



Eastern Media International Corporation

2023 Annual Report

Notice to readers

This English-version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

Taiwan Stock Exchange Market Observation Post System: <http://newmops.twse.com.tw>

Eastern Media International Corporation Annual Report is available at: <http://www.emic.com.tw>

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I. Letter to Shareholders

Looking back to 2023, the world was impacted by factors such as high interest rates, high inflation, and China's less-than-expected economic performance post-pandemic. In addition, the widening ban on semiconductor exports between the US and China, as well as ongoing conflicts such as the Russo-Ukraine war and the Israel–Hamas war, have had significant effects on economic development and social stability. In Taiwan, the domestic service industry has shown a growth trend after the pandemic, with retail, tourism, and personnel transportation all performing better than in 2022. However, the global trade slowdown affected Taiwan's exports and export orders, which in turn affected corporate investments. This led to consecutive recessions in Taiwan's economy in the fourth quarter of 2022 and the first quarter of 2023, but growth resumed in the second quarter. Looking forward to Taiwan's economy in 2024, despite expectations for improved economic performance in Europe, emerging markets and developing economies compared to 2023, challenges in consumption and investment persist for both the United States and China. As a result, the global economic growth rate may still be lower in 2024 compared to 2023. However, the expected recovery of global commodity trade will be beneficial to Taiwan's foreign trade. Overall, Taiwan's economic growth in 2024 is mainly supported by consumer spending and investment, with external demand showing improvement. The economic growth rate in 2024 is projected to be higher than that of 2023. According to the latest forecast published by the Taiwan Institute of Economic Research in November 2023, the GDP growth rate in 2024 is 3.15%, an increase of 1.72 percentage points from 1.43% in 2023 after the update.

The performance of Eastern Media International Corporation's three major business groups - warehousing, trade and new media in the past year (2023): In the warehousing business, as the Russo-Ukrainian War continues to impact the global energy and food supply chain, certain regions faced "shortages" in agricultural products, leading to high-price fluctuations in bulk commodities and a 3.5% decrease in operating volume compared to the same period of last year. As the Company replaced equipment, optimized services and improved operating efficiency, the revenue only decreased by 2.5% compared with the same period of last year and maintained stable profits. In the trade business, opportunities in the pet industry continued to grow, with ET Pets expanding its business scale and market share. By the end of 2023, the number of physical stores had reached 136, making it the leading brand in offline pet channels. Additionally, it integrated acquired brands, adjusted store operations by eliminating the weak and keeping the strong, strengthened the self-operated products, optimized the operating efficiency of the stores and established a partnership with Loving

Kindness Animal Hospital to complete the pet ecosystem. In the new media business, Eastern New Media ETtoday maintained its lead in daily traffic, providing excellent content and experiences to the audience through professional news, multimedia and diversified services. It is ranked first in terms of online news media usage and trust among the general public. ET New Media pro-actively expanded offline advertising. Currently, Eastern New Media's outdoor advertising accounts for nearly 60% of all transit volume in Taiwan, including advertisements on the Taipei and New Taipei Metro, Taoyuan Metro, High-Speed Rail, Taipei street furniture, etc. The one-stop service of ET today Digital plus out-of-home advertising provides a complete advertising solution for advertising layouts, with both online and offline advertising experiencing continuous growth rates far exceeding that of television advertising.

In addition, Eastern Media International Corporation's reinvestment, the Linkou Operation Headquarters of Eastern Group is expected to be completed and occupied in the second quarter of 2026. At the same time, the planned exhibition hall and the cultural and creative building will establish Linkou as an international hub for entertainment and media industries, hosting various international events, leveraging the resources of Eastern New Media and striving to become the most vibrant entertainment destination in Taiwan. In terms of leisure and tourism business, we see great potential in the consumer demand of the Greater Taipei area, Taoyuan community life circle and the East Coast, which collectively attract millions of visitors annually. Teaming up with Silks Hotel Group, the 29th to 36th floors of the Linkou Headquarters of Eastern Group will be managed by "Silks X" - a new brand under the Silks Hotel Group. Eastern Group's public housing construction project in Linkou will also be managed by "Just Sleep" - a business hotel under the Silks Hotel Group. "Eastern Hotels & Resorts" will also be entrusted to the Silks Hotel Group under the brand "Wellspring by Silks" for the planning and operating management. The projects mentioned above are expected to be completed and opened in first half of 2026.

The report on the operating results for each business in 2023 and the outlook for 2024 are presented below:

Warehousing business:

The source of revenue of the consolidated company's warehousing business unit is the Company's silo operation business.

2023 Business Report:

In 2023, the actual grain import nationwide was 8.119 million tons and the bulk/container ratio of imported grain was 79/21. The Company's silo operating volume was 6.449 million tons, down by 238,000 tons (3.5%) from 6,687,000 tons in 2022; the overall

silos operating performance in 2023 slightly decreased.

2024 Business Plan Summary:

- (1) Looking back at the international grain prices in 2023, soybean fell by 15%, corn fell by 31% and wheat fell by 21%. The trend of rising prices in bulk grain commodities has come to a halt in recent years. In 2022, due to factors such as extreme weather, COVID-19 and the conflict in Russia and Ukraine, the prices of major grains reached record highs; however, in 2023, bumper harvests in major grain-producing countries such as Brazil, the US and Russia have caused grain prices to retreat from their historic highs.
- (2) In 2023, the world's two major canals, the Mississippi River in the U.S. and the Amazon River in Brazil encountered natural and man-made disasters; Panama faced a century-long drought, while the Suez Canal encountered a crisis in the Red Sea, disrupting nearly 20% of global trade volume and presenting unprecedented challenges to the global logistics industry. Two of the world's busiest shipping lanes were simultaneously "stuck," a first since their inception. These two shipping lanes have always been the arteries of global trade, primarily facilitating the passage of container ships and bulk carriers to transport global trading goods, bulk materials and raw materials. The Panama Canal's restriction on the number of vessels due to severe drought has forced grain carriers from the United States to Asia to detour via the Suez Canal or around southern Africa. However, the Suez Canal is also facing threats of attacks, which increases navigation time and costs, thus pushing up food inflation in Asia. In order to alleviate the imbalance between domestic grain supply and demand, the government has exempted soybean, wheat, and corn from sales tax and commodity taxes from January 2022 until June 2024. It is anticipated that domestic grain importers will increase purchases of bulk grains in response to this policy, which is beneficial to the warehousing business unit and their operations in the first quarter.
- (3) Taiwan successfully eradicated foot-and-mouth disease and effectively prevented the invasion of African swine fever, yet it is still recognized as a traditional swine fever epidemic area by the World Organization for Animal Health (WOAH). Countries such as Japan still prohibit the import of fresh pork from traditional swine fever epidemic areas. Therefore, the Ministry of Agriculture indicated that Taiwan has entered the second stage since January 1, 2023, during which all pigs nationwide except breeding pigs had stopped receiving vaccination against the classic swine fever. As of July 1, 2023, all pigs nationwide have ceased vaccination against classic swine fever. If there are no cases after one year, Taiwan will apply to the World Organization for Animal Health (WOAH) and it may be recognized as a classic swine fever-free country by WOA in 2025 at the earliest, becoming the only country in Asia to have eradicated and prevented three major swine diseases. Currently, the domestic animal husbandry industry still sees profitability in its

products, so there is generally a willingness to continue farming. However, diseases such as the African swine fever and avian flu, environmental protection restrictions such as sewage charges and high feeding costs due to relatively high prices of raw materials will pose a potential concern for the future development of the animal husbandry industry. Currently, there are no expansion plans for pork exports in Taiwan and vendors do not have much volume to export. However, the pig farming industry will become large in scale in the future, which is an inevitable trend for industry development. In addition, the consumption habits of domestic consumers are changing. The animal husbandry industry needs to consider how to address the challenges of the overall environment. Professional animal husbandry, automation and intelligence are the keys to the industry's future.

- (4) According to the 2022 Taiwan Pig Production Statistics and the Food Supply and Utilization Yearbook, Taiwanese people consumed significantly more meat in 2022, with an average of 87.5 kilograms per person, marking a record high and surpassing the consumption of grains for the first time, which stood at 87.4 kilograms. The increased protein intake compared to rice, noodle, and grain consumption is attributed to changing dietary habits, possibly influenced by trends in fitness, weight management and preferences for diets low in starch and high in protein. Meat consumption of livestock and poultry products included 43.12 kg of poultry, 36 kg of pork, 16.13 kg of fish and 7.34 kg of beef. Poultry consumption has grown significantly. This is mainly due to the rising health awareness and fitness culture, coupled with the diversified use of processed poultry products, resulting in an increase in overall consumption.
- (5) The global economy is slowing down. In addition to the slowdown in China's demand, the European economy is in a recession. At the same time, agricultural production in South America is expanding. Each year, Brazil puts into production land equivalent to half the area of Illinois. Therefore, the United States is becoming the second largest supplier. Asian buyers will first consider purchasing from the Southern Hemisphere, whether from Brazil, New Zealand, or Australia. If the Southern Hemisphere cannot meet the demand, buyers will then turn to the United States. Therefore, looking forward to the future, American farmers and the agricultural industry will have to include the Southern Hemisphere into their strategic considerations, as agricultural production in the Southern Hemisphere has become increasingly important. Overall speaking, although the growth rates of supply and demand will slow down in the next decade, the growth rate of the supply of soybean, wheat, and corn is still expected to be greater than the growth rate of demand. With technological advancements, the market is anticipated to remain in surplus, lacking any significant surges in demand. As a result, significant changes in the real prices of soybeans, corn and wheat are unlikely, with price fluctuations expected only to be influenced by short-term geopolitical and weather-related supply factors.

- (6) The United States has set a new record in grain production, Brazil has a huge grain supply, Argentina and Europe are expected to see strong recoveries from more than a decade of low grain production levels, and Ukraine is striving to resume transportation on the Black Sea, which will all bring pressure to the supply of grain. Looking forward to 2024, the weather in South America will become a key variable for grain prices in the next few months. If the weather is not satisfactory, it is likely to provide potential support for the rebound of grain prices. In addition, the market will pay close attention to the evolution of Argentina's future export policies and the modification of the sustainable aviation fuel carbon emission model announced by the U.S. government in March. Based on the above reasons, it is expected that the cost of raw materials such as corn and soybeans and the cost of freight transportation will remain high this year (2024). However, with no significant changes in domestic basic demand, the tax-exempt policy for soybean, wheat and corn will continue to June. The overall import volume of major grains in this year (2024) is estimated to return to the levels seen in the previous two years.
- (7) In 2024, due to the uncertain impact of cross-strait relations and geopolitics on the economy, the operation of the warehousing business will be cautiously and conservatively evaluated. This year (2024), it is estimated that the imported grains nationwide are 8.6 million tons and the operating capacity of the silos is estimated to be 6.6 million tons. The bulk/container ratio of imported grains is 77/23, which can sustain stable operating revenue and profitability.

Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:

The grain imports to Taiwan are mainly used by the domestic oil & fats, feed, and flour manufacturers. The import volume of grains is not expected to experience significant growth, but neither is it likely to decline rapidly. In addition to bulk grain imported from silo operations, containerized grain also accounts for approximately 20% to 30% of the market share.

Silo operations face competition from containerized grain with competitive price and the mature market of imported grain that has already reached saturation. In the future, the Company will continue to upgrade the quantity and quality of service through timely replacement of old equipment to attract more sources of bulk grain.

Media Business:

The media business group of the consolidated company's "ET New Media Holding Co., Ltd.," which includes Eastern Star Cloud Co., Ltd. and Eastern Poll Cloud Co., Ltd., is described below in terms of its current operations and future prospects:

2023 Business Report:

In 2023, "ET today" continued to receive various awards and recognition both domestically and internationally. It received the Excellence Award in the Print News Reporting category, honorable mentions in the Television News Reporting category in the Social Bright Side Reporting Award, and the Merit Award in the "Print and Internet (Text) category" in the Journalist Impact Award. The ET today News Cloud App has won the "Best Product" of the National Brand Yushan Award. With its innovative media application services, it has been downloaded 6.23 million times so far, making it the only news media app in Taiwan to receive this honor. In addition, according to the global survey report of the British "Oxford Digital News Report" for six consecutive years, ET today has been the new media most frequently used by Taiwanese people and the most trusted new media by the media in Taiwan.

Looking back at 2023, Taiwan was affected by many unfavorable factors such as the economic downturn during the global pandemic recovery, impact of inflation on consumer confidence, geopolitical turmoil, etc., resulting in weak economic performance and domestic demand in Taiwan. According to the announcement from the Directorate General of Budget, the economic growth rate in 2023 was only 1.4 %, hitting a 14-year low. Media management was significantly affected by the market conditions. As a result, Eastern Media's revenue for 2023 decreased by 6% compared to the same period in 2022, dropping from NTD 2.131 billion to NTD 1.999 billion.

2024 Business Plan Summary:

In response to the advent of the broadband mobile era and the new media trends such as "mobilization," "videoization" and "socialization," the new media business has undergone a comprehensive transformation in various directions such as "monetization of traffic," "audio and video content," "fan-to-member conversion," "online-offline integration" and "content e-commerce." This transformation aims to adapt to the changing external environment and challenges. From the early stages of 1.0 "text and image news," it has evolved into 2.0 "livestreaming" and is moving towards 3.0 "all-around digital content platform."

In the future, Eastern New Media will continue to make efforts in the following directions:

- (1) Content: actively utilize AI tools to enhance the quality of audiovisual content and reduce production time. Seize the rising trend of emerging video platforms to capitalize on the advantages of short-video content.
- (2) Business Aspect: combining "online new media" and "offline physical channels," the operating resources and advantages of new media are used to supplement the offline physical channels and events, including picnic days, advertisements in Taipei and Taoyuan Metro stations, High-Speed Rail stations and bus stops, to promote cross-platform advertising and integrated marketing services to satisfy the diverse needs and

budgets of direct customers and agents with one-stop advertising sales. Eastern New Media accounts for nearly 60% of the market share of transit media, including nearly 90% of the Taipei MRT, and High-Speed Rail and Taoyuan Metro as the exclusive agents. In the future, the Company will continue to expand its media landscape by establishing an advertising ecosystem that integrates transportation systems, commercial offices and residential areas, and strive to attract major clients with "creative" and "innovative" eye-catching advertisements.

- (3) Member management: continue to develop mobile apps, expand user groups, and optimize user experience to convert fans and readers into members and strengthen their connection and interaction with Eastern New Media.
- (4) Technology: Continue to improve the app's user interface, network stability, information security and the use of big data.
- (5) New business models: Continue the development of podcast, capture the ear economy, actively invest in the production of digital short video content, and rapidly increase the production capacity of original and re-edited content, in order to increase revenue from video sharing and revenue sharing. The knowledge content is monetized and the online learning continues to grow. Eastern New Media has the advantages of professional audio-video production and broadcasting and traffic volume, and will continue to plan a variety of online courses to create non-traffic revenue. With 2 million members, the Poll Cloud is the largest public survey database in Taiwan. Having accurately forecasted Taiwan's general elections in recent years, its future revenues have attracted much attention.

Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:

With the advent of the era of 5G, AI, social networking and the internet celebrity economy, more and more audio and video browsing is inevitable for a better experience. Therefore, news or content must be upgraded from "graphics and texts" to "video and audio", strengthening control over upstream aspects such as original IP and influencers. By leveraging emerging communication technologies, Eastern New Media aims to enhance user experiences.

However, according to a report by Dentsu and Nielsen, the digital advertising market in Taiwan in 2023 was NTD 56.129 billion, a decrease of 4.8% from NTD 58.959 billion in 2022; the traditional advertising market declined by 1.7%, and the outdoor advertising market was NTD 4.64 billion (a negative growth of 7.9%). At present, global digital advertising is still dominated by international giants such as Google and Facebook, resulting in the dilemma of too much digital advertising distribution.

Following the 2024 economic recovery, "Eastern New Media ET today" continues to focus on "video production," "cross-screen marketing," "social media management" and

"diversified business development" to create media value and expand revenue.

Trading Business:

The Group's ET Pets Co., Ltd. subsidiary, is described below in terms of its current operations and future prospects:

2023 Business Report:

Since its establishment in January 2019, Eastern Pet Cloud Co., Ltd. has rapidly expanded and opened physical stores while simultaneously integrating the pet retail market. It has continuously acquired pet businesses ranked in the top five in terms of the number of stores and total revenue, expanding its business scale. In order to strengthen the brand positioning of ET Pets in the market and thereby create differentiation from the industry peers, in July 2022, Eastern Pets officially cooperated with Loving Kindness Animal Hospital to create a pet ecosystem, provide one-stop services in the market, and establish the pet well-being industry accordingly. In 2023, Pet Cloud continued to deepen various optimization policies, introduce and provide better quality composite services on the market, and adjust its organizational structure and business strategies with the goal of becoming "the health service specialist for fur parents and children."

The pet business generated operating revenue of NTD 2.397 billion in 2023, flat from NTD 2.33 billion in 2022.

2024 Business Plan Summary:

According to Global Market Insights, the GAGR of the global pet market is about 6.1%, of which the Asia-Pacific market can reach 9.46%; in addition, according to the statistics of the Pet Registration Management Information Network, the number of registered dogs and cats in Taiwan increased by more than 230,000 in 2023, far exceeding the total number of newborns in Taiwan, which was around 100,000. In addition, the scale of the pet market in Taiwan is estimated to exceed NTD 60 billion in 2024 and the main channels are professional pet stores, online e-commerce and animal hospitals.

Taiwan's pet market used to grow rapidly in the past, and the market scale has expanded rapidly. Although the growth rate is slowing down slightly, the pet industry has been gradually upgraded and is moving towards the next industrial stage, which is moving towards the direction of continuous improvement of service quality and emphasis on consumer experience, and the level of service refinement is getting higher and higher.

ET Pets Cloud's business plan for 2024 focuses on multi-channel sales deployment, integration of online and offline, and deepening of membership management, continuous development of proprietary products, pet medical services, introduction of composite services, and construction of ET Pets becoming an expert in guarding the health of pet owners and pets, which is briefly described as follows:

- (1) Multi-channel sales layout and online and offline integration: Through the marketing activities, the 1.97 million fans of ET today Pet Cloud will be directed to the physical stores of Eastern Pet Cloud for consumption. and increase consumers' dependence on physical stores. In other words, by introducing media expertise and relying on the Group's resources to assist the operation of pet chain stores and create a new retail channel for the pet industry.
- (2) Deepen the membership management: in addition to the accumulated bonus points for member spending and the use of E-Coin, the Company also provides many member-only services and organizes community activities to enhance members' sense of value and differentiate from other competing businesses.
- (3) Continue to develop proprietary trading products: continue to develop proprietary trading products in response to market trends, and provide consumers with products with high CP value to create a win-win situation.
- (4) Pet medical service: Expand Eastern Pet's medical team to provide exclusive medical services for Eastern Pet Cloud members. It is estimated that an online medical consultation platform will be established to provide a full range of medical services to Eastern Pet members, whether online or offline.
- (5) Establishment of a composite operation model: In addition to continuing to open physical stores in areas where there is still room for market development, the Company will also expand the business scale with a composite operation model, thereby achieving economies of scale and lower costs, providing quality products and services for consumers.
- (6) Integration of group resources: Eastern Group has a wide range of industries distributed. It can make full use of the group's cross-selling power, enrich the sales force and channels, and give full play to the group's advantage in integration operations to gradually integrate the pet retail market.

Future development strategies of the Company, and the impact of external competition, regulations, and the overall operating environment:

ET Pet's development strategy is to integrate the highly fragmented pet retail market, through corporate management, introducing the resources and advantages of the media industry, to build a new form of pet chain business different from traditional pet stores; By leveraging economies of scale, it aims to provide consumers with quality products and services at lower costs, creating a win-win situation.

In terms of external competition, online shopping is booming day by day, and virtual channels do not have the burden of rent and related expenses of physical channels, so the competition in sales price is particularly fierce, and even changes the life cycle of products. The prevalence of virtual channels will inevitably change the price of physical chain stores. If

the physical channels fail to adjust their operational efficiency in a timely manner, they will face even more severe challenges. The competition in the pet industry is fierce, and other chain brand systems have also accelerated to expand their operating bases. The redistribution of the pet market share will be an important issue for ET Pets in 2024.

In terms of laws and regulations, the laws and regulations related to the sale of live dogs and cats are becoming stricter and the cost of selling live dogs and cats will continue to increase. However, crises often present opportunities, as businesses with low operational efficiency will be eliminated. Brands that possess the ability to transform and upgrade will usher in a new round of growth.

In terms of the overall business environment, the world has experienced high inflation and high geopolitical influence in 2023, resulting in the global economic environment shocks, which has generated great operating pressure on the supply chain management and dispatching capabilities, and increased the operating costs of physical retail channels; As mentioned above, ET Pets Cloud is therefore actively moving towards virtual channels, and is committed to the multi-channel development of online e-commerce and brick-and-mortar composite stores, improving IT capabilities and process optimization, and improving operational efficiency, in order to achieve sustainable revenues and profitability in the future, and to create a strong leading brand in pet retailing.

Environment 、 Social and Governance

Looking forward, Eastern Group will be committed to maximizing shareholders' equity, fulfilling its social responsibility, paying attention to society and the environment, achieving sustainable operations and creating corporate value. Driven by the global sustainability trend, we have taken 2022 as the "First Year of ESG for Eastern Group". The Eastern Group has formulated short-, medium- and long-term sustainable development plans and continued to promote it, striving to become an ESG sustainable enterprise. In recent years, there has been a push for innovative energy transformation, with significant investment each year to replace aging energy-consuming equipment such as large grain unloaders, IE3 high-efficiency motors, and high-voltage transformers, balancing energy conversion with operational efficiency improvements. Additionally, the implementation of EMS power monitoring systems, smart meters, and the use of scientific instruments for inspections allow for real-time analysis, monitoring, and improvement of energy usage efficiency. The establishment of unmanned aerial vehicle inspection teams enhances outdoor inspection efficiency, achieving the goals of operational safety maintenance and energy conservation and carbon reduction.

In addition to participation in public welfare undertakings, TES International places great emphasis on the physical and mental health of its employees. Through on-site health care, health seminars, and organizing activities such as group walks, it actively creates a friendly

workplace environment and promotes a culture of health in the workplace. Recognitions such as the "Happiness Enterprise Gold Award" for three consecutive years from 2021 to 2023 further affirm these efforts.

Furthermore, the Company also continuously enhance corporate governance performance. The results of the 10th (2023) Corporate Governance Evaluation by the TWSE Corporate Governance Center, the Company's ranking among listed companies ranged from 21% to 35%. Although there has been a slight decline in ranking compared to the 9th edition (2022). However, in the industry category (market capitalization of NT\$5 billion to NT\$10 billion), the ranking has improved to the second tier (top 6% to 10%). Through the interpretation of indicators in each session and related legal promotion, our company has gradually adopted various good corporate governance measures. In the fiscal year 2024, we will focus on improving or prioritizing strengthening measures according to the company evaluation indicators, continuing to deepen and strive in the field of corporate governance.

Future Direction:

In terms of the warehousing business of Eastern Media International, in addition to continuously enhancing operational efficiency, promoting energy conservation and carbon reduction, and creating a workplace free of zero occupational hazard, it has also actively cooperated with the government to formulate a grain preparedness plan to ensure a safe grain supply throughout Taiwan, demonstrating the Company's core competency in bulk grain reserves. Regarding investment in other businesses, in response to environmental changes, the focus will be on accelerating the expansion of offline physical stores and cultivating internet celebrities for live streaming e-commerce. Furthermore, it will integrate consumer data from online and offline channels and adopt an OMO (Online Merge Offline) business model to consolidate revenue streams.

For the new media business, due to the adjustment of Facebook algorithm, the traffic of online media decreased. The news cloud strengthened the management of traffic for the App, and established the "Influencer Academy" with ETstar Learning Cloud to develop non-traffic revenue and officially entered the global video live broadcast , sell goods and services online, and try new business models that integrate retail and media.

As the pet market has become a rigid demand, the trading (pets) business is looking promising. The rise of preventive medicine in recent years will drive the overall pet health care market. It is estimated that the annual revenue of pet healthcare products will experience significant growth this year (2024), making it the focal point of the pet industry's development. With a positive outlook for the long-term growth of the pet market, ET Pets will continue to develop its own pet products, establish multi-channel sales strategies, and move towards diversified operations to enhance profitability. Additionally, there are plans to enter the capital

market within the next three years.

As the AI era approaches, Eastern Media International in 2024 is actively utilizing AI technology for digital transformation. It aims to diversify its online and offline presence, expand its live streaming channels, enter offline shopping malls, and capitalize on the growth opportunities brought by both the young and elderly demographics. Leveraging the advantages of its membership base, Eastern Media International is strengthening the development of its proprietary products and pioneering various new business models.

Finally, I would like to express my deep gratitude to all shareholders for their support and to all colleagues for their contributions and hard work.

With my sincerest wishes
for your good health and good luck

Chairman **Shang-Wen Liao**

II. Company Profile

2.1 Company Establishment

Date of Establishment May 14, 1975

2.2 Company History

1973-1979 Period of setup and warehouse construction	<p>The Taiwan Grains & Feeds Development Foundation successively promoted the establishment of a Privatization Preparation Silo Planning Team and a Private Kaohsiung Port Bulk Silo Preparatory Committee to be responsible for advancement of warehouse construction work. Far East Warehousing Co., Ltd. was formally established in 1975 in preparation to build bulk silos of 80,000 tons and 60,000 tons respectively at Pier 71 of the Port of Kaohsiung and Pier 1 of the Port of Taichung. Mr. Chang-Shu Chao was the first Chairman of the Board of Directors.</p>
1980-1994 Period of silo and shipping business operation	<p>Silos officially began operations at Pier 71 of the Port of Kaohsiung and at Pier 1 of the Port of Taichung in 1980 and 1981 respectively. At the same time, the Company stepped into the operation of the bulk ocean shipping business. Later, a lease began for a 60,000 ton silo operation at Pier 3 of the Port of Taichung. In 1994, a lease then began for an 80,000 ton silo operation at Pier 72 of the Port of Kaohsiung.</p> <p>History of changes in the Company's Chairman position: Mr. Chong-Wei Yuan was appointed Chairman in 1983; Mr. Kun-Chong Lin was appointed Chairman in 1986; Ling-Lin Wang was appointed Chairman in 1992.</p>
1995-2004 Period of stock listing and of prototype development of business diversification	<p>The Company's shares listed on the Taiwan stock exchange on September 23, 1995 under the shipping industry category. In line with the development of its business diversification, the Company was renamed in 2000 as ET Internet Technology Corporation. Furthermore, it successfully set up new divisions or engage in reinvestment to establish companies stepping into Media (operating period: 1995 - present), mainland China logistics (operating period: 1995 -2018), land development (operating period: 1997 - present),</p>

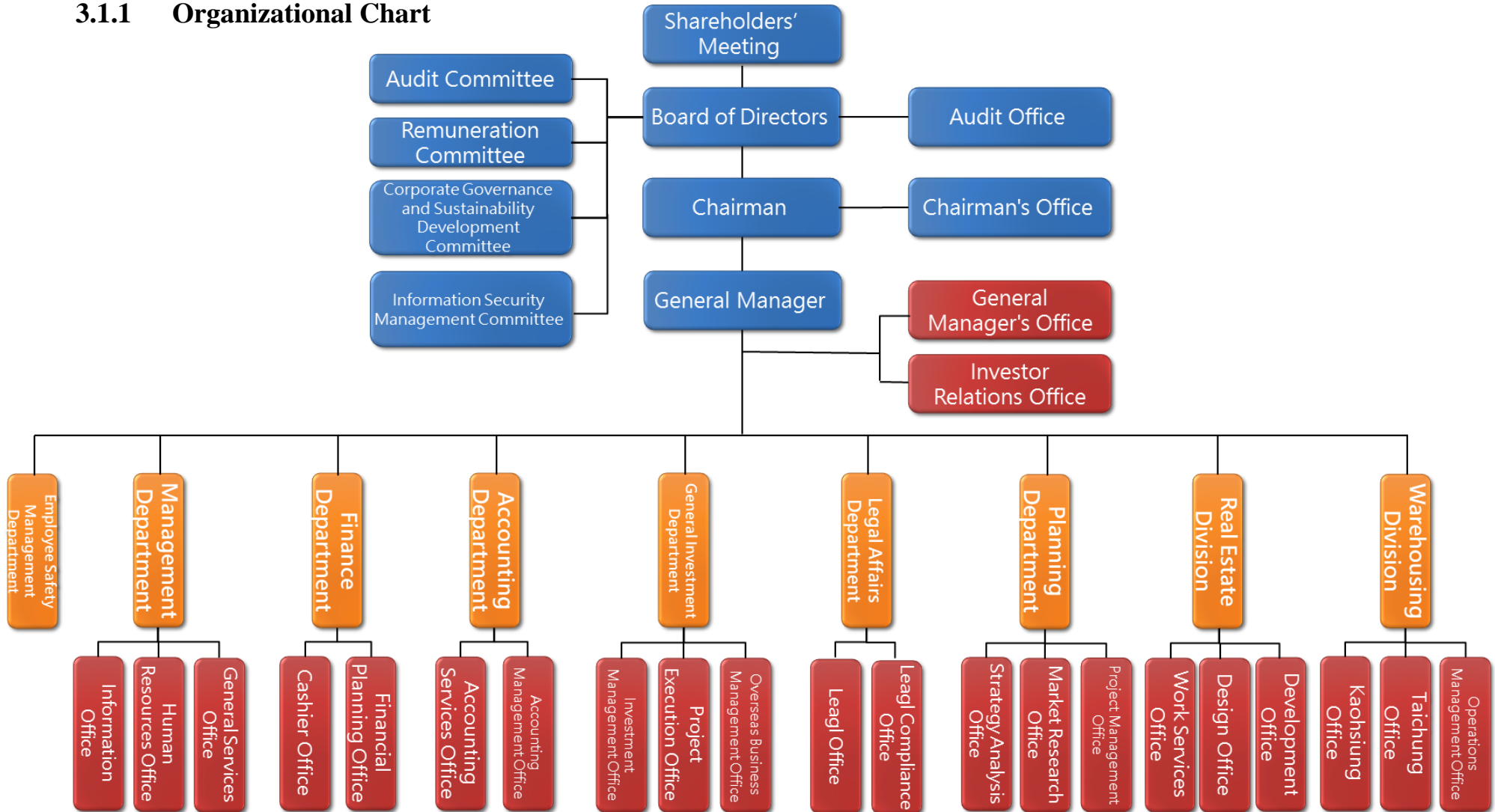
	coal unloading pier operations at Keelung Port 32 (operating period: 1998 - 2008), retail shopping (1999 - present), grain trading (operating period: 2000 - 2013), and leisure tourism business (2004 to present).
2005-2013 Period of development for the expansion of three major undertakings in cross-Strait retail, media, and leisure tourism	Renamed in 2005 as Eastern Media International Corporation With the improvement of the economic and trade environment between the two sides of the Taiwan Strait, we began to deploy the mainland domestic market and stepped into its retail trade, home shopping, e-commerce and media sectors. At the same time, we have also increased our investment in Taiwan's e-commerce, leisure and tourist hotel, and online news markets. In 2013, Mr. Shang-Wen Liao Shang-Wen Liao was appointed as Chairman.
2014-2022 Period of focus on the development of new retail and new media businesses	<p>The Company had re-listed as Trading and Consumers Goods Industry in 2014 and re-listed again as Other Industry in 2021 due to majority of the consolidated revenue came from the warehousing, trading (pet) and new media businesses.</p> <p>In the face of an era when big data, mobile devices, could technologies and communication techniques are changing business models one by one, we will start a variety of investments and M&As. Based on the main axis of the combination of new retail and new media, we will expand our business into health, beauty, pet and audiovisual entertainments, deepen our OMO (Online Merge Offline) strategies, accelerate the development of our proprietary products and the integration of multiple channels. We will also maximize the dual-core business through diversification strategies and resource sharing.</p>

III. Corporate Governance Report

3.1 Organization

2023.06.27

3.1.1 Organizational Chart



3.1.2 Major Corporate Functions

Department	Principal work assignments
Chairman's Office	Implement significant resolutions of the Board of Directors, and generally manage the operational planning of the Company's future development, as well as direct, supervise and promote various businesses.
General Manager's Office	Coordinate the formulation of operational management guidelines and implement the resolutions of the Board of Directors.
Audit Office	Audit-related functions such as the establishment, implementation and improvement of the Company's internal control system and internal audit system.
Investor Relations Office	Spokesperson system and operation, investor relations activities and shareholders' opinions processing, media release and communication/news information collection, preparation of institutional investor conferences, external disclosure and reporting of important announcements, preparation of the annual report/sustainability report for the shareholders' meeting, Corporate Governance and Sustainable Development Committee meeting affairs, and design and updating of the Company's official website.
Warehousing Division	<ol style="list-style-type: none"> 1. Operations Management Office: Storage operation planning, contract management, operations control, storage equipment management and maintenance, engineering planning and major mechanical and electrical equipment procurement and other related functions. 2. Operations Office: Functions related to port operations of the Taichung and Kaohsiung Operations Offices.
Real Estate Division	<ol style="list-style-type: none"> 1. Planning Office: Responsible for overall real estate market research, new project development, group real estate operation and disposal management, headquarters building project planning acquisition and related administrative tasks, and other real estate related functions. 2. Work Services Office: Responsible for the group's real estate project planning and contracting and construction management related functions, headquarters building project planning and construction management operations, and other real estate project related functions. 3. Design Office: Responsible for the Group's design evaluation, progress and quality management of each business type, new project design planning, headquarters building engineering planning, and other real estate design-related business.

