2022, and changes in equity and cash flows for the three months ended March 31, 2023 and 2022, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4b, the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$234,123 thousand and \$48,128 thousand, constituting 1.56% and 0.31% of consolidated total assets as of March 31, 2023 and 2022, respectively, total liabilities amounting to \$83,744 thousand and \$2,021 thousand, constituting 0.77% and 0.02% of consolidated total liabilities as of March 31, 2023 and 2022, respectively, and total comprehensive income amounting to \$(16,185) thousand and \$382 thousand, constituting (31.06)% and 0.26% of consolidated total comprehensive income for the three months ended March 31, 2023 and 2022, respectively.

Furthermore, as stated in Note 12 the other equity accounted investments of Eastern Media International Corporation and its subsidiaries in its investee companies of \$1,262,021 thousand and \$1,942,258 thousand as of March 31, 2023 and 2022, respectively, and its equity in net loss on these investee companies of \$(22,582) thousand and \$(16,734) thousand for the three months ended March 31, 2023 and 2022, respectively, were recognized solely on the financial statement prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Eastern Media International Corporation and its subsidiaries as of March 31, 2022 and 2021, and its consolidated cash flows for the three months ended March 31, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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 of \$150,428 thousand and \$420,023 thousand, constituting 1.00% and 2.70% of consolidated total assets at March 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method of \$89,592 thousand and \$118,825 thousand, constituting 197.84% and 113.97% of consolidated total profit before tax for the three months ended March 31, 2023 and 2022, respectively.

The engagement partners on the review resulting in this independent auditors’ report are Shin-Chin Chih and Hsin-Ting Huang

KPMG

Taipei, Taiwan (Republic of China)

May 12, 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)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
Assets						
Current assets:						
1100 Cash and cash equivalents (Note 6)	\$ 1,235,827	8	\$ 1,914,254	12	\$ 1,323,536	9
1110 Current financial assets at fair value through profit or loss (Notes 7 and 37)	1,154,274	8	1,073,448	7	1,286,905	8
1151 Notes receivable, net (Notes 9 and 29)	40,929	-	40,204	-	47,705	-
1160 Notes receivable due from related parties, net (Notes 9, 29 and 36)	-	-	2,550	-	78,582	1
1170 Accounts receivable, net (Notes 9 and 29)	322,549	2	415,014	4	326,928	2
1180 Accounts receivable due from related parties, net (Notes 9, 29 and 36)	20,027	-	34,270	-	37,957	-
1200 Other receivables, net (Notes 7, 8, 10 and 17)	135,050	1	122,683	1	105,126	1
1210 Other receivables due from related parties (Notes 10 and 36)	3,465	-	6,191	-	6,761	-
130X Inventories (Notes 11 and 36)	466,699	3	447,021	3	383,887	2
1400 Current biological assets, net	16,643	-	19,081	-	19,327	-
1410 Prepayments (Note 36)	107,671	1	99,992	1	52,444	-
1476 Other current financial assets (Notes 6 and 37)	68,009	1	38,055	-	111,893	1
1479 Other current assets, others	1,820	-	497	-	5,157	-
	<u>3,572,963</u>	<u>24</u>	<u>4,213,260</u>	<u>28</u>	<u>3,786,208</u>	<u>24</u>
Non-current assets:						
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,500	-	7,510	-	7,510	-
1550 Investments accounted for using equity method, net (Notes 12 and 37)	1,412,449	9	1,366,514	9	2,362,281	15
1600 Property, plant and equipment (Notes 16, 35 and 37)	2,874,172	19	2,620,318	17	1,903,883	12
1755 Right of use assets (Notes 17 and 37)	6,169,206	41	6,412,380	41	6,040,977	39
1780 Intangible assets (Notes 18, 35 and 36)	58,702	-	24,602	-	402,547	3
1840 Deferred tax assets	192,741	1	201,581	1	427,866	3
1920 Refundable deposits (Note 37)	390,454	3	432,274	3	578,070	4
1940 Long-term notes and accounts receivable due from related parties (Notes 9, 29 and 36)	76,088	1	76,083	-	-	-
1980 Other non-current financial assets (Notes 17 and 37)	134,653	1	133,040	1	27,650	-
1990 Other non-current assets, others (Note 38)	89,791	1	9,321	-	11,284	-
	<u>11,405,756</u>	<u>76</u>	<u>11,283,623</u>	<u>72</u>	<u>11,762,068</u>	<u>76</u>
Total assets	<u>\$ 14,978,719</u>	<u>100</u>	<u>\$ 15,496,883</u>	<u>100</u>	<u>\$ 15,548,276</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)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
Liabilities and Equity						
Current liabilities:						
2100 Short-term loans (Notes 19 and 37)	\$ 447,640	3	\$ 377,450	2	\$ 111,195	1
2110 Short-term notes and bills payable (Notes 20, 35 and 37)	229,354	2	349,427	2	149,413	1
2130 Current contract liabilities (Notes 29 and 36)	39,919	-	42,123	-	32,311	-
2150 Notes payable (Notes 21 and 35)	105,931	1	173,161	1	120,363	1
2160 Notes payable due from related parties (Notes 21 and 36)	-	-	2,550	-	2,200	-
2170 Accounts payable	289,656	2	315,719	2	225,538	2
2180 Accounts payable due from related parties (Note 36)	33,968	-	65,537	-	7,681	-
2200 Other payables (Notes 27, 35 and 38)	650,663	4	860,554	6	1,041,982	7
2220 Other payables due from related parties (Notes 36)	5,018	-	13,073	-	36,514	-
2230 Current tax liabilities	598	-	821	-	4,611	-
2280 Current lease liabilities (Notes 24 and 36)	964,692	6	1,083,123	7	982,884	6
2310 Advance receipts	4,640	-	1,664	-	2,175	-
2320 Long-term liabilities, current portion (Notes 22, 23, 35 and 37)	296,024	2	322,475	2	1,123,375	7
2399 Other current liabilities, others	29,503	-	31,521	-	31,411	-
	<u>3,097,606</u>	<u>20</u>	<u>3,639,198</u>	<u>22</u>	<u>3,871,653</u>	<u>25</u>
Non-current liabilities:						
2540 Long-term loans (Notes 22, 35 and 37)	2,486,313	17	2,322,573	16	348,905	2
2570 Deferred tax liabilities	-	-	-	-	62	-
2580 Non-current lease liabilities (Notes 24 and 36)	5,264,692	35	5,425,792	36	5,120,223	33
2610 Long-term notes and accounts payable (Note 23)	-	-	30,000	-	158,306	1
2640 Net defined benefit liability, non-current	509	-	1,799	-	19,836	-
2645 Guarantee deposits received	4,165	-	4,185	-	4,275	-
	<u>7,755,679</u>	<u>52</u>	<u>7,784,349</u>	<u>52</u>	<u>5,651,607</u>	<u>36</u>
Total liabilities	<u>10,853,285</u>	<u>72</u>	<u>11,423,547</u>	<u>74</u>	<u>9,523,260</u>	<u>61</u>
Equity attributable to owners of parent (Note 27)						
3100 Capital stock	4,760,554	32	4,760,554	31	5,289,504	34
3200 Capital surplus	15,992	-	15,992	-	16,243	-
3300 Retained earnings	(1,045,387)	(7)	(1,098,138)	(7)	637,223	5
3400 Other equity interest	(129,070)	(1)	(144,353)	(1)	(283,707)	(2)
Total equity attributable to owners of parent	<u>3,602,089</u>	<u>24</u>	<u>3,534,055</u>	<u>23</u>	<u>5,659,263</u>	<u>37</u>
36XX Non-controlling interests (Note 14)	523,345	4	539,281	3	365,753	2
Total equity	<u>4,125,434</u>	<u>28</u>	<u>4,073,336</u>	<u>26</u>	<u>6,025,016</u>	<u>39</u>
Total liabilities and equity	<u>\$14,978,719</u>	<u>100</u>	<u>\$15,496,883</u>	<u>100</u>	<u>\$15,548,276</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)
(Reviewed, not audited)

	For the three months ended March 31			
	2023		2022	
	Amount	%	Amount	%
4000 Operating revenue (Notes 29 and 36)	\$ 1,394,410	100	\$ 1,427,602	100
5000 Operating costs (Notes 25, 30, 31 and 36)	998,975	72	1,043,589	73
Gross profit from operations	395,435	28	384,013	27
6000 Operating expenses (Notes 25, 30 and 36)	441,065	32	379,407	27
6450 Reversal of Impairment determined in accordance with IFRS9 (Note 9)	(9)	-	(9)	-
Net operating (loss) gain	(45,621)	(4)	4,615	-
Non-operating income and expenses:				
7100 Interest income (Notes 31)	2,913	-	1,841	-
7010 Other income (Notes 7, 31 and 36)	15,078	1	38,121	3
7020 Other gains and losses, net (Notes 15, 31 and 36)	71,655	5	13,175	1
7050 Finance costs (Notes 24, 31 and 36)	(65,750)	(5)	(55,583)	(4)
7060 Share of profit of associates accounted for using equity method (Note 12)	67,010	5	102,091	7
7900 Profit before tax	45,285	2	104,260	7
7950 Less: tax expenses (Note 26)	9,166	-	20,409	1
Net profit	36,119	2	83,851	6
8300 Other comprehensive income:				
8310 Components of other comprehensive income that will not be reclassified to profit or loss				
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	(449)	-	(2)	-
8349 Less: Income tax related to components of other comprehensive that will not be reclassified subsequently	-	-	-	-
Total other comprehensive income that will not be reclassified to profit or loss	(449)	-	(2)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361 Exchange differences on translation of foreign financial statements	37,053	3	4,662	-
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	(20,612)	(1)	58,317	4
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	16,441	2	62,979	4
8300 Other comprehensive income, net of tax	15,992	2	62,977	4
Total comprehensive income	\$ 52,111	4	\$ 146,828	10