Department	Principal work assignments
Planning Department	<p>1. Strategy Analysis Office:</p> <p>(1) Develop and propose relevant development strategies for the Company, subsidiaries and investment business development, as well as integrate group resources.</p> <p>(2) Assist in short, medium and long term strategies and implement project planning with reference to market changes, competitors' development, and long term strategies.</p> <p>(3) Assist the Company, subsidiaries, and investment business operation teams in developing new business models.</p> <p>2. Market Research Office:</p> <p>(1) Collect domestic and international industry changes, consumer analysis, and competition analysis, including: competitive marketing analysis, product service analysis, and operation analysis, and propose relevant development recommendations to the Company, subsidiaries, and investment business.</p> <p>(2) Utilize the database and the resources of R&D units, external units, and consultants to consolidate actual operational analysis data and assist in business judgment and analysis.</p> <p>(3) Procurement of database and relevant reports.</p> <p>3. Project Management Office:</p> <p>(1) Plan the Group's industry-academia cooperation, and coordinate the participation of the Company, subsidiaries and investment business operation teams.</p> <p>(2) Application of the Group's science and technology project, coordination and planning of the project on the offset of investment and R&D, coordination of the Company, subsidiaries, investment business technical teams and accounting teams' operations.</p> <p>(3) Plan the external cross-industry cooperation project, and coordinate the participation of the Company, subsidiaries and investment business operation teams.</p> <p>(4) Use polling tools to assist the Company, subsidiaries, and investment business in investigating and analyzing relevant internal and external fields for business operations and adjustments.</p>

Department	Principal work assignments
<p>Legal Affairs Department</p>	<p>1. Legal Office: Contract drafting and review, provision of legal opinions, interpretation of relevant laws and regulations, litigation cases, revision of regulations and intellectual property rights of patents and trademarks, and other legal related functions.</p> <p>2. Legal Compliance Office: Company registration change and license management, functional committees/Board of Directors/shareholders' meeting related matters and major information announcement/reporting, stock/corporate bond issuance management, tracking and disclosure of corporate governance evaluation indicators, insider shareholding reporting, dividends payment, capital increase or decrease and tax reporting, court authorities signing of shareholder seizure, occasional provision of information on directors training courses/assistance to directors in legal compliance information and effective assistance to directors in performing duties, corporate governance related matters and other law compliance matters.</p>
<p>General Investment Department</p>	<p>1. Investment Management Office: General management of the Group's post-investment management business, feasibility assessment and financial analysis of re-investment, regular monitoring operations/internal control/evaluation reports and various reporting operations of re-investment companies, execution of M&A and investment projects.</p> <p>2. Project Execution Office: Planning and execution of the Group's M&A and investment projects, planning of fundraising projects, planning and development of listing of subsidiaries, financial analysis of domestic and overseas market competition, and analysis of the industry and macroeconomy.</p> <p>3. Overseas Business Management Office: Coordinate the Group's cross-strait business contacts, exchanges, and promotions.</p>
<p>Accounting Department</p>	<p>1. Accounting Services Office: Responsible for related functions such as voucher certificate review, accounting processing, accounts receivable and payable management, financial and tax report review, financial statement preparation, business tax and income tax declaration,</p>

Department	Principal work assignments
	<p>accounting manual preparation, consolidated statement and notes preparation, supplementary explanations by the competent authority and tax administrative relief.</p> <p>2. Accounting Management Office: Responsible for related functions such as annual budget preparation, long-term and short-term financial forecasts, tax planning, business analysis, the correction of the accounting system, and accounting management of domestic and overseas subsidiaries.</p>
<p>Finance Department</p>	<p>1. Cashier Office: Responsible for collection and cashier operations, the custody of cash bills and securities, bank transactions, bank deposit transfers, short-term bill transactions and other related functions.</p> <p>2. Financial Planning Office: Responsible for capital market financing, bank financing transactions, foreign exchange transactions, financial securities investment, external guarantees and capital loans, cash income and expenditure estimation and other related operations.</p>
<p>Management Department</p>	<p>1. Human Resources Department: Personnel system, appointment, leave attendance, salary and welfare, assessment, training and other related functions.</p> <p>2. General Services Office: Seal management, sending and receiving, petty cash, asset management, equipment and supplies procurement, vehicle management, environmental maintenance and other related functions.</p> <p>3. Information Office: Information related functions such as information system planning and development, computer software and hardware equipment procurement management.</p>
<p>Employee Safety Management Department</p>	<p>Comprehensively manage various labor safety management functions.</p>

3.2 Directors, General Managers, Deputy General Managers, Associate Managers, Directors of Various Departments and Branches

3.2.1 Directors

Director Information (1)

March 29, 2024

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note		
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company			
Chairman	Republic of China	Far Rich International Corporation Representative: Shang-Wen Liao	Male / 61-70	2023.05.30	3 years	1998.04.15 1998.04.15	20,501,440	4.307	12,930,041	4.307			0	0.000	0	0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Technician, Commodity Inspection Bureau of the Ministry of Economic Affairs Deputy Head, Industrial Development Bureau of the Ministry of Economic Affairs	Chairman/General Manager of the Company Member, Corporate Governance & Sustainability Development Committee / Information Security Management Committee of the Company Chairman/General Manager of Far Eastern Investment Co., Ltd. Chairman, Richness Trading (Shanghai) Co., Ltd. Chairman, Eastern Communication Technology (Hong Kong) Ltd. Chairman, Enlighten Innovative Transformation Co., Ltd. Chairman, Eastern Asset Co., Ltd. Chairman, Huiyue Investment Co., Ltd. Chairman, Natural Beauty bio-technology Co., Ltd. Chairman, Ray-Sen Medical Cosmetics Co., Ltd. Chairman, KeMeiYan Bio-Technology Co., Ltd. Chairman, Dung Sen Min Diau Yun Co., Ltd. Chairman, Eastern New Retail Department Co., Ltd. Chairman, Eastern Bio-technology (Shanghai) (Eastern Food (Shanghai) Ltd. Chairman, Shanghai Natural Beauty Bio-technology Co., Ltd. Chairman, Shanghai Natural Beauty Bio-Med Co., Ltd. Chairman, Shanghai Natural Beauty Fuli Cosmetics Co., Ltd. Chairman, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Chairman, Hainan Natural Sheng Bio-technology Co., Ltd. Director, Eastern Home Shopping & Leisure Co., Ltd. Director, Tung Kai Lease-Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, ET New Media Holdings Co., Ltd. Director, HER Hotels & Resorts Group Yilan	None	None	None	It is reasonable and necessary for the Chairman and General Manager to be the same person because it meets the business needs of the Company. Operating efficiency is therefore increased and decision-making execution is faster and smoother. In 2023, the directors re-elected at the ordinary shareholders meeting will add an independent director

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note											
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company												
																Director, ET Pet Co., Ltd. Director, Eastern Enterprise Development (Shanghai) Ltd. Director, Grand Scene Trading (Hong Kong) Ltd. Director, Nanjing Yun Fu Trading Ltd. Director, Jiangsu Sen Fu Da Media Technology Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Director & President, Far Eastern Silo & Shipping (Panama) S.A. Director, Grand Scene Media Co. Director, Fortune Investment Global Ltd. (BVI) Director, Billion Synergy Sdn. Bhd. Director, Next Success International Ltd. (BVI) Director, Great Glamour Company Ltd. (BVI) Director, Strawberry Cosmetics Holdings Ltd. Director, Strawberry Cosmetics (China) Ltd. Director, Strawberry Cosmetics (Multinational) Ltd. Director, Strawberry Cosmetics (USA) Ltd. Director, Strawberry Cosmetics (Internet Services) Ltd. Director, Strawberry Cosmetics (Services) Ltd. Director, Strawberry Ltd. Director, Strawberry Cosmetics (Brands) Ltd. Director, Strawberry Cosmetics (Greater China) Ltd. Director, Famous Power Investment Ltd. Director, Strawberry Malaysia Sdn. Bhd. Vice Chairman, Taipei Eastern Cultural Foundation Vice Chairman, Taipei City Private Eastern Social Welfare Charity Foundation Managing Supervisor, Chinese Non Store Retailer Association Managing Director, Taiwan Food Safety and Industry Development Strategy Conference Managing Supervisor, Taiwan Information and Communication Association Managing Director, Chunghwa New Media Industry Development Association Director, Taiwan Beauty Valley President, Asia Animal Medical Association Vice President, Asia Nature beauty Association															to comply with the law.

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company	
Director	Republic of China	Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	Male / 81-90	2023.05.30	3 years	2009.06.19 2007.01.08	5,956,083	1.251	3,756,438	1.251					Department of Accounting and Statistics, National Cheng Kung University General Manager, China Bills Finance Corporation	Chairman, Eastern Realty Co., Ltd. Chairman, Eastern International Lease Finance Co., Ltd. Chairman, Tung Kai Lease Finance Co., Ltd. Chairman, Eastern Enterprise Development (Shanghai) Ltd. Chairman, Viking Tech Corporation	None	None	None	None
Director	Republic of China	Far Rich International Corporation Representative: Kui-Ting Kao	Male / 41-50	2023.05.30	3 years	1998.04.15 2023.05.30	20,501,440	4.307	12,930,041	4.307					Department of Law, Chinese Culture University	Deputy general manager, Chairman's Office of the Company Member, Corporate Governance & Sustainability Development Committee /Information Security Management Committee of the Company Supervisor, Far Eastern Investment Co., Ltd Deputy general manager, ET Pet Co., Ltd	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company	
Independent Director	Republic of China	Kuen-Chang Lee	Male / 51-60	2023.05.30	3 years	2017.05.11	0	0.000	0	0.000	0	0.000	0	0.000	PhD, Corporate Management and Finance Management Group, National Central University Master of Accounting Department, Soochow University Master of Laws Department, Soochow University Chairman, Taiwan Legal Accounting Association Member, Taiwan Corporate Governance Association CEO, Universe Think Tank Management Consulting Co., Ltd. Vice President for Student Affairs of Accounting Department, Soochow University Chair of Accounting Department, Soochow University	Member, Remuneration Committee/Audit Committee/Corporate Governance & Sustainability Development Committee /Information Security Management Committee of the Company Independent Director, Tatung Fine Chemicals Co. Member, Remuneration Committee / Audit Committee of Tatung Fine Chemicals Co. Independent Director, United Orthopedic Equipment Co., Ltd. Member, Audit Committee/Remuneration Committee/Sustainability Development Committee of United Orthopedic Equipment Co., Ltd. Independent Director, Onano Industrial Co. Member, Audit Committee/Remuneration Committee, Onano Industrial Co. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Ltd. Director, Ray-Sen Medical Cosmetics Co., Ltd. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Bio-technology Co., Ltd. Director, Shanghai Natural Beauty Bio-Med Co., Ltd. Director, Shanghai Natural Beauty Fuli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Director, Hainan Natural Sheng Bio-technology Co., Ltd. Director, Strawberry Cosmetics Holdings Ltd. Director, Strawberry Cosmetics (Services) Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company	
Independent Director	Republic of China	Su-Chang Chen	Male / 61-70	2023.05.30	3 years	2017.05.11	200	0.000	126	0.000	0	0.000	0	0.000	PhD, Department of Industrial Education, National Changhua Normal University Vice President for Student Affairs/ Chief Secretary of National Penghu University Director, Technical Research Division, National Penghu University Chair/Professor, Department of Marketing and Logistics Management National Penghu University	Member, Remuneration Committee/Audit Committee/ Corporate Governance & Sustainability Development Committee /Information Security Management Committee of the Company	None	None	None	None
Independent Director	Republic of China	Tien-Wei Shih	Male / 61-70	2023.05.30	3 years	2017.05.11	8,286	0.002	5,225	0.002	0	0.000	0	0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Director of R&D, Feng Chia University Professor, Department of Fiber and Composite Materials, Feng Chia University	Member, Remuneration Committee/Audit Committee/ Corporate Governance & Sustainability Development Committee /Information Security Management Committee of the Company Remuneration Committee Member, Eclat Textile Co., Ltd. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Limited Director, Ray-Sen Medical Cosmetics Co., Ltd. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Bio-technology Co., Ltd. Director, Shanghai Natural Beauty Bio-Med Co., Ltd. Director, Shanghai Natural Beauty Fuli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Shanghai Yongli Cosmetics Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd Director, Hainan Natural Sheng Bio-technology Co., Ltd.	None	None	None	None

Title	Nationality or Place of Registration	Name	Gender / Age	Elected (Took Office) Date	Term of Office	First Election Appointment Date	Shares Held at Time of Appointment		Number of Shares Currently Held		Spouse and Minor Children Shares Held Currently		Under Name(s) of Others Shares Held		Principal Experience (Education)	Concurrent Position with the Company and with Other Companies	Spouse or relatives within the second degree of kinship or closer acting as other department heads or directors			Note	
							Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %	Shares	Shareholding ratio %			Job Title	Name	Relationship with the Company		
Independent Director	Republic of China	Cang- Xiang Lin	Male / 61-70	2023.05.30	3 years	2023.05.30	0	0.000	0	0.000	0	0.000	0	0.000	Ph.D., Institute of Finance, Boston University Master, Management Sciences, National Yang Ming Chiao Tung University Department of Physics, NTU Emeritus Professor / Chairman, Department of Banking and finance, Tamkang University Cross-Strait Director, Financial Research Center at Tamkang University CHRO, Tamkang University Chairman, Financial Engineering Association of Taiwan Director, Taiwan Institute of Economic Research Director, Yuanta Polaris Research Institute Director/censorship committee member, TWSE Director/Supervisor, Taifex Managing Director, Oversea-Chinese Banking Director, First Commercial Bank Director, IBF Financial Holdings Co., Ltd. Independent Director, EnTrust Securities Co., Ltd. Director, China Development Industrial Bank/ China Development Financial Holding Company Adjunct Professor, the Institute of Health Policy and Management, NTU/ the Institute of Finance, National Yang Ming Chiao Tung University/ IEMBA, National Taipei University, the Institute of Finance, Fu Jen University	Member, Remuneration Committee/Audit Committee/ Corporate Governance & Sustainability Development Committee /Information Security Management Committee of the Company Independent Director, Natural Beauty Biotechnology Ltd. Director, Capital Securities Corporation Member, Audit Committee / Remuneration Committee / Risk Management Committee / Sustainability Development Committee of Capital Securities Corporation Supervisor,, IIH Biomedical Venture Fund I Co., Ltd.	None	None	None	None	
Total shares held by directors							26,466,009	5.559	16,691,830	5.559											
Total							26,466,009	5.559	16,691,830	5.559	0	0.000	0	0.000							

Table 1: Major shareholders of corporate shareholders

March 29, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dongsen Non-life Insurance Agent Co. Ltd.	10.34
Ding-Fong Broadcasting Co., Ltd.	Far Rich International Corporation	40.00
	Dongsen Personal Insurance Agent Co., Ltd.	60.00

Table 2: Names of major shareholders of major owners listed in Table 1 above

Far Rich International Corporation

March 29, 2024

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Ding Fong Broadcasting Co., Ltd.	Far Rich International Corporation	40.00
	Dongsen Personal Insurance Agent Co., Ltd.	60.00
Dongsen Non-life Insurance Agent Co. Ltd.	Sen Feng International Co., Ltd.	100.00

Ding Fong Broadcasting Co., Ltd.

March 29, 2024

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dongsen Non-life Insurance Agent Co. Ltd.	10.34
Dongsen Personal Insurance Agent Co., Ltd.	Far Rich International Corporation	62.50
	Sen Feng International Co., Ltd.	27.78
	Dongsen Non-life Insurance Agent Co. Ltd.	9.72

Dong sen Personal Insurance Agent Co., Ltd.

March 29, 2024

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Far Rich International Corporation	Ding Fong Broadcasting Co., Ltd.	89.66
	Dong sen Non-life Insurance Agent Co. Ltd.	10.34
Sen Feng International Co., Ltd.	Yue-Fong Industrial Co., Ltd.	0.10
	Ding Fong Broadcasting Co., Ltd.	13.31
	Bai Hang Co., Ltd.	68.89
	Jinxin Trading co., Ltd.	17.70
Dong sen Non-life Insurance Agent Co. Ltd.	Sen Feng International Co., Ltd.	100.00

Dong sen Non-life Insurance Agent Co. Ltd.

March 29, 2024

Corporation Name	Corporation Principal Shareholder	Percentage of ownership %
Sen Feng International Co., Ltd.	Yue-Fong Industrial Co., Ltd.	0.10
	Ding Fong Broadcasting Co., Ltd.	13.31
	Bai Hang Co., Ltd.	68.89
	Jing Zin Trading co., Ltd.	17.70

Director Information (2)

1. Disclosure of professional qualifications of Directors and independency of Independent Directors:

Criteria Name	Professional Qualification and Experience	Number of positions as an Independent Director in other public listed companies
Shang-Wen Liao	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0
Kao-Ming Tsai	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0
Kui-Ting Kao	Have at least five years of working experience in commerce and corporate business, and have not been involved in any of the circumstances described in Article 30 of the Company Act.	0

Criteria Name	Professional Qualification and Experience	Independence Status	Number of positions as an Independent Director in other public companies
Kuen-Chang Lee	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for business, legal affairs, finance, accounting, or Company business, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company. 2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return. 5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	3

Criteria Name	Professional Qualification and Experience	Independence Status	Number of positions as an Independent Director in other public companies
Su-Chang Chen	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company. 2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return. 5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	0
Tien-Wei Shih	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company. 2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return. 5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	0

Criteria Name	Professional Qualification and Experience	Independence Status	Number of positions as an Independent Director in other public companies
Cang-Xiang Lin	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	<ol style="list-style-type: none"> 1. Is not a director (or governor), supervisor, or employee of another company or institution of which the chairman, general manager, or person holding an equivalent position are the same person as, or are spouses of, those of the Company. 2. Is not a director (or governor), supervisor, manager, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the Company. 3. Not a spousal or a relative within second degree of kinship to any other Directors. 4. None of a natural person, his/her spouse, and any relatives within the second degree of kinship has provided commercial, legal, financial, accounting services to the Company or any affiliate of the Company in the past 2 years and has received any amount in return. 5. None of a natural person, his/her spouse, and any relatives within the second degree of kinship have the following circumstances: <ol style="list-style-type: none"> (1) Serve as a Director, Supervisor, or employee of the Company or its affiliates; (2) Hold shares of the Company; (3) Serve as a Director, Supervisor, or employee of a specified company related to the Company. 	2

2. Diversity and independence of the Board of Directors:

(1) Diversity of the Board of Directors:

(1-1) The diversified policies of the Board of Directors.

The Company's election of the Directors adopts a candidates nomination system per Article 192-1 of the Company Act; the nomination of candidates and the announcement of the nomination will be handled per the Company Act and the Securities and Exchange Act provisions. Directors and Independent Directors shall be elected together, provided the number of elected seats shall be calculated separately.

The Article 23 of Corporate Governance Best Practice Principles of the Company indicates that the composition of the board of directors shall be determined by considering diversity. It is advisable that directors concurrently serving as company officers not exceed one-third of the total number of the Board members,

and that appropriate guidelines on diversity based on the Company's business operations, operating dynamics, and development requirements shall be formulated, including but not limited to, the following two aspects of standards:

- A. Basic requirements and values: Gender, age, nationality, culture, etc.
- B. Professional knowledge and skills: A professional background (e.g., law, accounting, industry, finance, marketing or technology), professional skills, industry experience, etc.

(1-2) Determine necessary outputs

The Company's 18th Board of Directors currently consists of 7 Directors (including 4 Independent Directors). All members possess management professionalism of commerce, finance, accounting, or other skills required by the Company's business. In the future, the composition of the Company's Board of Directors and the background of its members will be evaluated based on the operational development pattern and the actual needs, and we will try our best to increase the number of female Directors to achieve the specific management objective of diversifying the Company's Board of Directors.

(1-3) Board of Directors : Industrial Experiences and Professional abilities :

Diversity item Name of the Director	Basic composition			Industry experience					Professional ability			
	Nationality	Gender	Concurrent Position with the Company	Business operation development	Operating Management	International Market	Lecture of a tertiary institution	legal affairs	Commerce	Accounting	legal affairs	Risk Management
Far Rich International Corporation Representative: Shang-Wen Liao	R.O.C	Male	The Chairman and General Manager	V	V	V			V			V
Far Rich International Corporation Representative: Kui-Ting Kao	R.O.C	Male	Deputy General Manager, Chairman's Office	V	V	V		V	V		V	V
Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	R.O.C	Male	None	V	V	V			V	V		V
Kuen-Chang Lee	R.O.C	Male	None		V	V	V		V	V		V
Su-Chang Chen	R.O.C	Male	None			V	V					V
Tien-Wei Shih	R.O.C	Male	None		V	V	V		V			V
Cang-Xiang Lin	R.O.C	Male	None		V	V	V		V	V		V

(2) Independence of the Board of Directors:

Current Board of Directors of the Company consists of 7 Directors, including 4 Independent Directors (57%). All three Independent Directors do not have circumstances specified in Article 26-3, Paragraph 3 and 4 of the Securities and Exchange Act, with reasons; including describing the relationships between Directors, between Supervisor or between Directors and Supervisors as spouses and relatives within the second degree of kinship.

3.2.2 General Manager, Deputy General Managers, Associate Managers, Heads of Departments and Branches

Information on General Manager, Deputy General Managers, Associate Managers, Heads of Departments and Branches

March 29, 2024

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
General Manager	Republic of China	Shang-Wen Liao	Male	1994.08.15	53,857	0.018	0	0.000	0	0.000	Ph.D., Textile Industry, University of Leeds, United Kingdom Technician, Commodity Inspection Bureau of the Ministry of Economic Affairs Deputy Head, Industrial Development Bureau of the Ministry of Economic Affairs	Chairman/General Manager of Far Eastern Investment Co., Ltd. Chairman, Richness Trading (Shanghai) Co., Ltd. Chairman, Eastern Communication Technology (Hong Kong) Ltd. Chairman, Enlighten Innovative Transformation Co., Ltd. Chairman, Eastern Asset Co., Ltd. Chairman, Huiyue Investment Co., Ltd. Chairman, Natural Beauty bio-technology Co., Ltd. Chairman, Ray-Sen Medical Cosmetics Co., Ltd. Chairman, KeMeiYan Bio-Technology Co., Ltd. Chairman, Dung Sen Min Diau Yun Co., Ltd. Chairman, Eastern New Retail Department Co., Ltd. Chairman, Eastern Biotechnology (Shanghai) (Eastern Food (Shanghai) Ltd. Chairman, Shanghai Natural Beauty Bio-technology Company Limited Chairman, Shanghai Natural Beauty Bio-Med Company Limited Chairman, Shanghai Natural Beauty Fuli Cosmetics Company Limited Chairman, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Chairman, Hainan Natural Sheng Bio-technology Co., Ltd. Director, Eastern Home Shopping & Leisure Co., Ltd. Director, Tung Kai Lease-Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, ET New Media Holdings Co., Ltd. Director, HER Hotels & Resorts Group Yilan Director, ET Pet Co., Ltd. Director, Eastern Enterprise Development (Shanghai) Ltd. Director, Grand Scene Trading (Hong Kong) Ltd. Director, Nanjing Yun Fu Trading Ltd. Director, Jiangsu Sen Fu Da Media Technology Co., Ltd. Director, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Director & President, Far Eastern Silo & Shipping (Panama) S.A. Director, Grand Scene Media Co. Director, Fortune Investment Global Limited (BVI) Director, Billion Synergy Sdn. Bhd. Director, Next Success International Limited (BVI) Director, Great Glamour Company Limited (BVI) Director, Strawberry Cosmetics Holdings Limited Director, Strawberry Cosmetics (China) Limited Director, Strawberry Cosmetics (Multinational) Limited Director, Strawberry Cosmetics (USA) Limited Director, Strawberry Cosmetics (Internet Services) Limited	None	None	None	It is reasonable and necessary for the Chairman and General Manager to be the same person because it meets the business needs of the Company. Operating efficiency is therefore increased and decision-making execution is faster and smoother. In 2023, the directors re-elected at the ordinary shareholders meeting will add an independent director to comply with the law.

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
												Director, Strawberry Cosmetics (Services) Limited Director, Strawberry Limited Director, Strawberry Cosmetics (Brands) Limited Director, Strawberry Cosmetics (Greater China) Limited Director, Famous Power Investment Limited Director, Strawberry Malaysia Sdn. Bhd. Vice Chairman, Taipei Eastern Cultural Foundation Vice Chairman, Taipei City Private Eastern Social Welfare Charity Foundation Director General, Chinese Non Store Retailer Association Managing Director, Taiwan Food Safety and Industry Development Strategy Conference Managing Supervisor, Taiwan Information and Communication Association Managing Director, Chunghwa New Media Industry Development Association Director, Taiwan Beauty Valley President , Asia Animal Medical Association Vice President , Asia Nature beauty Association				
Senior Deputy General Manager, Financial Department / Investor Relations Office	Republic of China	Ying-Na Cheng	Female	2024.01.01	317	0.000	0	0.000	0	0.000	Department of Business Management, Feng Chia University	Director, Tung Kai Lease Finance Co., Ltd. Director, Eastern International Lease Finance Co., Ltd. Director, Huiyue Investment Co., Ltd. Director, Natural Beauty Bio-technology Limited Director, Ray-Sen Medical Cosmetics Co., Ltd. Director, KeMeiYan Bio-Technology Co., Ltd. Director, Shanghai Natural Beauty Biotechnology Co., Ltd. Director, Shanghai Natural Beauty Bio-Med Company Limited Director, Shanghai Natural Beauty Fuli Cosmetics Company Limited Director, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Director, Hainan Natural Sheng Bio-technology Co., Ltd. Director / Deputy General Manager, Far Eastern Investment Co., Ltd Director / Deputy General Manager, ET New Media Holdings Co., Ltd. Director / Deputy General Manager, HER Hotels & Resorts Group Yilan Director / Deputy General Manager, Eastern Asset Co., Ltd. Supervisor, ET Pet Co., Ltd. Supervisor, Eastern New Retail Department Co., Ltd. Supervisor, Nanjing Yun Fu Trading Ltd. Supervisor, Richness Trading (Shanghai) Co., Ltd. Supervisor, Shanghai Natural Beauty Haili Cosmetics Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd. Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Grand Scene Trading (Hong Kong) Ltd. Deputy General Manager, Far Eastern Silo & Shipping (Panama)	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
												S.A. Deputy General Manager, Grand Scene Media Co.				
Deputy General Manager, Warehousing Division	Republic of China	Ching-Tze He	Male	2008.08.21	14	0.000	126	0.000	0	0.000	Master of Management, Chiayi University Research Institute	Deputy General Manager, Far Eastern Silo & Shipping (Panama) S.A. Chairman, Taiwan Corn Products Industry Association	None	None	None	None
Deputy General Manager, Chairman's Office	Republic of China	Sheng-Chong Hsu	Male	2011.09.01	155	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai University	Director of Dongsen Non-Life Insurance Agent Co. Ltd. Secretary General, Chinese Non Store Retailer Association	None	None	None	None
Deputy General Manager, Chairman's Office	Republic of China	Hsiao-Ching Hu	Female	2014.08.13	0	0.000	0	0.000	0	0.000	Ming Chuan University Institute of Biography Master's degree	None	None	None	None	None
Deputy General Manager, Chairman's Office	Republic of China	Hsiang-Jui Wo	Male	2019.01.01	0	0.000	68	0.000	0	0.000	Kaohsiung Vocational College of Navigation	None	None	None	None	None
Deputy General Manager, Chairman's Office (20230504 resigned)	Republic of China	Kuang-Wu Chen	Male	2019.12.19	0	0.000	0	0.000	0	0.000	PhD candidate in Biomedical Engineering, Johns Hopkins University Master of Electronic Science, Ohio State University Master of Computer Science, University of Maryland	None	None	None	None	None
Deputy General Manager, Chairman's Office	Republic of China	Chi-Na Hsu	Female	2023.04.07	0	0.000	0	0.000	0	0.000	Department of International Business, Fu Jen Catholic University	None	None	None	None	None
Deputy General Manager, Chairman's Office (20231020 resigned)	Republic of China	Chun-Liang Liu	Male	2023.04.12	0	0.000	0	0.000	0	0.000	Department of Mechanical Engineering, Tatung University PhD, Department of Mechanical, Graduate Institute of Automation and Control, Tatung University Master, Department of Computer Science and Engineering, Institute of Automation and	None	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
											Control Tatung University					
Deputy General Manager, General Investment Department	Republic of China	Chia-Wei Lin	Male	2020.04.01	0	0.000	0	0.000	0	0.000	Bachelor of Economics, National Chengchi University Master of Business Administration, Tunghai University	Director, Natural Beauty Bio-technology Limited. Director, Care Pet Bio-Tech Company	None	None	None	None
Deputy General Manager, Real Estate Division	Republic of China	Tsong-Yi Lin	Male	2017.08.01	0	0.000	0	0.000	0	0.000	Master of Business Administration, University of Wales, UK Master of Transportation Engineering, University of Leeds	Director of Eastern Media International Hotels Co., Ltd.	None	None	None	None
Deputy General Manager, Planning Department	Republic of China	Lan-Ying Feng	Female	2018.03.22	0	0.000	0	0.000	0	0.000	Department of Journalism, Shih Hsin University	None	None	None	None	None
Deputy General Manager, Finance Department (20231231 retired)	Republic of China	Cheng-Kuo Lu	Male	2019.12.19	14,709	0.005	0	0.000	0	0.000	Tamsui Technical College Bank Management Department	None	None	None	None	None
Deputy General Manager, Legal Affairs Department /Management Department and Chief of Corporate Governance Officer	Republic of China	Hui-Ying Chou	Female	2024.01.15	75	0.0000	3,950	0.001	0	0.000	Law Department, Chinese Cultural University Lawyer, WTW Zhongtian International Law Firm Lawyer, Yang Siqin Law Firm	Deputy General Manager, ET New Media Holdings Co., Ltd. Deputy General Manager, Dung Sen Shin Guang Yun Co., Ltd Deputy General Manager, Dung Sen Min Diau Yun Co., Ltd. Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Director, Huiyue Investment Co., Ltd. Deputy General Manager, Natural Beauty Bio-technology Limited Deputy General Manager, Ray-Sen Medical Cosmetics Co., Ltd. Deputy General Manager, KeMeiYan Bio-Technology Co., Ltd.	None	None	None	None
Deputy General Manager, Chairman's Office	Republic of China	Kui-Ting Kao	Male	2024.01.15	0	0.000	0	0.000	0	0.000	Law Department, Chinese Cultural University	Director, Care Pet Bio-Tech Company Deputy General Manager, Far Eastern Investment Co., Ltd. Deputy General Manager, ET Pet Co., Ltd.	None	None	None	None
Deputy General Manager, Accounting Department	Republic of China	Yao-Tsu Shen	Male	2022.08.11	0	0.000	0	0.000	0	0.000	Accounting Research Institute, Chinese Cultural University	Director/Deputy General Manager, Far Eastern Investment Co., Ltd. Supervisor, Huiyue Investment Co., Ltd. Supervisor, Natural Beauty Bio-Technology Supervisor, Ruisheng Medical Beauty Technology Co., Ltd. Supervisor, KeMeiYan Bio-Technology Co., Ltd. Supervisor, Care Pet Bio-Tech Company	None	None	None	None

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
												Supervisor, Shanghai Natural Beauty Biotechnology Co., Ltd. Supervisor, Shanghai Natural Beauty Bio-Med Company Limited Supervisor, Shanghai Natural Beauty Fuli Cosmetics Company Limited Supervisor, Shanghai Natural Beauty Sanlian Cosmetics Co., Ltd. Supervisor, Hainan Natural Sheng Bio-technology Co., Ltd. Deputy General Manager, ET Pet Co., Ltd. Deputy General Manager, ET New Media Holdings Co., Ltd. Deputy General Manager, Eastern Asset Co., Ltd. Deputy General Manager, Grand Scene Trading (Hong Kong) Ltd. Deputy General Manager, Eastern Media Communication (Hong Kong) Limited Deputy General Manager, Far Eastern Silo & Shipping International (Panama) Limited Deputy General Manager, Grand Scene Media Co.				
Associate Manager, General Manager's Office	Republic of China	Ping-Yu Su	Female	2019.01.22	0	0.000	0	0.000	0	0.000	Department of Sociology, Chung Hsing University Master, Institute of Social Work, Soochow University	None	None	None	None	
Associate Manager, Warehousing Division	Republic of China	Kun-Yu Chang	Female	2019.04.01	0	0.000	0	0.000	0	0.000	Master, Home Economics Research Institute, Chinese Cultural University	None	None	None	None	
Associate Manager, Investment Management Office of Investment Department	Republic of China	Yu-Ling Ye	Female	2021.02.17	0	0.000	0	0.000	0	0.000	MBA, University of Texas at Arlington	None	None	None	None	
Associate Manager, Audit Office	Republic of China	Hui-Hui Li	Female	2021.09.02	1,078	0.000	0	0.000	0	0.000	Department of Business Administration, Tunghai University	None	None	None	None	
Associate Manager, Chairman's Office	Republic of China	Sheng-Fen Ou	Female	2021.09.02	0	0.000	0	0.000	0	0.000	Master, Construction Management, Chung Hua University	None	None	None	None	
Associate Manager, Project Execution Office of Investment Department	Republic of China	Wen-Jian Sie	Male	2021.09.02	0	0.000	0	0.000	0	0.000	Master, Accounting, Fu Jen Catholic University	None	None	None	None	

Job Title	Nationality	Name	Gender	Date assumed office	Shares held		Spouse and minor children shares held		Shares held in the name(s) of others		Principal Experience (Education)	Current positions concurrently held in other companies	Spouse or relatives within the second degree of kinship or closer acting as managerial officers			Note
					Shares	Shareholding Percentage %	Shares	Shareholding Percentage %	Shares	Shareholding Percentage %			Job Title	Name	Relationship with the Company	
Associate Manager , Finance Department	Republic of China	Ling Wang	Female	2024.01.01	0	0.000	0	0.000	0	0.000	Master, Business Administration , Indiana University of Pennsylvania	Associate Manager, Far Eastern Investment Co., Ltd. Associate Manager, ET New Media Holdings Co., Ltd. Associate Manager, ET Pet Co., Ltd. Associate Manager, Dung Sen Shin Guang Yun Co., Ltd Associate Manager, Dung Sen Min Diao Yun Co., Ltd. Associate Manager, Eastern Asset Co., Ltd. Associate Manager, Grand Scene Trading (Hong Kong) Ltd. Associate Manager, Eastern Media Communication (Hong Kong) Limited Associate Manager, Far Eastern Silo & Shipping International (Panama) Limited Associate Manager, Grand Scene Media Co.	None	None	None	None
Associate Manager, Warehousing Division	Republic of China	Chang-Yi Huang	Male	2022.01.01	55	0.000	153	0.000	0	0.000	Business School, Ling Tung University	None	None	None	None	
Taichung Office Manager, Warehousing Division	Republic of China	Ying-Ming Hsu	Male	2024.03.01	5,108	0.002	0	0.000	0	0.000	Department of Electrical Engineering, Taipei Tech	None	None	None	None	
Kaohsiung Office Manager, Warehousing Division	Republic of China	Po-Liang Chen	Male	2016.05.01	235	0.000	0	0.000	0	0.000	Department of Electrical Engineering, Ocean University	None	None	None	None	

3.3 Remuneration Paid to Directors, General Manager, and Deputy General Manager(s) in the Most Recent Year

3.3.1 Remuneration to directors (including independent directors)

Unit: NTD Thousand

Job Title	Name	Directors' Remuneration								Sum of A, B, C, and D; and its proportion to the net income after tax		Remuneration from concurrently serving as employee								Sum of A, B, C, D, E, F and G; and its proportion to the net income after tax		Remuneration received from investee companies outside of subsidiaries or from the parent company
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business execution expenses (D)				Wages, rewards, special allowances, etc. (E)		Pension upon retirement (F)		Employee bonuses (G)						
		The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All companies in these financial reports	
Far Rich International Corporation Representative:																						
Chairman	Shang-Wen Liao	440	440	0	0	0	0	290	485	730 (0.27%)	925 (0.34%)	3,129	12,075	0	0	0	0	0	0	3,859 (1.41%)	13,000 (4.77%)	2,916
Director (20230530 Resigned)	Chao-Hsin Chiu	0	0	0	0	0	0	90	110	90 (0.03%)	110 (0.04%)	300	900	0	0	0	0	0	0	390 (0.14%)	1,010 (0.37%)	None
Director (20230530 Took office)	Kui-Ting Kao	0	0	0	0	0	0	141	141	141 (0.05%)	141 (0.05%)	2,198	2,226	0	0	0	0	0	0	2,339 (0.86%)	2,367 (0.87%)	None
Ding-Fong Broadcasting Co., Ltd. Representative:																						
Director	Kao-Ming Tsai	0	3,500	0	0	0	0	230	309	230 (0.08%)	3,809 (1.40%)	0	0	0	0	0	0	0	0	230 (0.08%)	3,809 (1.40%)	None
Director (20230530 Resigned)	Ching-Chi Chen	0	185	0	0	0	0	90	96	90 (0.03%)	281 (0.10%)	0	0	0	0	0	0	0	0	90 (0.03%)	281 (0.10%)	95
Independent Director	Kuen-Chang Lee	600	600	0	0	0	0	230	230	830 (0.30%)	830 (0.30%)	0	0	0	0	0	0	0	0	830 (0.30%)	830 (0.30%)	755
Independent Director	Su-Chang Chen	600	600	0	0	0	0	230	230	830 (0.30%)	830 (0.30%)	0	0	0	0	0	0	0	0	830 (0.30%)	830 (0.30%)	None
Independent Director	Tien-Wei Shih	600	600	0	0	0	0	230	230	830 (0.30%)	830 (0.30%)	0	0	0	0	0	0	0	0	830 (0.30%)	830 (0.30%)	744
Independent Director	Cang-Xiang Lin (20230530 Took office)	353	353	0	0	0	0	141	141	494 (0.18%)	494 (0.18%)	0	0	0	0	0	0	0	0	494 (0.18%)	494 (0.18%)	518

1. Please specify the policy, system, standards and structure for the remuneration to independent directors, and the linkage of the amount of remuneration to the responsibilities, risk exposure and time commitment of the directors: Please refer to page 43.
2. In addition to the disclosure in the above table, the remuneration received by the directors of the Company for providing services to all companies in the financial report (such as serving as a consultant for non-employees, etc.) in the most recent year: NT\$700,000
3. Paid the driver NT\$1,389,690.

3.3.2 Remuneration Paid to General Manager and Deputy General Manager(s)

Unit: NTD Thousand

Job Title	Name	Salary (A)		Retirement pension (B)		Rewards and Special expenses etc. (C)		Employee bonuses amount (D)				Sum of A, B, C, and D; <u>and</u> its proportion to the net income after tax		Remuneration from investee companies outside of subsidiaries or from the parent company
		The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company	All companies in these financial reports	The Company		All companies in these financial reports		The Company	All companies in these financial reports	
								Cash Amount	Stock Amount	Cash on hand Amount	Stock Amount			
General Manager (Concurrent)	Shang-Wen Liao	2,400	7,620	0	0	1,019	4,940	0	0	0	0	3,419 (1.25%)	12,560 (4.60%)	2,916
Deputy General Manager	Ching-Tze He	2,596	2,596	0	0	1,323	3,823	0	0	0	0	3,919 (1.44%)	6,419 (2.35%)	0
Deputy General Manager	Hsiang-Jui Wo	1,802	1,802	0	0	3,366	3,366	0	0	0	0	5,169 (1.89%)	5,169 (1.89%)	0
Deputy General Manager	Chia-Wei Lin	2,971	2,971	0	0	600	604	0	0	0	0	3,571 (1.31%)	3,575 (1.31%)	782
Deputy General Manager	Ying-Na Cheng	1,860	2,028	0	0	652	1,547	0	0	0	0	2,512 (0.92%)	3,575 (1.31%)	60
Deputy General Manager	Sheng-Chong Hsu	16,941	17,709	1,432	1,432	9,072	9,316	0	0	0	0	27,446 (10.06%)	28,458 (10.43%)	1,769
Deputy General Manager	Hsiao-Ching Hu													
Deputy General Manager	Tsong-Yi Lin													
Deputy General Manager	Lan-Ying Feng													
Deputy General Manager	Cheng-Kuo Lu (Note4)													
Deputy General Manager	Hui-Ying Chou													
Deputy General Manager	Kui-Ting Kao													
Deputy General Manager	Yao-Tsu Shen													
Deputy General Manager	Chi-Na Hsu (Note1)													
Deputy General Manager	Chun-Liang Liu (Note 2)													
Deputy General Manager	Kuang-Wu Chen (Note 3)													

Note: 1. Deputy General Manager Chi-Na Hsu took office on April 07, 2023.

Note: 2. Deputy General Manager Chun-Liang Liu took office on April 12, 2023 and resigned on October 20, 2023.

Note: 3. Deputy General Manager Kuang-Wu Chen resigned on May 04, 2023.

Note: 4. Deputy General Manager Cheng-Kuo Lu retired on December 31, 2023.

Table of Remuneration Scales

Range of remunerations paid to general manager(s) and deputy general manager(s)	Name of General Manager and Deputy General Manager(s)	
	The Company	Parent company and all reinvested businesses E
Lower than NTD 1,000,000	None	None
NTD 1,000,000 (inclusive) - NTD 2,000,000 (exclusive)	Chun-Liang Liu , Cheng-Kuo Lu , Chi-Na Hsu	Chun-Liang Liu , Chi-Na Hsu
NTD 2,000,000 (inclusive) - NTD 3,500,000 (exclusive)	Shang-Wen Liao , Hsiao-Ching Hu , Ying-Na Cheng , Sheng-Chong Hsu , Lan-Ying Feng , Hui-Ying Chou , Kui-Ting Kao , Tsong-Yi Lin , Yao-Tsu Shen , Kuang-Wu Chen	Hsiao-Ching Hu , Sheng-Chong Hsu , Lan-Ying Feng , Cheng-Kuo Lu , Hui-Ying Chou , Kui-Ting Kao , Tsong-Yi Lin , Yao-Tsu Shen , Kuang-Wu Chen
NTD 3,500,000 (inclusive) - NTD 5,000,000 (exclusive)	Ching-Tze He , Chia-Wei Lin	Chia-Wei Lin , Ying-Na Cheng
NTD 5,000,000 (inclusive) - NTD 10,000,000 (exclusive)	Hsiang-Jui Wo	Ching-Tze He , Hsiang-Jui Wo
NTD 10,000,000 (inclusive) - NTD 15,000,000 (exclusive)	None	Shang-Wen Liao
NTD 15,000,000 (inclusive) - NTD 30,000,000 (exclusive)	None	None
NTD 30,000,000 (inclusive) - NTD 50,000,000 (exclusive)	None	None
NTD 50,000,000 (inclusive) - NTD 100,000,000 (exclusive)	None	None
Over NTD 100,000,000	None	None
Total	16 individuals	16 individuals
Note : Paid the driver NT\$2,160,980.		

3.3.3 Names of managerial officers entitled to employee bonuses and amounts entitled

Unit: NTD Thousand

	Job Title	Name	Stock amount	Cash amount	Total	As percentage of income after tax (%)
Manager	General Manager (Concurrent)	Shang-Wen Liao	0	0	0	0%
	Deputy General Manager	Ying-Na Cheng				
	Deputy General Manager	Ching-Tze He				
	Deputy General Manager	Sheng-Chong Hsu				
	Deputy General Manager	Hsiao-Ching Hu				
	Deputy General Manager	Hsiang-Jui Wo				
	Deputy General Manager	Tsong-Yi Lin				
	Deputy General Manager	Lan-Ying Feng				
	Deputy General Manager	Cheng-Kuo Lu				
	Deputy General Manager	Kuang-Wu Chen				
	Deputy General Manager	Hui-Ying Chou				
	Deputy General Manager	Chia-Wei Lin				
	Deputy General Manager	Kui-Ting Kao				
	Deputy General Manager	Yao-Tsu Shen				
	Deputy General Manager	Chi-Na Hsu				
	Deputy General Manager	Chun-Liang Liu				
	Associate Manager	Kun-Yu Chang				
	Associate Manager	Ping-Yu Su				
	Associate Manager	Yu-Ling Ye				
	Associate Manager	Wen-Jian Sie				
	Associate Manager	Sheng-Fen Ou				
Associate Manager	Hui-Hui Li					
Associate Manager	Chang-Yi Huang					
Manager	Po-Liang Chen					

3.3.4 Compare and specify separately the amount of compensation paid in the last two years by the Company and all companies included in the consolidated financial statements to the Company's directors, general manager, and deputy general managers, and the respective proportion of such compensation to the income after tax of the standalone and individual financial statements, as well as the policies, standards, and packages by which it was paid, the procedures through which the compensation was determined, and its association with business performance and the future risks.

1. Analysis table for the proportion to net profits after tax of the total of the remuneration paid to directors, general managers and deputy general managers by the Company and all companies in the consolidated financial statements in the most recent two years.

Job Title	2022 Proportion of total remuneration to net profit after tax		2023 Proportion of total remuneration to net profit after tax	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Directors (Note) (Including concurrent employees receiving related remuneration)	(0.46%)	(1.49%)	(3.62%)	(8.59%)
General Manager and deputy general managers	(2.85%)	(3.82%)	(16.88%)	(21.91%)

2. The Company's remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

(1) Director

Item	Director (including Independent Director)
Remuneration Policies	<ol style="list-style-type: none"> 1. General directors are not paid. 2. Salaries of independent directors are determined by the Board of Directors with reference to industry standards.
Remuneration standards and packages	<ol style="list-style-type: none"> 1. General directors are only paid the professional practice allowance and attendance fees for attending Board meetings. 2. In addition to a fixed monthly salary, an independent director also receives the professional practice allowance and attendance fees for attending Board meetings.
Procedures for determining the remuneration	Per Article 18 of the Company's Articles of Incorporation, "Remuneration of Directors", the Board of Directors is authorized to determine the remuneration based on the degree of their participation in the operation of the company; mastery of the

Item	Director (including Independent Director)
	Company's objectives and tasks; management of internal relationship and communication; professionalism and continuing education; and with reference to industry standards.
The relevance between the remuneration and business operating performance and future risks	In accordance with Article 26 of the Company's Articles of Incorporation, the Company's profits (if any) shall not be distributed to directors (including independent directors) as their remuneration.

(2) Managers

Item	Managers
Remuneration Policies	Follow the Company's "Salary Management Measures," with responsibilities, position, seniority, personal ability, experience, and reference to the market salary level as the basis for salary evaluation.
Remuneration standards and packages	Managers' remuneration items and the standards thereof: 1. Fixed monthly salary. 2. Employee remuneration: If the Company earns a profit (refers to the profit before income tax prior to deducting employee remuneration), it shall offset the accumulated losses, and then set aside 3.5% of the balance as employee compensation. 3. Year-end bonus: It is allocated based on the results reflecting the company's annual operating performance, profit and loss status, and personal performance.
Procedures for determining the remuneration	The salary adjustment at the time of appointment or salary adjustment after appointment are submitted for approval in accordance with the internal approval authority, and also refers to individual performance and contribution to company performance. Relevant performance appraisal and salary reasonableness are reviewed by the Remuneration Committee and afterward proposed to the Board of Directors for resolution.
The relevance between the remuneration and business operating performance and future risks	In addition to the Company's revenue and net profit margin, the performance of managers is evaluated on the basis of their recognition of the Company's core values and mastery of their tasks, personal leadership ability, future development potential, risk management control and measurement, and other special contributions (the items, contents, and weights of the evaluation are listed in the table below). The Company determines the distribution of employee compensation and year-end bonuses based on the results of performance evaluations by the Employee Performance Evaluation Measures and indeed determines the payment of variable remuneration based on operating performance.

No.	Evaluation Indicator	Evaluation Description	%
1	Performance Indicator	Result-oriented - Department objectives/ KPI reaching rate Professional skills - Demonstrate in-depth professional skills in the relevant field and the ability to lead a team in collaboration.	50%
2	Management ability	Caring about the team - Take care of and recognize the achievements of team members in the public and private fields; encourage them to enhance themselves and develop new skills. Authorize the team - Trust team members and allow them room for development; intervene timely to provide them with support, guidance, and professional knowledge and skills. Set up visionary strategies - Set clear goals for the team, so that members know where to go and how to go.	30%
3	Development potential	Ability to communicate - To express oneself and understand the message of the other party clearly and completely promptly. Ability to cope with stress - Demonstrate stability and task completion in the face of high-intensity tasks; adapt quickly to tasks arising from changes in the Company's strategies. Self-enhancement - Enhance oneself to meet future business needs.	20%

3.4 Corporate Governance Status

3.4.1 Operation of the Board of Directors

A. There were 10 meetings (A) of the Board of Directors held in the most recent year. The attendance of directors is as follows:

17th term of Directors

Job Title	Name	Number of times actually attending (observing) (B)	Frequency of attendance	Actual attendance (observation) rate (%) (B/A)	Note
Chairman	Far Rich International Corporation Representative: Shang-Wen Liao	10	1	91%	20230530 Change election Re-election
Director	Far Rich International Corporation Representative: Chao-Hsin Chiu	4	0	100%	20230530 Change election Resigned
Director	Far Rich International Corporation Representative: Kui-Ting Kao	7	0	100%	20230530 Change election Took office
Director	Ding Fong Broadcasting Co., Ltd. Representative: Kao-Ming Tsai	10	1	91%	20230530 Change election Re-election
Director	Ding Fong Broadcasting Co., Ltd. Representative: Ching-Chi Chen	3	1	75%	20230530 Change election Resigned
Independent Director	Kuen-Chang Lee	11	0	100%	20230530 Change election Re-election
Independent Director	Su-Chang Chen	11	0	100%	20230530 Change election Re-election
Independent Director	Tien-Wei Shih	11	0	100%	20230530 Change election Re-election
Independent Director	Cang-Xiang Lin	7	0	100%	20230530 Change election Took office

Other matters to be recorded:

- If any of the following occurs in the operation of the Board, specify the date, the session, the content of the motion, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:
 - The circumstances referred to in Article 14-3 of the Securities and Exchange Act: Detailed in "Other matters to be recorded" in Operation of the Audit Committee on page 56 of the Annual Report.
 - Further to the aforementioned matters, any adverse opinion or qualified opinion of the Independent Directors against the resolutions of the Board: None.
- For recusal of directors from motions due to conflicts of interest, specify the names of the Directors, the content of the motions, the reasons for recusal, and the participation in voting: Please refer to page 47.
- TWSE/TPEX-listed companies are required to disclose the evaluation cycle and period, scope of evaluation, evaluation method, and evaluation items of the self (or peer) evaluations conducted by the Board of Directors, and to fill out "Implementation Status of Board Evaluations." : Please refer to page 52.
- The objective for fortifying the function of the Board in the current year and the most recent year (e.g., setting up an Audit Committee, improving information transparency, etc.) and the assessment of the status of implementation: The Company set up an Audit Committee to replace supervisors on May 11, 2017; it re-elected 7 directors in 2023 (including 4 independent directors). In accordance with relevant laws and regulations, an Audit Committee and a Remuneration Committee have been composed of 4 independent directors in order to perform supervisory duties and strengthen the functions of the Board of Directors, for the sake of enhancing enhance information transparency.

Implementation status of directors' recusals from proposals due to conflicts of interest

Meeting date and session	Implementation status of directors' recusals due to conflicts of interest
<p>February 10, 2023 The 26th session of the 17th term on Board of Directors</p>	<p>Discussion 2 Proposal: Proposal of providing NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.” Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse the Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. Resolution: Except for one directors who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 8 Proposal: Approval of the Company’s NT\$1.2million donation to the “Dongsen Charity Foundation”. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: Please recuse Mr. Shang-Wen Liao, the Deputy Chairman of the Board of Dongsen Charity Foundation. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>March 14 2023 The 27th session of the 17th term Board of Directors</p>	<p>Discussion 7 Proposal: Submit the proposal to provide an endorsement guarantee of NT\$150 million for the application for a credit line of commercial paper facilities of subsidiary “ET Pet Co., Ltd.” from Bank SinoPac. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be rescued, other directors presented passed the proposal without objection.</p> <p>Discussion 8 Proposal: Proposal of providing NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.” Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 9 Proposal: Submit the proposal to provide an endorsement guarantee of NT\$142.5 million for the application for a credit line of commercial paper facilities of subsidiary “ET Pet Co., Ltd.” from Mega Bills Finance Corporation. Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss. Resolution: Except for one director who should be rescued, other directors presented passed the proposal without objection.</p> <p>Discussion 14 Proposal: Propose to the Board of Directors to nominate and review the list of candidates for</p>

	<p>directors and independent directors.</p> <p>Resolution: 1. During the review of this proposal, the nominated directors recused themselves one by one.</p> <p>During the review of nominated director candidate Shang-Wen Liao, except for the recusal of one director, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Kuei-Ting Kao, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Kao-Ming Tsai, except for the recusal of one director, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Kuen-Chang Lee, except for the recusal of one director, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Su-Chang Chen, except for the recusal of one director, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Tien-Wei Shih, except for the recusal of one director, the motion was unanimously approved by attending directors.</p> <p>During the review of nominated director candidate Cang- Xiang Lin, the motion was unanimously approved by attending directors.</p> <p>2. Review result: The list of nominated candidates for the three directors and four independent directors were handled in compliance with Article 192-1 of the Company Act, and will be included in the list of candidates for the 18th Board of Directors and Independent Directors of the Company for election at this year's annual general shareholders' meeting.</p> <p>Discussion 22</p> <p>Proposal: Approval of the Company's NT\$2.7 million donation to the Asia Animal Welfare Association.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors, please recuse the Chairman of Asia Animal Welfare Association Mr. Shang-Wen Liao. The proposal was proceeded by Independent Director Kuen-Chang Lee who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>May 12, 2023 The 29th session of the 17th term Board of Directors</p>	<p>Discussion 2</p> <p>Proposal: Proposal of providing NT\$200 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd."</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors, please recuse the Director of ET Pet Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 3</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of subsidiary "ET New Media</p>

	<p>(ETtoday) Holdings Co., Ltd.” from Co-Operative Asset Management Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 4</p> <p>Proposal: Submit the proposal of provide NT\$55 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for commercial paper guarantee from the Bank of Panshin- Business Department.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p> <p>Proposal: Submit the proposal of provide an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Entie Commercial Bank, Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Chao-Hsin Chiu who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>May 30, 2023 The 1st session of the 18th term Board of Directors</p>	<p>Discussion 5</p> <p>Proposal: Proposal for the Company's manager appointment.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
<p>June 27, 2023 The 2nd session of the 18th term Board of Directors</p>	<p>Discussion 2</p> <p>Proposal: Proposal for the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of Eastern Asset Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Independent Director Kuen-Chang Lee who acted the chairman to discuss.</p> <p>Resolution: Except for two directors who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 6</p> <p>Proposal: Proposal of providing NT\$300 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p>

	<p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 9</p> <p>Proposal: Proposal for the Company's the 5th term Committee appointment of the Remuneration Committee .</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse members of Remuneration Committee the Independent Directors Mr.Kuen-Chang Lee 、 Mr. Su-Chang Chen 、 Mr. Tien-Wei Shih and Mr. Cang-Xiang Lin.</p> <p>Resolution: Except for four director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 10</p> <p>Proposal: Proposal for the Company's the 2nd term Committee appointment of the Corporate Governance & Sustainability Development Committee .</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse members of Corporate Governance & Sustainability Development Committee:Mr. Shang-Wen Liao 、 Mr. Kui-Ting Kao and the Independent Directors Mr.Kuen-Chang Lee 、 Mr. Su-Chang Chen 、 Mr. Tien-Wei Shih and Mr. Cang- Xiang Lin. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for six directors who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 11</p> <p>Proposal: Proposal for the Company's the 1nd term Committee appointment of the Information Security Management Committee .</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse members of Information Security Management Committee: Mr. Shang-Wen Liao 、 Mr. Kui-Ting Kao and the Independent Directors Mr.Kuen-Chang Lee 、 Mr. Su-Chang Chen 、 Mr. Tien-Wei Shih and Mr. Cang- Xiang Lin. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for six directors who should be recused, other directors present passed the proposal without objection.</p>
<p>August 09, 2023</p> <p>The 4th session of the 18th term Board of Directors</p>	<p>Discussion 5</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from International Bills Finance Corporation Taipei Branch.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 6</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Taiwan Business Bank Co., Ltd. Fu Hsin Branch.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd., Mr. Shang-Wen Liao . The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed</p>

	the proposal without objection.
September 07, 2023 The 5th session of the 18th term Board of Directors	<p>Discussion 1</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$138 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd” from Mega Bank Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET Pet Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Kui-Ting Kao who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>
November 09, 2023 The 6th session of the 18th term Board of Directors	<p>Discussion 2</p> <p>Proposal: Submit the proposal of the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Chairman and the director of T Eastern Asset Co., Ltd., Mr. Shang-Wen Liao and Director Kao-Ming Tsai. The proposal was proceeded by Director Kui-Ting Kao who acted the chairman to discuss.</p> <p>Resolution: Except for two director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 3</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$45,897,600 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Shinshin Credit Corporation.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd. Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 4</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from SinoPac Leasing Corporation.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p> <p>Discussion 5</p> <p>Proposal: Submit the proposal of providing an endorsement guarantee of NT\$102,942,000 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Hotai Finance Co., Ltd.</p> <p>Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse Director of ET New Media (ETtoday) Holdings Co., Ltd., Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.</p> <p>Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.</p>

December 21, 2023 The 7th session of the 18th term Board of Directors	Discussion 5
	Proposal: Approval of the Company's NT\$0.5 million donation to the Taiwan Information Communication Association.
	Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse the Executive Supervisor of the Taiwan Information Communication Association, Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.
	Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.
	Discussion 7
	Proposal: Approval of the Company's NT\$1.35 million donation to the Dongsen Charity Foundation.
	Chairman: In accordance with Article 17 of the Rules of Procedure of the Board of Directors: please recuse the Deputy Chairman of Dongsen Charity Foundation, Mr. Shang-Wen Liao. The proposal was proceeded by Director Kao-Ming Tsai who acted the chairman to discuss.
	Resolution: Except for one director who should be recused, other directors presented passed the proposal without objection.

B. The Board of Directors status of evaluation and implementation:

The Board of Directors passed the “Board of Directors Performance Evaluation Measures” on December 19, 2019, which requests to evaluate, at least once a year, the performance of the Board, individual Board members, and the functional committees. The Company shall conduct the evaluation accordingly at the end of each year. On November 4, 2021 and November 10, 2022, the Company approved the amendments to the “Regulations Governing the Performance Evaluation of the Board of Directors”, under which the performance evaluation of the Board of Directors shall be conducted by an external professional independent organization or external experts and scholars at least once every three years. On the end of December, 2023, the company finished the performance evaluation of the Board of Directors and functional committees (Audit Committee、Remuneration Committee、Corporate Governance & Sustainability Development Committee and Information Security Management Committee), and submitted the performance evaluation to the Board of Directors on January 26, 2024.

Evaluation cycle : At the end of each year

Evaluation period : January 1 to December 31,2023

Scope of Evaluation :

Board of Directors、individual members and functional committees

Evaluation methods:

Board of Directors self-evaluation, board member self-evaluation, and peer evaluation.

Evaluation Content:

- a. The performance evaluation criteria for the Board of Directors include "Level of participation in the Company's operations," "Enhancement of board decision quality," "Composition and structure of the board," "Selection and appointment and continuing education of directors," and "Internal controls," among others. The evaluation results are excellent, indicating that the overall operation of the Company's Board of Directors is characterized by effective communication, respect for professionalism, and alignment with corporate governance principles.
- b. The performance evaluation criteria for board members encompass "Grasp of Company goals and missions," "Awareness of director duties and responsibilities," "Participation in the Company's operations," "Internal relationship management and communication," "Professionalism and continuing education of directors," and "Internal controls," among others. The evaluation results are excellent, indicating that all board members of the company are professional, responsible, and maintain good communication, resulting in smooth meeting operations.
- c. The performance evaluation criteria for functional committees include "Level of participation in company operations," "Understanding of functional committee duties," "Enhancement of decision quality of functional committees," "Composition and selection of functional committee members," and "Internal controls," among others. The evaluation results are excellent, indicating that all functional committee members of the company operate independently and effectively.

3.4.2 The composition, responsibilities and operation of the Audit Committee

1. Information of Remuneration Committee Members

Position Title	Name	Criteria	Professional Qualification and Experience	Independence Status	Number concurrently serving as members of the Audit Committees of other publicly companies
Independent Director (Convener)	Kuen-Chang Lee		Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for commerce, law, finance, accounting, or Company's operation, and do not have any circumstances under Article 30 of the Company Act.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Su-Chang Chen		Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director	Tien-Wei Shih		Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director	Cang-Xiang Lin		Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience, and do not have any circumstances under Article 30 of the Company Act.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1

2. Information on the operation of the Audit Committee

(1) There are 4 people in the Audit Committee of the Company.

(2) The current (third) term of members: May 30, 2023 to May 29, 2026; the Audit Committee met 10 times (A) in the most recent year (2023) and member attendance are as follows :

Job Title	Name	Actual number of attendances (B)	Frequency of attendance	Actual attendance rate (%) (B/A)	Note
Independent Director	Kuen-Chang Lee	10	0	100%	Convener
Independent Director	Su-Chang Chen	10	0	100%	
Independent Director	Tien-Wei Shih	10	0	100%	
Independent Director	Cang-Xiang Lin	6	0	100%	2023.05.30 Took office

3. Matters considered mainly included:

- (1) Establishing or amending the internal control system in accordance with Article 14 of the Securities and Exchange Act.
- (2) Evaluation of the effectiveness of the internal control system.
- (3) In accordance with the provisions of Article 36-1 of the Securities and Exchange Act, formulating or modifying the processing procedures for major financial business activities that acquire or dispose of assets, engage in derivative commodity transactions, loan funds to others, endorse or provide guarantees for others.
- (4) Matters involving director self-interest.
- (5) Significant asset or derivative commodity transactions.
- (6) Significant capital loans, endorsements or guarantees.
- (7) Raising, issuing or private placement of equity securities.
- (8) Appointment, dismissal or remuneration of certified public accountants.
- (9) Appointment and removal of financial, accounting or internal audit supervisors.
- (10) Annual financial reports and semi-annual financial reports.
- (11) Other important matters specified by the Company or the competent authority.
- (12) Questionnaire of Self-Evaluation of Performance of the Audit Committee.

■ Reviewing financial reports

The Board of Directors prepared the Company's 2023 annual business report, financial statements and earnings distribution proposal. Among them, the financial statements have been checked by KPMG Taiwan and an audit report has been issued. The above-mentioned business report, financial statements and earnings distribution proposal have been reviewed by this Audit Committee which regards them as having no discrepancies.

■ Assessing the effectiveness of the internal control system

The Audit Committee evaluates the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operations, risk management, information security, outsourcing, and compliance with laws and regulations).

Furthermore, it reviews the Company’s Audit Department and its certified public accountants as well as periodic reports from management including risk management and legal compliance. In reference to the “Internal Control — Integrated Framework” published in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), the Audit Committee believes that the Company’s risk management and internal control systems are effective. The Company has adopted the necessary control mechanisms to monitor and correct violations.

■ Appointing a certified public accountant

The Audit Committee is given the responsibility of supervising the independence of certified public accountant firms to ensure the fairness of financial statements. Generally speaking, except for tax-related services or specially approved items, the certified public accountant firm must not provide other services of the Company. All services provided by certified public accountant transactions must be approved by the Audit Committee.

The Audit Committee of the Company evaluates the independence and suitability of certified public accountants every year by requesting the certified public accountants to provide a “Statement of Independence” and “Audit Quality Indicators (AQIs)” for evaluation in accordance with their independence and 13 AQIs. We confirm that the accountants have no financial interest or business relationship with the Company other than the fees for certification and taxation cases, and that their family members do not violate the requirements of independence. With reference to the AQIs, we also confirm that the accountants and the firm have better audit experience and training hours than that of the industry average. In addition, we will continue to introduce digital audit tools in the latest three years to improve audit quality. The results of the latest annual evaluation have been discussed and approved by the Audit Committee on January 26, 2024, and submitted to the Board of Directors for resolution and approval with respect to the evaluation of the independence and suitability of the accountants on January 26, 2024.

■ Other matters to be recorded:

1. If the operation of the Audit Committee falls into one of the circumstances below, the date and session of the Audit Committee meetings, details of proposals, resolutions of the Audit Committee, Independent Directors’ opponents, qualified opinions or details of critical suggestions, and how the Company deals with the opinions of the Audit Committee must be stated.

(1) Matters listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company’s handling of the Audit Committee’s opinions
The 25 th session of the 2 nd term of Audit Committee	2023.02.10	1.Proposal of the procurement of Taichung Port No. 1 silo UL101 grain unloader machine: The final agreed price is CHF 7.7 million. 2.Proposal of providing NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”.	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
The 26 th session of the 2 nd term of Audit Committee	2023.03.14	<ol style="list-style-type: none"> 1. Proposal of the Company's 2022 business report and financial statements. 2. Proposal of the Company's 2022 Profit and loss appropriation. 3. Proposal of the Company's Capital reduction for cover accumulated deficits. 4. Proposal of the Company evaluates the independence and suitability of certified public accountants . 5. Proposal of non-assurance services to be provided by KPMG Taiwan for 2023. 6. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to audit the 2023 financial and tax statements of the Company. 7. Proposal to provide an endorsement guarantee of NT\$150 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Bank SinoPac. 8. Proposal of providing NT\$100 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.". 9. Proposal to provide an endorsement guarantee of NT\$142.5 million for the application for a credit line of commercial paper facilities of subsidiary "ET Pet Co., Ltd." from Mega Bills Finance Corporation. 10. Proposal for the issuance of the Company's 2021 "Internal Control System Statement". 	Approved as proposed	Approved by the BOD
The 27 th session of the 2 nd term of Audit Committee	2023.04.07	Proposal of the Company's acquisition of public facility reserves and donations to acquire bulk reward.	Approved as proposed	Approved by the BOD
The 28 th session of the 2 nd term of Audit Committee	2023.05.12	<ol style="list-style-type: none"> 1. Adoption of the Company's consolidated financial report for January-March 2023. 2. Proposal of providing NT\$200 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.". 3. Proposal of providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of a subsidiary to the subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Co-Operative Assets 	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		Management Co., Ltd. 4. Proposal of providing NT\$55 million endorsement guarantee to subsidiary "ET Pet Co., Ltd." for the application for commercial paper guarantee from the Business Department of Panhsin. 5. Proposal of providing an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Entie Commercial Bank, Ltd. 6. Proposal for the amendments to the Company's "Procedures for Acquiring or Disposing of Assets".		
The 1 st session of the 3 rd term of Audit Committee	2023.06.27	1. Proposal on the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd Co. Ltd. 2. Proposal of providing NT\$300 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd." 3. Proposal of the Company's Audit Committee Charter amendments.	Approved as proposed	Approved by the BOD
The 2 nd session of the 3 rd term of Audit Committee	2023.07.06	1. Internal Audit Implementation Report 2. The company's Lending Funds to Other Parties and or Guarante Implementation	Chase	Not Applicable
The 3 rd session of the 3 rd term of Audit Committee	2023.08.09	1. Adoption of the Company's consolidated financial report for January-June 2023. 2. Proposal of providing NT\$50 million limit for loan to "Care Pet Bio-Tech Company. 3. Proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Taipei Branch of IBF Financial Holdings Co., Ltd . 4. Proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from CTBC Bank Co., Ltd. 5. Proposal for the amendments to the Company's "Operating Procedures for Preparation and Verification of the Sustainability Report".	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
The 4 th session of the 3 rd term of Audit Committee	2023.09.07	<ol style="list-style-type: none"> 1. Proposal of providing an endorsement guarantee of NT\$138 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Mega Bank Co., Ltd. 2. Proposal of providing an endorsement guarantee of NT\$58 million for the application for a credit line of financing of subsidiary "Care Pet Bio-Tech Company" from Bank SinoPac. 	Approved as proposed	Approved by the BOD
The 5 th session of the 3 rd term of Audit Committee	2023.11.09	<ol style="list-style-type: none"> 1. Adoption of the Company's consolidated financial report for January-September 2023. 2. Proposal on the Company's acquisition of capital increase shares of Eastern Asset Co., Ltd. 3. Proposal of providing an endorsement guarantee of NT\$ 45,897,600 for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Shinshin Credit Corporation. 4. Proposal of the providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from SinoPac Leasing Co., Ltd. 5. Proposal of the providing an endorsement guarantee of NT\$102,942,000 for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Hotai Finance Co., Ltd. 6. Proposal of the providing an endorsement guarantee of NT\$ 35million for the application for a credit line of financing of subsidiary "Care Pet Bio-Tech Company" from Shin Kong Bank Co., Ltd. 	Approved as proposed	Approved by the BOD
The 6 th session of the 3 rd term of Audit Committee	2023.12.21	<ol style="list-style-type: none"> 1. Progress report on the development of the 'state-owned non-public land with land rights established at plot number 18-17 in Lin-Kou District, New Taipei City', and matters related to subsequent engineering procurement and contracting. 2. Proposal of the adoption of the Company's "Internal Audit Plan" for 	Approved as proposed	Approved by the BOD

Audit Committee term and session	Date	Proposal content	Audit Committee Resolution result	The Company's handling of the Audit Committee's opinions
		year 2024. 3.Proposal for the adjustment of positions for the Financial Director and Accounting Director of the company. 4.Proposal for the appointment of the company's principal accounting personnel.		