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income (Cont'd)
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Reviewed, not audited)

		For the three months ended March 31			
		2023		2022	
		Amount	%	Amount	%
Profit attributable to:					
8610	Owners of parent	\$ 51,980	3	\$ 91,636	7
8620	Non-controlling interests	(15,861)	(1)	(7,785)	(1)
		\$ 36,119	2	\$ 83,851	6
Comprehensive income attributable to:					
		\$ 68,047	5	\$ 154,538	11
		(15,936)	(1)	(7,710)	(1)
		\$ 52,111	4	\$ 146,828	10
Earnings per share (Unit: NT\$) (Note 28)					
9750	Basic earnings per share	\$	0.11	\$	0.17
9850	Diluted earnings per share	\$	0.11	\$	0.17

(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						Total equity attributable to owners of parent	Non-controlling interests	Total equity
						Retained earnings					Exchange differences on translation of foreign financial statements			
	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			
Profit (loss) for the three months ended March 31, 2022	-	-	-	-	91,636	-	-	-	91,636	(7,785)	83,851			
Other comprehensive income, for the three months ended March 31, 2022	-	-	-	-	-	62,904	(2)	-	62,902	75	62,977			
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	91,636	62,904	(2)	-	154,538	(7,710)	146,828			
Appropriation and distribution of retained earnings:														
Cash dividends of ordinary share	-	-	-	-	(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 investments accounted for using equity method	-	-	-	-	(204,344)	-	-	-	(204,344)	(3,263)	(207,607)			
Balance at March 31, 2022	\$5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 102,499	(\$ 280,006)	(\$ 3,701)	-	\$5,659,263	\$ 365,753	\$6,025,016			
Balance at January 1, 2023	\$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			
Profit (loss) for the three months ended March 31, 2023	-	-	-	-	51,980	-	-	-	51,980	(15,861)	36,119			
Other comprehensive income, for the three months ended March 31, 2023	-	-	-	-	784	16,509	(1,226)	-	16,067	(75)	15,992			
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	52,764	16,509	(1,226)	-	68,047	(15,936)	52,111			
Changes in investments accounted for using equity method	-	-	-	-	(13)	-	-	-	(13)	-	(13)			
Balance at March 31, 20223	\$4,760,554	\$ 15,992	\$ 313,375	\$ 346,610	(\$1,705,372)	(\$ 160,249)	\$ 64	\$ 31,115	\$3,602,089	\$ 523,345	\$4,125,434			

(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)
(Reviewed, not audited)

	For the three months ended March 31	
	2023	2022
Cash flows (used in) from operating activities:		
Profit before tax	\$ 45,285	\$ 104,260
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	334,401	323,805
Amortization expense	5,611	8,268
Net gain on financial assets or liabilities at fair value through profit or loss	(106,828)	(36,093)
Interest expense	66,086	55,583
Interest income	(2,913)	(1,841)
Dividend income	(1,732)	(1,287)
Share of profit of associates and joint ventures accounted for using equity method	(67,010)	(102,091)
Gain on disposal of property, plant and equipment	-	(17)
Loss on disposal of investments	39,603	-
Reversal of impairment determined in accordance with IFRS 9	(9)	(9)
Amounts from modification of lease contracts	-	647
Total adjustments to reconcile profit	<u>267,209</u>	<u>246,965</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Decrease (increase) in current financial assets at fair value through profit or loss	26,002	(289,392)
Decrease (increase) in notes receivable	1,802	(738)
Decrease in accounts receivable	92,475	90,722
Decrease (increase) in accounts receivable due from related parties	14,243	(8,892)
Increase in other receivables	(13,789)	(24,505)
Increase in inventories	(20,138)	(2,590)
Decrease in biological assets	2,438	2,059
(Increase) decrease in prepayments	(7,685)	8,891
Increase in other current assets	(1,323)	(4,824)
Decrease (increase) in other operating assets	20	(57,270)
Total changes in operating assets, net	<u>94,045</u>	<u>(286,539)</u>
Changes in operating liabilities, net:		
(Decrease) increase in contract liabilities	(2,204)	73
Decrease in notes payable	(20,546)	(19,415)
Decrease in accounts payable	(57,632)	(50,160)
Decrease in other payable	(199,768)	(127,535)
Increase (decrease) in advance receipts	2,976	(4,716)
(Decrease) increase in other current liabilities	(2,018)	1,784
Decrease in net defined benefit liability, non-current	(1,290)	(1,140)
Total changes in operating liabilities	<u>(280,482)</u>	<u>(201,109)</u>
Net changes in operating assets and liabilities	<u>(186,437)</u>	<u>(487,648)</u>
Total adjustments	<u>80,772</u>	<u>(240,683)</u>
Cash inflow (outflow) from operations	<u>126,057</u>	<u>(136,423)</u>
Tax income (paid) refunded	(1,338)	8,200
Net cash inflow (outflow) from operating activities	<u>124,719</u>	<u>(128,223)</u>

(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)
(Reviewed, not audited)

	For the three months ended March 31	
	2023	2022
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries	\$ -	(\$ 45,360)
Acquisition of property, plant and equipment	(301,458)	(95,520)
Proceeds from disposal of property, plant and equipment	-	336
Decrease (increase) in refundable deposits	720	(17,745)
Decrease in other receivables	5,000	-
Decrease in long-term notes receivable due from related parties	2,779	-
Acquisition of intangible assets	(40,086)	(704)
Decrease (increase) in other financial assets	6,945	(4,024)
Increase in other non-current assets	(78,010)	(5,184)
Interest received	2,674	1,702
Dividends received	1,733	440
Net cash outflow from investing activities	(399,703)	(166,059)
Cash flows from (used in) financing activities:		
Increase in short-term loans	460,190	204,841
Decrease in short-term loans	(390,000)	(187,091)
(Decrease) increase in short-term notes and bills payable	(120,000)	70,000
Increase in long-term loans	336,237	60,403
Decrease in long-term loans	(189,213)	(37,605)
Decrease in notes payable	(62,873)	(86,349)
Decrease in guarantee deposits received	(20)	(42)
Payment of lease liabilities	(327,754)	(308,908)
(Decrease) increase in long-term notes payable	(32,467)	195,897
Interest paid	(73,812)	(61,094)
Net cash flows used in financing activities	(399,712)	(149,948)
Effect of exchange rate changes on cash and cash equivalents	(3,731)	5,960
Net decrease in cash and cash equivalents	(678,427)	(438,270)
Cash and cash equivalents at beginning of period	1,914,254	1,761,806
Cash and cash equivalents at end of period	\$ 1,235,827	\$ 1,323,536

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Notes To Consolidated Financial Statements

For The Three Months Ended March 31, 2023 And 2022

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

(Reviewed, Not Audited)

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 May 12, 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 consolidated financial statements, from January 1, 2023 :

- 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”

- b. 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.

- 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

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC, and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for a complete set of the annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2022. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2022.

b. Basis of consolidation

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

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	100.00%	100.00%	100.00%	Note A (Note 1 and 11)
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	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 4)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	53.77%	Note A
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	89.20%	Note A
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	60.40%	Note A
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	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%	59.46%	- %	Note A (Note 8)
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	10.00%	Note B

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			March 31, 2023	December 31, 2022	March 31, 2022	
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	26.43%	26.43%	92.50%	Note C (Note 8)
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	100.00%	Note C (Note 1)
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 5)
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	100.00%	Note C (Note 1 and 6)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	Consulting management, market research and opinion poll	100.00%	100.00 %	100.00%	Note C (Note 1)
ET New Media	MOOD Internet Corporation Limited (MOOD)	Consulting management, market research and opinion poll	100.00%	100.00 %	- %	Note C (Note 1 and 9)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	- %	- %	100.00%	Note C (Note 2 and 7)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	- %	- %	100.00%	Note C (Note 2 and 7)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	- %	- %	100.00%	Note C (Note 2 and 7)
ET Pet	Care Pet Bio-Tech Company (Care Pet Bio-Tech)	Pet food and supplies and providing pet beauty service	70.00%	70.00 %	- %	Note C (Note 1 and 3)
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
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 (Note 1 and 10)
Eastern Media Communication (Hong Kong)	RICHNESS TRADING (SHANGHAI) CO., LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	100.00%	91.23%	91.23%	Note C (Note 1 and 10)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	100.00%	Note C (Note 1)

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: As an immaterial subsidiary, the financial statements have not been reviewed.
- Note 2: 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 3: 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. ET Pet 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 4: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.
- Note 5: 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 6: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The liquidation procedures were finished on April 21, 2023.
- Note 7: 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 8: 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. Since ET New Media did not participate in the cash capital injection, the shareholding of ET New Media dropped to 26.43%. The registrations were finished on January 17, 2023.
- Note 9: 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.
- Note 10: FESS-Bermuda and Eastern Media Communication Hong Kong signed an agreement on transferring ownership of RICHNESS TRADING (SHANGHAI) on July 27, 2022. FESS-Bermuda sold all of its shares to Eastern Media Communication Hong Kong. The registration procedures had been completed on January 17, 2023.
- Note 11: The Company approved to liquidate FESS-Bermuda on March 16, 2023. The procedures were still in progress by the review date.
- (b) Subsidiaries excluded from the consolidated financial statements: None.

c. Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

d. Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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 IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and 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 preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2022. For the related information, please

refer to Note 5 of the consolidated financial statements for the year ended December 31, 2022.