(2) Further to the aforementioned matters, motions rejected by the Auditing Committee but passed by the Board at the consent of more than 2/3 of the Directors: None.

2. Implementation status of independent directors' recusals due to conflicts of interest, including the name of the independent director, the content of the proposal, the reasons for recusal and voting status: None.
3. The communication between the Independent Directors and the Chief Internal Auditor and the CPAs (materiality, means, and result of communication on the financial position and operation of the Company should be covered):
 - a. In addition to the Audit Office's submission of audit reports to independent directors on a monthly basis, the audit supervisor also reports to the independent directors on the execution of the audit business in the Audit Committee at least once a quarter.
 - b. Every audit report needs to track its internal control deficiencies and the improvement of abnormal matters. It also prepares quarterly tracking reports and submits them to independent directors.
 - c. When the Audit Committee of the Company is meeting on matters such as communication and discussion about the Company's financial reports and accountants' audit certification and other related matters, all accountants are invited to attend.
 - d. Independent directors and accountants have regular meetings at least twice a year. The accountant reports to the independent directors on the financial status of the Company, the financial and overall operation status of the subsidiaries at home and abroad, and the internal control review situation, and fully communicate whether there are major adjustment entries or legal revisions that affect the accounting situation.
 - e. Usually, the audit supervisor and accountants directly communicate with independent directors as needed.
 - f. Meeting communication status is as follows:

Meeting name and date of convening	Internal audit communication matters and communication results
Communication meeting among independent directors, auditors and the audited units	
2023/05/12 Audit Committee	Report of the improvement of audit findings for the Company for year 2022
2023/02/10	October -November 2022 Internal Audit Implementation Report
2023/03/14	1. December 2022 Internal Audit Implementation Report

Meeting name and date of convening	Internal audit communication matters and communication results
	2. 2022 “Statement of Internal Control System”
2023/04/07	January 2023 Internal Audit Deficiency Improvement Report
2023/05/12	Report of the improvement of audit findings for the Company for year 2022
2023/06/27	February 2023 Internal Audit Implementation Report
2023/07/06	March 2023 Internal Audit Implementation Report
2023/08/09	April 2023 Internal Audit Implementation Report
2023/09/07	May 2023 Internal Audit Implementation Report
2023/11/09	June-July 2023 Internal Audit Implementation Report
2023/12/21	1. August-September 2023 Internal Audit Implementation Report 2. Approved the adoption of the Company's “Internal Audit Plan” for year 2024.
2024/01/26	October 2023 Internal Audit Implementation Report
2024/02/26	1. November 2023 Internal Audit Implementation Report 2. 2023 “Statement of Internal Control System”
Attendees of the aforementioned meeting: Independent directors Kuen-Chang Li, Su-Chang Chen, Tien-Wei Shih and Cang- Xiang Lin, chief auditor Hui-Hui Li.	
Communication results of the above matters: After consultation / review and approval, the Board of Directors report resolution will be submitted.	

Meeting name and date of convening	Accountant communication matters and communication results
Financial statements discussion meeting	
2023/08/09	1. Discussion the financial analysis and operating performance for the first half year of 2023. 2. Reviewing regulatory developments. 3. Discussion and communication of questions raised by accountants for the attention of meeting participants.
2024/02/26	1. Reviewing any audit problems or difficulties and management’s response in connection with 2023 annual financial statements. 2. Reviewing regulatory developments.
Attendees of the aforementioned meeting: Independent directors Kuen-Chang Li, Su-Chang Chen, Tien-Wei Shih and Cang- Xiang Lin, certified accountant Shin-Chin Chih , chief accounting officer Ying-Na Cheng.	
Communication results of the above matters: Contact us.	

3.4.3 The composition, responsibilities and operation of the Corporate Governance & Sustainability Development Committee

1. Information of Corporate Governance & Sustainability Development Committee Members

Job Title	Name	Professional Qualification and Experience
Independent Director (Convener)	Tien-Wei Shih	Business Management
Independent Director	Kuen-Chang Lee	Finance and Account, Corporate Governance, Business Sustainable Management
Independent Director	Su-Chang Chen	Business Management
Independent Director	Cang-Xiang Lin	Finance and Account, Business Sustainable Management
Chairman	Shang-Wen Liao	Business Management
Director	Kui-Ting Kao	Legal
Deputy General Senior Manager of Finance Department and the Spokesperson	Ying-Na Cheng	Financial Accounting
Deputy General Manager of Legal Affairs Department and Management Department and Chief Corporate Governance Officer	Hui-Ying Chou	Legal, Corporate Governance

2. Information on the operation of the Corporate Governance & Sustainability Development Committee

A. There are 8 people on the Corporate Governance & Sustainability Development Committee of the Company.

B. The current (first) term of members: June 27, 2023 to May 29, 2026; the Corporate Governance & Sustainability Development Committee met 6 times (A) in the most recent year (2023) and member qualifications and attendance are as follows:

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Tien-Wei Shih	5	5	0	100%	Convener
Independent Director	Kuen-Chang Lee	5	5	0	100%	
Independent Director	Su-Chang Chen	5	5	0	100%	
Independent Director	Cang-Xiang Lin	3	3	0	100%	2023.06.27 Took office
Chairman	Shang-Wen Liao	5	5	0	100%	

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Director	Kui-Ting Kao	3	3	0	100%	2023.06.27 Took office
Deputy General Manager of Accounting Department and the Spokesperson	Ying-Na Cheng	5	5	0	100%	
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Hui-Ying Chou	5	5	0	100%	

3. Responsibilities of the Corporate Governance & Sustainability

Development Committee

A. Promote and enhance corporate governance:

- a. Planning the direction of corporate governance and the annual implementation of the plan and its progress.
- b. The effects of implementing the corporate governance system; the review, recommendation, and tracking of the annual implementation plan and its progress.

B. Promote the CSR and sustainable development matters:

- a. Preparation of the corporate sustainable development policy and system.
- b. Setting up annual targets and the implementation plan for corporate sustainable development.
- c. The tracking, review, and revision of the implementation status and its effects for corporate sustainable development.
- d. Content development and production of the Corporate Sustainability Report.

4. Implementations of the Corporate Governance & Sustainability

Development Committee: :

Meeting session	Date	Proposal content	Resolution result	The Company's handling of the opinions of the Committee
The 8th session of the 1st term	2023/03/14	1. Establishment of the "greenhouse gas inventory and verification schedule plan" of the Company and the subsidiary.	The proposal was agreed without objection by all members present and submitted to the Board of Directors consideration.	Fully informed

Meeting session	Date	Proposal content	Resolution result	The Company's handling of the opinions of the Committee
The 9th session of the 1st term	2023/05/12	1. Proposal on the report on the 9th corporate governance evaluation results in 2022.	Fully informed	None
		2. Proposal on the “greenhouse gas inventory and verification execution progress” of the Company and the subsidiary in 2022.	Fully informed	None
		3. 2. Proposal on the implementation progress report of the Sustainability Implementation Team from January-April,2023.	Fully informed	None
The 1st session of the 2nd term	2023/08/09	1. Establishment of the “ Year 2023 ESG major issues” of the Company .	The proposal was agreed without objection by all members present and submitted to the Board of Directors consideration.	Fully informed
		2. Revision of the operating procedures for preparation and verification of the Sustainability Report.	The proposal was agreed without objection by all members present and submitted to the Board of Directors and Audit Committee consideration.	Submitted to the Board of Directors and Audit Committee and approved by all directors present.
The 2nd session of the 2nd term	2023/11/09	1. Proposal on the “greenhouse gas inventory and verification execution progress” of the Company and the subsidiary on the third episode,2023.	Fully informed	None
		2. Proposal on the implementation progress report of the Sustainability Implementation Team on the third episode,2023.	Fully informed	None
The 3rd session of the 2nd term	2023/12/21	1. Proposal on the implementation progress report of the Sustainability Implementation Team in 2023 and the work plan in 2024.	The proposal was agreed without objection by all members present and submitted to the Board of Directors consideration.	Fully informed

3.4.4 The composition, responsibilities and operation of the Information Security Management Committee

1. Information of Information Security Management Committee Members

Job Title	Name	Professional Qualification and Experience
Independent Director (Convener)	Tien-Wei Shih	Business Management
Independent Director	Kuen-Chang Lee	Finance and Account, Corporate Governance, Business Sustainable Management
Independent Director	Su-Chang Chen	Business Management
Independent Director	Cang-Xiang Lin	Finance and Account, Business Sustainable Management
Chairman	Shang-Wen Liao	Business Management
Director	Kui-Ting Kao	Legal
Deputy General Senior Manager of Accounting Department and the Spokesperson	Ying-Na Cheng	Financial Accounting
Deputy General Manager of Legal Affairs Department and Chief Corporate Governance Officer	Hui-Ying Chou	Legal, Corporate Governance

2. Information on the operation of the Information Security Management Committee

A. There are 8 people on the Information Security Management Committee of the Company.

B. The current (first) term of members: June 27, 2023 to May 29, 2026; the Information Security Management Committee met 2 times (A) in the most recent year (2023) and member qualifications and attendance are as follows:

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Cang-Xiang Lin	2	2	0	100%	Convener
Independent Director	Kuen-Chang Lee	2	2	0	100%	
Independent Director	Tien-Wei Shih	2	2	0	100%	
Independent Director	Su-Chang Chen	2	2	0	100%	

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Chairman	Shang-Wen Liao	2	2	0	100%	
Director	Kui-Ting Kao	2	2	0	100%	
Deputy General Manager of Finance Department and the Spokesperson	Ying-Na Cheng	2	2	0	100%	
Deputy General Manager of Legal Affairs Department and Management Department and Chief Corporate Governance Officer	Hui-Ying Chou	2	2	0	100%	

3. Responsibilities of the Information Security Management Committee

- A. Formulate and Execute the Information Security Policy, Architecture and Operating standards.
- B. Regularly review the Company's overall information security management system, its establishment, and implementation results.
- C. Record and investigate information security incidents.
- D. Formulate annual information security promotion plan.
- E. Review and respond to ad hoc major information security incidents.
- F. Summarize and report the annual implementation status of information security risks to the Board of Directors at least once annually.
- G. Other matters instructed by the Board of Directors to be handled by this committee.

4. Implementations of the Information Security Management Committee :

Meeting session	Date	Proposal content	Resolution result	The Company's handling of the opinions of the Committee
The 1st session of the 1st term	2023/08/09	1. The Company's information security incident review report in May 2023.	Fully informed	Fully informed
The 2nd session of the 1st term	2023/12/21	1. Report on 2023 information security management implementation results and 2024 implementation plan.	The amendments were approved by the chairperson in consultation with all attending board	Fully informed

Meeting session	Date	Proposal content	Resolution result	The Company's handling of the opinions of the Committee
		<p>2. Proposed amendments to the "Information Security Management Committee Charter" of the Company.</p> <p>3. Establishment of the Company's "Information Security Policy."</p>	<p>members, and reported to the Board of Directors.</p> <p>The proposal was agreed without objection by all members present and submitted to the Board of Directors consideration.</p> <p>The proposal was agreed without objection by all members present.</p>	<p>Submitted to the Board of Directors and approved by all directors present.</p> <p>None</p>

3.4.5 Status of corporate governance, and deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof

Evaluation item	Status		Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof	
	Yes	No		Summary
1. Has the Company prepared and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies?	◎		The Company established the “Corporate Governance Best Practice Principles” on December 23, 2021 in accordance with the “Corporate Governance Best Practice Principles for TPEX Listed Companies”. Furthermore, to align with the international trends in corporate governance development and address the evolving social and international issues of concern in recent years, we will continue to undertake necessary revisions to relevant content. It made amendments on December 21, 2023, which were approved by the Board of Directors and disclosed on the official website and the MOPS.	None
2. The equity structure and shareholders’ equity of the Company (1) Does the Company have internal operating procedures in place to deal with shareholder recommendations, doubts, disputes and litigation matters according to the procedures?	◎		(1) The "Corporate Governance Best Practice Principles" contains and enforces the "Special Chapter on Protection of Shareholders' Interests"; the Company entrusts stock affairs agent to handle shareholders' related issues. During the shareholders' meeting, the inherent rights of attendance, nomination, proposal, election, and litigation are exercised in accordance with the "Rules of Procedure for Shareholders' Meeting", "Rules Governing Election of Directors" and the relevant laws and regulations. The Company establishes a spokesperson, an acting spokesperson, and a Legal	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
(2) Does the Company have a list of the major shareholders who actually control the Company, and the ultimate controllers of the major shareholders?	◎		<p>affairs Department and investor relations unit to deal with matters related to shareholders; should there be any legal issues involved, they will be referred to the Company's Legal Department.</p> <p>(2) The Company keeps track of the shareholding status of directors, managers, and major shareholders holding more than 10% of shares. Furthermore, it reports changes in accordance with the regulations stipulated by Provisions on the Procedures for Information Reporting of Listed Companies.</p>	None
(3) Has the Company established and implemented the risk management, control and prevention mechanisms for affiliated companies?	◎		<p>(3) The Company has established relevant mechanisms in the internal control system in adherence with the law. The management of assets and finances is clearly divided according to internal control rights and responsibilities; risk items are regularly evaluated by the investment department.</p>	None
(4) Has the Company established internal regulations that prohibit insiders from using unpublished information in the market to buy and sell securities?	◎		<p>(4) The Company has set up procedures for handling material inside information and Guard against insider trading . Company insiders are prohibited from buying and selling securities using undisclosed information on the market.</p>	None
3. Composition and Duties of the Board of Directors				

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
(1) Does the Board of Directors establish <u>diversification policies and specific management targets, and carries them out?</u>	◎		(1) <ul style="list-style-type: none"> a. The Company's 18th Board of Directors currently consists of 7 Directors, of whom Shang-Wen Liao, Kao-Ming Tsai have expertise in operating management, industry experience and leadership and decision-making ability ; of whom Kui-Ting Kao has expertise in legal profession . As for the four independent directors, Kuen-Chang Lee, Tien-Wei Shih ,Su-Chang Chen and Cang- Xiang Lin have professional experience in financial accounting, corporate governance, corporate sustainability management and operating management. b. 28.57% of the Company's directors are employees, 57.14% are independent directors, and three independent directors have a term of service of 3 to 9 years or above; one independent director has a term of service under 3 years. One Board member is aged 45-50, one is aged 51-60, four are aged 61-70 or older, and one is aged 71 or older. c. The Company measures its actual demand based on the type of operational development, and strive to increase the number of female Directors in order to achieve the specific management goal of diversifying the Company's Board of Directors. d. The diversity policy of the Board of Directors' composition is disclosed on the Company's website. 	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
(2) Does the Company voluntarily set up other functional committees other than the Remuneration Committee and the Audit Committee according to law?	◎		(2) In addition to setting up the Remuneration Committee and the Audit Committee in accordance with the law, the Company established the "Corporate Governance and Sustainable Development Committee" on November 4, 2021, aiming to establish a sound corporate governance system and enhance corporate sustainability management capabilities, thereby committing to the realization of corporate social responsibility and sustainable operations. Furthermore, to strengthen the control and supervision of information security risks and enhance the functions of the Board of Directors, the "Information Security Management Committee" was established on June 27, 2023, as approved by the Board of Directors.	None
(3) Has the Company formulated the Board's performance evaluation method and evaluation method, conducted performance evaluation annually and regularly, and reported the results of the performance evaluation to the Board of Directors, and applied it to individual directors'	◎		(3) <ul style="list-style-type: none"> a. In order to implement corporate governance and enhance the efficiency of the, the Company passed the Board of Directors Performance Evaluation Measures in December 2019, carrying out performance evaluations according to the law. b. Internal performance evaluations should be conducted at the end of each fiscal year, while external evaluations should be carried out at least once every three years by external professional independent institution or external experts and scholars. c. The evaluation of the performance of the Board of Directors shall be completed before the end of the first 	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
remuneration and nomination renewal?			<p>quarter of the next year. The evaluation results shall be used as the reference for the remuneration to individual directors and the selection or nomination of directors.</p> <p>d. The Company completed the internal performance evaluations of the Board of Directors, directors, and various committees for 2023 in January 2024 and reported the results to the Board of Directors on January 26, 2024.</p> <p>e. The results of the internal and external performance evaluation of the Board of Directors have been announced on the Company's official website.</p>	
(4) Has the Company assessed the independence status of the CPAs at regular intervals?	◎		<p>(4) In accordance with Article 29 of the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Article 32 of the Company's "Corporate Governance Best-Practice Principles", the independence and suitability of the attesting CPAs shall be evaluated periodically (at least once a year) with reference to the Audit Quality Indicators (AQIs). The assessment items are as follows:</p> <p>a. Did not act as a director, supervisor or manager of the Company and its subsidiaries, or had significant influence positions or conflicts of interest.</p> <p>b. The same certified public accountant has not been appointed for seven consecutive years.</p> <p>c. The accountant has issued a statement of independence.</p> <p>d. No major lawsuits or cases corrected by the competent authority.</p> <p>e. The scale and reputation of the</p>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
			<p>accounting firm.</p> <p>f. Effectively interacted with management and internal audit supervisors.</p> <p>In the last two years, the Company has assessed that it meets the independence standards. The latest evaluation was approved by the Audit Committee on January 26, 2024 and submitted to the Board of Directors for approval on January 26, 2024.</p>	
4. Is the TWSE / TPEX listed company equipped with qualified and appropriate number of corporate governance personnel, and appoint a corporate governance director responsible for corporate governance related matters (including but not limited to providing information needed by directors and supervisors to carry out business, assisting directors and supervisors to comply with laws and regulations, handling matters related to meetings of the Board of	◎		<p>(1) On March 25, 2021, the Board of Directors approved the appointment of Chou,Hui-Ying, Vice President of Legal Affairs Department, as the Head of Corporate Governance, and the establishment of the Legal Office as a dedicated unit for corporate governance to assist Directors in taking office as well as their continuing education. There are also providing notes and related laws for directors' attention at any time. Corporate governance-related matters shall at least include the following:</p> <p>a. Matters with regard to the meetings of the Board of Directors and annual general shareholders' meeting in accordance with the law.</p> <p>b. Preparation of minutes of board meetings and shareholders' meetings.</p> <p>c. Assisting directors and independent directors in assuming their duties and continuing education.</p> <p>d. Provide information required by directors and independent directors to carry out their duties.</p>	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
Directors and shareholders' meeting in accordance with the law, and producing minutes of board meetings and shareholders' meetings)?			<p>e. Assist directors and independent directors to comply with laws and regulations.</p> <p>f. Report to the Board of Directors whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office.</p> <p>g. Matters with regard to the change of directors.</p> <p>h. Other matters stipulated in the Company's Articles of Incorporation or relevant contracts.</p> <p>(2) For details of the annual continuing education of the Corporate Governance Executive, please refer to Table 2 (page78).</p>	
5. Has the Company established channels for the communications with the stakeholders (including but not limited to the shareholders, employees, customers, and suppliers), and the section for the shareholders on the official website of the Company to respond to all concerns of the stakeholders on corporate social	◎		The Company sets up a stakeholder's section on its official website, listing the dedicated units and personnel in charge of each stakeholder's interest, and regularly reports the communication results to the Board of Directors.	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
responsibility?				
6. Has the Company appointed a professional share registration and investors service agent for handling matters pertaining to the Shareholders Meeting?	◎		The Company entrusts the Stock Agency Department of President Securities Corporation to handle matters connected to the Shareholders Meeting.	None
7. Disclosure of Information				
(1) Has the Company established a website for the disclosure of information on financial position and operation, as well as corporate governance?	◎		(1) The Company has set up a website (https://www.emic.com.tw/index.php) that dedicated person to maintain the website with detailed and immediate disclosure of relevant information for reference to shareholders and stakeholders of the Company.	None
(2) Has the Company adopted other means for disclosure (such as the installation of a website in the English language, appointment of designated persons for the collection and disclosure of information on the Company, the implementation of ae spokesman	◎		(2) The company has already established an English website. (https://eng.emic.com.tw/) The company has established a spokesperson and deputy spokesperson system, where designated individuals serve as the unified representatives for external communications. Moreover, we have assigned dedicated personnel responsible for information gathering and real-time disclosure tasks, including information for corporate briefings. These updates are promptly disclosed in both Chinese and English on the Taiwan Stock Exchange's Market Observation	None

Evaluation item	Status		Summary	Deviation from Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No		
<p>system, and videotaping institutional investor conferences)?</p> <p>(3) Does the Company announce and declare its annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation as early as possible within the prescribed time limit?</p>	<p>◎</p>	<p>(3) The Company announces and declares its annual financial reports within two months after the end of the fiscal year, and announces and reports Quarter1、2 and3 financial reports and monthly operating conditions within the specified period.</p>	<p>Post System, ensuring simultaneous dissemination of significant company information.</p>	<p>None</p>

8. Essential information that would help understand the pursuit of corporate governance

(1) Employee rights

The planning principles of the Company's human resources and occupational safety-related management systems are in line with the "Labor Standards Act", the "Occupational Safety and Health Act", and other relevant laws and regulations.

(2) Employee care

The Company provides different communication channels to facilitate communication within the firm. These include holding regular labor-management meetings to accommodate suggestions for improvement and conducting surveys to gather employees' comments about the workplace and management practices.

(3) Investor relations

The Company posts financial, operational and material information on its official website and MOPS in a timely manner to keep investors abreast of Company developments and strategies and, thus, maximize shareholders' interests.

(4) Supplier/contractor relations

- i. Tenders are invited for the procurement bidding in accordance with the “Regulations Governing Requisition, Procurement and Contracting”, and the successful tenders shall perform their liabilities for deliveries according to the contracts.
- ii. Formulate “Administration Rules Governing the Supplier Corporate Social Responsibility”, identify major suppliers, and include them in the evaluation of environmental safety, human rights, and ethical responsibility, and require suppliers with a transaction amount over NT\$100 thousand to sign the “Code of Conduct and Ethics Commitment”. There are also the “Contractors’ Safety and Health Commitment” and “Contract Work Hazardous Factor Notice” in the contract. With the strategy of equal emphasis of counseling, inspection and awareness, it carries out the contractor's safety management, strengthens industrial safety publicity measures, and strengthens labor’s safety awareness in the workplace and maintains the labor safety.

(5) Stakeholders’ rights

To protect the interests of stakeholders, the Company has established various free and open communication channels to promote corporate social responsibility.

(6) Director training in 2023- Table 1

Job Title	Name	Training hours	Organizer	Training date	Course title
Chairman	Shang-Wen Liao	3	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Director	Kao-Ming Tsai	3	Taiwan Corporate Governance Association	06.27	Formulation of ESG Sustainable Governance Strategy under Risk Management
		3	Taiwan Corporate Governance Association	06.27	Issues pertaining to key tax and securities regulations in 2023
		3	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Director	Kui-Ting Kao	6	Taiwan Stock Exchange	07.04	2023 Cathay Sustainable Finance and Climate Change Summit
		3	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Independent Director	Kuen-Chang Lee	2	Accounting Research and Development Foundation	01.11	Greenhouse Gas Inventory and Disclosure - ESG Introductory Seminar
		1	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		3	Securities and Futures Institute	10.20	2023 Insider Trading Prevention Conference
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation

Job Title	Name	Training hours	Organizer	Training date	Course title
Independent Director	Su-Chang Chen	3	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Independent Director	Tien-Wei Shih	3	Accounting Research and Development Foundation	06.08	Corporate Governance and the Operation of a Remuneration Committee
		3	Taiwan Academy of Banking and Finance	08.09	ESG Internalized Corporate Governance Course
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Independent Director	Cang-Xiang Lin	3	Taipei Foundation of Finance	02.15	Sustainable Governance - Sustainable Development and Sustainable Governance Trends
		3	Securities and Futures Institute	06.20	How Directors and Supervisors Should Oversee Corporate Risk Management and Crisis Handling
		3	Taiwan Corporate Governance Association	08.09	ESG Internalized Corporate Governance Course
		1	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation

(7) Managers' participation in corporate governance training in 2023- Table 2

Job Title	Name	Training hours	Organizer	Training date	Course title
Accounting Department Deputy General Senior Manager	Ying-Na Cheng	3	KPMG	09.15	Impact of climate change on financial statements
		16	Accounting Research and Development Foundation	11.24-11.25	Continuing training course for accounting supervisors of issuers, securities firms and stock exchanges
Corporate Governance Officer	Hui-Ying Chou	3	The Institute of Internal Auditors-Chinese Taiwan	05.11	The War and Protection of Intangible Assets - Trade Secrets and Non-Compete Agreements
		6	Taiwan Stock Exchange	07.04	2023 Cathay Sustainable Finance and Climate Change Summit
		3	Taiwan Corporate Governance Association	07.13	Sustainable Development Action Plan Promotion Conference for TWSE/TPEX-listed Companies
		3	Taiwan Stock Exchange	08.09	ESG Internalized Corporate Governance Course
		3	Securities and Futures Institute	10.20	2023 Insider Trading Prevention Conference
		3	Taiwan Corporate Governance Association	11.16	Foundations and Development of Corporate Governance Evaluation
Accounting Department Deputy General Manager	Yao-Tsu Shen	3	Taiwan Corporate Accounting Association	03.28	Environmental Changes and Financial Statements

Job Title	Name	Training hours	Organizer	Training date	Course title
Audit Office Manager	Hui-Hui Li	6	The Institute of Internal Auditors-Chinese Taiwan	10.16	The Latest Developments of Corporate Governance Through the Perspective of Corporate Governance Evaluation Indicators
		6	Securities and Futures Institute	12.20	Latest Regulations and Audit Practices on Information and Communication Security

(8) The Company has adopted its “Risk Management Policies and Procedures” by relevant laws and regulations, and has disclosed it in the Important Regulations on the company's website (emic.com.tw).

9. Corrective action taken in response to the result of the Corporate Governance Evaluation conducted by the Corporate Governance Center of Taiwan Stock Exchange Corporation, and the priority of action on issues pending for corrective action in the most recent year. According to the Corporate Governance Evaluation results of the Taiwan Stock Exchange Corporation's Corporate Governance Center for the 10th edition (2023), our company's ranking among listed companies is in the range of 21% to 35%. Although there has been a slight decline compared to the 9th edition (2022), our ranking in the industry category (market capitalization of NT\$5 billion to NT\$10 billion) has improved to the second tier (top 6% to 10%). Through the interpretation of indicators in each session and related legal promotion, our company has gradually adopted various good corporate governance measures, continuously deepening and striving in the field of corporate governance. For the indicators where our company did not score in the 10th Corporate Governance Evaluation, we have started to implement the following improvement or prioritized strengthening measures:

Unscored Evaluation Indicators	Improved or Prioritized Enhancement and Measures
1. Has the company included in the shareholder meeting report the remuneration of directors, including the remuneration policy, individual remuneration content, and amount?	Improved. The 2023 Annual General Meeting is scheduled to be held on May 30, 2023.
2. Has the company not had government agencies or a single legal entity and its subsidiaries holding more than one-third of the seats on the board of directors? [If the company does not have directors who are government officials, legal persons, or their representatives, an additional point is awarded.]	Research and improvements have been made.
3. Has the Company established a policy on diversity of the Board members and disclosed the specific management objectives and implementation status of the diversity policy on the Company's website and annual report?	Improved. The company disclosed specific management goals and implementation of diversity policies in its 2023 annual report and company website.

Unscored Evaluation Indicators	Improved or Prioritized Enhancement and Measures
4. Has the Chairman of the Board and the General Manager or other equivalent position (the highest executive officer) of the company not the same person or spouses or first-degree relatives?	Research and improvements have been made.
5. Has the board of directors of the company included at least one female director? [If each gender accounts for more than one-third of the board seats, an additional point is awarded.]	Research and improvements have been made.
6. Has the company published the annual financial report audited by the accountant within two months after the end of the fiscal year?	Improved.Starting from the fiscal year 2024, the company will publish and declare the annual financial report within two months after the end of the fiscal year.
7. Has the company voluntarily disclosed the individual remuneration of directors in its annual report?	The company discloses this item annually as required, but the evaluation considers it disclosed due to post-tax losses, not voluntary disclosure.
8. Has the company voluntarily disclosed the individual remuneration of the General Manager and Deputy General Managers in its annual report?	The company discloses executive remuneration due to post-tax losses and only discloses the top five highest-paid executives, which is not considered voluntary disclosure.
9. Has the Company been invited to (voluntarily) hold at least two investor conferences, with at least three months between the first and last investor conferences of the year under evaluation? [If the Company holds at least one investor conference per quarter or an investor conference for each quarter's operation, an additional point will be added to the total score.]	Research has been performed to consider whether to hold an additional investor conference.
10. Has the company established a dedicated (part-time) position for promoting sustainable development, conducted risk assessments on environmental, social, or corporate governance issues related to the company's operations based on materiality principles, formulated relevant risk management policies or strategies, and supervised the promotion of sustainable development by the board of directors, disclosing such information on its website and annual report?	In the fiscal year 2024, the company will disclose the supervision of sustainable development in the board of directors in accordance with the company evaluation requirements, such as the establishment of management policies, strategies, and goals, as well as reviews.

3.4.6 The composition, responsibilities and operation of the Remuneration Committee

A. Information of Remuneration Committee Members

Position Title	Criteria		Independence Status	Number concurrently serving as members of the remuneration committees of other publicly companies
	Name	Professional Qualification and Experience		
Independent Director (Convener)	Su-Chang Chen	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	0
Independent Director	Kuen-Chang Lee	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience. Additionally have work experience required for commerce, law, finance, accounting, or Company's operation.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	3
Independent Director	Tien-Wei Shih	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1
Independent Director	Cang- Xiang Lin	Possessing the professional qualification as a lecturer (or above) of commerce, law, finance, accounting, or any subject relevant to the Company's operations in a public or private tertiary institution; and having at least five years of relevant working experience.	Maintain the independence for two years prior to the election and during the term of office to be in line with Article 3 of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".	1

B. Information on the operation of the Remuneration Committee

- a. There are four people on the Remuneration Committee of the Company.
- b. The current (fourth) term of members: June 29, 2020 to June 28, 2023; the Remuneration Committee met 4 times (A) in the most recent year (2022) and member qualifications and attendance are as follows:

Job Title	Name	Number of times attendance expected	Actual number of attendances (B)	Entrusted attendance Frequency	Actual attendance rate (%) (B/A)	Note
Independent Director	Su-Chang Chen	4	4	0	100%	Convener
Independent Director	Kuen-Chang Lee	4	4	0	100%	
Independent Director	Tien-Wei Shih	4	4	0	100%	
Independent Director	Cang- Xiang Lin	2	2	0	100%	2023/05/30 Took office

Other matters to be recorded:

1. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, the date and period of the Board of Directors, the content of the proposal, the resolution of the Board of Directors, and the Company's handling of the opinions of the Remuneration Committee should be stated. (If the remuneration approved by the Board of Directors exceeds the recommendation of the Remuneration Committee, the differences and reasons should be stated).
[Explanation] The Board of Directors of the Company has not adopted or revised the recommendations of the Remuneration Committee. The Remuneration Committee also has no objections or reservations and records or written statements on board resolutions.
2. On resolutions of the Remuneration Committee, if members have objections or reservations and have records or written declarations, the date, period, proposal content, opinions of all members and the handling of the opinions of the members must be stated.
[Explanation] The Company does not have any objections or reservations made by members of the Remuneration Committee, and there are records or written statements about the resolutions.

C. Responsibilities of the Remuneration Committee

The main powers of the Remuneration Committee are to draft proposals for the following matters:

- a. Formulate and regularly review the policies, systems, standards and structures of directors and managers' performance evaluation and remuneration.
- b. Regularly evaluate and determine the remuneration of directors and managers.

When the Remuneration Committee performs the functions and powers of the preceding article, they should be based on the following principles:

- a. The performance evaluation and remuneration of directors and managers should refer to the usual level of payment in the industry. Furthermore, they should consider the reasonableness of the connection with personal performance, company operating performance and future risks.
- b. Directors and managers should not be incentivized to engage in behaviors that exceed the Company's risk tolerance in pursuit of remuneration.
- c. The ratio of dividends to directors and senior managers' short-term performance and the payment time of part of the variable salary must be determined in consideration of industry characteristics and the nature of the Company's business.

- d. The members of this committee must not participate in discussion and voting on their personal salary and remuneration decisions.

D. Implementations of the Remuneration Committee:

Remuneration Committee session	Date	Proposal content	Remuneration Committee Resolution result	The Company's handling of the opinions of the Remuneration Committee
The 11th session of the 4th term	2023/03/14	Remuneration Policy of the Company's Directors.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration.	Submitted to the Board of Directors and approved by all directors present.
The 12th session of the 4th term	2023/04/07	1. The promotion of managers of the Company. 2. The appointment of managers of the Company.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration.	Submitted to the Board of Directors and approved by all directors present.
The 1st session of the 5th term	2023/07/06	1. Amendments to the Company's "Remuneration Committee Charter" 2. Amendments to the "Regulations Governing the Distribution of Sustainable Development Responsibility Center Bonuses" of the Company.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration.	Submitted to the Board of Directors and approved by all directors present.
The 2nd session of the 5th term	2023/12/21	1. The Company's managers appointments after retirement. 2. The promotion of managers of the Company.	The proposal was passed without objection by all members present and submitted to the Board of Directors for consideration.	Submitted to the Board of Directors and approved by all directors present.

3.4.7 Discrepancies between the implementation of promoting sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
I.Does the Company establish a governance structure and dedicated (concurrent) unit promoting sustainable development which are handled by the senior management delegated and supervised by Board of Directors?	◎		<p>1. With the vision and mission of sustainable management, the Company established the “Corporate Governance and Sustainable Development Committee” in 2021. The Committee is a functional committee under the Board of Directors and consists of four Independent Directors, the Chairman, the Spokesperson, and the Corporate Governance Executive; and is convened and chaired by an Independent Director. It works with several senior executives in different fields to review the Company's core operational competencies to define a medium to long-term sustainability plan. It’s assist the Board of Directors in continuously promoting the implementation of corporate social responsibility and sustainable management, with the aim of strengthening corporate governance, environmental protection, and the fulfillment of social responsibilities.</p> <p>2. The Committee has established a Sustainability Execution Team, which is divided into seven working groups: "Corporate Governance", "Risk Management", "Integrity Management", "Employee Care", "Social Concern", "Environmental Sustainability", and "Customer Relations". Each quarter, these groups report the annual implementation plan and outcomes for discussion at the Committee meeting. Through quarterly meetings and functional task forces, they identify sustainability issues relevant to the company's operations and the concerns of stakeholders. They develop corresponding strategies and work directions, plan and implement annual programs, and track the effectiveness of these implementations to ensure that the sustainability development strategy is fully integrated into the company's daily operations.</p> <p>3. “Corporate Governance and Sustainable Development Committee” reports to the Board of Directors at least once a year on the implementation results of sustainable development and future work plans. The implementation status for 2023 was reported to the Board of Directors on December 21, 2023. In 2023, a total of five meetings were held. The motions included (1) future work plans for sustainability-</p>	None

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof						
	Yes	No	Summary							
			<p>related issues; (2) implementation status of tracking and evaluating sustainable operations; (3) report on the 9th corporate governance evaluation results and the 10th new indicator improvement plan; (4) establishment of the “greenhouse gas inventory and verification schedule plan” of the Company; (5) implementation progress on the greenhouse gas inventory and verification schedule plan; (6) implementation status on the communication with related parties in 2023.</p> <p>4. The Sustainability Execution Team reports the annual implementation plans and results to the Committee for discussion each quarter, before further reporting to the Board of Directors. The Board listens to the reports from the Committee and evaluates the feasibility of these plans, making timely adjustments as necessary.</p>							
<p>II.Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the operation of the Company according to the significance, and formulate relevant risk management policies or strategies?</p>	◎		<p>1. The risk assessment boundary is primarily focused on our company, with disclosed information covering the period from January to December in 2023 .</p> <p>2. The company's management analyzes the significance of each operational activity, communicates with internal and external stakeholders, and integrates assessment data from various departments to evaluate material ESG (Environmental, Social, and Governance) issues. It establishes effective policies for identifying, measuring, evaluating, monitoring, and controlling risks, as well as specific action plans to mitigate the impact of related risks.</p> <p>3. Based on the identified risks, relevant management policies are formulated as below:</p> <table border="1" data-bbox="539 1568 1362 1998"> <thead> <tr> <th>Material Issue</th> <th>Risk assessment item</th> <th>Description</th> </tr> </thead> <tbody> <tr> <td>Environment</td> <td>Environmental impact and its management</td> <td> <p>1. The Company obtained ISO 50001 Energy Management System Verification Certification and ISO 14064 Greenhouse Gas Third-party Inventory Verification Certificate in 2022.</p> <p>2. In 2021, the Company stipulates relevant rules such as the “Green Administration Measures - Energy Saving and Carbon Reduction”, “Administration Rules Governing the Water Resources”, and “Administration Rules Governing the Wastes” to effectively reduce pollutions and the environmental impact they result.</p> </td> </tr> </tbody> </table>	Material Issue	Risk assessment item	Description	Environment	Environmental impact and its management	<p>1. The Company obtained ISO 50001 Energy Management System Verification Certification and ISO 14064 Greenhouse Gas Third-party Inventory Verification Certificate in 2022.</p> <p>2. In 2021, the Company stipulates relevant rules such as the “Green Administration Measures - Energy Saving and Carbon Reduction”, “Administration Rules Governing the Water Resources”, and “Administration Rules Governing the Wastes” to effectively reduce pollutions and the environmental impact they result.</p>	None
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Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof										
	Yes	No	Summary											
			<table border="1"> <tr> <td>Social</td> <td>Occupational safety</td> <td> <ol style="list-style-type: none"> 1. Conduct fire drill and occupational safety training annually to build up employees' contingency and self-safety management capabilities. 2. Provide employees with annual check-ups, including a CT scan and a stress-free endoscopic examination; track the status of check-ups and help high-risk employees to seek medical treatment. 3. Implement four major plans (including Prevention of Ergonomic Hazards, Prevention of Abnormal Workload-triggered Disorders, Prevention of Unlawful Infringement in the Performance of Duties, and Workplace Maternity Protection plans), and arrange relevant educational training. 4. Introduce various ISO management systems to reduce or eliminate the occurrence of risks and move towards sustainable development of the Company: In the fiscal year 2023, the Storage Business Division's four grain silos achieved certification for ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. Plans are underway to sequentially apply for guidance and certification of the ISO 9001 Quality Management System in the fiscal year 2024. </td> </tr> <tr> <td rowspan="3">Corporate Governance</td> <td>Legal Compliance</td> <td>Establish a governance structure and implement internal control mechanisms to ensure that all of our employees and operations comply with relevant laws and regulations.</td> </tr> <tr> <td>Strengthen the Directors' functionalities</td> <td> <ol style="list-style-type: none"> 1. Provide the Directors with the most updated laws and regulations, system development, and policies annually. 2. Take out the Directors' Liability Insurance to protect them from lawsuits or claims. </td> </tr> <tr> <td>Communication with related parties</td> <td> <ol style="list-style-type: none"> 1. To avoid misunderstandings caused by different viewpoints between related parties and the Company which may further result in operation or litigation risks, the Company identifies material issues of concern to related parties and responds to the relevant issues in the Sustainability Report annually. 2. Build up various communication channels; communicate progressively to reduce confrontation and misunderstanding. The Company sets up an investors' mailbox and hotline to which the spokesperson is responsible for responding. </td> </tr> </table>	Social	Occupational safety	<ol style="list-style-type: none"> 1. Conduct fire drill and occupational safety training annually to build up employees' contingency and self-safety management capabilities. 2. Provide employees with annual check-ups, including a CT scan and a stress-free endoscopic examination; track the status of check-ups and help high-risk employees to seek medical treatment. 3. Implement four major plans (including Prevention of Ergonomic Hazards, Prevention of Abnormal Workload-triggered Disorders, Prevention of Unlawful Infringement in the Performance of Duties, and Workplace Maternity Protection plans), and arrange relevant educational training. 4. Introduce various ISO management systems to reduce or eliminate the occurrence of risks and move towards sustainable development of the Company: In the fiscal year 2023, the Storage Business Division's four grain silos achieved certification for ISO 14001 Environmental Management System and ISO 45001 Occupational Health and Safety Management System. Plans are underway to sequentially apply for guidance and certification of the ISO 9001 Quality Management System in the fiscal year 2024. 	Corporate Governance	Legal Compliance	Establish a governance structure and implement internal control mechanisms to ensure that all of our employees and operations comply with relevant laws and regulations.	Strengthen the Directors' functionalities	<ol style="list-style-type: none"> 1. Provide the Directors with the most updated laws and regulations, system development, and policies annually. 2. Take out the Directors' Liability Insurance to protect them from lawsuits or claims. 	Communication with related parties	<ol style="list-style-type: none"> 1. To avoid misunderstandings caused by different viewpoints between related parties and the Company which may further result in operation or litigation risks, the Company identifies material issues of concern to related parties and responds to the relevant issues in the Sustainability Report annually. 2. Build up various communication channels; communicate progressively to reduce confrontation and misunderstanding. The Company sets up an investors' mailbox and hotline to which the spokesperson is responsible for responding. 	
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Corporate Governance	Legal Compliance	Establish a governance structure and implement internal control mechanisms to ensure that all of our employees and operations comply with relevant laws and regulations.												
	Strengthen the Directors' functionalities	<ol style="list-style-type: none"> 1. Provide the Directors with the most updated laws and regulations, system development, and policies annually. 2. Take out the Directors' Liability Insurance to protect them from lawsuits or claims. 												
	Communication with related parties	<ol style="list-style-type: none"> 1. To avoid misunderstandings caused by different viewpoints between related parties and the Company which may further result in operation or litigation risks, the Company identifies material issues of concern to related parties and responds to the relevant issues in the Sustainability Report annually. 2. Build up various communication channels; communicate progressively to reduce confrontation and misunderstanding. The Company sets up an investors' mailbox and hotline to which the spokesperson is responsible for responding. 												

Promoting Item	Implementation Status			Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No	Summary	
III.Environmental issues (I) Has the Company established an appropriate environmental management system relevant with the specific characteristics of its industry?		⊙	<p>1. The Company obtained 2 ISO 50001:2018 energy management system verification certificates in 2022,and conduct annual follow-up audits every year.</p> <p>2. The Company passed ISO 14064-1:2018 greenhouse gas inventory and obtained the verification certificate in 2023. and conduct annual follow-up audits every year.</p> <p>3. The Company obtained 2 ISO 14001:2015 Environmental Management Systems verification certificates in 2023 and conduct annual follow-up audits every year.</p> <p>4. The Company obtained 2 ISO 45001:2018 Occupational Health and Safety Management Systems verification certificates in 2023 and conduct annual follow-up audits every year.</p>	None
(II)Is the Company committed to improve the energy utilization efficiency and use the renewable materials that have a low impact on the environmental load?	⊙		<p>The Company promotes various energy reduction measures actively:</p> <p>1. Use equipment with high energy-efficiency and energy-saving design to reduce energy consumption and gradually replace old equipment with new ones, such as IE3 motors, inverters, LED lighting, etc., to pursue optimal energy usage efficiency.</p> <p>2. Take the impact on the environment into consideration in new real property investments and use eco-friendly green building materials and renewable energy devices.</p> <p>3. The Company obtained ISO50001 Energy Management Systems verification certificates in 2022 ,and conduct annual follow-up audits every year.</p>	None
(III)Does the Company assess the potential risks and opportunities of climate change for the Company now and in the future, and take measures to deal with climate-related issues?	⊙		<p>A detailed description of the Company's analysis of climate change risks and opportunities is disclosed in its Sustainability Report(csr.emic.com.tw).</p>	None
(IV) Does the Company count greenhouse gas emissions, water consumption and the volume of total waste in the	⊙		<p>1. Greenhouse gas:</p> <p>(1) The Company attaches great importance to environmental sustainability, has introduced ISO 14064-1:2018 greenhouse gas inventory since March 2022 and obtained the verification certificate.</p> <p>(2) For the gas emissions (per tons of emissions) in the past two</p>	None

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof																								
	Yes	No																										
past two years, and formulate policies for energy saving and carbon reduction, greenhouse gas reduction, water management or other waste management?			<p>years, please refer to the following table; the Company tracks emissions annually and uses the previous year's volume as a benchmark for optimization and control in order to achieve the goal of energy saving and carbon reduction.</p> <p>(3) GHG emissions in the most recent two years:</p> <p style="text-align: right;">Unit: ton CO₂e</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Scope 1</th> <th>Scope 2</th> <th>Total emission</th> <th>Intensity of emission (total emission/ per million revenue)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>118.07</td> <td>11,417.15</td> <td>13,556.98</td> <td>2.28</td> </tr> <tr> <td>2023</td> <td>109.81</td> <td>10,582.49</td> <td>12,812.90</td> <td>2.19</td> </tr> </tbody> </table> <p>(4) In 2023, GHG emission of scope 1 and 2 reached 10,692.30 ton CO₂e in total, which mainly came from the electricity emission of scope 2 that accounted for 83% of total emission. For detailed description, please refer to the Company's 2023 Sustainability Report (csr.emic.com.tw).</p> <p>(5) Verification: Starting from 2022, the Company plans to conduct regular GHG quantification and third-party certification at all of its operating divisions on an annual basis.</p> <p>2. Water consumption</p> <p>(1) The water source of the Company is tap water, which is mainly used in the cooling water tower and domestic water. There is neither industrial water demand nor industrial wastewater discharge. Please refer to the "Water Management Regulations" on the Company's website for related management methods (emic.com.tw).</p> <p>(2) Total water consumption in most recent two years:</p> <p style="text-align: right;">Unit: Metric ton</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Total water consumption</th> <th>Intensity of water consumption (Total water consumption/ per million revenue)</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>16,911</td> <td>11.43</td> </tr> <tr> <td>2023</td> <td>21,350</td> <td>14.86</td> </tr> </tbody> </table> <p>(3) In addition to strengthening water conservation promotion and staff education on water use behavior, the Company shall also regularly monitor the silo water consumption and change to use of water-saving equipment in the office, such as sensor faucets. Total water consumption in 2023 was 21,350 metric tons, a increase of 4,439 metric tons (or 26%), compared to the year 2022. The primary reason is the addition of water sprinkling</p>	Year	Scope 1	Scope 2	Total emission	Intensity of emission (total emission/ per million revenue)	2022	118.07	11,417.15	13,556.98	2.28	2023	109.81	10,582.49	12,812.90	2.19	Year	Total water consumption	Intensity of water consumption (Total water consumption/ per million revenue)	2022	16,911	11.43	2023	21,350	14.86	
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Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof						
	Yes	No								
			<p>facilities at the truck exit gates, aimed at preventing dust dispersion during the warehousing operations, with the enhancement of environmental safety and health as the top priority.</p> <p>3. Waste</p> <p>(1)The waste generated by the Company does not have materiality and is mainly classified as general waste and enterprise waste, rather than hazardous waste. Please refer to the “Waste Management Rules” in the Company’s corporate website for relevant management method (emic.com.tw).</p> <p>(2)Enterprise waste: Grain dust generated during the process of loading and unloading the silo is collected by the dust collection facility and returned to the customer. The rest of the dust residues that are dispersed to the ground during the unloading operation are collected and used as organic compost after cleaning.</p> <p>(3)General waste: Starting from 2022, the Company will sort, recycle and weigh the general waste for management.</p> <p>(4)In the fiscal year 2023, the Taichung and Kaohsiung operations of the Storage Business Division generated 49.83 tons of general waste, which is 5.12 tons less than the previous year, marking a 9% reduction.</p> <p style="text-align: center;">Unit: Metric ton</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Year</th> <th>Total General waste</th> </tr> </thead> <tbody> <tr> <td>2022</td> <td>54.95</td> </tr> <tr> <td>2023</td> <td>49.83</td> </tr> </tbody> </table>	Year	Total General waste	2022	54.95	2023	49.83	
Year	Total General waste									
2022	54.95									
2023	49.83									
IV. Social issues (I)Has the Company established related policies and procedures in accordance with applicable legal rules and the International Convention on Human Rights?	◎		<p>The Company recognizes and voluntarily follows the internationally recognized human rights standards such as the “United Nations Universal Declaration of Human Rights”, the “United Nations Guiding Principles on Business and Human Rights”, the “United Nations Global Compact”, and the “United Nations International Labor Organization” to adopt its own “Human Rights Policies” and publish it in the Company’s corporate website (emic.com.tw).</p> <p>Human rights management measures:</p> <p>1. Diversifying inclusion and equal employment principles The Company provides an open, equal, and impartial opportunity in employment, without any discrimination against any job</p>	None						

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons thereof
	Yes	No		
			<p>applicant on the basis of race, class, language, thought, religion, political party, place of origin, place of birth, gender, gender orientation, age, marital status, appearance, facial features, or disability; together we strive to create a work environment that is dignified, equal, and free from discrimination and harassment.</p> <p>2. Respect the workplace human rights Following the labor laws and regulations of the government, the Company does not employ child labor and regularly cares for and manages the attendance of the employees, and does not force labor. If working hours are extended, the Company will provide overtime pay or compensatory time off. It also provides smooth communication channels for employees to build a workplace with harmonious labor relations.</p> <p>Establish the “Preventive Plan of Unlawful Infringement in the Performance of Duties” to prevent physical, verbal, and psychological workplace violence in the workplace and to ensure the physical and mental health of the employees.</p> <p>3. Gender-friendly care Establish the “Measures of Prevention, Correction, Complaint and Punishment of Sexual Harassment at Workplace” to protect employees' rights and interests, and gender equality at work.</p> <p>4. Healthy and safe workplace In addition to providing a safe and healthy working environment by law, the Company has established a dedicated unit and a committee for occupational safety and health; entrusts doctors and nursing staff with on-the-site health services; and regularly conducts safety and health, fire prevention, and other related education training. The Company conducts “fire safety equipment inspection and repair reporting” once a year to ensure that the building's fire safety equipment is in good condition; and strengthens the promotion of general knowledge on fire prevention and we take the necessary precautions to prevent occupational hazards and further reduce the risk factors in the work environment. We aim to build a safe and healthy workplace with zero occupational hazards, and regularly review the health and safety risks of the employees.</p> <p>5. Harmonious labor relations In order to protect employees' rights, create a win-win system for the Company and employees, and establish a two-way communication channel, the Company holds regular labor-</p>	

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No		
			management meetings by the “Labor Standards Act” and the “Regulations for Implementing Labor-Management Meeting” to ensure a smooth labor-management consultation mechanism.	
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflects business performance or results in employee compensation?	◎		<p>1. The Company has working rules and related personnel management regulations. The content includes the salary management methods, working hours, vacations, insurance and pensions, welfare measures, safety and health, etc. of the hired workers are in compliance with the relevant provisions of the Labor Standards Act; and sets up the Employee Welfare Committee to deal with various welfare matters. For employee welfare measures, please refer to page 170.</p> <p>2. Reflect business performance in employee remuneration: The Company’s employee bonuses are allocated based on 3.5% of the prior year’s profit. After approval by the board of directors, it will be allocated based on comprehensive consideration such as the employee’s salary, the previous year’s contribution, the proportion of service days, and the annual personal performance appraisal.</p>	None
(III) Has the Company provided a safe and healthy work environment for the employees, and related education on occupational safety and health for the employees at regular intervals?	◎		<p>Occupational safety and health policies</p> <p>1. The Company sets up an Occupational Safety and Health Management Department to promote safety and health affairs. Each business unit has a class-1 manager of occupational safety and health affairs and an occupational safety and health management personnel, who have been registered with the inspection agencies in each jurisdiction. Head office and each operation offices entrust professional doctors (6 times a year) and nursing staff (72 times a year) to provide regular one-on-one professional consultation services to protect employees' living; Each business unit is equipped with an AED device in response to heart disease emergencies. The Company also promotes CPR and other first aid knowledge on a regular basis; set up breastfeeding rooms to create a friendly breastfeeding environment in the workplace, so that female employees can breastfeed and work without worries.</p> <p>2. To establish a effective occupational safety management system, the Occupational Safety and Health Committee consists of employer, labor representatives, unit managers, etc. and hosts at least one meeting per quarter to review the Occupational safety</p>	None

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof								
	Yes	No										
			<p>and health self-management plan, Occupational safety and health training, occupational disease prevention and health promotion matters.</p> <p>3. To create a safe and healthy workplace, provide necessary first aid and health measures, and reduce the factors that endanger the safety and health of employees to prevent occupational hazards, the Company prepares an occupational safety and health management plan annually, which shall be approved by the Occupational Safety and Health Committee and then implemented. With regard to the relevant work safety and health standards, and the maintenance and inspection of various equipment, the Company designates specialized personnel to conduct labor safety and health inspections periodically to ensure normal operation of relevant equipment, reduce the occurrence of accidents and protect personal safety.</p> <p>4. Employee Physically and Mentally Healthy Protection: The company conducts regular health checkups and health-related seminars every year to ensure the health of the employees. In 2023, based on the main health and work-related issues identified in employee health check-ups, a total of six workplace mental and physical health promotion seminars were conducted, totaling 11 hours, with 130 participants attending. Prolonged sitting and excessive weight may lead to secondary diseases such as three highs (high blood pressure, high blood lipids, high blood sugar). The Company has organized the first online walking challenge starting from August 2023, offering substantial rewards to encourage employees to maintain a healthy lifestyle. Additionally, various employee sports clubs continue to operate (aerobic dance, Pilates, yoga stretching), offering a total of 120 minutes of exercise classes twice a week, led by professional fitness instructors. These sessions encourage employees to work out together, promoting both personal physical and mental health.</p> <table border="1" data-bbox="616 1825 1281 1986"> <thead> <tr> <th>Year</th> <th>Health checkups participants</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>251</td> </tr> <tr> <td>2022</td> <td>250</td> </tr> <tr> <td>2023</td> <td>247</td> </tr> </tbody> </table>	Year	Health checkups participants	2021	251	2022	250	2023	247	
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Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof												
	Yes	No														
			<p>5. To promote workplace smoking hazard control and health promotion, and actively create a smoke-free working environment, in 2023, the Company was evaluated and met the certification criteria. The Company headquarters was awarded the "Health Promotion Mark" for healthy workplaces by the Health Promotion Administration of the Ministry of Health and Welfare. Our Taichung and Kaohsiung offices received the "Healthy Workplace Certification - Health Initiation Mark."</p> <p>6. The Company was awarded the sports enterprise certification mark, medal and trophy in 2023 by the Sports Administration, Ministry of Education, which is valid from November 1, 2023 to October 31, 2026 (valid for three years).</p> <p>7. In order to create a better working environment, the four silos of the company introduced the "ISO 45001 Occupational Safety and Health Management System" and "ISO 14001 Environmental Management System" and passed the third-party verification in 2023.</p> <p>8. There was an occupational disaster in 2023. main types of occupational disasters were being caught or entangled.</p> <table border="1" data-bbox="592 1294 1198 1529"> <thead> <tr> <th colspan="2">Occupational disaster statistics in 2023</th> </tr> <tr> <th>Gender</th> <th>Male</th> </tr> </thead> <tbody> <tr> <td>No. of occupational injuries</td> <td>1</td> </tr> <tr> <td>Lost Time Injuries</td> <td>9</td> </tr> <tr> <td>Disabling Frequency Rate (FR)</td> <td>1.96</td> </tr> <tr> <td>Disabling Severity Rate (SR)</td> <td>17</td> </tr> </tbody> </table> <p>The primary causes of occupational accidents in 2023 were the failure to install protective guards and barriers on dangerous parts of machinery and the lack of safety awareness among operators who did not adhere to standard operating procedures, leading to accidents. The Company has added protective covers and partitions after re-assessing the risk, and re-drafted the operating SOP to organize related education and training, in order to prevent disasters and create a comfortable and safe workplace.</p> <p>Labor operational environment inspection :</p> <p>To protect labors from the hazard materials in the workplace and provide labors with a healthy and easy workplace, the Company inspects the silo operation twice a year, which entrusting an inspecting institution that meet the laws and regulations to perform</p>	Occupational disaster statistics in 2023		Gender	Male	No. of occupational injuries	1	Lost Time Injuries	9	Disabling Frequency Rate (FR)	1.96	Disabling Severity Rate (SR)	17	
Occupational disaster statistics in 2023																
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Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof												
	Yes	No														
			<p>environmental inspection. The inspection scope covers mainly the dust concentration and noise monitoring.</p> <p>Occupational safety training and promotion : There are fixed cranes on the grain unloader used in silos which are defined as dangerous machines by law, the Company thereby has to conduct a statutory 38-hour safety and health training for operators of fixed cranes over 3 tons before they are on the board, as well as 3 hours of general safety and health training and 3 hours of onsite work safety and health education training for new hired employees. The Company also organizes technical education training and athletic training courses from time to time to familiarize employees with the operations.</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Educational training participants</th> <th>Educational training hours</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>503</td> <td>2,518</td> </tr> <tr> <td>2022</td> <td>978</td> <td>5,084</td> </tr> <tr> <td>2023</td> <td>3,304</td> <td>10,141</td> </tr> </tbody> </table>	Year	Educational training participants	Educational training hours	2021	503	2,518	2022	978	5,084	2023	3,304	10,141	
Year	Educational training participants	Educational training hours														
2021	503	2,518														
2022	978	5,084														
2023	3,304	10,141														
(IV) Has the Company provided effective training in career planning for employees?	◎		<p>The Company attaches great importance to employee education and training. It has formulated the “Employee On-the-job Education and Training Measures”, and the Human Resources Office of the Management Department is responsible for implementing relevant training programs. Education and training types are divided into six categories: pre-employment training, professional training, business management training, computer/language training, secondary expertise, and E-learning network learning training. The courses include ethical corporate management compliance, risk control, human rights education, occupational safety and health policies, and health seminars, etc. Each department has compiled an annual education and training budget, in addition to participating in the Company's own training, employees are also encouraged to participate in more field training and self-study to increase competitiveness. In 2023, there were 15,457 career training participants, with a total of 15,774.5 training hours and a total training cost of NT\$1,684,714.</p>	None												
(V) For the issues regarding the customer health and safety, customer	◎		<p>The Company's customers of products and services all comply with relevant domestic laws and regulations and international common standards. The privacy rights of consumers are properly protected, and the complaint channels are unimpeded and managed</p>	None												

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No		
privacy, marketing and labeling of products and services, does the Company comply with relevant regulations and international standards, and formulate relevant consumer or customer protection policies and appeal procedures?			by full-time personnel.	
(VI)Has the Company formulated supplier management policies, where suppliers are required to follow relevant regulations on issues such as environmental protection, occupational safety and health or labor and their implementation?	◎		<ol style="list-style-type: none"> 1. The Company establishes a “Supplier Corporate Social Responsibility Management Rules” and requires key suppliers to sign the “Supplier Code of Conduct and Ethics Statement” to join hand with suppliers/contractors to comply with relevant laws and regulations on labor rights and human rights, labor health and safety, environmental protection, and code of ethical management, in order to promote the balance and sustainable development of the economy, society, and the environmental ecology. 2. We will gradually evaluate, audit, and train the suppliers/contractors on the related conditions such as environmental protection, occupational health and safety, and labor rights, including: <ol style="list-style-type: none"> (1) Introduce education and training: In October 2022, we held an “Online Seminar on Workplace Safety, Social and Environmental Protection for Contractors/Suppliers of Eastern Group”, inviting a total of 17 contractors and suppliers throughout Taiwan to participate in the event. (2) Establish evaluation mechanism: In 2023, we started to introduce ISO 14001 environmental management system and ISO 45001 occupational safety and health management system certification, and plan to gradually conduct supplier sustainable development evaluation in phases to enhance the sustainability of our supply chain. 	None
V. Does the Company refer to the internationally-	◎		The Company prepared the “2022 Sustainability Report” in accordance with the GRI Standards, SASB Standards and has obtained limited independent assurance from Ernst & Young	None

Promoting Item	Implementation Status		Summary	Discrepancies from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the reasons thereof
	Yes	No		
prepared reporting standards or guidelines, preparation of corporate social responsibility reports and other reports that disclose the Company's non-financial information? Did the preliminary report obtain the confidence or assurance opinion of the third-party verification unit?			Taiwan in accordance with the SAES No.1 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" announced by the Account Research and Development Foundation. The Report is published on the Company's website (csr.emic.com.tw).	
VI. If the Company has enacted the Sustainable Development Best Practice Principles of its own in accordance with the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies. Please describe the difference between its operation and the Principles: None.				
VII. Other critical information helps understand the implementation of promoting sustainable development: The website of the Company's corporate social responsibility report : https://csr.emic.com.tw/				

3.4.8 Climate-related information of TWSE/TPEX listed companies

1. Implementation of climate-related information

Item	Implementation Status												
<p>1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management team.</p> <p>2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).</p> <p>3. Describe the financial impact of extreme climate events and transition actions.</p> <p>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.</p> <p>5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be</p>	<p>1. The Corporate Governance and Sustainable Development Committee under the Board of Directors (hereinafter referred to as the "Committee) serves as the highest guiding body for managing and monitoring issues related to climate change. The committee is composed of three independent directors, the chairman of the board, the spokesperson, and the corporate governance officer, with one independent director serving as the convener and chairperson. The Committee has established an implementation team, led by first-level managers from various business and functional units as team leaders, to handle the daily management and performance tracking of climate change-related matters in operations and business. The Committee reports to the Board of Directors before the end of the year.</p> <p>2.</p>												
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 15%;">Business Aspect</th> <th style="width: 45%;">Risks</th> <th style="width: 40%;">Opportunities</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Short-term</td> <td>Organization and supply chain disruption</td> <td>Accelerate and optimize the loading and unloading speed of grain vacuums to increase efficiency.</td> </tr> <tr> <td style="text-align: center;">Mid-term</td> <td rowspan="2">Climate change affects market supply and demand, resulting in a decrease in customers' imports</td> <td rowspan="2">Integrate existing resources to develop other businesses with innovative applications.</td> </tr> <tr> <td style="text-align: center;">Long-term</td> </tr> </tbody> </table>				Business Aspect	Risks	Opportunities	Short-term	Organization and supply chain disruption	Accelerate and optimize the loading and unloading speed of grain vacuums to increase efficiency.	Mid-term	Climate change affects market supply and demand, resulting in a decrease in customers' imports	Integrate existing resources to develop other businesses with innovative applications.	Long-term
Business Aspect	Risks	Opportunities											
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Strategic Aspect	Risks	Opportunities											
Short-term	Cost of low-carbon transition	In line with government policies on energy conservation and carbon reduction, accelerate the annual replacement of outdated machinery and equipment to enhance the efficiency of grain unloading operations and optimize service quality.											
Mid-term													

Item	Implementation Status			
<p>described.</p> <p>6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.</p> <p>7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.</p> <p>8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified. duction credits or quantity of RECs.</p> <p>9. Greenhouse gas inventory and assurance status , as well as reduction goals, strategies, and concrete action plans</p>	Long-term	Deploy solutions under transition/physical risk scenarios.	Implement measures such as installing renewable energy systems or purchasing green power certificates in compliance with government regulations and standards.	
	Financial Aspect	Risks		Opportunities
	Short-term	The need to internalize external climate costs.		Invest in technologies, equipment, and services required by industries undergoing low-carbon transformation.
	Mid-term			
	Long-term	The impact of external laws and regulations such as electricity and carbon tariffs on operating costs.		Explore the possibility of developing other alternative energy sources.
<p>3. Please refer to the Sustainability Report of the Company for details on the financial impact of climate change.</p> <p>4. The Board of Directors serves as the highest decision-making body for risk management within the group of companies, directly overseeing the risk governance framework of each company within the group. To enhance risk assessment and management capabilities, a Risk Management Team is established under the jurisdiction of the Sustainability Committee, responsible for identifying and managing operational risks and leading the planning of related response measures. In the year 2024, the 'Climate Change Risk and Opportunity Assessment and Management Measures' were formulated to fully understand and mitigate the risks that climate change may pose to the company's operations, while seizing potential operational opportunities. Various business risks are controlled within manageable limits, establishing sound operational risk management principles, with each department developing response strategies. Risks that may affect operations and profitability are integrated and managed, with management execution and risk control reports submitted to the Board of Directors at least once a year. This ensures oversight, tracking, and review of the execution of risk management by the management team, aiming to strengthen the resilience of the enterprise."</p> <p>5. The context analysis is based on potential future scenarios to develop flexible and comprehensive strategies, enabling the company to conduct climate-related risk assessments. Our company utilizes scenario analysis to assist decision-making and financial planning, aiming to disclose the company's adaptability to various potential climate scenarios as much as</p>				

Item	Implementation Status
(indicated in 1-1 and 1-2 separately).	<p>possible. Currently, we are still in the evaluation phase.</p> <p>6. To achieve net zero carbon emissions, our company has developed a low-carbon transformation plan. Each business unit is tasked with establishing short-term, medium-term, and long-term indicators. Operations will be conducted according to these indicators, and reports on the implementation results will be submitted to the board of directors. We are using the year 111 of the Republic of China as the base year for comparison, enabling us to identify indicators and targets for greenhouse gas emissions. Please refer to point 9 for further details.</p> <p>7. The Company does not employ internal carbon pricing.</p> <p>8. Since September 2021, an energy management system has been introduced, along with measures for energy conservation, carbon reduction, waste management, and water resource management. These policies are continuously implemented and optimized. From 2022 onwards, annual greenhouse gas inventories and third-party inspections are regularly conducted to continually assess, test, and quantify carbon reduction effectiveness.</p> <p>9. Please refer to Appendix 1-1 and 1-2.</p>

1-1 Greenhouse Gas Inventory and Assurance Information in the last 2 years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions in the last 2 years in terms of total emissions (metric tons CO₂e), intensity (metric tons CO₂e per million dollars), and the scope of the data covered.