6. Cash and cash equivalents

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Cash on hand	\$ 13,516	\$ 16,418	\$ 11,735
Cash in banks	992,116	1,513,294	863,662
Cash equivalents	230,195	384,542	448,139
	<u>\$ 1,235,827</u>	<u>\$ 1,914,254</u>	<u>\$ 1,323,536</u>

a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$49,591, \$3,900, and \$22,275 which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for March 31, 2023, December 31, 2022, and March 31, 2022, 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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Financial assets designated as at fair value through profit or loss:			
Non-derivative financial assets			
Stocks listed on domestic markets	\$ 1,154,274	\$ 1,073,448	\$ 1,286,905

a. Please refer to Note 31 for the remeasurement of fair value.

b. For the three months ended March 31, 2023 and 2022, the dividends from financial assets designated as at fair value through profit or loss were \$1,732 and \$1,287, respectively.

c. As of March 31, 2023, December 31, 2022 and March 31, 2022, the amount of \$1,732, \$1,733 and \$1,287 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 review 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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Equity investments at fair value through other comprehensive income:			
Unlisted common shares domestic Company	\$ 7,500	\$ 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.

The Group dropped out of the membership of COTA Commercial Bank, Ltd. in March 2023. The amount of capital return of \$10 (recorded as other receivables) has not been

received by the Group as the review date.

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

b. For credit risk and market risk; please refer to Note 32.

c. No financial assets mentioned above were pledged as collateral.

9. Notes and accounts receivable (including related parties)

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Notes receivable-generated from operation	\$ 3,314	\$ 5,143	\$ 6,648
Installment notes receivable	41,750	42,600	129,606
Accounts receivable	392,132	498,841	416,247
Long-term installment notes receivable	84,485	85,344	-
Less: Allowance for doubtful accounts	(50,188)	(50,197)	(52,010)
Unrealized interest revenue	(11,900)	(13,610)	(9,319)
	<u>\$ 459,593</u>	<u>\$ 568,121</u>	<u>\$ 491,172</u>

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:

	<u>March 31, 2023</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 18,167</u>	-	<u>\$ -</u>
	<u>December 31, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 33,675</u>	-	<u>\$ -</u>
	<u>March 31, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 31,037</u>	-	<u>\$ -</u>

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

March 31, 2023			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 21,051	-	\$ -
More than 91 days past due	798	100%	798
	\$ 21,849		\$ 798

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
	\$ 28,376		\$ 793

March 31, 2022			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 14,070	-	\$ -
More than 91 days past due	812	100%	812
	\$ 14,882		\$ 812

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

March 31, 2023			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 285,523	0.00~0.25%	\$ 702
1 to 30 days past due	21,695	0.00~12.09%	2,624
31 to 60 days past due	3,675	0.00~28.14%	1,034
More than 91 days past due	140	100%	140
	\$ 311,033		\$ 4,500

December 31, 2022			
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 380,863	0.00~0.25%	\$ 931
1 to 30 days past due	11,078	0.00~12.09%	1,340
31 to 60 days past due	3,386	0.00~28.14%	953
More than 91 days past due	2,180	100%	2,180
	\$ 397,507		\$ 5,404

	March 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 300,937	0.00~0.23%	\$ 699
1 to 30 days past due	23,195	0.00~11.76%	2,713
31 to 60 days past due	4,951	0.00~28.21%	1,396
61 to 90 days past due	298	0.00~82.91%	247
More than 91 days past due	1,615	100%	1,615
	\$ 330,996		\$ 6,670

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

	March 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision(Note)
Current	\$ 114,578	0.00~1.25%	\$ 1,429
More than 91 days past due	4	100%	4
	\$ 114,582		\$ 1,433

	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%	4
	\$ 114,610		\$ 1,433

	March 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision(Note)
Current	\$ 120,543	0.00~1.25%	\$ 536
More than 91 days past due	4	100%	4
	\$ 120,547		\$ 540

Note: As of March 31, 2023, December 31, 2022, and March 31, 2022, the receivables amounted to \$44,150, \$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 three months ended March 31	
	2023	2022
Balance on January 1	\$ 50,197	\$ 52,019
Recognition of gain from reversal of impairment	(9)	(9)
Balance on March 31	\$ 50,188	\$ 52,010

No financial assets mentioned above were pledged as collateral.

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

	March 31, 2023	December 31, 2022	March 31, 2022
Other accounts receivable— loans to associates	\$ 49,400	\$ 54,400	\$ 55,000
Other accounts receivable— others	90,932	76,291	58,704
Less: Loss allowance	(1,817)	(1,817)	(1,817)
	\$ 138,515	\$ 128,874	\$ 111,887

As of March 31, 2023, December 31, 2022, and March 31, 2022, the aging analysis of other receivables, which were past due but not impaired, was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Past due more than 365 days	\$ -	\$ -	\$ 62

For credit risk and market risk; please refer to Note 32.

11. Inventories

	March 31, 2023	December 31, 2022	March 31, 2022
Goods held for sale	\$ 434,059	\$ 414,248	\$ 352,269
Spare programs	-	-	170
Raw materials and others (including fuel)	32,640	32,773	31,448
	\$ 466,699	\$ 447,021	\$ 383,887

No inventories were pledged as collateral on March 31, 2023, December 31, 2022, and March 31, 2022, 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:

	March 31, 2023	December 31, 2022	March 31, 2022
Natural Beauty bio- technology Limited (Natural Beauty)	\$ 1,262,021	\$ 1,300,901	\$ 1,942,258
Eastern Home Shopping & Leisure Co., Ltd (EHS)	150,428	65,613	420,023
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-	-
	\$ 1,412,449	\$ 1,366,514	\$ 2,362,281

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		
			March 31, 2023	December 31, 2022	March 31, 2022
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	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:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value	\$ 1,234,812	\$ 1,300,901	\$ 1,119,911

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

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 1,344,283	\$ 1,436,971	\$ 1,537,504
Non-current assets	2,062,496	1,998,172	1,799,453
Liabilities	(1,074,486)	(1,082,343)	(987,452)
Net assets	\$ 2,332,293	\$ 2,352,800	\$ 2,349,505
Net assets attributable to investee	\$ 2,332,293	\$ 2,352,800	\$ 2,349,505
	For the three months ended March 31		
		2023	2022
Operating revenue		\$ 438,031	\$ 247,999
Net loss		(\$ 41,624)	(\$ 28,674)
Other comprehensive income (loss)		2,493	(26,277)
Total comprehensive loss		(\$ 39,131)	(\$ 54,951)
Comprehensive loss attributable to investee		(\$ 39,131)	(\$ 54,951)

	For the three months ended March 31	
	2023	2022
Share of net assets attributable to the Group of beginning balance	\$ 705,840	\$ 700,483
Comprehensive (loss) income attributable to the Group	(11,739)	(16,485)
Effect of exchange rate fluctuations	5,587	20,854
Subtotal	699,688	704,852
Add: Goodwill	335,786	315,661
Trademark	303,471	285,282
Property, plant and equipment	491,842	477,293
Other intangible assets in useful life (e.g., memberships and patents, etc.)	155,656	169,425
Effect of exchange rate fluctuations	(19,777)	68
Less: adjustment for inventories	(10,981)	(10,323)
Impairment loss	(693,664)	-
Book value of net assets attributable to the Group of ending balance	\$ 1,262,021	\$ 1,942,258

(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:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 4,906,025	\$ 4,774,859	\$ 5,003,848
Non-current assets	6,334,314	6,196,361	7,454,465
Liabilities	(10,658,827)	(10,709,994)	(10,828,284)
Net assets	\$ 581,512	\$ 261,226	\$ 1,630,029
Non-controlling interests, attributable to investee	\$ -	\$ 7,584	\$ 6,337
Net assets attributable to investee	\$ 581,512	\$ 253,642	\$ 1,623,692

	For the three months ended March 31	
	2023	2022
Operating revenue	\$ 5,330,620	\$ 6,937,896
Net income	342,489	457,128
Other comprehensive (loss) income	(18,413)	18,490
Total comprehensive income	\$ 324,076	\$ 475,618
Comprehensive loss, attributable to non-controlling interests	(\$ 3,846)	(\$ 2,214)
Comprehensive income attributable to investee	\$ 327,922	\$ 477,832

	For the three months ended March 31	
	2023	2022
Share of net assets attributable to the Group of beginning balance	\$ 65,613	\$ 504,022
Comprehensive income attributable to the Group	84,828	123,608
Changes in investments accounted for using equity method	(13)	(207,607)
Share of net assets attributable to the Group of ending balance	\$ 150,428	\$ 420,023

- c. Please refer to Note 37 for the details of the investments accounted for using equity method pledged as collateral.
- d. 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 an amount of impairment loss in 2022.
- e. The unreviewed financial statements of investments for using equity method
Except for EHS as of March 31, 2023 and 2022, investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