I. 2022

1. Greenhouse gas emissions :
 - 1.1. Direct greenhouse gas emissions : 118.0724 metric tons CO₂e
 - 1.2. Indirect greenhouse gas emissions : 13,438.9098 metric tons CO₂e
 - 1.3. Direct and indirect greenhouse gas emissions : 13,556.982 metric tons CO₂e
2. Intensity (metric tons CO₂e per million dollars) : 2.28
3. Scope of the data :
 - 3.1. Coverage period : 2022.01.01-2022.12.31
 - 3.2. Plant site :
 - 3.2.1. Taipei : Office (5F A, B zone + 8F A, B, C zone)
 - 3.2.2. Taichung : Office + Silo (Pier 1, Pier 3)
 - 3.2.3. Kaohsiung : Office + Silo (Pier 71, Pier 72)

II. 2023

1. Greenhouse gas emissions :
 - 1.1. Direct greenhouse gas emissions : 109.8090 metric tons CO₂e
 - 1.2. Indirect greenhouse gas emissions : 12,703.0921 metric tons CO₂e
 - 1.3. Direct and indirect greenhouse gas emissions : 12,812.901 metric tons CO₂e
2. Intensity (metric tons CO₂e per million dollars) : 2.19
3. Scope of the data :
 - 3.1. Coverage period : 2023.01.01-2023.12.31
 - 3.2. Plant site :
 - 3.2.1. Taipei : Taipei: Office (5F A, B zone + 8F A, B, C zone)
 - 3.2.2. Taichung : Taichung: Office + Silo (Pier 1, Pier 3)
 - 3.2.3. Kaohsiung : Kaohsiung: Office + Silo (Pier 71, Pier 72)

1-1-2Greenhouse Gas Assurance Information

Describe the status of assurance engagements in the last 2 years up to the date of publication of the annual report, including the scope of assurance, assurance service providers, assurance standards, and opinions of assurance.

I. Assurance Status for 2022:

1. Coverage Period: January 1, 2022 to December 31, 2022

2. Plant :

2.1. Taipei: Office (5F A, B zone + 8F A, B, C zone)

2.2. Taichung: Office + Silo (Pier 1, Pier 3)

2.3. Kaohsiung: Office + Silo (Pier 71, Pier 72)

3. Date of Assurance Statement: May 3, 2023

4. Assurance Service Provider: SGS Taiwan

5. Assurance Standards: Compliance with ISO 14064-1: 2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, and verification of greenhouse gas assertions.

6. Assurance Opinion: SGS conducted an objective and fair assessment of the Company's greenhouse gas information system, monitoring methodologies, and reporting procedures. This evaluation encompasses greenhouse gas emissions from January 1, 2022, to December 31, 2022. Based on the findings, SGS assures the consistency and suitability of the system's scope, objectives, and standards, and provides reasonable assurance for Categories 1 and 2 and limited assurance for Categories 3 to 6, and enumeration of unqualified opinions.

II. Assurance Status for 2023:

1. Coverage Period: January 1, 2023 to December 31, 2023

2. Plant :

2.1. Taipei: Office (5F A, B zone + 8F A, B, C zone)

2.2. Taichung: Office + Silo (Pier 1, Pier 3)

2.3. Kaohsiung: Office + Silo (Pier 71, Pier 72)

3. Date of assurance statement: March 21, 2024

4. Assurance Service Provider: SGS Taiwan

5. Assurance Standards: Compliance with ISO 14064-1: 2018 Greenhouse gases - Part 1: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals, and verification of greenhouse gas assertions.

Describe the status of assurance engagements in the last 2 years up to the date of publication of the annual report, including the scope of assurance, assurance service providers, assurance standards, and opinions of assurance.

6. Assurance Opinion:

6.1. Assurance Opinion: SGS conducted an objective and fair assessment of the Company's greenhouse gas information system, monitoring methodologies, and reporting procedures. This evaluation encompasses greenhouse gas emissions from January 1, 2023, to December 31, 2023. Based on the findings, SGS assures the consistency and suitability of the system's scope, objectives, and standards, and provides reasonable assurance for Categories 1 and 2 and limited assurance for Categories 3 to 6, and enumeration of unqualified opinions.

6.2. SGS presents an unqualified verification opinion based on the following circumstances.

- The verifier has sufficient and appropriate evidence to support the substantial emissions, removal or storage.
- The verifier shall adopt the appropriate criteria for the actual emission, removal or storage.
- If the verifier intends to rely on the relevant control, the effectiveness of the control has been evaluated.
- The verifier adopts the ISO 14064-1:2018 standard to fairly present the greenhouse gas data and information, and SGS obtains appropriate supporting evidence to support the actual emissions and removals.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data , reduction goals, strategies, and concrete action plans and achievement of the reduction goals.

1. EMI's management strategy is to take into account the impact on the environment in all processes from the source to the final waste treatment. Conservation of power is used in the operation process to achieve the goals of reducing greenhouse gas emissions and recycling and reducing resources, with a view to minimizing our impact on the environment.
2. EMI is committed to reducing the environmental impact of its operations and fulfilling its corporate social responsibility. We are committed to the following:
 - (1) Comply with government environmental and energy management laws and regulations; align with EMI's business strategy to engage in environmental protection commitments.
 - (2) Develop green business management, enhance resource utilization efficiency, reduce energy consumption, improve waste reduction and recycling technologies, and minimize and prevent pollution emissions.
 - (3) Implement communication, coordination, and environmental education training, gradually strengthen green supply chain management, and fulfill our commitment to protecting the ecological environment.
 - (4) Implement energy-saving and carbon reduction policies, continuously replace old and energy-consuming equipment to improve operational efficiency and promote energy-saving measures.

- (5) Continuously improve the operation environment of the warehouse, including replacing aging and low energy-efficient dust collection systems, increasing dust cleaning in the factory area, and using drones for high-altitude inspection of the factory plant to maintain warehouse operation environmental hygiene and safety.
3. For 2023, the greenhouse gas emission intensity (total emissions/revenue NT\$ million) decreased by 1.15% compared to the base year (2022), reaching the goal of reducing greenhouse gas emission by 1%~3 % of the target.

3.4.9 Ethical business performance conditions, as well as differences and reasons for differences with Ethical Corporate Management Best Practice Principles for TWSE / GTSM Listed Companies

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p>1. Formulation of ethical management policy and plans</p> <p>(1) Has the Company specified its policy and method for the implementation of ethical corporate management in its internal rules and regulations and external documents, and have the Board and the management of the Company promised to pursue the policy of ethical corporate management?</p>	◎		(1) The Company establishes the “Ethical Management Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to regulate its ethical management policies. To ensure Directors, managers, and employees aware of and comply with it, the Company conducts regular promotions every year and incorporate it into the internal control system.	None
<p>(3) Has the Company established an assessment mechanism for the risk of dishonesty, regularly analyzing and evaluating business activities with a high risk of dishonesty in the business scope, and formulated a plan to prevent dishonesty, and cover at a minimum the preventive measures for various acts under Article 7, Paragraph 2 of “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?”</p>	◎		(2) 1.The Company has established effective accounting system and internal control system for business activities with a higher risk of unethical conduct, which are reviewed from time to time to ensure the continuous effectiveness of the system design and its implementation. 2. The Company requires its directors and senior management to sign the “Declaration of Ethical Management Policy” to ensure	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(3) Does the Company specify the operating procedures, behavior guidelines, disciplinary penalties and grievance system in the plan to prevent dishonesty, and implement it, and regularly review and revise the pre-disclosure plan?	◎		<p>compliance with the Company's ethical management policy to prevent unethical conduct.</p> <p>(3) The Company's "Ethical Management Principles" and "Procedures for Ethical Management and Guidelines for Conduct" have specifically stipulated the prevention program and procedures against offering and acceptance of bribes, illegal political donations, improper charitable donations or sponsorship, offering or acceptance of unreasonable presents or hospitality, or other improper benefits. We will provide information and explanation when the new hired report to work; and we will make announcements and notifications to directors, managers, and employees from time to time, to enhance the concept of ethics and self-discipline.</p>	None
2. Implementation of Ethical Corporate Management (1) Does the Company assess a trading counterpart's ethical management record and expressly state the ethical management clause in the	◎		(1) The Company has a rigorous audit system and process. Regarding transaction behavior and transaction contracts	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p>contract to be signed with the trading counterpart?</p> <p>(2) Has the Company set up a special unit under the board of directors to promote corporate ethical management, and regularly reports (at least once a year) to the board of directors on its ethical management policies and plans to prevent dishonesty and supervision and implementation?</p>	◎		<p>with customers, it has complete inspection and supervision to implement the principles of ethical management.</p> <p>All of the contracts the Company enters into with counterparties contain an express provision for ethic conduct.</p> <p>(2) 1.The Company has established the “Ethical Management Principles”and “Procedures for Ethical Management and Guidelines for Conduct”; disclosed it on the corporate website and internal employee section; incorporated it into the internal control system, and designated the internal audit unit to audit whether there is any breach of ethical management within the Company and report to the Board of Directors regularly;</p> <p>2. In order to improve the management of ethical management, the Company established the “Ethical Management Team” under the Corporate Governance and Sustainable Development Committee as a</p>	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
(3) Has the Company developed a policy to prevent conflicts of interest, provided a proper presentation channel, and put such policy in place?	◎		dedicated unit to promote ethical management, being responsible for assisting the Board of Directors and management in formulating and overseeing the implementation of ethical management policies and preventive programs to ensure the implementation of the Ethical Management Principles. At least once a year, the Team shall report to the Board of Directors on the promotion of ethical management and its implementation results. The implementation status for 2023 was reported to the Board of Directors on December 21, 2023. (3) The Company has stipulated the preventive policy against conflicts of interest in the Ethical Management Principles. And Procedures for Ethical Management and Guidelines for Conduct .If any breach is found, it may be reported to the Audit Committee, the manager, or the internal audit supervisor.	None
(4) Has the Company established an effective accounting system for the implementation of	◎		(4) The Company has a rigorous accounting system and a dedicated	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
<p>ethical management, internal control system, and the evaluation result of the risk of dishonesty by the internal audit unit, to formulate relevant audit plans, and check the compliance with the plan to prevent dishonesty, or entrusted an accountant to perform the audit?</p> <p>(5) Does the Company hold education training in ethical corporate management inside and outside the Company on a regular basis?</p>	◎		<p>accounting unit, and all financial reports have been verified by a certified public accountant. Furthermore, there is an independent audit department and there is an internal audit plan performing various audit operations according to the audit plan. The inspection results are reported to the Board of Directors regularly.</p> <p>(5) The Company conducts education and training related to ethical management every year to enable the Board members, managers and employees to understand the ethical management policies and plans as well as the consequences of unethical conduct. In 2023, a total of 5 education and training courses (including ethical management, anti-corruption and labor ethics, etc.) were arranged for a total of 1,121 participants with a total of 185 hours of training.</p>	None
<p>3. Operation of the Company's reporting system</p> <p>(1) Has the Company put in place the specific whistle-blowing and reward system, established</p>	◎		<p>(1) The Company has established a "whistleblowing system"</p>	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
a convenient reporting channel, and assigned appropriate personnel to deal with whistleblowing?			and established convenient reporting channels for "written reports" (including paper and email) and "telephone". The Business Integrity Team (referred to as the Integrity Team) of the Company handles internal and external complaints cases. If the reported case is verified to be true, depending on the severity of the case or if material evidence is provided, the designated unit may propose a report to the Chairman for approval and reward.	
(2) Has the Company established standard operating procedures for accepting complaints, follow-up measures to be taken after the investigation is completed, and relevant confidentiality mechanisms?	◎		(2) The Company has a well-regulated "whistleblowing system", which specifies the standard operating procedures for the investigation of reported matters and the follow-up measures to be taken after the completion of investigation. It strictly requires personnel handling whistleblower cases to maintain confidentiality regarding the identity and content of the whistleblower, prohibiting the disclosure of information sufficient to identify their characteristics.	None
(3) Has the Company taken measures to protect whistle-	◎		(3) The Company's "Whistleblowing system"	None

Evaluation Items	Status			Deviation from Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and causes thereof
	Yes	No	Summary	
blowers from retaliation due to reporting?			is well-regulated. The Company pledges to protect whistleblowers from unfavorable consequences such as dismissal, termination, demotion, salary reduction, or any other inappropriate treatment due to their whistleblowing activities.	
4. Strengthening information disclosure (1) Has the Company, on its website and on the Market Observation Post System, disclosed the content and promotion effectiveness of its Ethical Corporate Management Best Practice Principles?	◎		The “Ethical Management Principles” and the “Procedures for Ethical Management and Guidelines for Conduct” have been disclosed on the Company’s corporate website and MOPS. A corporate governance section has been set up for the purpose of disclosing relevant information.	None

5. If the Company has enacted the Ethical Corporate Management Best Practice Principles in accordance with the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe the difference between its operation and the Principles:

The Company has always follow and implement its Ethical Management Principles. There is not any discrepancy.

6. Other information that enables a better understanding of the Company’s ethical corporate management (for example, the Company’s review and revision the Ethical Corporate Management Best Practice Principles, etc.):

The Company will regularly review the amendments to relevant laws and regulations, review and revise the Company's ethical management policies and operating procedures promptly in accordance with such amendments, and announce and promote them in order to comply with the laws and regulations and meet the international trends.

3.4.10 If the Company has established the Corporate Governance Best Practice Principles and the related regulations, it should disclose how to inquire about such principles.

The Company's regulations such as "Corporate Governance Best Practice Principles", "Audit Committee Charter", "Remuneration Committee Charter", "Rules and Procedures of Board of Directors Meetings", "Rules and Procedures of Shareholders Meetings", "Application for Suspension or Resumption of Trading Procedures", "Standard Operating Procedures of Handling Director Requests" and "Rules for Handling Unlawful and Unethical or Immoral Conduct Reporting Cases" can be inquired on the Company's website (<https://www.emic.com.tw/>).

3.4.11 Other important information that is sufficient to enhance the understanding of corporate governance and operational conditions must be disclosed together

1. Timely disclosure of material information
2. Checks and balances between the board and management
3. Setting the target share of independent directors at a minimum of 40%
4. Establishing the Remuneration Committee and Corporate Governance and Sustainable Development Committee to strengthen corporate governance, promote corporate sustainable development, and improve the remuneration system for Directors and managers.
5. Shareholders' rights are guaranteed with the right to vote on all proposals at the annual general shareholders' meeting or through an electronic voting system
6. Strict compliance with the Code of Ethics and Ethical Corporate Management Best Practice Principles, and establishment of an internal audit mechanism
7. Establish channels for communication with stakeholders, and fully guard the rights and interests of stakeholders.

3.4.12 Implementation status of internal control system

A. Statement of Internal Control

Public Company Internal Control System Statement

Indicates that both design and execution are effective

(This statement is applicable when all rules and bylaws are declared in compliance with the laws and regulations)

Eastern Media International Corporation Internal Control System Statement

Date: February 26, 2024

For the Company's Internal Control System of 2023, based on the results of self-assessment, the following is hereby declared:

1. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the Board and managerial officers of the Company, and that such a system has been implemented within the Company. The purpose of the system is to reasonably ensure that the effectiveness and efficiency of operations (including profits, performance, and protecting the security of assets), reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws are achieved.
2. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide a reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the effectiveness of the internal control system could be affected by the changes of environment and circumstances. However, the Company's internal control system has a self-supervision mechanism. Once the missing element is recognized, the Company takes corrective action.
3. The Company evaluates the design and execution of its internal control system based on the criteria specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations") to determine whether the existing system continues to be effective. The criteria defined in "the Regulations" include five elements depending on the management control process:
 1. Environment control; 2. risk assessment; 3. control process; 4. information and communication; and 5. supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.
4. The Company has adopted the said criteria to validate the effectiveness of its internal control system design and execution.
5. Based on the evaluation result of the preceding item, regarding the Company's Internal Control System on December 31, 2023(encompassing the supervision and management of subsidiaries), and including understanding of the effectiveness of operations and the degree to which the efficiency with which objectives are achieved, it is believed that the reporting is reliable, timely, transparent and in compliance with the relevant specifications and relevant laws and regulations, and the design and execution of the relevant Internal Control System are effective and it can reasonably ensure that the above goals are achieved.
6. The Statement of Declaration will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in said published contents will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal responsibilities.
7. This statement was approved by the Company's Board of Directors on February 26, 2024. Among the seven directors present, none had objections and all agreed to the content of this statement and hereby declare.

Eastern Media International Co., Ltd.

Chairman: Shang-Wen Liao

General Manager: Shang-Wen Liao

B. If a CPA is retained for the conduct of the internal audit system, disclose the Auditor's Report:

None.

3.4.13 In the most recent year and as of the date of publication of the annual report, whether the Company and its internal personnel have been disciplined according to law, or whether the Company has disciplined its internal personnel for violating the provisions of the Internal Control System. The content of the disciplinary measures should be listed, as well as the main deficiencies and improvements

None.

3.4.14 In the most recent year and as of the printing date of the annual report, important resolutions of the shareholders meeting and Board of Directors

A. Resolutions and implementations of the General Meeting of Shareholders

Meeting year	Meeting time	Important resolutions	Review of implementation
2023	05/30	<p>1. Acknowledge the Company's 2022 business report and financial statements.</p> <p>2. Recognition of the Company's 2022 earnings distribution proposal.</p> <p>3. The Company's Reduction of Capital to Offset Losses Proposal ° .</p> <p>4. Amendment to the Company's Articles of Incorporation.</p>	<p>Approved the Company's 2022 business report and financial statements.</p> <p>Approved the recognition of the Company's appropriation of profit and loss in FY2022.</p> <p>In order to improve the return on equity and earnings per share, a capital reduction was processed (approved by June 26 2023 TWSE-Listed-I Letter No. 1120009901). The paid-in capital after the reduction is NT\$3,002,430,700.</p> <p>It is publicly announced on the Company's website since May 30, 2023, and</p>

Meeting year	Meeting time	Important resolutions	Review of implementation
		<p>5. Election of the 18th Board of Directors of the Company.</p> <p>6. Removal of non-competition restrictions on new directors of the Company .</p>	<p>the registration of the change of company was approved by letter Jing-Shou-Shang No. 11230114230 on June 29, 2023 of MOEA.</p> <p>The 7 new directors (including 4 independent directors) were elected on the day of the annual general shareholders' meeting on May 30, 2023. On the same day, a material information announcement was made, and on June 29, 2023, the Company's registration change was approved under Jin-Shou-Shang-Zi No. 11230114230.</p> <p>Material information announcement was completed on May 30, 2023.</p>

B. Board resolutions in 2023 and through February 26, 2024

Meeting term and session	Meeting time	Important resolutions
The 26 th session meeting of the 17 th term of the Board of Directors	2023/02/10	<ol style="list-style-type: none"> 1. Approved the procurement of Taichung Port No. 1 silo UL101 grain unloader machine at a final price of CHF7.7 million. 2. Approved to provide NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”. 3. Approved the application for a credit line of financing from King’s Town Bank Songshan Branch . 4. Approved the application for a credit line of financing from the Bank SinoPac. 5. Approved the application for a credit line of financing from Taiwan Cooperative Bank Fusing Branch. 6. Approved the application for a foreign sight credit line from the Foreign Department of Mega International Commercial Bank. 7. Approved amendment of the Company’s “Rules of Procedure of the Board of Directors”. 8. Approved the Company's donation of NT\$ 1,200,000 to the “Dongsen Charity Foundation”.
The 27 th session meeting of the 17 th term of the Board of Directors	2023/03/14	<ol style="list-style-type: none"> 1. Approved the 2022 business report and financial statements of the Company. 2. Approved the Company's 2022 loss appropriation proposal. 3. Approved the Company’s proposal on intended capital reduction to cover loss. 4. Approved the Company's regular assessment of the independence and competency of the certified public accountant in 2023. 5. Approved the proposal of non-assurance services to be provided by KPMG Taiwan for 2023. 6. Proposal for appointing CPA Chih Shi-Chin and Huang Hsin-Ting of KPMG Taiwan to audit the 2022 financial and tax statements of the Company. 7. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of Company's subsidiary “ET Pet Co., Ltd” from Bank SinoPac. 8. Approved to provide NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”. 9. Approved to provide NT\$142.5 million endorsement guarantee to subsidiary “ET Pet Co., Ltd.” for the application for commercial paper guarantee from Mega Bills Finance Corporation Bills Department. 10. Approved to apply for credit line of financing from Entie Commercial Bank. 11. Approved a director remuneration policy of the Company. 12. Approved amendment to the Company's Articles of Incorporation. 13. Approved the election of the Company’s 18th term of directors. 14. Approved the Board of Directors’ nomination and review of list of candidates for directors and independent directors. 15. Approved relevant operations for accepting shareholder proposals through the Company's 2023 General Meeting of Shareholders.

Meeting term and session	Meeting time	Important resolutions
		<p>16. Approved to lift the non-competition restriction on the Company's new directors.</p> <p>17. Approved the convening the Company's 2023 General Meeting of Shareholders.</p> <p>18. Approved the amendments to the Company's "Corporate Governance Best Practice Principles".</p> <p>19. Approved the Company's 2022 Internal Control System Statement.</p> <p>20. Approved the greenhouse gas inventory and verification schedule plan of the Company and its consolidated subsidiaries in 2022.</p> <p>21. Approved change to the acting spokesperson of the company.</p> <p>22. Approved the Company's donation of NT\$ 2.7million to the "Asia Animal Medical Association.</p> <p>23. Approved the Company's organizational system adjustment proposal.</p> <p>24. Approved consultant appointment proposal for the Company.</p> <p>25. Approved the proposal of adjusting the consultant fee for the Company's consultant Mr. Yung-Jui Ma.</p>
The 28 th session meeting of the 17 th term of the Board of Directors	2023/04/07	<p>1. Approved the proposal of the Company's acquisition of public facility reserves and donations to acquire bulk reward.</p> <p>2. Approved the Company's Comprehensive Operational Plan to intend capital reduction to cover loss.</p> <p>3. Approved the managers promotion proposal of the Company.</p> <p>4. Approved the managers appointment proposal of the Company.</p>
The 29 th session meeting of the 17 th term of the Board of Directors	2023/05/12	<p>1. Approved the Company's business report and consolidated financial statements for January-March 2023.</p> <p>2. Approved to provide NT\$200 million limit for loan to "ET New Media (ETtoday) Holdings Co., Ltd.".</p> <p>3. Approved the proposal of providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Co-Operative Asset Management Co., Ltd.</p> <p>4. Approved to provide an endorsement guarantee of NT\$55 million to subsidiary "ET Pet Co., Ltd." for the application for commercial paper guarantee from the Bank of Panshin- Business Department.</p> <p>5. Approved to provide an endorsement guarantee of NT\$200 million for the application for a credit line of financing of subsidiary "ET Pet Co., Ltd." from Entie Commercial Bank, Ltd.</p> <p>6. Approved the proposal for the amendments to the Company's "Procedures for Acquiring or Disposing of Assets".</p> <p>7. Approved the consultant appointment proposal of the Company.</p>
The 1 st session meeting of the 18 th term of the Board of Directors	2023/05/30	<p>1. Approved the election of the Company's 18th term of directors. The Chairman Mr. Shang-Wen Liao elected as the Chairman of the 18th Board of Directors with 7 votes.</p> <p>2. Approved the appointment proposal of managers for the Company.</p>
The 2 nd session meeting of	2023/06/27	<p>1. Approved setting the base date of the Company's 2023 capital</p>

Meeting term and session	Meeting time	Important resolutions
the 18 th term of the Board of Directors		<p>reduction.</p> <ol style="list-style-type: none"> 2. Approved the Company's acquisition of capital increase shares of Tunglin Asset Management Co. Ltd. 3. Approved the application to the CTBC BANK Co., Ltd. Business Department for a trading limit for derivative financial products. 4. Approved the application to the Mega Bank Co., Ltd. Foreign Department for a trading limit for derivative financial products. 5. Approved the application to the Mega Bank Co., Ltd. Foreign Department for a trading limit for derivative financial products. 6. Approved to provide NT\$300 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”. 7. Approved the amendments to the Company’s “Audit Committee Charter”. 8. Approved the amendments to the Company’s “Ethical Corporate Management Best Practice Principles”. 9. Approved the Appointment of the 5th term Remuneration Committee. 10. Approved the Appointment of the 2nd term Corporate Governance & Sustainability Development Committee. 11. Approved the formulation and Appointment of the 1st term Information Security Management Committee.
The 3 rd session meeting of the 18 th term of the Board of Directors	2023/07/06	<ol style="list-style-type: none"> 1. Approved the amendments to the Company’s “Remuneration Committee Charter”. 2. Approved the Company’s “The Regulations for the Distribution of Bonuses from the Sustainable Development Responsibility Center”. 3. Approved the meeting minutes and resolutions of the 1st meeting of the 5th Remuneration Committee of the Company.
The 4 th session meeting of the 18 th term of the Board of Directors	2023/08/09	<ol style="list-style-type: none"> 1. Approved the Company's January-June 2023 business report and consolidated financial statements. 2. Approved the application for a credit line of financing from International Bills Finance Corporation- Hsinchu Branch. 3. Approved the application for a credit line of financing from CTBC BANK Co., Ltd. Business Department. 4. Approved to provide NT\$50 million limit for loan to “Care Pet Bio-Tech Company.” 5. Approved to provide NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd” for the application for financing from the International Bills Finance Corporation- Taipei Branch. 6. Approved to provide NT\$50 million endorsement guarantee to subsidiary “ET Pet Co., Ltd” for the application for financing from the CTBC BANK Co., Ltd. 7. Approved the amendment of the Company’s “Operating Procedures for Preparation and Verification of the Sustainability Report”. 8. Approved the renewal of the liability insurance for directors and managers of the Company. 9. Approved the consultant appointment proposal of the Company.

Meeting term and session	Meeting time	Important resolutions
The 5 th session meeting of the 18 th term of the Board of Directors	2023/09/07	<ol style="list-style-type: none"> 1. Approved the proposal of providing an endorsement guarantee of NT\$138 million for the application for a credit line of financing of subsidiary “ET Pet Co., Ltd.” from Mega Bank Co., Ltd. 2. Approved the proposal of providing an endorsement guarantee of NT\$58 million for the application for a credit line of financing of subsidiary “Care Pet Bio-Tech Company.” from Bank SinoPac. 3. Approved the application for a credit line of financing from Taichung Commercial Bank Co., Ltd. Songshan Branch.
The 6 th session meeting of the 18 th term of the Board of Directors	2023/11/09	<ol style="list-style-type: none"> 1. Approved the Company's business report and consolidated financial statements for January-September 2023. 2. Approved the Company's acquisition of capital increase shares of Tunghin Asset Management Co. Ltd. 3. Approved the proposal of providing an endorsement guarantee of NT\$ 45,897,600 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.” from Shinshin Credit Corporation. 4. Approved the proposal of the providing an endorsement guarantee of NT\$100 million for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.”from SinoPac Leasing Co., Ltd. 5. Approved the proposal of the providing an endorsement guarantee of NT\$102,942,000 for the application for a credit line of financing of subsidiary “ET New Media (ETtoday) Holdings Co., Ltd.”from Hotai Finance Co., Ltd. 6. Approved the proposal of the providing an endorsement guarantee of NT\$ 35million for the application for a credit line of financing of subsidiary “Care Pet Bio-Tech Company” from Shin Kong Bank Co., Ltd. 7. Approved the application for a credit line of financing from Shin Kong Bank Co., Ltd. Southeast Branch. 8. Approved the application for a credit line of financing from Bank of Panshin-Business Department. 9. Approved the formulation of the Company’s “Regulations on Financial Transactions Between Related Parties”. 10. Approved the formulation of the Company’s “Intellectual Property Management Plan”. 11. Approved the formulation of the Company’s “Rules of Shareholders' Meeting Proceedings”. 12. Approved the consultant appointment proposal of the Company.
The 7 th session meeting of the 18 th term of the Board of Directors	2023/12/21	<ol style="list-style-type: none"> 1. Approved the Company’s 2024 financial forecast. 2. Approved the progress report on the development of the 'state-owned non-public land with land rights established at plot number 18-17 in Lin-Kou District, New Taipei City', and matters related to subsequent engineering procurement and contracting. 3. Approved the application for a credit line of financing from Taiwan Cooperative Bank- Fuxing Branch. 4. Approved the application for a credit line of financing from Taiwan Business Bank Co., Ltd. - Fuxing Branch.

Meeting term and session	Meeting time	Important resolutions
		<ol style="list-style-type: none"> 5. Approved the adoption of the Company's "Internal Audit Plan" for year 2024. 6. Approved the amendment of the Company's "Internal Material Information Handling and Prevention of Insider Trading Management Procedures". 7. Approved the amendment of the Company's "Corporate Governance Best Practice Principles". 8. Approved the amendment of the Company's "Information Security Management Committee Charter". 9. Approved the Company's donation of NT\$ 500,000 to the Taiwan Information Communication Association. 10. Approved the Company's donation of NT\$ 1,350,000 to the Dongsen Charity Foundation. 11. Approved the Company's managers appointments after retire. 12. Approved the adjustment of the positions of the Company's financial chief and the accounting chief. 13. Approved the appointment of the Company's accounting chief. 14. Approved the consultant appointment proposal of the Company. 15. Approved the managers promotion proposal of the Company.
The 8 th session meeting of the 18 th term of the Board of Directors	2024/01/26	<ol style="list-style-type: none"> 1. Approved the Company's Change of Accountant. 2. Approved the Company's regular assessment of the independence and competency of the certified public accountant in 2024. 3. Approved the appointment CPA Chen Tsung-Che and Huang Hsin-Ting of KPMG Taiwan to audit the 2024 financial and tax statements of the Company. 4. Approved the proposal of non-assurance services to be provided by KPMG Taiwan for 2024. 5. Approved the proposal of providing an endorsement guarantee of NT\$50 million for the application for a credit line of financing of Company's subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Mega Bills Finance Co., Ltd. 6. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of Company's subsidiary "ET New Media (ETtoday) Holdings Co., Ltd." from Chailease Specialty Finance Co., Ltd. 7. Approved the adoption of the Company's "Climate Change Risk Assessment Methodology". 8. Approved the meeting minutes and resolutions of the 3rd meeting of the 5th Remuneration Committee of the Company.
The 9 th session meeting of the 18 th term of the Board of Directors	2024/02/26	<ol style="list-style-type: none"> 1. Approved the 2023 business report and financial statements of the Company. 2. Approved the Company's 2023 loss appropriation proposal. 3. Approved the acquisition of the Company's capital shares of HER Hotels & Resorts Group Yilan. 4. Approved the proposal on the Company's acquisition of capital increase shares of ET Pet Co., Ltd. 5. Approved the proposal on the Company's subsidiary, ET New Media (ETtoday) Holdings Co., Ltd. to invest in ET Pet Co., Ltd.

Meeting term and session	Meeting time	Important resolutions
		<p>in excess of its investment limit</p> <p>6. Approved the proposal on providing NT\$100 million limit for loan to “ET New Media (ETtoday) Holdings Co., Ltd.”</p> <p>7. Approved the proposal of providing an endorsement guarantee of NT\$150 million for the application for a credit line of financing of Company's subsidiary “ET Pet Co., Ltd.” from Bank SinoPac.</p> <p>8. Approved the application for a credit line of financing from Bank SinoPac.</p> <p>9. Approved the amendment of the Company's “Internal Material Information Handling and Prevention of Insider Trading Management Procedures.”</p> <p>10. Approved the amendment of the Company's Articles of Incorporation.</p> <p>11. Approved the amendment of the Company's “Procedures for Loaning Funds to Others.”</p> <p>12. Approved the convening the Company's 2024 General Meeting of Shareholders.</p> <p>13. Approved relevant operations for accepting shareholder proposals through the Company's 2024 General Meeting of Shareholders.</p> <p>14. Approved the Company's 2023 Internal Control System Statement.</p> <p>15. Approved the proposal of the Company's donation of NT\$125 million to the Taiwan Information Communication Association.</p> <p>16. Approved the managers promotion proposal of the Company.</p>

3.4.15 Directors holding adverse opinions on the resolutions of the Board in the most recent year to the day this report was printed on record or in written declaration, and the summary of the content

None.

3.4.16 Summary of resignation or relief from office of the Chairman, President, Chief Accountant, Chief Financial Officer, Chief Internal Auditor, Chief of Corporate Governance, and Chief R&D Officer of the Company in the most recent year to the day this report was printed.

1. Vice President of Finance Department Cheng-Kuo Lu retired on December 31, 2023. He was succeeded by Senior Vice President Ying-Na Cheng. Vice President Yao-Tsu Shen took over as the head of Accounting Department.
2. Effective Date: January 1, 2024.
3. The adjustment of the duties of managerial officers was approved by the 7th meeting of the 18th Board of Directors on December 21, 2023.

3.5 Information about CPA Professional Fees

Unit: NTD Thousand

Accounting firm name	Accountant name	Audit period	Audit fees	Non-audit fees					Total	Remark
				Transfer Pricing	ESG	Company Registration	Others (Note)	Subtotal		
KPMG Taiwan	Shin-Chin Chih	2023.01.01 2023.12.31	6,360				230	230	6,590	
	Hsin-Ting Huang									
					2,602			2,602		
EY Taiwan						31		31	31	
JYH Her										

Note: The components were the services for submitting applications of capital reduction to TWSE, verifying the amount of direct deduction method on value-added and non-value-added business tax and nonmanagement employee salaries.

3.6 Changes in Accountant Information

3.6.1 Former Accountant

None.

3.6.2 Successor Accountants

Not available.

3.6.3 The Reply of Former CPAs on Article 10.6.1 and Article 10.6.2.3 of the Standards:

None.

3.7 The Company's chairman, general manager, or the manager responsible for financing or accounting affairs, who has worked for the accounting firm to which CPAs belong or the affiliated enterprises in the past year :

None.

3.8 Shareholding changes of directors, managers and major shareholders

3.8.1 Directors, managers and major shareholders' equity changes

Job Title	Name	2023		The year ending on March 29	
		Number of shares held Number increased (decreased)	Number of pledged shares Number increased (decreased)	Number of shareholding Number increased (decreased)	Number of pledged shares Number increased (decreased)
Director	Far Rich International Corporation	(7,571,399)	0	0	0
Chairman and General Manager	Shang-Wen Liao	(31,537)	0	0	0
Director	Kui-Ting Kao	0	0	0	0
Director	Ding Fong Broadcasting Co., Ltd.	(2,199,645)	0	0	0
Director	Kao-Ming Tsai	0	0	0	0
Independent Director	Kuen-Chang Lee	0	0	0	0
Independent Director	Su-Chang Chen	(74)	0	0	0
Independent Director	Tien-Wei Shih	(3,061)	0	0	0
Independent Director	Cang- Xiang Lin	0	0	0	0
Deputy Senior General Manager	Ying-Na Cheng	(187)	0	0	0
Deputy General Manager	Ching-Tze He	(9)	0	0	0
Deputy General Manager	Sheng-Chong Hsu	(91)	0	0	0
Deputy General Manager	Hsiang-Jui Wo	0	0	0	0
Deputy General Manager	Hsiao-Ching Hu	0	0	0	0
Deputy General Manager	Tsong-Yi Lin	0	0	0	0
Deputy General Manager	Lan-Ying Feng	0	0	0	0
Deputy General Manager	Cheng-Kuo Lu (Retired on 2023/12/31)	(8,614)	0	0	0
Deputy General Manager	Kuang-Wu Chen (Resigned on 20230504)	0	0	0	0
Deputy General Manager	Hui-Ying Chou	(45)	0	0	0
Deputy General Manager	Chia-Wei Lin	0	0	0	0
Deputy General Manager	Kui-Ting Kao	0	0	0	0
Deputy General Manager	Yao-Tsu Shen	0	0	0	0
Deputy General Manager	Chi-Na Hsu (20230407 Took office)	0	0	0	0
Deputy General Manager	Chun-Liang Liu (20230412 Took office/20231020 Resigned)	0	0	0	0
Associate Manager	Ping-Yu Su	0	0	0	0
Associate Manager	Kun-Yu Chang	0	0	0	0
Associate Manager	Yu-Ling Ye	0	0	0	0
Associate Manager	Hui-Hui Li	(632)	0	0	0
Associate Manager	Sheng-fen Ou	0	0	0	0
Associate Manager	Wen-chien Hsieh	0	0	0	0
Associate Manager	Ling Wang (20240101 Promoted)	0	0	0	0
Associate Manager	Chang-Yi Huang	(33)	(6)	(6)	(6)
Taichung Office Manager	Ying-Ming Hsu (20240101 Promoted)	0	0	0	0
Kaohsiung Office Manager	Po-Liang Chen	(138)	0	0	0
Major shareholders of 10% or above	None	0	0	0	0

Note: The number of shares held decreased in 2023 because of the 369.93105921% capital reduction of the Company.

3.8.2 Share transfer information

Where the directors, managers and the counterparties of the major shareholders whose shareholding ratio exceeds 10% are related parties:

None.

3.8.3 Equity pledge information

Where the directors, managers, and the counterparties whose shareholding ratio exceeds 10% of the major shareholders' equity pledge are related parties:

None.

3.9 Information about the relationship of the ten largest shareholders

March 29, 2024

Name	Self Shares held		Spouse and minor children holding shares		Total holding of shares in the names of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Note
	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Designation (Or name)	Relationship with the Company	
Jinxin Trading Co., Ltd.	28,932,001	9.636	NA	NA	0	0	None	None	
Representative: Chen Shih-Chih	0	0.000	0	0	0	0	Fortune Enterprise Ltd. Ding Fong Broadcasting Co., Ltd. Far Rich International Corporation Sen Feng International Co., Ltd.	Director (Gussen Investment Co., Ltd) Director (Far Rich International Corporation) Director (Ding Fong Broadcasting Co., Ltd.) Director (Ding Fong Broadcasting Co., Ltd.)	None
Dong sen Personal Insurance Agent Co., Ltd.	13,439,124	4.476	NA	NA	0	0	Ding Fong Broadcasting Co., Ltd.	Corporate Supervisor	None
Representative: Tsai Kao-Ming	0	0.000	0	0	0	0	None	None	
Far Rich International Corporation	12,930,041	4.306	NA	NA	0	0	Ding Fong Broadcasting Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Corporate Director Corporate Director	
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Ding Fong Broadcasting Co., Ltd. Sen Feng International Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Far Rich International Corporation) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	None
Sen Feng International Co., Ltd.	10,635,502	3.542	NA	NA	0	0	Dong sen Personal Insurance Agent Co., Ltd.	Corporate Supervisor	
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Ding Fong Broadcasting Co., Ltd. Far Rich International Corporation Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Far Rich International Corporation) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	None
E-Happy Travel Co., Ltd.	9,849,384	3.280	NA	NA	0	0	None	None	None

Name	Self Shares held		Spouse and minor children holding shares		Total holding of shares in the names of others		Where top ten shareholders have a relationship with each other or a relative relationship within the scope of their spouse or relative within the second degree of kinship, the name or designation and the relationship.		Note
	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Shares	Shareholding Percentage of ownership	Designation (Or name)	Relationship with the Company	
Representative: Lin Kao-Ming	0	0.000	0	0	0	0	Jinxin Trading Co., Ltd.	Supervisor	
Ding Fong Broadcasting Co., Ltd.	3,756,438	1.251	NA	NA	0	0	Far Rich International Corporation Sen Feng International Co., Ltd.	Corporate Director Corporate Director	
Representative: Chao Shih-Heng	0	0.000	0	0	0	0	Far Rich International Corporation Sen Feng International Co., Ltd. Dong sen Personal Insurance Agent Co., Ltd.	Chairman (Ding Fong Broadcasting Co., Ltd.) Chairman (Ding Fong Broadcasting Co., Ltd.) Director (Far Rich International Corporation)	None
Fortune Enterprise Co., Ltd.	3,532,051	1.176	NA	NA	0	0	Far Rich International Corporation Sen Feng International Co., Ltd.	Corporate Director Corporate Director	
Representative: Chen Shih-Chih	0	0.000	0	0	0	0	Jinxin Trading Co., Ltd. Ding Fong Broadcasting Co., Ltd. Far Rich International Corporation Sen Feng International Co., Ltd.	Chairman Director (Ding Fong Broadcasting Co., Ltd.) Director (Ding Fong Broadcasting Co., Ltd.) Director (Ding Fong Broadcasting Co., Ltd.)	None
DFA multiple emerging investment accounts in custody of Citibank (Taiwan)	1,746,909	0.581	NA	NA			Data not available		None
Wushun Investment Co., Ltd.	1,449,475	0.482	NA	NA			Data not available		None
Representative: Wang Rong-Ruo							Data not available		None
Chien Shing Stainless Steel Co.,Ltd.	1,419,225	0.472	NA	NA			Data not available		None
Representative: Ye Shuo-Tang							Data not available		None

3.10 Comprehensive Shareholding Ratios

December 31, 2023

Units: Shares; %

Reinvestment business (Note)	The Company's investment		Directors, supervisors, managers and direct or indirect control of investment in the business		Comprehensive investment	
	Shares	Percentage of shareholding	Shares	Percentage of shareholding	Shares	Percentage of shareholding
FESS-Panama	71,700	100.00	0	0	71,700	100.00
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	6,637,500	6.51	19,726,660	19.36	26,364,160	25.87
Far Eastern Investment Co, Ltd.	46,234,059	97.90	0	0	46,234,059	97.90
Eastern International Lease Finance Co., Ltd. (EILF)	40,690,330	53.77	34,840,500	46.00	75,530,830	99.77
Tung Kai Lease Finance Co., Ltd.	40,847,294	53.76	34,948,500	46.00	75,795,794	99.76
HER Hotels & Resorts Group Yilan	32,973,086	60.40	21,618,114	39.60	54,591,200	100.00
ET New Media Holdings Co., Ltd.	53,522,508	89.20	627,492	1.05	54,150,000	90.25
Eastern Asset Co., Ltd.	126,500,000	55.00	0	0	126,500,000	55.00
ET Pet Co., Ltd.	17,839,278	59.46	7,928,568	26.43	25,767,846	85.89

Note: This table shows the Company's long-term equity investments using the equity method.

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Source of Capital

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
May 1975	50,000	200	200,000	50	50,000	Cash on hand		
July 1978	350,000	700	700,000	400	400,000	Cash on hand		
March 1980	200,000	700	700,000	600	600,000	Cash on hand		
October 1982	258,317	85,832	858,317	85,832	858,317	Cash on hand		
June 1989	238,422	133,516	1,335,161	109,674	1,096,739	Cash on hand		1982.09.30 (71) Taiwan-Finance-Securities (I) No. 1776
November 1989	504,500	160,124	1,601,239	160,124	1,601,239	Cash and earnings		1989.05.05 (78) Taiwan-Finance-Securities (I) No. 00983
August 1990	205,761	180,700	1,807,000	180,700	1,807,000	Cash on hand		1989.09.13 (78) Taiwan-Finance-Securities (I) No. 01905
February 1991	234,910	204,191	2,041,910	204,191	2,041,910	Surplus		1990.03.09 (79) Taiwan-Finance-Securities (I) No. 00397
September 1991	367,544	240,945	2,409,454	240,945	2,409,454	Earnings and Additional paid-in capital		1990.11.30 (79) Taiwan-Finance-Securities (I) No. 03349
November 1992	96,378	250,583	2,505,832	250,583	2,505,832	Capital surplus		1991.07.19 (80) Taiwan-Finance-Securities (I) No. 01610
June 1995	425,991	293,182	2,931,823	293,182	2,931,823	Earnings		1992.10.14 (81) Taiwan-Finance-Securities (I) No. 02657
July 1996	478,665	484,000	4,840,000	341,049	3,410,488	Earnings		1995.05.19 (84) Taiwan-Finance-Securities (I) No. 29249
June 1997	1,102,412	600,000	6,000,000	451,290	4,512,900	Cash and earnings		1996.07.01 (85) Taiwan-Finance-Securities (I) No. 41050
January 1998	316,281	600,000	6,000,000	482,918	4,829,181	Conversion of corporate bonds		1997.05.17 (86) Taiwan-Finance-Securities (I) No. 35656
August 1998	1,762,667	960,000	9,600,000	659,185	6,591,848	Surplus, additional paid-in capital, and conversion of corporate bonds		1998.01.16 (87) Taiwan-Finance-Securities (I) No. 11377
October 1999	1,450,206	1,100,000	11,000,000	804,205	8,042,054	Capital surplus		1998.07.09 (87) Taiwan-Finance-Securities (I) No. 58507
December 1999	15,000	1,100,000	11,000,000	805,705	8,057,054	Conversion of corporate bonds		1999.06.25 (87) Taiwan-Finance-Securities (I) No. 58251
December 1999	484,944	1,100,000	11,000,000	854,200	8,541,998	Conversion of corporate bonds		
February 2001	(25,090)	1,100,000	11,000,000	851,691	8,516,908	Purchases of treasury shares to reduce capital		2001 Shangzi No. 006506-1

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
August 2003	(2,912,782)	1,100,000	11,000,000	560,413	5,604,126	Capital reduction		2003.7.28 Taiwan-Finance-Securities No. 0920130473
June 2004	757,129	1,100,000	11,000,000	636,125	6,361,254	Earnings		2004.4.12 Taiwan- Finance-Securities Yizi No. 0930112793
October 2004	1,329,158	1,100,000	11,000,000	769,041	7,690,413	Conversion of corporate bonds		2004.5.19 Taiwan- Finance-Securities Yizi No. 0930118370
December 2004	162,352	1,100,000	11,000,000	785,277	7,852,765	Conversion of corporate bonds		
March 2005	327,585	1,100,000	11,000,000	818,035	8,180,350	Conversion of corporate bonds		2004.11.19 SFB Yizi No. 0930151508
August 2005	1,814,702	1,500,000	15,000,000	999,505	9,995,052	Earnings and capitalization of capital reserves		2005.7.15 FSC Yizi No. 0940128962
October 2005	134,059	1,500,000	15,000,000	1,012,911	10,129,111	Conversion of corporate bonds		
April 2006	3,815	1,500,000	15,000,000	1,013,293	10,132,926	Conversion of corporate bonds		
August 2006	1,552,819	1,500,000	15,000,000	1,168,575	11,685,745	Profit transfer and capital transfer		2006.7.17 FSC Yizi No. 0950130972
August 2006	11,626	1,500,000	15,000,000	1,169,737	11,697,371	Conversion of corporate bonds		
September 2006	6,116	1,500,000	15,000,000	1,170,349	11,703,487	Conversion of corporate bonds		
December 2006	469,318	1,500,000	15,000,000	1,217,281	12,172,805	Conversion of corporate bonds		
March 2007	30,680	1,500,000	15,000,000	1,220,349	12,203,485	Conversion of corporate bonds		
June 2007	629	1,500,000	15,000,000	1,220,411	12,204,114	Conversion of corporate bonds		
September 2007	3,769	1,500,000	15,000,000	1,220,788	12,207,883	Conversion of corporate bonds		
December 2007	167,434	1,500,000	15,000,000	1,237,532	12,375,317	Conversion of corporate bonds		
March 2008	35,393	1,500,000	15,000,000	1,241,071	12,410,710	Conversion of corporate bonds		
June 2008	172,983	1,500,000	15,000,000	1,258,369	12,583,694	Conversion of corporate bonds		
September 2008	2,301,612	1,500,000	15,000,000	1,488,531	14,885,306	Earnings, additional paid-in capital, and conversion of corporate bonds		2008.8.20 FSC Yizi No. 0970042408
April 2009	(700,000)	1,500,000	15,000,000	1,418,531	14,185,306	Treasury shares to reduce capital		2009.3.30 FSC San Zi No. 0980012457
September 2013	(7,225,432)	1,500,000	15,000,000	695,987	6,959,874	Capital reduction		2013.9.5 SFB Fa Zi No. 1020032568
June 2018	(1,391,975)	1,500,000	15,000,000	556,790	5,567,899	Cash capital reduction		2018.6.4 FSC Fa Zi No. 1070319751
July 2021	(278,395)	1,500,000	15,000,000	528,950	5,289,504	Cash capital reduction		23 Jul. 2021 TWSE- Listing-I Letter No. 1100012876.
June 2022	(528,950)	1,500,000	15,000,000	476,055	4,760,554	Cash capital		30 June. 2022 TWSE-

Units: Thousand shares/NTD thousand

Year month	Issued Price	Approved share capital		Paid-in capital		Note		
		Number of shares	Amount	Number of shares	Amount	Capital stock Source	Property other than cash contributed as equity capital	Other
June 2023	(1,758,123)	1,500,000	1,500,000	300,243	3,002,431	reduction Capital reduction		Listing-I Letter No. 1111802933. 26 June. 2023 TWSE-Listing-I Letter No. 1120009901

Unit: Thousand shares

Shares Type	Approved share capital			Note
	Outstanding shares (Note)	Unissued shares	Total	
Listed common stock	300,243	1,199,757	1,500,000	None

Note: The Company does not raise and issue securities under the collective reporting system.

4.1.2 Status of Shareholders

March 29, 2024

Shareholder structure	Government agency	Financial institution	Other institution	Individual	Foreign institutions and foreign individuals	Total
Quantity						
Number of individuals	0	0	294	98,725	124	99,143
Number of shares held	0	0	88,264,957	203,794,576	8,183,537	300,243,070
Shareholding ratio	0.000	0.000	29.398	67.877	2.725	100.000

4.1.3 Distribution of Shareholding

March 29, 2024

Shareholding class	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	65,201	15,267,719	5.085
1,000 to 5,000	26,265	52,583,959	17.514
5,001 - 10,000	4,266	29,026,615	9.668
10,001 - 15,000	1,329	16,095,746	5.361
15,001 - 20,000	619	10,894,633	3.629
20,001 - 30,000	573	14,104,914	4.698
30,001 - 40,000	294	10,127,446	3.373
40,001 - 50,000	133	6,000,511	1.999
50,001 - 100,000	285	19,503,761	6.496
100,001 - 200,000	109	15,138,645	5.042
200,001 - 400,000	38	9,953,014	3.315
400,001 - 600,000	10	4,933,585	1.643
600,001 - 800,000	6	3,877,560	1.291
800,001 to 1,000,000	3	2,670,511	0.889
1,000,001 or more	12	90,064,451	29.997
Total	99,143	300,243,070	100.000

Note: The Company has not issued preferred shares.

4.1.4 List of major shareholders

March 29, 2024

Name of major shareholder	Shares	Number of shares held	Shareholding ratio %
1. Jinxin Trading Co., Ltd.		28,932,001	9.636
2. Dongsen Personal Insurance Agent Co., Ltd.		13,439,124	4.476
3. Far Rich International Corporation		12,930,041	4.306
4. Sen Feng International Co., Ltd.		10,635,502	3.542
5. E-Happy Travel Co., Ltd.		9,849,384	3.280
6. Ding Fong Broadcasting Co., Ltd.		3,756,438	1.251
7. Fortune Enterprise Ltd.		3,532,051	1.176
8. DFA multiple emerging investment accounts in custody of Citibank (Taiwan)		1,746,909	0.581
9. Wushun Investment Co., Ltd.		1,449,475	0.482
10. Chien Shing Stainless Steel Co.,Ltd.		1,419,225	0.472

4.1.5 Information about market value per share, net value per share, earnings per share, and dividends per share in the most recent two years

Item		Year	2023	2022
Per share Market price (Note1)	Highest		27.85	42.8
	Lowest		14.65	18.45
	Average		20.85	26.33
Net value per share	Before distribution		11	7.42
	After distribution (Note5)		11	7.42
Earnings per share	Weighted average number of shares (Net of treasury shares)		300,243,070	327,052,884
	Earnings per share		(0.91)	(5.06)
Per share Dividends	Cash dividends		0	0
	Stock dividends	Stock dividends from capitalization of retained earnings	0	0
		Additional paid in capital	0	0
	Accumulated unpaid dividends		0	0
Return on investment analysis	P/E ratio (Note 2 、 5)		NA	NA
	Price to dividend ratio (Note3 、 5)		NA	NA
	Cash dividend yield (Note4 、 5)		NA	NA

Note 1: Referred to TWSE website

Note 2: Price/Earnings Ratio = Average Market Price/ Diluted Earnings Per Share

Note 3: Price/Dividend Ratio = Average Market Price/Cash Dividends Per Share

Note 4: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price

Note 5: Both in 2022 and 2023, there were net losses, and no cash dividends were distributed. Therefore, the P/E ratio, Price to dividend ratio, and Cash dividend yield.

4.1.6 Company dividend policy and implementation status

A. Dividend policy of the Company

The Company's business environment is a mature and stable industry. In order to consider the Company's medium and long-term business development needs and bear the risks of future operations, the Company must have a safe cash level, maintain a stable level of dividends, and comply with the Company's Articles of Incorporation, and take into account factors such as long-term shareholders' equity and the Company's long-term financial planning while setting forth the Company's dividend distribution plan. Dividends are distributed in cash or stocks. Cash dividends must be allocated by the Board of Directors, and will be submitted to the shareholders meeting.

The distribution of dividends has a bearing on the interests of shareholders. To clarify the dividend policy, the Articles of Incorporation stipulate as follows:

In respect to the Company's dividend policy, in order to cope with the Company's diversified operations and the capital expenditure required for future expansion of the scope of operations and long-term financial planning, it can be based on the needs of the business climate and industry changes and take into account the interests of shareholders, making appropriate assignments or reservations. Shareholders' dividends are allocated with distributable earnings. They should not be less than 15% of the current year's distributable earnings and the cash dividend is not to be less than 10%.

B. The plan for dividends payment for presenting to the Shareholders' Meeting of this year

Since there was net loss in 2023, the Company would not distribute dividends this year.

4.1.7 The influence of stock dividends planned to be paid in the Shareholders Meeting of this year on the operation performance and earnings per share of the Company:

The shareholders meeting did not propose a stock dividend this time (2024).

4.1.8 Remuneration of employees and directors

A. The percentage or scope of compensation for employees and directors as set out in the Articles of Incorporation:

If the Company makes a profit for the year, the pre-tax benefits must be deducted from the benefits before the distribution of employee bonuses and then the accumulated losses must be deducted. Then 3.5% of the balance must be allocated as employee compensation and the amount allocated must be used as the current

year's expense. Employees' remuneration is based on stocks or cash, subject to resolution of the Board of Directors and reporting to the General Meeting of Shareholders.

The Company's Articles of Incorporation do not provide for directors' compensation.

B. The accounting of the difference between the amounts calculated on the basis of the estimation of the remuneration to the employees and the Directors, the calculation of shares for paying stock dividends to the employees as remuneration and the actual amount of payment:

The Company estimates employee bonuses on a prorated basis based on the net profit before tax before deduction of employee bonuses in the current year. If there is any change in the amount after the publication of the annual financial report, then according to the changes in accounting estimates it will be adjusted and recorded in the next year.

C. Remuneration distribution approved by the Board of Directors:

1. The amount of employee bonuses and directors' bonuses paid in cash or stocks. If there is a discrepancy with the annual estimated amount of recognized expenses, the number of discrepancies, reasons and handling circumstances should be disclosed: Since there was net loss in 2023, the Company would not distribute employee bonuses this year.
2. The amount of employee bonuses distributed by stocks and its proportion to the total after-tax net profit and total employee bonuses in the parent company only financial report for the current period: None.

D. The actual payment of remuneration to the employees and the Directors in the previous year (including the number of distributed shares, amounts, and stock price). If there is a difference with the recognized amount of remuneration for employees and directors, the number of differences, the reasons and the handling circumstances should be stated:

For the fiscal year 2022, there is an accumulated loss, and it is not necessary to recognize employee compensation.

4.4.9 Repurchases of shares by the Company

In 2023 and as of the printing date of the annual report: None.

4.2 Handling of corporate bonds

None.

4.3 Disposal of preferred shares

None.

4.4 Circumstances of handling overseas depositary receipts

None.

4.5 Employee stock options and new restricted employee shares

None.

4.6 M&A or transfer of shares of other companies to issue new shares

None.

4.7 Implementation status of fund utilization plan

None.

V. Operational Highlights

5.1 The business content, market, production and sales of the warehousing business

5.1.1 Business content

A. Business scope

The storage business is mainly engaged in importing bulk grains (soy, corn, wheat), and automated operations such as unloading into warehouses, storing warehouses and trucks, and train loading and unloading.

B. Industry overview

The Company's warehousing business is engaged in dock loading, unloading, storage and transfer of bulk grain bulk grain ships. It is a purely port warehousing and loading and unloading service industry. Its main function is to use the automatic grain unloading machine with high unloading rate to take the grain imported by the cargo owner, quickly unloading from the cabin into the silo for storage and transfer, loading and unloading from the warehouse for suppliers of domestic bulk materials (such as: feed mills, salad oil mills, flour mills and import traders, etc.) with safe and fast raw material entry, storage and transfer, and exit requirements.

C. Technology and R&D Overview: In 2023 and as of the publication date of the annual report, there was no investment in related functions research and development expenses.

D. Long and short term business development plan

1. Short-term business development plan:

Give full play to the advantages of terminal silo automation equipment. Speed up the efficiency of ship unloading in and out of the warehouse. Significantly reduce the probability of slow unloading fines for customers of bulk imported grains, and increase the quick unloading bonus income to reduce import costs. Strengthen customer momentum.

2. Long-term business development plan:

- (1) Expand the niche of silo operations. Grasp the advantages of port silos. Provide more convenient value-added services, and give full play to the best synergies.
- (2) Diversified management.

5.1.2 Market and production and sales overview

A. Market analysis

1. Main product (service) sales (provision) areas

- (1) Most feed mills, salad oil mills, and flour mills in Taiwan are concentrated in the central and southern regions. Their raw materials are imported from Taichung Port and Kaohsiung Port. The Company's four terminal silos are also distributed in these two ports. They are adequate to provide services for unloading, storage and transfer of imported bulk grains.
- (2) Taiwan's livestock breeding areas are concentrated in the central and southern regions. Therefore, imported grains are stored, transferred and sold in Taichung Port and Kaohsiung Port due to geographical factors.

2. Market share

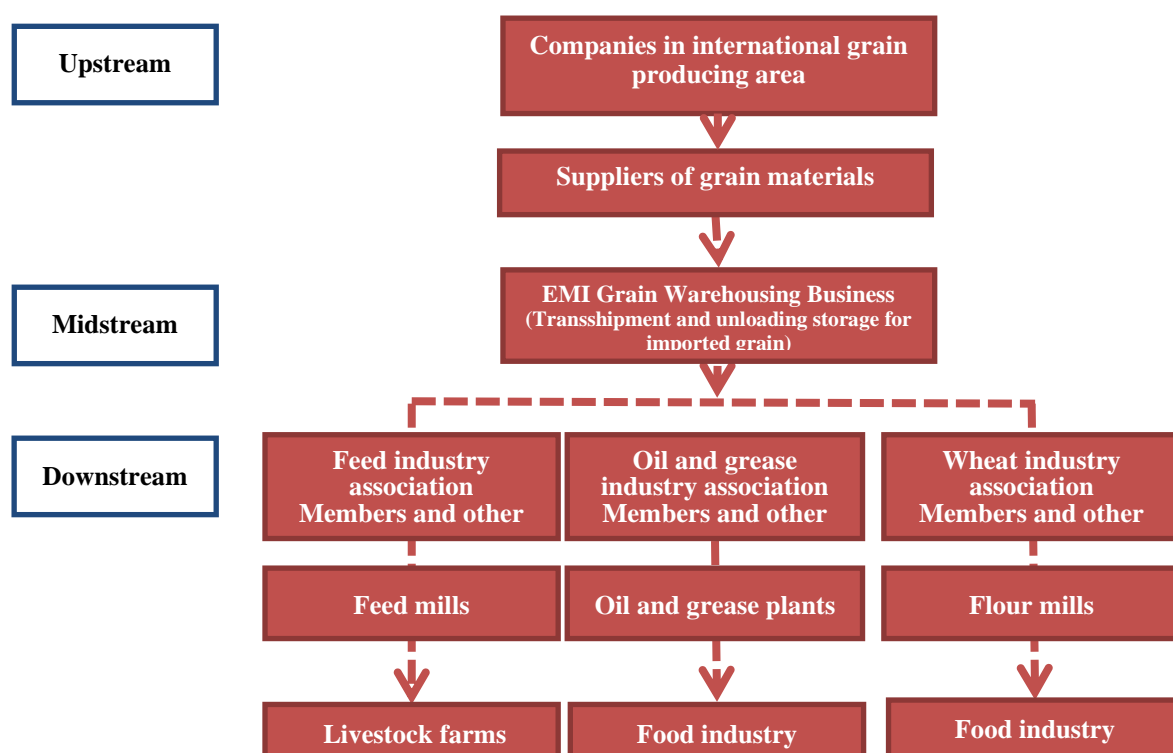
The statistics of actual unloading of imported bulk grains in the past three years are detailed in the table below.

The Company's grain unloading market share

Unit: Ten thousand metric tons

Year \ Silos	Unloading volume at Taichung		Unloading volume at Kaohsiung		The Company Unloaded amount	Nationwide bulk		Nationwide total imports (including containers)	
	#1	#3	#71	#72		Import volume	The Company Market share	Import volume	The Company Market share
2021	182.4	157.3	144.5	146.7	630.9	630.9	100%	830.2	76.0%
2022	196.6	156.5	155.2	160.4	668.7	668.7	100%	880.1	76.0%
2023	195.1	155.4	146.3	148.1	644.9	644.9	100%	811.9	79.4%

3. Relevance between the upstream, midstream and downstream of the industry



4. Competitive niche

- (1) The Company has been operating terminal silos for 48 years. At present, there are four deep-water terminals in Taichung and Kaohsiung, #1, #3, and No. #71, #72. Equipped with hardware facilities such as fully automatic grain unloading, in and out of warehouse equipment and 330,000 tons of silo warehouse capacity, and combined with the accumulated silo operating experience to cultivate a professional operating team and core capabilities, this is the biggest competitive niche for the Company's warehousing business.
- (2) The main raw materials of animal feed such as corn, soybeans, etc., all have to rely on imported supplies from abroad. The Company has deep-water silo terminals in Taichung and Kaohsiung ports, operating bulk grain loading and unloading storage. With a good understanding of surrounding industries, it can provide more direct services for domestic animal husbandry related industries.

5. Advantages and disadvantages of development prospects

- (1) Favorable factors:
 - a. The Company has been operating terminal silo for a long time and has accumulated rich practical experience and has a skilled and dedicated team. It must be able to provide the industry with the best service quickly, accurately, and efficiently.
 - b. The Company has fully automated computer program-controlled warehouse access equipment and four deep-water wharfs with a total storage capacity of 330,000 tons that can simultaneously unload two Panamax grain carriers at Taichung Port and Kaohsiung Port. It can quickly unload grain boats and store and transfer grain functions.
 - c. Silos have a high operating market share and can ensure a competitive advantage.

The management of terminal silos is restricted by laws and regulations; only the right to lease operation is required, and a huge fixed rent and port fees must be paid every year. It accounts for more than 40% of fixed costs. Therefore, only by establishing economic scale and increasing market share can we ensure business advantages. Relying on a steady, firm and down-to-earth corporate attitude, we are committed to the development of terminal silo loading and unloading and warehousing services.
 - d. With high efficiency silo operations and improving loading and unloading efficiency, relieving port congestion is the original purpose of the Company. Facing the impact of changes in the

business environment, market participants can accurately grasp real-time market information, connect with the international trends, and develop flexible management strategies. This is positively beneficial to the sustainable operation of port silos.

- e. The high international container freight rate and the uncertainty of arrival help the grains to be imported by bulk freight.
- f. The government successfully blocked the swine diseases which would affect the export of pork. Besides the foot-and-mouth disease, since the international epidemic of African Swine Fever started in 2018, all people worked together to block the virus outside the country; the last mile for Taiwan to export pork to more countries is the lift the vaccination mandate for classical swine fever. Therefore, the Council of Agriculture will cease administering swine fever vaccine to all pigs and newborn piglets in Taiwan in 2023.01.01. The vaccination will be completely lifted from pig farms in July. It is expected to make an official application to the World Organization for Animal Health (WOAH) to make Taiwan a classical swine fever non-infected area in 2024. Once the vaccination mandate lifted, it will be an important milestone for Taiwan's pig industry to reopen the export market.
- g. In recent years, the Company has appropriated huge budgets every year for the retirement and replacement of unloading and major equipment at the four terminal silos and renovated the automated equipment in order to move towards smart warehousing to achieve operational efficiency and service quality.

(2) Disadvantages:

- a. At present, the domestic animal husbandry industry is still profitable due to product prices. Therefore, there is still a willingness to raise livestock. However, due to diseases such as African swine fever and avian flu, as well as environmental protection restrictions such as sewage charges, may cause hidden concerns for the future development of the animal husbandry industry.
- b. In recent years, importers of grain properties have used a large number of return containers to ship grain, causing the Company to lose millions of tons of grain unloaded; if the international crude oil price rises above US\$80/barrel, it may not be conducive to the competitiveness of bulk grain shipping. Moreover, the backhaul containers of the US routes still possess the advantages of small cubic volume and purchase flexibility, which may not disappear in

the short term. The container freighters devote themselves to the freight market. All of which may disadvantage to the bulk silo business.

- c. The total national grain imports in 2023 was 8.119 million tons. Due to the declining birthrate domestically and depopulation (work abroad or emigration), if the export of pork cannot be increased in the future, the future grain import volume will not grow easily.
- d. In response to the rising environment protection awareness and the domestic environmental pollution improvement standards getting more stringent, the Executive Yuan has revised relevant laws and regulations to significantly raise the fines and regulatory penalties for corporates. Together with ESG (environmental, social and corporate governance) becoming an international trend and drawing great attention in recent years, companies and governments have been developing ESG development strategies to strengthen corporate sustainability and capital market competitiveness and capital market competitiveness, therefore it also results in great rise of cost for establishing the environmental facilities.

B. Important use of main products

Provide bulk materials port warehousing, loading and unloading, storage and transfer services.

C. Supply status of main raw materials

Not applicable for non-production manufacturing.