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 review date, the transactions mentioned above were completed and the investment was fully paid. The acquisition was as follow:

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

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

	For the three months ended
	March 31, 2022
Non-controlling interests carrying amount	\$ 38,574
Investment amount	(45,360)
Subtotal	(6,786)
Less: Changes in non-controlling interests	(1,122)
	<u>(\$ 5,664)</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 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. ET Pet 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.
- c. 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. Since ET New Mdeia did not participate in the cash capital injection, the shareholding of ET New Media dropped to 26.43%. The registrations were finished on January 17, 2023.
- d. 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		
		March 31, 2023	December 31, 2022	March 31, 2022
Eastern Asset	Taiwan	45.00%	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:

	March 31, 2023	December 31, 2022	March 31, 2022
Current assets	\$ 440,839	\$ 555,076	\$ 186,720
Non-current assets	2,511,854	2,245,918	1,604,144
Current liabilities	(146,399)	(119,519)	(27,307)
Non-current liabilities	(1,520,590)	(1,394,508)	(865,553)
Net assets	\$ 1,285,704	\$ 1,286,967	\$ 898,004

**For the three months ended March
31**

	2023	2022
Operating revenue	\$ -	\$ -
Net loss	(\$ 1,263)	(\$ 201)
Other comprehensive income	-	-
Total comprehensive loss	(\$ 1,263)	(\$ 201)

**For the three months ended March
31**

	2023	2022
Net cash flows used in operating activities	(\$ 12,930)	(\$ 870)
Net cash flows used in investing activities	(233,333)	(38,816)
Net cash flows used in financing activities	114,901	(28,241)
Net decrease in cash and cash equivalents	(\$ 131,362)	(\$ 67,927)

15. Loss of control of subsidiaries

- a. The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023 and the Company lost control over Grand Richness (Hong Kong) since then. The loss on disposal of the investment was amounted to \$39,603.
- b. ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.
- c. ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The liquidation procedures were finished on April 21, 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	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ 625,978	\$ 1,024,347	\$ 16,161	\$ 860,157	\$ 1,160,086	\$ 250,472	\$ 3,937,201
Additions	-	-	-	18,346	275,118	9,373	302,837
Transfers	-	-	-	657	(657)	-	-
Disposals / Written-off	-	-	-	(9,244)	-	(11,437)	(20,681)
Balance on March 31, 2023	\$ 625,978	\$ 1,024,347	\$ 16,161	\$ 869,916	\$ 1,434,547	\$ 248,408	\$ 4,219,357
Balance on January 1, 2022	\$ 596,742	\$ 1,024,259	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Additions	-	88	1,086	24,150	71,640	2,071	99,035
Transfers	-	-	-	62,000	18,190	3,435	83,625
Disposals / Written-off	-	-	(6,565)	(5,391)	-	(1,510)	(13,466)
Balance on March 31, 2022	\$ 596,742	\$ 1,024,347	\$ 19,490	\$ 805,362	\$ 325,073	\$ 376,185	\$ 3,147,199

	Land	Buildings	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	\$ 983,629	\$ 8,797	\$ 217,140	\$ -	\$ 107,317	\$ 1,316,883
Depreciation	-	882	819	31,004	-	16,278	48,983
Disposals / Written-off	-	-	-	(9,244)	-	(11,437)	(20,681)
Balance on March 31, 2023	\$ -	\$ 984,511	\$ 9,616	\$ 238,900	\$ -	\$ 112,158	\$ 1,345,185
Balance on January 1, 2022	\$ -	\$ 801,196	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Depreciation	-	2,284	1,039	26,575	-	13,191	43,089
Disposals / Written-off	-	-	(6,245)	(5,391)	-	(1,511)	(13,147)
Balance on March 31, 2022	\$ -	\$ 803,480	\$ 9,412	\$ 193,051	\$ -	\$ 237,373	\$ 1,243,316
Carrying amounts:							
January 1, 2023	\$ 625,978	\$ 40,718	\$ 7,364	\$ 643,017	\$ 1,160,086	\$ 143,155	\$ 2,620,318
March 31, 2023	\$ 625,978	\$ 39,836	\$ 6,545	\$ 631,016	\$ 1,434,547	\$ 136,250	\$ 2,874,172
January 1, 2022	\$ 596,742	\$ 223,063	\$ 10,351	\$ 552,736	\$ 235,243	\$ 146,496	\$ 1,764,631
March 31, 2022	\$ 596,742	\$ 220,867	\$ 10,078	\$ 612,311	\$ 325,073	\$ 138,812	\$ 1,903,883

- b. 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.
- c. 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 3.01%~3.53%. Details are as follows:

For the three months ended March 31

	2023	2022
Interest expense on loans	\$ 5,808	\$ -

- d. 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, 2023	\$ 5,330,416	\$ 1,396,176	\$ 2,514,947	\$ 6,681	\$ 9,248,220
Additions	-	52,092	16,068	1,374	69,534
Write off - lease modification	-	(19,122)	(2,190)	1	(21,311)
Write off - lease ending	-	(10,084)	-	(922)	(11,006)
Balance on March 31, 2023	\$ 5,330,416	\$ 1,419,062	\$ 2,528,825	\$ 7,134	\$ 9,285,437
Balance on January 1, 2022	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Additions	-	11,324	42,525	1,049	54,898
Write off - lease modification	-	(2,136)	(48,547)	-	(50,683)
Write off - lease ending	-	(5,773)	-	-	(5,773)
Balance on March 31, 2022	\$ 5,233,448	\$ 1,247,869	\$ 2,794,245	\$ 6,681	\$ 9,282,243

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
Accumulated depreciation and impairment losses:					
Balance on January 1, 2023	\$ 896,993	\$ 480,408	\$ 1,454,498	\$ 3,941	\$ 2,835,840
Depreciation	57,191	59,337	174,319	550	291,397
Write off - lease ending	-	(10,084)	-	(922)	(11,006)
Balance on March 31, 2023	\$ 954,184	\$ 529,661	\$ 1,628,817	\$ 3,569	\$ 3,116,231
Balance on January 1, 2022	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Depreciation	56,844	52,274	176,739	492	286,349
Write off - lease modification	-	-	(19,520)	-	(19,520)
Write off - lease ending	-	(5,773)	-	-	(5,773)
Balance on March 31, 2022	\$ 725,536	\$ 509,165	\$ 2,004,275	\$ 2,290	\$ 3,241,266
Carrying amounts:					
January 1, 2023	\$ 4,433,423	\$ 915,768	\$ 1,060,449	\$ 2,740	\$ 6,412,380
March 31, 2023	\$ 4,376,232	\$ 889,401	\$ 900,008	\$ 3,565	\$ 6,169,206
January 1, 2022	\$ 4,564,756	\$ 781,790	\$ 953,211	\$ 3,834	\$ 6,303,591
March 31, 2022	\$ 4,507,912	\$ 738,704	\$ 789,970	\$ 4,391	\$ 6,040,977

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 three months ended March 31	
	2023	2022
Right-of-use assets depreciation expense	\$ 5,979	\$ 5,633
Interest expense on lease liabilities	\$ 6,044	\$ 5,973

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:

	March 31, 2023	December 31, 2022	March 31, 2022
Within 1 year	\$ 12,063	\$ 12,366	\$ -
1-3 years	18,324	19,185	-
3-5 years	9,156	10,613	-
More than 5 years	472	943	-
Total subleasing investment	40,015	43,107	-
Unearned finance income	(2,376)	(2,689)	-
Lease payments receivables (current and non-current)	\$ 37,639	\$ 40,418	\$ -

For credit risk; please refer to Note 32.

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

18. Intangible assets

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, 2023	\$ -	\$ 8,357	\$ -	\$ 58,979	\$ 6,629	\$ 73,965
Additions	-	-	-	39,711	-	39,711
Disposal	-	(4,928)	-	(175)	(473)	(5,576)
Based on March 31, 2023	\$ -	\$ 3,429	\$ -	\$ 98,515	\$ 6,156	\$ 108,100
Balance on January 1, 2022	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Additions	-	-	-	4,627	222	4,849
Disposal	-	(27,933)	-	(410)	-	(28,343)
Based on March 31, 2022	\$ 79,165	\$ 244,017	\$ 73,169	\$ 66,826	\$ 19,811	\$ 482,988

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
Amortization and impairment loss:						
Balance on January 1, 2023	\$ -	\$ 5,500	\$ -	\$ 39,025	\$ 4,838	\$ 49,363
Amortization for the period	-	286	-	4,774	551	5,611
Disposal	-	(4,928)	-	(175)	(473)	(5,576)
Based on March 31, 2023	\$ -	\$ 858	\$ -	\$ 43,624	\$ 4,916	\$ 49,398
Balance on January 1, 2022						
Balance on January 1, 2022	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Amortization for the period	-	1,167	1,829	3,907	1,365	8,268
Disposal	-	(27,933)	-	(410)	-	(28,343)
Based on March 31, 2022	\$ -	\$ 4,929	\$ 18,292	\$ 42,493	\$ 14,727	\$ 80,441
Carrying amounts:						
January 1, 2023	\$ -	\$ 2,857	\$ -	\$ 19,954	\$ 1,791	\$ 24,602
March 31, 2023	\$ -	\$ 2,571	\$ -	\$ 54,891	\$ 1,240	\$ 58,702
January 1, 2022	\$ 79,165	\$ 240,255	\$ 56,706	\$ 23,613	\$ 6,227	\$ 405,966
March 31, 2022	\$ 79,165	\$ 239,088	\$ 54,877	\$ 24,333	\$ 5,084	\$ 402,547

19. Short-term loans

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

	March 31, 2023	December 31, 2022	March 31, 2022
Unsecured bank loans	\$ 84,640	\$ 2,450	\$ 73,148
Secured bank loans	363,000	375,000	38,047
Total	\$ 447,640	\$ 377,450	\$ 111,195
Unused credit lines	\$ 1,495,360	\$ 1,614,550	\$ 1,710,050

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

b. Please refer to Note 37 for the details of the related assets pledged as collateral.

20. Short-term notes and bills

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

	March 31, 2023	December 31, 2022	March 31, 2022
No guarantees to pay commercial promissory notes	\$ 160,000	\$ 350,000	\$ 150,000
Guarantees to pay commercial promissory notes	70,000	-	-
Less: discount amount	(646)	(573)	(587)
Carrying amount	\$ 229,354	\$ 349,427	\$ 149,413
Unused credit lines	\$ 420,000	\$ 300,000	\$ 360,000

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

b. Please refer to Note 37 for the details of the related assets pledged as collateral.

21. Notes payable (including related parties)

	March 31, 2023	December 31, 2022	March 31, 2022
Generated from operation	\$ 3,092	\$ 11,163	\$ 22,990
Non-generated from operation	102,839	164,548	99,573
Total	\$ 105,931	\$ 175,711	\$ 122,563

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%, 1.53%~3.25% and 1.95%~3.00% on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

22. Long-term loans

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Unsecured loans	\$ 32,000	\$ 35,000	\$ 54,314
Secured bank loans	2,611,481	2,461,457	1,216,817
Less: Current portion	(137,717)	(151,211)	(916,520)
Fees	(19,451)	(22,673)	(5,706)
Total	<u>\$ 2,486,313</u>	<u>\$ 2,322,573</u>	<u>\$ 348,905</u>
Duration year	<u>112~126</u>	<u>112~126</u>	<u>111~118</u>
Unused credit lines	<u>\$ 4,151,441</u>	<u>\$ 4,742,567</u>	<u>\$ 4,754,707</u>

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Generated from operation	\$ 5,546	\$ 17,300	\$ 76,485
Non-generated from operation	152,761	183,964	288,676
Less: Current portion	(158,307)	(171,264)	(206,855)
	<u>\$ -</u>	<u>\$ 30,000</u>	<u>\$ 158,306</u>

a. Long term notes payable were 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 2.55%~4.58%, 2.43%~4.52% and 2.00%~4.19% on March 31, 2023, December 31, 2022 and March 31, 2022, respectively.

24. Lease liabilities

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

	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Current	<u>\$ 964,692</u>	<u>\$ 1,083,123</u>	<u>\$ 982,884</u>
Non-current	<u>\$ 5,264,692</u>	<u>\$ 5,425,792</u>	<u>\$ 5,120,223</u>

For the maturity analysis, please refer to Note 32.

Lease amounts recognized as profit or loss were as follows:

	For the three months ended March 31	
	<u>2023</u>	<u>2022</u>
Interest on lease liabilities	<u>\$ 41,788</u>	<u>\$ 40,422</u>
Interest capitalized on lease liabilities	<u>\$ 6,044</u>	<u>\$ 5,973</u>

	For the three months ended March 31	
Variable lease payments not included in the measurement of lease liabilities	\$ 451	\$ 666
Expenses relating to short term leases	<u>\$ 96,584</u>	<u>\$ 107,856</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	<u>\$ 290</u>	<u>\$ 262</u>

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

	For the three months ended March 31	
	2023	2022
Total cash outflow for leases	<u>\$ 472,911</u>	<u>\$ 464,087</u>

- a. For the three months ended March 31, 2023 and 2022, newly added lease liabilities amounted to \$69,534 and \$54,898 respectively, and the interest rates were 2.75%~3.25%. Lease period ending dates extend from April, 2023 to May, 2092. However, for the three months ended March 31, 2023 and 2022, the Group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$21,311 and \$30,516, respectively. The information on modifications of the Group's lease contracts, please refer to Note 17 and 31.
- b. Leases of land and equipment, and buildings

As of March 31, 2023, 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.

- c. Other leases

The Group leases outdoor advertising boards and transportation equipment with lease terms of two 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 used actuarially determined pension costs as of December 31, 2022 and 2021 to measure and disclose pension costs for the interim period as there were no significant

market fluctuations, and significant curtailments, settlements or other significant one-time events subsequent to the prior reporting date.

The expenses recognized in profit and loss for the Group were as follows:

	For the three months ended March 31	
	2023	2022
Operating cost	\$ 154	\$ 260
Operating expense	68	132
	\$ 222	\$ 392

b. Defined contribution plans

The Group's pension expenses under the defined contribution plans were as follows:

	For the three months ended March 31	
	2023	2022
Operating cost	\$ 7,139	\$ 7,142
Operating expense	7,743	6,736
	\$ 14,882	\$ 13,878

26. Income taxes

	For the three months ended March 31	
	2023	2022
Current income tax expense		
Current period	\$ 9,166	\$ 20,409

The Company's tax returns for the years through 2021 were examined and approved by the tax authority.

27. Capital and other equity

Except for the following disclosure, there were no significant changes in capital and other equity of the Group for the three months ended March 31, 2023 and 2022. For the related information, please refer to Note 27 of the consolidated financial statements for the year ended December 31, 2022.

a. Ordinary shares

For increasing the return on equity, on March 23, 2022, a resolution was passed in the Boardmeeting for the capital reduction with \$1(NT\$) per share, amounting to \$528,950, cancelling 52,895 ordinary thousand shares, and would be passed in the shareholders' meeting on June 13, 2022. The capital reduction was approved by the Taiwan Stock Exchange on June 30, 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. 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. Retained earnings

(a) 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.

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 appropriation of 2021 earnings concerning cash dividends has been approved by the Company's board of directors on March 23, 2022. The rest appropriation of 2021 earnings were resolved by the shareholder's meeting on June 13, 2022. The appropriations were as follows:

	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
	<u>2021</u>	<u>2021</u>
Legal reserve	\$ 74,607	-
Special reserve	50,654	-
Cash dividends	528,950	1.0

As of March 31, 2022, the dividends were \$528,950 accounted as other payables.

- (b) For the three months ended March 31, 2022, the Group acquired shares from non-controlling interests, leading changes in shareholdings. This transaction reduced retained earnings of \$5,664. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$204,344.
- (c) For the three months ended March 31, 2023, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$13.

c. Other equity (net of tax)

	<u>Foreign currency translation differences for foreign operations</u>	<u>Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income</u>	<u>Revaluation surplus</u>	<u>Total</u>
Balance on January 1, 2023	(\$ 176,758)	\$ 1,290	\$ 31,115	(\$ 144,353)
Exchange differences on foreign operation	37,053	-	-	37,053
Change in other comprehensive income of associates accounted for using equity method	(20,544)	(1,226)	-	(21,770)
Balance on March 31, 2023	(\$ 160,249)	\$ 64	\$ 31,115	(\$ 129,270)
Balance on January 1, 2022	(\$ 342,910)	(\$ 3,699)	\$ -	(\$ 346,609)
Exchange differences on foreign operation	4,662	-	-	4,662
Change in other comprehensive income of associates accounted for using equity method	58,242	(2)	-	58,240
Balance on March 31, 2022	(\$ 280,006)	(\$ 3,701)	\$ -	(\$ 283,707)

28. Earnings per share

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

	For the three months ended March 31	
	2023	2022
Basic earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 51,980	\$ 91,636
The weighted average number of ordinary shares outstanding (thousand shares)	476,055	528,950
	\$ 0.11	\$ 0.17
Diluted earnings per share		
Profit attributable to ordinary shareholders of the Company	\$ 51,980	\$ 91,636
The weighted average number of ordinary shares outstanding (thousand shares)	476,055	528,950
Effect of dilutive potential ordinary shares:		
Employee stock bonus	117	849
The weighted average number of ordinary shares used in the computation of diluted earnings per share	476,172	529,799
	\$ 0.11	\$ 0.17

29. Revenue from contracts with customers

a. Details of revenue

	For the three months ended March 31, 2023				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 552,972	\$ 13	\$ -	\$ 552,985
Media revenue	-	-	445,054	-	445,054
Loading and storage revenue	315,598	-	-	-	315,598
Other revenue	-	64,460	14,050	2,263	80,773
	\$ 315,598	\$ 617,432	\$ 459,117	\$ 2,263	\$ 1,394,410
	For the three months ended March 31, 2022				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 534,013	\$ -	\$ -	\$ 534,013
Media revenue	-	-	501,135	-	501,135
Loading and storage revenue	313,063	-	-	-	313,063
Other revenue	-	54,027	23,173	2,191	79,391
	\$ 313,063	\$ 588,040	\$ 524,308	\$ 2,191	\$ 1,427,602

b. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	\$ 3,314	\$ 5,143	\$ 6,648
Installment notes receivable	41,750	42,600	129,606
Accounts receivable	392,132	498,841	416,247
Long-term installment notes receivable	84,485	85,344	-
Less: Allowance for doubtful accounts	(50,188)	(50,197)	(52,010)
Unrealized interest revenue	(11,900)	(13,610)	(9,319)
	<u>\$ 459,593</u>	<u>\$ 568,121</u>	<u>\$ 491,172</u>
Contract liability advertising services	\$ 28,584	\$ 28,626	\$ 21,975
Contract liability – commodity gift certificates and special offer points	3,020	-	-
Contract liability others	8,315	13,497	10,336
Total	<u>\$ 39,919</u>	<u>\$ 42,123</u>	<u>\$ 32,311</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.

The Company's employee compensation for the three months ended March 31, 2023 and 2022 are respectively \$2,206 and \$3,981. 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.

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

For the year ended December 31, 2021, the Company estimated its employee remuneration amounting to \$25,402, respectively. The amounts of employees' and directors' remuneration, as stated in the consolidated financial statements, were identical to the actual distribution amounts for the year 2021. 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 three months ended March 31	
	2023	2022
Interest income from bank deposits	\$ 2,267	\$ 1,792
Interest income from financial assets measured at amortized cost	321	43
Other interest income	325	6
	\$ 2,913	\$ 1,841

b. Other income

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

	For the three months ended March 31	
	2023	2022
Rental income	\$ 12,851	\$ 11,901
Dividend income	1,732	1,287
Other revenue (Note)	495	24,933
	\$ 15,078	\$ 38,121

c. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31	
	2023	2022
Gain on disposal of property, plant, and equipment	\$ -	\$ 17
Lease modification loss	-	(647)
Foreign exchange gain (loss)	3,282	(4,894)
Net gain on evaluation of financial assets at fair value through profit or loss	106,828	36,093
Loss on disposal of investments	(39,603)	-
Other income (loss)	1,148	(17,394)
	\$ 71,655	\$ 13,175

d. Finance costs

The Group's finance costs were as follows:

	For the three months ended March	
	31	
	2023	2022
Interest expenses – lease liabilities	\$ 41,788	\$ 40,422
Interest expenses – bank loans	20,333	13,035
Finance expense	3,965	2,126
	66,086	55,583
Less: operating costs	(336)	-
	<u>\$ 65,750</u>	<u>\$ 55,583</u>

32. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of March 31, 2023, December 31, 2022 and March 31, 2022, 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 \$3,212,002, \$3,302,085, and \$1,859,821.

(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 consolidated financial statements for the year ended December 31, 2022.)

The loss allowance provision for the three months ended March 31, 2023 and 2022 were determined as follows:

As of March 31, 2023 and 2022, there was no allowance for other receivables.

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
March 31, 2023						
Non derivative financial liabilities						
Loans	\$ 3,071,670	\$ 3,588,269	\$ 674,995	\$ 1,101,879	\$ 303,814	\$ 1,507,581
Short term notes and bills payable	229,354	230,000	230,000	-	-	-
Payables (current and non-current)	1,243,543	1,246,508	1,246,508	-	-	-
Lease liabilities (current and non-current)	6,229,384	7,911,368	1,134,879	1,359,012	899,600	4,517,877
Guarantee deposits received	4,165	4,165	-	4,165	-	-
	\$ 10,778,116	\$ 12,980,310	\$ 3,286,382	\$ 2,465,056	\$ 1,203,414	\$ 6,025,458
	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
	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	More than 5 years
March 31, 2022						
Non derivative financial liabilities						
Loans	\$ 1,376,620	\$ 1,422,728	\$ 1,052,746	\$ 210,398	\$ 81,062	\$ 78,522
Short term notes and bills payable	149,413	150,000	150,000	-	-	-
Payables (current and non-current)	1,799,439	1,810,351	1,650,112	160,239	-	-
Lease liabilities (current and non-current)	6,103,107	7,855,356	1,148,484	1,179,849	773,090	4,753,933
Guarantee deposits received	4,275	4,275	-	4,275	-	-
	\$ 9,432,854	\$ 11,242,710	\$ 4,001,342	\$ 1,554,761	\$ 854,152	\$ 4,832,455

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:

	March 31, 2023			December 31, 2022			March 31, 2022		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial assets									
Monetary items									
USD:TWD	\$ 419	30.450	\$ 12,761	\$ 149	30.712	\$ 4,575	\$ 199	28.625	\$ 5,702
USD:HKD	4,106	7.850	125,020	6,037	7.798	185,403	5,350	7.830	153,158
EUR:TWD	10	33.150	341	9	32.720	288	234	31.920	7,474
CNY:TWD	284	4.431	1,260	218	4.408	963	219	4.506	985
CNY:HKD	18	1.142	79	28	0.893	99	4,107	1.232	18,508
USD:CNY	42	6.872	1,277	42	6.967	1,288	42	6.353	1,204
EUR:HKD	-	8.546	-	1	8.309	48	117	8.731	3,744
Non-monetary items									
USD:TWD	41,640	30.450	1,267,947	43,214	30.712	1,327,108	71,405	28.625	2,043,976
HKD:TWD	-	3.879	-	14,835	3.938	58,419	15,690	3.656	57,361
CNY:HKD	1,594	1.142	7,062	1,578	0.893	6,958	1,717	1.232	7,739
HKD:USD	363,068	0.127	1,393,902	364,257	0.128	1,433,792	563,385	0.128	2,067,974
Financial liabilities									
Monetary items									
EUR:TWD	-	33.150	-	-	32.720	-	\$ 191	31.920	\$ 6,105
USD:TWD	\$ 3,698	30.450	\$ 112,617	\$ 5,757	30.712	\$ 176,807	\$ 5,929	28.625	\$ 169,706

(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 profit before tax would have respectively increased or decreased by \$281 and \$140 for the three months ended March 31, 2023 and 2022, 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 three months ended March 31, 2023 and 2022, foreign currency exchange gains (losses) (including realized and unrealized) amounted \$3,282 and \$(4,894), 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 profit after tax would have respectively increased or decreased by \$15,853 and \$5,072 for the three months ended March 31, 2023 and 2022. 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 three months ended March 31			
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	34,628	\$ 225	38,607
Decreasing 3%	(\$ 225)	(\$ 34,628)	(\$ 225)	(\$ 38,607)

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:

March 31, 2023	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					
	\$ 1,154,274	\$ 1,154,274	\$ -	\$ -	\$ 1,154,274
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets measured at amortized cost					
Cash and cash equivalents	1,235,827				
Notes and accounts receivable (including related parties)	383,505				
Other receivables (including related parties)	138,515				
Other current financial assets	68,009				
Long-term notes and accounts payable (including related parties)	76,088				
Refundable deposits	390,454				
Other non-current financial assets	134,653				
Financial liabilities measured at amortized cost					
Short-term loans	447,640				
Short term notes and bills payable	229,354				
Notes and accounts payable (including related parties)	429,555				
Other payables (including related parties)	655,681				
Long-term loans (including current portion of long-term loans)	2,624,030				
Lease liabilities (current and non-current)	6,229,384				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	158,307				
Guarantee deposits received	4,165				

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				

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

March 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					
Financial assets at fair value through profit or loss	\$ 1,286,905	\$ 1,286,905	\$ -	\$ -	\$ 1,286,905
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	1,323,536				
Notes and accounts receivable (including related parties)	491,172				
Other receivables (including related parties)	111,887				
Other current financial assets	111,893				
Refundable deposits	578,070				
Other non-current financial assets	27,650				
Financial liabilities measured at amortized cost					
Short-term loans	111,195				
Short term notes and bills payable	149,413				
Notes and accounts payable (including related parties)	355,782				
Other payables (including related parties)	1,078,496				
Long-term loans (including current portion of long-term loans)	1,265,425				

March 31, 2022	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Lease liabilities (current and non-current)	\$ 6,103,107				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	365,161				
Guarantee deposits received	4,275				

(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 three months ended March 31, 2023 and 2022.

(e) Reconciliation of Level 3 fair values

There was no fair value through other comprehensive income recognized for the three months ended March 31, 2023 and 2022.

(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:

<u>Item</u>	<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Interrelationship between significant unobservable inputs and fair value measurement</u>
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> • Price to book ratio multiple (1.63, 1.29 and 1.81 as of March 31, 2023, December 31, 2022 and March 31, 2022, respectively) • Discount for lack of marketability (20%) 	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> • Net Asset Value 	<ul style="list-style-type: none"> • 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:

	Inputs	Rate increasing or decreasing	Other comprehensive income	
			Favourable	Unfavourable
March 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 165	(\$ 165)
Equity investments without an active market	Discount for lack of marketability	1%	165	(165)

	Inputs	Rate increasing or decreasing	Other comprehensive income	
			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)

	Inputs	Rate increasing or decreasing	Other comprehensive income	
			Favourable	Unfavourable
March 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 190	(\$ 190)
Equity investments without an active market	Discount for lack of marketability	1%	190	(190)

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

There were no significant changes in the Group's financial risk management objectives and policies as disclosed in Note 33 of the consolidated financial statements for the year ended December 31, 2022.

34. Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2022. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2022. Please refer to Note 34 of the consolidated financial statements for the year ended December 31, 2022 for further details.

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 three months ended March 31, 2023 and 2022, were as follows:

	For the three months ended March 31	
	2023	2022
	2023	2022
Acquisition of property, plant and equipment	\$ 302,837	\$ 99,035
Add: Notes payable January 1	-	706
Other payables January 1	162,265	38,584
Less: Interest and depreciation capitalization	(17,831)	(11,606)
Notes payable March 31	(619)	(15,754)
Other payables March 31	(145,194)	(15,445)
Cash paid in this period	\$ 301,458	\$ 95,520
	For the three months ended March 31	
	2023	2022
	2023	2022
Acquisition of intangible assets	\$ 39,711	\$ 4,849
Add: Other payables January 1	3,430	149
Less: Other payables March 31	(3,055)	(4,294)
Cash paid in this period	\$ 40,086	\$ 704

The Group's financing activities which did not affect the current cash flow for the three months ended March 31, 2023 and 2022, were as follows:

	January 1, 2023	Cash flows	Discount	Non-cash changes	
				Amortization of financing use commitment fees	March 31, 2023
Short term notes and bills payable	\$ 349,427	(\$ 120,000)	(\$ 73)	\$ -	\$ 229,354
Long-term loans	2,473,784	147,024	-	3,222	2,624,030
Total	\$ 2,823,211	\$ 27,024	(\$ 73)	\$ 3,222	\$ 2,853,384
				Non-cash changes	
	January 1, 2022	Cash flows	Discount	Amortization of financing use commitment fees	March 31, 2022
Short term notes and bills payable	\$ 79,848	\$ 70,000	(\$ 435)	\$ -	\$ 149,413
Long-term loans	1,241,674	22,798	-	953	1,265,425
Total	\$ 1,321,522	\$ 92,798	(\$ 435)	\$ 953	\$ 1,414,838

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
Yong Liang social E-commerce Co., Ltd. (Yong Liang E-commerce)	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
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

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties (Note)
Xu Bon Development Co., Ltd. (Xu Bon)	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
Asia Animal Medical Association (AAMA)	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)

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

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 three months ended March 31	
	2023	2022
Associates	\$ 20,081	\$ 22,577
Other related parties	2,930	18,271
Key management	2,143	1,714
	\$ 25,154	\$ 42,562

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 three months ended March 31	
	2023	2022
Associates	\$ 1,594	\$ 526
Other related parties	-	24,675
	\$ 1,594	\$ 25,201

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

	For the three months ended March 31	
	2023	2022
Associates	\$ 285	\$ 3,543
Other related parties	19,345	55,686
Key management	2,429	2,000
	\$ 22,059	\$ 61,229

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

(c) Receivables

Accounts	Related parties	March 31, 2023	December 31, 2022	March 31, 2022
Notes receivable	EIP	\$ -	\$ -	\$ 76,382
Notes receivable	FAR RICH	-	2,550	2,200
Long-term accounts receivable	EIP	76,088	76,083	-
Accounts receivable	Associates	1,005	1,216	2,478
Accounts receivable	EHS	15,201	22,598	14,345
Accounts receivable	Natural Beauty	636	479	4,205
Accounts receivable	Other related parties	193	654	2,236
Accounts receivable	Xu Bon	430	8,675	(94)
Accounts receivable	Eastern E-Commerce	134	648	14,787
Accounts receivable	FAR RICH	2,428	-	-
Other receivables	Associates	49	39	2
Other receivables	EHS	2,108	5,532	1,685
Other receivables	Natural Beauty	1,025	579	1,751
Other receivables	Other related parties	211	40	83
Other receivables	Quantum Entertainment	72	1	3,240
		\$ 99,580	\$ 119,094	\$ 123,300

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 \$860 and \$858 for the three months ended March 31, 2023 and 2022, respectively.

(d) Payables

Accounts	Related parties	March 31, 2023	December 31, 2022	March 31, 2022
Notes payable	FAR RICH	\$ -	\$ 2,550	\$ 2,200
Accounts payable	Associates	-	2	-
Accounts payable	EHS	1,969	714	2,552
Accounts payable	Other related parties	188	95	177
Accounts payable	Xu Bon	16,682	49,473	171
Accounts payable	EIP	12,701	15,253	-
Accounts payable	Huangjue	-	-	4,781
Accounts payable	FAR RICH	2,428	-	-
Other payables	Associates	145	161	46
Other payables	EHS	4,096	11,983	2,284
Other payables	Other related parties	-	21	2,744
Other payables	EIP	205	207	17,702
Other payables	Xu Bon	195	195	8,157
Other payables	Quantum Entertainment	-	124	5,379
		\$ 38,609	\$ 80,778	\$ 46,193

(e) Prepayments, advance receipts and contract liabilities

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

<u>Accounts</u>	<u>Related parties</u>	<u>March 31, 2023</u>	<u>December 31, 2022</u>	<u>March 31, 2022</u>
Prepayments	Associates	\$ -	\$ -	\$ 6
Prepayments	Other related parties	6,150	6,150	121
		<u>\$ 6,150</u>	<u>\$ 6,150</u>	<u>\$ 127</u>
Contract liabilities	Associates	\$ 61	\$ -	\$ -
Contract liabilities	Other related parties	-	-	1,660
		<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 1,660</u>

(f) Endorsement / Guarantee provided

For the three months ended March 31, 2023 and 2022 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$384 and \$202, respectively. As of March 31, 2023, December 31, 2022 and March 31, 2022, the Group's remuneration payable was amounted to \$377, \$382 and \$202, respectively.

(g) Leases

(g-1) The Group rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the three months ended March 31, 2023 and 2022 were amounted to \$298 and \$357, respectively.

(g-2) As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the three months ended March 31, 2023 and 2022 were amounted to \$1,433 and \$452, respectively.

(g-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. In March 2023, the Group negotiated to shorten the duration of contracts in consideration of its operating conditions, thereby reducing right-of-use assets and lease liabilities by \$17,633. For the three months ended March 31, 2023 and 2022, the interest expenses of lease liabilities were \$211 and nil, respectively. As of March 31, 2023, the ending balance of lease liabilities was \$19,595.

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

(h) Acquisition of intangible assets

<u>Related parties</u>	<u>For the three months ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Associates	\$ -	\$ 222
FAR RICH	39,088	-
	<u>\$ 39,088</u>	<u>\$ 222</u>

In February 2023, the consolidated subsidiary, MOOD purchased MOOD APP from FAR RICH. The value of the contract was \$39,088.

(i) Other

(i-1) For the three months ended March 31, 2023 and 2022, the Group paid operating fees to associates, key management (juridical person director), and other related parties to fulfill its business requirements were amounted \$2,986 and \$5,804, respectively.

(i-2) In order to follow its operating plan, the Group donated \$4,050 and \$1,000 to related parties in related industries for the three months ended March 31, 2023 and 2022, respectively.

(i-3) For the three months ended March 31, 2023 and 2022, the Group received non-operating revenue from related parties amounted \$52 and \$486, respectively.

(i-4) In January 2022, the Group acquired the shares of Oscar from key management personnel at the price \$45,360. The transaction price has been fully paid.

c. Key management personnel compensation

	For the three months ended March	
	31	
	2023	2022
Short-term employee benefits	\$ 15,826	\$ 14,854

37. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	March 31, 2023	December 31, 2022	March 31, 2022
Property, plant and equipment	Short-term and long- term loans	\$ 773,378	\$ 776,296	\$ 964,357
Investments accounted for using equity method	Long- term loans	1,308,508	1,321,177	129,843
Other current financial assets-demand deposits	Reserve and its interest	18,418	34,134	81,646
Other current financial assets-demand deposits	Letter of credit	-	-	6,105
Other current financial assets-demand deposits	Security for issuance of travel vouchers at travel fair	-	-	1,867
Refundable deposits	Bid bonds, performance bonds and security deposits	331,396	373,432	525,487
Other non-current financial assets – reserve account	Deposit in long-term loans	108,055	103,875	27,650
Investments accounted for using equity method for subsidiary (Note)	Long-term loans	-	-	38,962
Current financial assets at fair value through profit or loss	Short-term loans	664,266	543,235	-
Right-of-use asstes	Long-term loans	1,155,308	1,161,287	-
		\$ 4,359,329	\$ 4,313,436	\$ 1,775,917

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:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Unused standby letters of credit	\$ 179,352	\$ -	\$ 7,876

(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:

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Total contract price	\$ 4,693,617	\$ 3,687,320	\$ 529,890
Accounted amount	\$ 1,301,620	\$ 968,876	\$ 218,051

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 March 31, 2023, December 31, 2022 and March 31, 2022, all unsettled lawsuits had no impact on its financial and business operation.

39. Losses Due to Major Disasters: None.

40. Subsequent Events: None.

41. Other

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

By function	For the three months ended March 31		
	2023		
By nature	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 157,853	\$ 219,186	\$ 377,039
Health and labor insurance	16,972	17,957	34,929
Pension	7,293	7,811	15,104
Others	2,544	3,359	5,903
Depreciation expense	247,240	87,161	334,401
Amortization expense	3,443	2,168	5,611

By function	For the three months ended March 31		
	2022		
By nature	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 152,481	\$ 195,033	\$ 347,514
Health and labor insurance	16,313	15,140	31,453
Pension	7,402	6,868	14,270
Others	3,641	3,134	6,775
Depreciation expense	248,713	75,092	323,805
Amortization expense	3,776	4,492	8,268

b. Seasonality of operation:

The Group's operations were not affected by seasonal fluctuations.

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 three months ended March 31, 2023.

(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 March 31, 2023 (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 three months ended March 31, 2023.
- 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 three months ended March 31, 2023.

43. Segment information

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

	Warehousing	Trading	Media	Tourism	Others	Total
For the three months ended March 31, 2023						
Revenue:						
Revenue from external customers	\$ 315,598	\$ 617,432	\$ 459,117	-	\$ 2,263	\$1,394,410
Reportable segment profit or loss before tax	\$ 86,356	\$ 40,687	(\$ 87,332)	(\$ 12,870)	\$ 18,444	\$ 45,285
For the three months ended March 31, 2022						
Revenue:						
Revenue from external customers	\$ 313,063	\$ 588,040	\$ 524,308	-	\$ 2,191	\$1,427,602
Reportable segment profit or loss before tax	\$ 82,208	\$ 120,368	(\$ 94,703)	(\$ 13,541)	\$ 9,928	\$ 104,260

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to other parties

For the three months ended March 31, 2023

(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	\$ 500,000	3~3.25	2	\$ -	Operation requirements	-		\$ -	\$ 1,440,836 (Note 2)	\$ 2,161,254 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	100,000	100,000	48,000	3.25	2	-	"	-		-	1,440,836 (Note 2)	2,161,254 (Note 2)
0	"	ET Pet	"	Yes	100,000	-	-	3~3.25	2	-	"	-		-	1,440,836 (Note 2)	2,161,254 (Note 2)
1	EIC	ET New Media	"	Yes	170,000	140,000	140,000	3~3.25	2	-	"	-		-	223,308 (Note 3)	334,962 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	-	-	3.25	2	-	"	-		-	223,308 (Note 3)	334,962 (Note 3)
1	"	Mood	"	Yes	50,000	50,000	10,000	3.25	2	-	"	-		-	223,308 (Note 3)	334,962 (Note 3)
2	TKLF	ET New Media	"	Yes	200,000	180,000	180,000	3~3.25	2	-	"	-		-	255,491 (Note 4)	383,237 (Note 4)
2	"	Dung sen min diau yun	"	Yes	10,000	10,000	10,000	3.25	2	-	"	-		-	255,491 (Note 5)	383,237 (Note 5)
2	"	A li shan dong fang ming shu	Other receivables	No	20,000	20,000	20,000	9	2	-	"	-	Longtan land mortgage	25,730	31,936 (Note 4)	383,237 (Note 4)
2	"	Lido International Managerment	"	No	30,000	30,000	29,400	8.5	2	-	"	-	Shiding land mortgage	31,716	31,936 (Note 4)	383,237 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-		-	226,980 (Note 5)	340,470 (Note 5)
3	"	Sunflower leisure	Other receivables	No	20,000	-	-	9	2	-	"	-		-	28,372 (Note 5)	340,470 (Note 5)
4	GRAND SCENE TRADING (HONG KONG)	The Company	Other receivables - related parties	Yes	58,464	58,464	58,464	1	2	-	"	-		-	83,340 (Note 6)	166,679 (Note 6)
5	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,371	45,371	45,371	1	2	-	"	-		-	49,551 (Note 7)	99,102 (Note 7)
6	FESS-Panama	The Company	"	Yes	48,720	48,720	8,710	1	2	-	"	-		-	1,267,727 (Note 8)	2,535,455 (Note 8)

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.

(to be continued)

(continued)

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 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 7: 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 8: 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 9: 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 three months ended March 31, 2023

(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 I)										
0	The Company	ET New Media	2	\$ 14,408,357 (Note 2)	\$ 553,652	\$ 553,652	\$ 261,203	\$ -	15.37%	\$ 14,408,357 (Note 2)	Y	N	N
0	The Company	EHR	2	14,408,357 (Note 2)	1,312,000	1,312,000	744,000	-	36.42%	14,408,357 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	14,408,357 (Note 2)	5,875,000	5,875,000	871,445	-	163.10%	14,408,357 (Note 2)	Y	N	N
0	The Company	ET Pet	2	14,408,357 (Note 2)	1,961,500	1,961,500	535,354	36,357	54.45%	14,408,357 (Note 2)	Y	N	N
1	EIC	ET Pet	4	360,209 (Note 3)	220,000	-	-	-	- %	360,209 (Note 3)	N	N	N
1	EIC	The Company	3	360,209 (Note 3)	925,000	925,000	-	10,130	165.69%	360,209 (Note 3)	N	Y	N
2	FESS-Panama	The Company	4	4,239,115 (Note 4)	1,000,000	1,000,000	800,000	1,262,021	78.88%	4,239,115 (Note 4)	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 of 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.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Securities held

March 31, 2023

(Expressed 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				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	\$ 248,232	0.10 %	\$ 248,232	Note
"	Formosa Plastics corporation	-	"	4,670,000	428,706	0.07 %	428,706	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	393,000	209,469	- %	209,469	
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	
EILF	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	700,000	64,260	0.01 %	64,260	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	63,960	- %	63,960	Note
"	China Steel Corporation	-	"	150,000	4,635	- %	4,635	
TKLF	Taiwan Cement Co., Ltd.	-	"	769,959	28,026	0.01 %	28,026	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	42,640	- %	42,640	
"	Formosa Plastics corporation	-	"	200,000	18,360	- %	18,360	
"	China Steel Corporation	-	"	850,000	26,265	0.01 %	26,265	
EIC	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37,000	19,721	- %	19,721	

Note: Please refer to Note 7 and 37 for the details of the financial instruments pledged as collateral.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Receivables from related parties of at least \$100 million or 20% of the paid-in capital

March 31, 2023

(Expressed 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	\$ 503,572	Not applicable	\$ -	-	\$ 3,572	\$ -
EIC	ET New Media	Subsidiary	140,280	Not applicable	-	-	280	-
EILF	ET New Media	Subsidiary	150,338	Not applicable	-	-	338	-
TKLF	ET New Media	Subsidiary	180,274	Not applicable	-	-	274	-

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Business relationships and significant intercompany transactions

March 31, 2023

(Expressed 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			Percentage of the consolidated net revenue or total assets
				Account name	Amount	Trading terms	
0	The Company	ET New Media	1	Other receivables - related parties	\$ 503,572	Refer to contract terms or market price	3.36%
1	EIC	ET New Media	3	Other receivables - related parties	140,280	Refer to contract terms or market price	0.94%
2	EILF	ET New Media	3	Other receivables - related parties	150,338	Refer to contract terms or market price	1.00%
3	TKLF	ET New Media	3	Other receivables - related parties	180,274	Refer to contract terms or market price	1.20%

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 three months ended March 31, 2023

(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			Net income (losses) of investee	Share of profits/ losses of investee	Note
				March 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 220	(\$ 134)	(\$ 134)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,267,727	(41,752)	(41,752)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	-	672,603	-	- %	-	(851)	(851)	Note 1
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	546,546	72,213	70,697	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	305,117	21,680	11,658	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	343,407	19,492	10,480	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	416,250	416,250	41,625,000	59.46%	9,676	(47,777)	(28,410)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	37,872	346,335	22,556	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(677,079)	(107,061)	(95,503)	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%	(93,060)	(9,715)	(5,868)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	715,000	715,000	71,500,000	55.00%	707,137	(1,263)	(694)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(7,938)	(107,061)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	112,556	346,335	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	63,873	19,492	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	56,745	21,680	"	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%	(20,338)	(9,715)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	204,282	21,680	"	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%	(20,338)	(9,715)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	229,942	19,492	"	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%	(20,338)	(9,715)	Exempt from disclosure	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	85,189	748	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	48,921	119	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,262,021	(41,624)	"	Associate
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	82,960	789	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	3,000	300,000	100.00%	1,770	(1,283)	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	527	(1,267)	"	Subsidiary
ET New Media	Mood	Taiwan	Marketing, research and data collection	50,000	50,000	5,000,000	100.00%	36,168	(13,832)	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	5,000	5,000	500,000	100.00%	3,099	-	"	Note 2
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	-	100	-	- %	-	-	"	Note 3
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	26.43%	4,301	(47,777)	"	Subsidiary
ET Pet	Care Pet Bio-Tech	Taiwan	Pet food and supplies and providing pet beauty service	7,000	7,000	700,000	70.00%	4,552	910	"	Subsidiary

(to be continued)

(continued)

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: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The liquidation procedures were finished on April 21, 2023.

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.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investment in Mainland China

For the three months ended March 31, 2023

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

Table 7

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	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	\$ 995,715	\$ -	\$ -	\$ 995,715	\$ -	- %	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	389,836	-	-	389,836	-	- %	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	175,695	-	-	175,695	-	- %	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,111,180	Note 5	1,160,145	-	-	1,160,145	(212)	100.00 %	(212)	3,064	-
Nanjing Yun Fu	Wholesale trading	46,033	Note 6	91,350	-	-	91,350	(9)	100.00 %	(9)	3,998	-
Jiangsu Sen Fu Da	Research and development of film and television technology	44,310	Note 7	-	-	-	-	-	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	442,741	Note 5	-	-	-	-	6,402	30.00 %	1,921	208,833	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	95,358	Note 5	-	-	-	-	951	30.00 %	285	32,032	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,074,384	Note 5	-	-	-	-	(1,485)	30.00 %	(446)	322,203	-

Note 1: The investment gain (loss) was recognized based on the investees' audited financial statements.

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 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 March 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,812,741	\$ 4,703,544	\$ 2,475,260

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 three months ended March 31, 2023, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders

March 31, 2023

(Expressed in Units)

Table 8

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