D. List of main purchase and sales customers

2022				2023			
Name (Note)	Amount (NTD thousand)	Percentage of total annual net sales (%)	Relationship with issuer	Name	Amount (NTD thousand)	Percentage of total annual net sales (%)	Relationship with issuer
2	174,330	11.8%	None	2	191,001	13.3%	None
Others	1,304,829	88.2%	None	Others	1,245,569	86.7%	None
Warehousing Net income	1,479,159	100.0%		Warehousing Net income	1,436,570	100.0%	

Note: List names of customers accounting for more than 10% of total sales in the last two years, and their sales amounts and proportions. However, code names are permitted if disclosure of the customer name or transaction counterparty is not allowed due to contractual obligations or if the transaction counterparty is an individual and a non-related person.

- E. Recent production value
Not applicable for non-production manufacturing.
- F. Sales volume in the last two years

Operating volume and amount of warehousing services

Grain category	2022		2023	
	Quantity (ten thousand metric tons)	Amount (NTD thousand)	Quantity (ten thousand metric tons)	Amount (NTD thousand)
Grain	668.7	1,479,159	644.9	1,436,570

- G. Industry-specific key performance indicators (KPIs):
Because the port warehousing business is a special industry, each ton of revenue is handled in accordance with the regulations of the loading, unloading and warehousing rates of each port branch company. Therefore, “key performance indicators with industry specificity” are not applicable.

5.2 Media Business: Business content, markets, and production and sales conditions

5.2.1 Business content

- A. Business scope:
1. The main scope of operations of the Company’s media business originally encompassed ETtoday’s news website management, advertising business sales, and audio-visual content production.
 2. ETtoday started operating offline advertising for Taipei Metro in October 2018 and ET Pet Co. stores in November of that year, expanding its business scale by means of online and offline integration.
 3. Building on the past foundations laid by ETtoday, ETtoday was renamed ET New Media Holding Co., Ltd. in December 2018 to oversee four limited corporations; namely, Dung Sen Shin Wen Yun Co., Ltd., Dung Sen Shin Guang Yun Co., Ltd., and Dung Sen Min Diao Yun Co., Ltd.. Based on its original huge traffic and fan base, it thus created a new business model for diversified business development. In addition to its news, audiovisual, and advertising businesses, ETtoday also stated that it would deepen its future efforts in the pet, entertainment, and e-sports industries as it moves toward diversified O2O operations.

B. Industry overview:

1. Description of development status:

- (1) Since its launch on November 1, 2011, the ETtoday News website operated by the Company's media business has deepened social interaction and integrated news, information, knowledge, and entertainment information platforms while presenting warm news content. With our business philosophy of sincere trust, we have joined netizens in creating a new media advancing the idea of "sharing is happiness; loving cloud technology." The Company's main operating focus and operating model are to actively make good use of various community operations to deepen networks, allowing "community interaction" to be deeply integrated with "news," "online marketing," and "shopping.
- (2) In 2023, ETtoday News had 44 Facebook fan groups, 24 Instagram account, 36 YouTube channels. It also established independently operated media accounts on Weibo, WeChat, Toutiao, NetEase, Baijia, Tik Tok, Xiaohongshu. Its total number of fans exceeded 26 million as of the end of December 2023.
- (3) From the perspective of website traffic results, social traffic accounted for the largest proportion at about 55% in 2017 and direct traffic was about 27%, Traffic structure by the end of 2023: social diversion has dropped to 37% and direct traffic has increased to 40% .This reflects that own traffic has grown incrementally and mobile app development has gradually achieved results.
- (4) Awards and Highlights in the last five years :
 - a. In 2023, the Company won the "Social Bright Side News Report Award" and "Silver Power News Award" and the ETtoday news cloud APP won the "Best Product" of the National Yushan Award.
 - b. In 2022, we won the "Excellent Journalism Award", the first prize of the "Best Product" granted by the National Brand Yushan Award for the ET OMO advertisement business platform, and "Service and Solution" for the "News Cloud Member Achievement System" of ETtoday APP, etc.
 - c. In 2021, we won the "Top10 Outstanding Enterprise Award "of Golden Torch, the Best OOH Agency , Super MVP Awards,and won the "Consumer Rights Reporting Award" by the Consumer Protection Association of the Executive Yuan.
 - d. In 2020, we honored with the Award of Golden Peak in "Honored

Cooperation” and “Outstanding Business Leaders” and became the first Taiwan news media to ranked first in the National Brand Yu-Shan Award’s “Honored Cooperation” and “Most Popular Brand”

- e. In 2019, “Jungle Voice” won “Best Variety Programme” in the 54th annual Television Golden Bell Awards.
- f. The Oxford Digital News Report cited ETtoday Co. as the most used digital news brand in Taiwan for six consecutive years in 2018, 2019, 2020 , 2021, 2022and 2023.

2. Relevance between the upstream, midstream and downstream of the industry

- (1) Upstream: Mainly are content providers. The source of content includes: foreign news agencies, User Generated Content (UGC), purchase of foreign shows (such as: “Street Dance of China”, “Chuang”, etc), which can enrich the breadth of content of ETtoday New Media.
- (2) Midstream: ETtoday New Media organizes physical events, produces large-scale IP shows or commissions outsourced vendors to assist in events and the production of shows, etc. For example, the "Jungle Voice" and "CooKing" of ETtoday New Media are both produced by QT Entertainment, which, by its unique audiovisual content, enhances ETtoday New Media's content depth and differentiate it from the competitors.
- (3) Downstream: The content produced by News Cloud mainly reaches consumers through the following 2 platforms:
 - a. Self-owned platform: Including news website, APP, M-site.
 - b. External platform: Build up fan groups on social media platforms such as FB, IG, YT, etc.

3. ETtoday News development trends and competitive status:

- (1) Real-time news: In the past, the main competitors of ETtoday were UDN and Apple Daily, and these two competitors are supported by their parent newspaper companies. However, “Apple Daily” announced in May 2021 that it would cease publication in Taiwan. In December of the same year, it announced that it would close its operations in Taiwan due to the depletion of funds. In addition, in order to win the support of young readers, coupled with changing reading habits, print newspapers are

gradually turning to real-time online news. As a result, competition in the online media market has become increasingly intensified. Recently, LINE TODAY has also taken advantage of its communications background to storm into the new media segment. Future trends will closely monitor the development of this new media in response to market changes.

- (2) Community operations: Various news media have shown a recent dedication toward community operations as they focus on the development of community fan group management as a key strategy. ETtoday News made early investments in this area and currently has over one million fans in six fan groups covering ETtoday Co., ETtoday Star, ETtoday Pet Co., Beauty, Sharing, and Instant News. In 2023, the total number of fans on Facebook has exceeded 26 million. The focus in the future will be to create new business opportunities by transforming “fans” into “members” and then “members” into “consumers”.
- (3) Mobile network: The proportion of news readership via mobile devices (phones, tablets) has been increasing gradually, and consumer usage habits have changed as they become accustomed to using a single device and the time that readers use mobile devices keeps growing. The development of Mobile Web and mobile apps is crucial. ETtoday Co.’s flagship app continues to be revised to strengthen live video and audio, real-time, audiovisual content, and activity functions. At the same time, we are adding to the app new functions and marketing activities. Regarding the new functions, the message board was officially launched in 2022, where readers can leave comments, post their EMOJIs, personalize the layout, and make recommendations. In terms of marketing activities, the Company continues to attract readers by accumulating points to exchange for Eastern tokens and gifts. Therefore, ETtoday News will continue to optimize the mobile web for more readers to use. By the end of 2022, the app’s own traffic accounted for 29.54% of overall traffic, thereby reducing dependence on social media. Nowadays, with the change of online audiovisual habits and the rise of new media platforms, major platforms have actively invested in the short film market. The audiovisual revision of the News Cloud flagship APP also focuses on user experience and promotes a waterfall reading method for short films. It is convenient for readers to use and increases the number of views of Eastern New Media's videos.

(4) Audiovisual content:

a. News video: Since it is difficult for the public to concentrate for a long time, "Online Video" has become an Internet star. "ETtoday News" follows audio and video trends to produce audiovisual news clips such as "Instant News" and "Play News" to enhance the viewability of its online news as an important medium to attract audiences' attention, and is receiving wide response.

b. Entertainment video:

i. Short videos: Videos are short and light in content are very suitable for watching on mobile devices. ET New Media produces short videos on Tiktok and Shorts to attract young man 's eyeballs.

ii. AI production of videos : generative AI technology was introduced in 2023. Eastern New Media also actively uses AI tools to improve the quality of video and sound, reduce production time, and develop AI virtual anchors and AI parent-child video clips to soft news, content and initial communication with readers. Recently, it received subsidies from the Co-Prosperity Fund and plans to continue developing AI-related applications. This strategy aims to gain a competitive advantage by leveraging technology effectively.

(5) Advertising business:

a. Online advertising market : According to estimates from Dentsu, the digital advertising market in Taiwan is 56.129 billion in 2023, a decrease of 4.8% from the 58.959 billion in 2022. °

b. Out-of-home advertising market : According to Nielsen data, the five major traditional advertising markets in Taiwan were about NTD 26.028 billion in the first half of 2023, down 1.7% compared to 2022 as a whole, and NTD 4.64 billion in outside-home media (a negative growth of 7.9%).

C. Overview of technology and R&D:

Currently, ET New Media has obtained patents for the four technologies. These technologies address mobile app applications required for the development of new media, content e-commerce derived from the high traffic created by various fan groups, and the development of new technologies such as online audio and video streaming.

D. Long-term and short-term business development plans:

1. Short-term business development plan

- (1) ETtoday has 4 technologies patented for both long-term and short-term business development plan, ranging from mobile app required for the new media operation, content e-commerce generated by fan's high visiting traffic, and the development of new technologies in online audio and video streaming.

News products and content :

- a. Real-time news:

ETtoday News emphasizes immediate and fast reporting, as well as the social sharing concept of "sharing is happiness; loving cloud technology." In addition to not reading newspapers, TV viewing time has also been drastically reduced among young people in recent years and they get information from the Internet instead.

Secondly, Under the long-term management of ET New Media, it is deeply loved by netizens. Average daily page views were 11.89 million in 2023, At the same time, whenever there is a major event, through real-time news reports, it creates high traffic. For example: The Me too event of artists in June 2023 brought 24.34 million network traffic.

It means that in major news, the news cloud is not absent, bringing readers the most immediate and correct news, which is affirmed by netizens.

In news operations, we maintain a certain amount of press releases. In addition to enhancing the accuracy of subscripits to meet the tonality of online news, we drive high flow simultaneously through fast and accurate news community push efforts. The action center was established in 2015 to actively operate the news cloud app. Using "Live Video" with "Unique news content and views" is a bonus for netizens, making the most effective dissemination of news, striving for more exposure, and bringing more business opportunities. The production of live audio and video content started at the end of 2016, fully jumping into audio and video content and sales. Aside from promoting the app live video broadcast, and in addition to attracting netizens to download "ETtoday News app" through the difference in audio-visual content and live broadcasts, it also increases autonomous traffic.

- b. Innovative products

- i. Focus content: The ETtoday Star Cloud was newly revised in 2015,

and we added Health Cloud and Real Estate Cloud in 2016, In 2017, ET Car Cloud, Poll Cloud and Grace Cloud were launched. Boss Cloud and Legal Cloud has opened in 2019, Sustainability Cloud was established in 2022. In the end of 2020, ET launched Unboxing Cloud and social media curators sell product via content marketing. In addition to satisfying the needs of various netizens through various niche content, these offerings can more flexibly meet the needs of different customers at the same time in terms of advertiser sales.

ii. Real-time news and event live: In addition to grasping important news and event information, and meeting the needs of advertisers, we push the product locally to increase the overall advertising budget.

iii. Customized audio and video: In addition to the original news content, we simultaneously increase the sales of audio-visual advertising and strengthen the page planning of the mobile version to improve overall performance.

c. Community operations

The three major operating strategies of social media based on "focus", "interaction," and "real-time" have moved towards the "video and audio" of the community to attract more viewers more quickly. This has opened up new battlefields in the "mobile social" and "cross-strait communities". The Company produced the "Open-box Cloud" at the end of 2020, which sells the ET proprietary products via its 19 influencer's, and has opened a brand new business model of content marketing.

d. Action strategy

Mobile traffic is growing fast, and the trend of using smartphones and mobile devices to browse has formed. ETtoday News responds to market changes by actively launching its app and mobile version optimization. The current mobile version of the webpage continues to be optimized after the news cloud flagship app was launched in February 2015. It also continues to strengthen the functions of audiovisual, live broadcast, social interaction and personalization. Since 2017, the app membership system has been implemented to prepare for personalized services, continuously passing user experience tests, and strengthening user experience design. The

version is updated and optimized once a month on average. Furthermore, it continuously optimizes the essence of the product through data analysis, achieving product market fit while increasing user stickiness and the number of app downloads. The goal is to become the leader of Mobile TV.

e. Deepening audio and video

Since the launch of “BOBA” in November 2016, it has gathered various forms of audio and video content from news, programs, live broadcasts, and short videos, and established a viewing environment suitable for netizens to view audio and video content. In 2017, there was a strong push on video and audio optimization, letting all netizens have a faster and more convenient video viewing experience, and increasing the video and audio chat room mechanism and a simplified video and audio search interface, so that netizens can grasp all the audio and video content at any time. It is expected that the increase in traffic in the future will bring in more revenue.

f. Overseas development and cooperation

i. Cooperation with the mainland: The news of “ETtoday News” is not partisan. In the political spectrum of Blue versus Green in Taiwan, ETtoday lands in the neutral zone. We get the most favorite of the middle class and young people, and it is conducive to cooperation with mainland media and market development. ETtoday News cooperates with Beijing Sina, People’s Daily Online, Xinhua News Agency, Tencent Weibo, Baidu, and so on for mutual supply of content, expanding the popularity among mainland netizens. Simultaneously, we also established independently operated media accounts on Weibo, WeChat, Toutiao, NetEase, Baijia, Tik Tok, Xiaohongshu to strengthen the management of mainland netizens.

ii. Set up news America, Hong Kong and Macau, Southeast Asia and New Zealand and Australia editions: To serve the global Chinese audience, we start from the editorial desk in recruiting professional Chinese talent from various regions. According to the news content of overseas Chinese communities, we have established sub-sections for North America, Hong Kong, Macau, Southeast Asia, New Zealand and Australia, with content suitable for local Chinese viewing as we actively explore overseas markets. In addition, we

established the mainland version of the ETtoday Star Cloud app and the News Cloud app from Q4 2018 in order to actively expand the mainland market, thus providing news more in line with the needs of overseas regions.

g. Big Data precision marketing

In order to increase the reading volume, stickiness and staying time of ET New Media, News Cloud actively builds a reader news recommendation system, and a personalized push system to provide advertisers with precise marketing services while fully integrating the advertising and reader markets. In addition to this, it is believed that will promote CTR performance gradually.

(2) New media career development

a. Audiovisual business:

At the same time as the establishment of an audio-visual platform, an audio-visual production team has also been established to enrich the production content. The current live video content covers five major series. Gourmet cooking: “Crazy About Cuisine.” Life category-” Cloud is Richest” “Action Court”, “Cloud is Health Room”, “Cloud is millionaire” and “Cloud is Good life”. Entertainment topics: “ETtoday Star Run News,” “Play News.” News and current affairs: “ET News at Noon” and “Street News”.Talk show: “LuJayRelex”.

At the same time, in order to seize the fragmentary viewing time of the general public through mobile phones, in addition to live broadcasts, short videos are produced, including: Wage Slave, Fred’s Food Addiction, and meet the needs and popularity of different netizens. We produce audio-visual content such as current affairs to enhance business needs.

In addition, “Jungle Voice” has been widely acclaimed by the society after its launched, won the 54th TV Golden Bell Awards “Variety Show Award” in 2019. The third season of “Jungle Voice” also invited well-known singers, Harlem Yu and LaLa Hsu as mentor and is broadcasting in 2021, benefiting the audience with better programs.It deeply loved by the audience.

b. Social media:

Following the trend of community audio visualization, ETtoday is a “community audiovisual” that combines “audiovisual news” and “community operations”. Reporters and editors who master the

characteristics and preferences of each community are used to instigate audiovisual production content, to evolve graphic news into “video news”, spread and interact through the community in the fastest and most immediate way.

In order to quickly enter the community’s audiovisual operations, ETtoday established the “Instant News” FB fan group in September 2015, a fan group set up specifically for audiovisual news, and established the “Audiovisual News Center” in January 2017. Full-time editing and production of audio-visual news, rapid production of audio-visual news, and at the same time various types of audio-visual, combined with the operation of ETtoday Focus Fan Group, expand the reach of each fan group, increase the number of fans and strengthen fan interaction.

The Company produced the “Open-box Cloud” at the end of 2020, which sells the ET proprietary products via its 19 influencer's, and has opened a brand new business model of content marketing.

According to internal observations, the main types of social media with “entertainment ETtoday Star” and “soft video” (Internet celebrities, funny, cute pets, warm news, travel, and food) have the most views and interactions. Therefore, “entertainment” will be strengthened in the future, and “soft audio and video” operations will meet the needs of the audience.

c. Podcast:

ET New Media launched its Podcast at the end of 2020 to seize the opportunities in the emerging podcast craze. Our podcast programs such as “I am on the Crime Scene” and “Social Media Curator is on Duty ” have been ranked in the top 100 global podcasts and aroused much discussion among netizens. The market response suggests there exist the considerable potential for advertising purpose. Among which, the “National Judge” unit produced by the “I am on the Crime Scene” won the “Podcast News Program Award” in the Broadcast and Internet (Audio) category of the 21st Excellent Journalism Award in 2022.

The key programs and its characteristics of ET New Media’s Podcast are listed as follows:

Item	Program Name	Category
1	The history time of Tony	Military
2	I am on the crime scene	Society
3	Shane's Car World	Automobile
4	Ishan tell the truth	Real Estate
5	The Pet world	Pet
6	Social Media Curator is on duty	News
7	Nana_3C	3C
9	Never mind! Give me money	Financial management

(3) Advertising business promotion

- a. Digital advertising: In response to the general trend of the new media advertising market, ETtoday's business advertising strategy is "industry deepening", "platform layout" and "diversified advertising and services." It fully focuses on mobile advertising (M-SITE, APP), content marketing (Content marketing/Native advertising), audio-visual advertising (including audio-visual advertising space, audio-visual advertising and Pre-Roll advertising, multi-screen screens) and the large visual high impact of Rich Media in all four of its directions. And for advertisers it has business opportunities, strong cohesion, and distinct audience segments, such as game cloud, car cloud, sports cloud suitable for male audiences, and ETtoday Star cloud/movie and life cloud suitable for female audiences to make in-depth channel revisions. It plans to provide a customer base with clear and accurate advertiser attributes.
- b. Outdoor advertising: Due to the pandemic impacting the public's willingness to go out, the passengers of Taipei MRT, Taiwan High Speed Rail and Taoyuan MRT have shrunk, which impacted the out-of-home advertisements greatly. According to the information of Nielsen in 2023, Taiwan's out-of-home advertisements still grew 1.8% in 2023 compared to the same period in 2022 as the pandemic eases. This was mainly due to the slowing down of the pandemic in Taiwan, which in turn increased advertisers' willingness to buy. Starting from 2020, in addition to its advertising market share of 80% in the Taipei MRT, ET New Media expanded its advertising operation to the three rings and three Lines of New Taipei MRT, Taoyuan MRT, Taiwan

High Speed Rail and the street furniture of Taipei Bus. And the piers of Taipei MRT in 2023 to enlarge its advertisement business scale, so as to build up its market territory of out-of-home advertising.

In addition to expanding the scale of market operations, according to the trend of foreign off-home advertising, out of-home advertising is paying more and more attention to creativity, data, and online and offline integration, bringing more viewership and attention. Therefore, from 2019, ET New Media has been actively increasing Taipei Metro's visual creative space and advertising design creativity, beautifying the public space of the Taipei MRT, and expects to bring more advertising benefits.

At the same time, we will also cooperate with the physical channels of affiliated companies (including Eip and Inforcharge) to fully exploit the influence of the four-oriented advertising platform. Through the horizontal and vertical diversified cross-industry integrated marketing, it can facilitate and satisfy the diverse marketing needs of advertisers and strengthen the advertising services of ET New Media.

(4) Poll Cloud service

Poll Cloud has a sample size of more than 2 million member. Members come from a wide variety of sources: media, social media platforms, shopping websites, and physical stores. Combined with ETtoday news media tags, one can accurately find respondents and is the largest survey database in Taiwan." Election surveys over the years have accurately predicted the results, and the Company has turned losses into profits in 2023.

(5) 2024 outlook

a. Multiple platforms: ETtoday will become a multi-service platform. In addition to graphic news, there will be more video clicks, live broadcasts, and sharing. In addition to various types of live broadcasts, more "short video" content that fans love, such as pets, stars, and beauty must be broadcast on multiple platforms to increase the spread of news cloud content and opportunities for profit sharing. In addition, it is also operating on omni-media platforms, including news sites, Chunghwa Telecom MOD, and planning the development of audio and video in the direction of short videos, focusing on Mobile only, making all audio and video content more suitable for viewing on various platforms, such as YouTube and Facebook. The platform thus

conducts program content sharing and accounting. And Actively use AI production technology to rapidly improve the quality of audio and video. As of the end of 2023, the revenue from TPS has exceeded NTD 4.68 million, accounting for 11% of the overall revenue from video. The ultimate ideal is to become an all-round entertainment information platform. By combining multimedia audio and video, new media interactive functions and mobile phone anytime and anywhere viewing experience it will let users get the information or entertainment they want anytime, anywhere, and at will.

- b. Online and offline integration: In the past, the media and the general public mostly came into contact online, as the news cloud spread its branches and leaves. In the future, physical activities will become an important interface for contact with consumers, such as picnic days, physical storefronts via ET Pet Co., and offline advertising via Taipei Metro. Through the integration of “online” and “offline”, we can get close to consumers, optimize consumer experience, and increase brand loyalty.
- c. Fans to membership: Currently ET New Media currently has over 26 million fans on Facebook. In order to provide fans with a better consumption experience, “fans” will be transformed into “members”, and “members” will then become “consumers”. This will not only provide “content”, but also establish a deep interaction with fans.
- d. Content Marketing: ET New Media formally established the e-business platform “Unboxing Cloud” in the end of 2020 and there are 19 social media curators sell self-produced products and gain great popularity creating a new business model.
- e. 3-in-one AD Platform: Regarding the deficiency of attention, ET New Media combines digital, outdoor and Focus Media into an integrated advertising platform. In other words, this platform provides digital banners, outdoor advertising, community and business building elevator advertising to attract online and offline attention. The total number reached is up to 10 million. The 3-in-one AD platform is the most influential advertising platform in Taiwan.
- f. Online courses : Monetization of knowledge content; the rise of online learning platforms; the use of Eastern New Media's professional production and broadcasting capabilities and digital media's first-traffic platform resources; the "Learning Cloud" online academy is

planned to offer a variety of online learning courses to increase revenue from new services.

- g. Poll Cloud : Integrating Eastern New Media's digital media business division and out-of-home/focused advertising resources and expanding sales through a "polling + media promotion" solution. To boost Poll Cloud's brand awareness, the Company has partnered with "Fu Jen Catholic University EMI Smart Data Center" to extend the existing price perception surveys by adding survey contents such as consumer behavior and brand preferences. This will generate more discussion and public interest.

2. Medium and long-term business development plan:

- (1) Community operations: Move towards “News 3.0” concept development, establishing the concept of community operations and UGC(User-Generated Content) to encourage everyone contributing to diverse ideas and content. In addition to the Facebook fan group, we also develop various social media and apply various community new technologies. In response to the advent of the personal self-media era, we will also cooperate with each other outside fan groups to expand the sharing of energy. In addition, we will also plan “Community Big Data” applications. With big data and personal recommendation systems, we can predict the news that readers need more accurately.
- (2) Video: With the continuous evolution of social media and the rapid progress of audio-visual technology, social media will combine new technology research and development new tool applications, optimizing and evolving audio-visual news.
- (3) Big Data: We will continue to use the application of big data tools to monitor the trend of the social community, the trend of video and audio and the dynamics of frequency competition, to find out the audio and video content that readers are most interested in, and to strengthen the relevance of the production of audio and video news and the interaction between readers.
- (4) Internet celebrity economy: We will invite multiple artists and Internet celebrities to work together on online programs, short videos, and events, to share traffic, create commercial modules, and create more business cooperation and benefits. The main projects include: life financial management programs, beauty shopping guide programs, and large-scale physical events. It will be centered on Taiwan, connecting

the Asian Chinese area, with ETtoday's self-made programs, short videos, and various large-scale projects cooperating with artists and Internet celebrities. The packaging will be assembled and put on shelves in China, Malaysia, Singapore, Thailand, the Philippines, Vietnam and other related digital platforms do commercial profit sharing, thereby creating greater commercial benefits.

- (5) Multi-screen ads: In order to provide more cross-media advertising marketing services, we will go beyond deep cultivation of download traffic in the future to actively expand the "non-download" advertising business, including program placement, short video shooting, news broadcasting and other services to diversify business opportunity risks. Furthermore, in terms of content focus, we can also create a win-win cooperation situation through cross-industry or peer-industry alliances. We will leverage the influence of our digital, out-of-home and in-building 3-in-one AD Platform, combined with Internet celebrity and community operations, from online network platforms to offline entities and readers, through horizontal and vertical diversified industries Integrated marketing, in addition to facilitating and satisfying the diverse marketing needs of advertisers, and strengthening ET New Media's advertising services.
- (6) Seeking new business models:
 - a. Poll Cloud: Poll Cloud own over 2 million panelists. In previous election surveys, the accuracy of the polls has been high and has attracted attention from all walks of life. In addition to political investigations, many social and life issues can be investigated. At the same time, it integrates group telemarketing resources and has a competitive edge. The unique advantages of the partition.
 - b. ET Pet: Based on the about 1.92million fans of ET Pet, we can guide the pet industry ecology and expand pet business opportunities based on media and membership.
 - c. ETtoday Star Cloud: With the traffic and popularity of ETtoday Star Cloud, and the momentum of the super large talent show "Jungle Voice," it leads the trend and topics. At the same time, it cultivates the singers of Jungle Voice to become next generation stars.
 - d. Unboxing Cloud : ET New Media formally established the e-business platform "Unboxing Cloud" in the end of 2020. The social

media curators sell self-produced products and gain great popularity creating a new business model.

- e. ETtoday Game Cloud: The main development strategy is support government's gaming project and events. It is expected there will be self-organized gaming competition at the company's Linkou headquarters in 2026.
- f. Online academy : Use the professional audio-visual team and traffic advantages of Eastern New Media to cooperate with the teachers of the topic to create new business opportunities.

5.2.2 Overview of market and of production and sales

A. Market analysis

1. Overview of market development

- (1) Online news market: The main competing media for ETtoday News are Apple Daily, UDN, TVBS, China Times Electronic News, and Liberty Times. Looking at the development trend of competitors, at present, there are three main resources/markets for competing industries: content, audience and advertising, and they mainly rely on "Instant News" and "Video content" to rush to attack the aforementioned three markets. ET New Media is actively adjusting its strategy. At present, including traffic and advertising, it has far exceeded other local competitors.
- (2) Online advertising market: According to estimates from Dentsu, the digital advertising market in Taiwan is 56.129 billion in 2023, a decrease of 4.8% from the 58.959 billion in 2022.
- (3) Out-of-home advertising market: According to the data released by Nielsen, Taiwan's five major traditional advertising markets in 2023 was valued at NT\$26.02 billion, which reduced 1.7% compared to the overall advertising of 2022. Outdoor advertising was valued at NT\$4.64 billion (a negative growth of 7.9%).

2. Product development and competitive niches

- (1) Socialization: As social sites such as Facebook mature and mobile devices become more popular, sharing and diversion of content through social media is a must for all news media. On the social networking site, at present, the community operation is still outside the main battlefield of Facebook. Simultaneously, emerging social media including IG and YT are also battlegrounds. At present, various media have also imitated ETtoday News and its development of a concept of "Focus Community."

Outside of Facebook, ETtoday News constantly develops various community tools, dispersing the risk of excessive reliance on Facebook. In addition, in mainland community operations, it currently operates mainly on websites such as Sina Weibo, WeChat, and Meipai, and has developed independent account on Toutiao, WangYi, Baijia, Qiyi, and iQIYI on six trending social media.

- (2) Real-time news: In order to enhance the volume and quality of real-time news, ETtoday recruited some senior media professionals in 2021. We will also invite more famous external writers to write columns, thereby increasing the click rate. And with the aid of technology, we will increase the volume of news to create traffic. The large number of competitors in the contemporary media market leads to fierce competition. The value of news comes mainly from timeliness. Therefore, when there is a major news event, the first report and promotion become the core of creating click-through and traffic. In order to create real-time and high traffic, the news department uses daily monitoring and competition analysis to understand other competitive industry profiles. We will thus optimize news operations on the premise of knowing yourself and the enemy. Simultaneously, we will use text content audio visualization to make news content more eye-catching and more diffuse.
- (3) Audio visualization: Next Digital, China Times, UDN, and others all have parent newspapers or TV stations that provide audio-visual content. In response to the development of video and audio of competitors, ETtoday News actively develops audio and video, providing self-made video and audio news content such as news, instant news, live news, and UGC news. At the same time, the “BOBA” interactive audio-visual news platform was formally established in November 2016, and self-made programs such as news, lifestyle, health, entertainment, etc. were launched.
- (4) Mobility: In terms of trends in news sites, Internet news has been “mobile” and “audio-visual.” The current mobile version of the ETtoday News webpage and flagship version of the app continue to optimize. The Information Department and the Marketing and Public Relations Office of the General Management Office are responsible for optimizing product design, and actively promoting the ETtoday News flagship app. In 2023, ETtoday News’s flagship app reached 3.28 million average daily page views.
- (5) Foreign Cooperation: To increase the richness of content, ETtoday News

has cooperated with many famous artists and magazines. In 2020, in addition to cooperation with political, economic, military, diplomatic and other famous figures, it has more actively developed famous people on soft topics such as pets and film and television, joining a celebrity forum, providing diverse perspectives, and strengthening the free market of opinions.

(6) Project activities:

- a. Online activities: Activities can attract the attention of netizens. In addition to allowing the fan group to grow they can also become a stable source of traffic. Enterprise Prestige Survey was held in December 2021 and invited all netizens to vote “the Award for Best Popularity”, “the Award for Best Brand” and “the Award for Sustainable Development” among 20 industry categories. In response to the 2020 presidential election, the election page and related activities were planned, virtually combined with physical entities, and more than 25 million PVs were attracted on the day of voting.
- b. Offline activities: Organization of ET friendship picnic days, Senior High School graduation songs, and other activities, have gotten considerable responses. At the same time, the ETtoday News app download has been promoted through these events. We have significantly enhanced brand awareness and influence through project activities!
- c. Campus sponsored activities: ETtoday News has gone deep into campuses to actively sponsor campus activities including dance, singing, audio-visual competitions, and other activities at Soochow University, National Taiwan University of Arts, and National Chengchi University. By participating in these events, we actively promote brand awareness and push app downloads locally.
- d. ESG operation : Eastern New Media continues to pay attention to ESG sustainable operation, environmental protection and energy saving topics and actively promotes internal activities such as paperless office initiatives, carbon reduction days for walking and cycling, smart recycling machines, energy-saving plans and other activities. In addition to striving to improve business performance and increase operating profits, Eastern New Media also fulfills its social responsibility by contributing to environmental protection efforts ◦

- B. Important uses and production processes of main products
Not applicable.
- C. Supply conditions of primary raw materials
Not applicable.
- D. Information on major sales customers in the last two years
Not applicable because there were no customers accounting for more than 10% of the total sales in the last two years.
- E. Production value in the last two years
Not applicable for non-production manufacturing.
- F. Sales value in the last two years
Operating income in 2023 was NT\$1,999.32 million. Operating income in 2022 was NT\$2,130.92 million.
- G. Industry-specific key performance indicators
None.

5.3 The business content, market, production and sales of the trading business

5.3.1 Business Content

A. Business Scope:

1. Main content

The main content of the business is ET Pet's physical store pet product sales and services and pet product e-commerce.

2. Current service items

ET Pet's current service items include pet food sales, pet supplies sales, pet grooming services, pet accommodation services, and pet veterinary services.

3. When ET Pet officially opened in November 2018, there were 12 stores and the service scope only covered four counties and cities in northern Taiwan. As of end of 2023 there were 125 stores in total, and the service scope covered 18 counties and cities in Taiwan. In the future, we will continue to integrate pet industry players and cultivate a huge fan base as we move toward online and offline integration.

B. Industry Overview:

1. Current Status and Development

(1) General overview of the pet industry

According to the survey by the Council of Agriculture at the end of 2022, there were more than 2.22 million dogs and cats in Taiwan. Combining with the custom import and export statistics for pet products, the market size of the pet industry in Taiwan is estimated to be more than NT\$50 billion. According to consumer surveys and internal estimates of ETtoday Poll Cloud, the market scale of pet channels in Taiwan is nearly NT\$60 million. The value of the global pet food and health care market alone is already as high as about US\$320 billion. The rise of preventive healthcare is driving the overall pet healthcare and pet insurance markets, which will be the focus of pet industry development in 2024.

(2) Development trends

Taiwan's pet industry is undergoing transformation, and the future of the pet industry will be very different from currently. In addition to the trend of declining birthrates and pets becoming "furbabies," the rate of cat ownership in metropolitan areas is gradually increasing. Factors such as the aging of domestic dogs will change the consumption patterns of owners and consumers. In addition, important trends in business development and innovative business opportunities are brought by

advanced technology, and these may become an opportunity for the pet industry to upgrade:

a. Major trends in business development: A new retail wave of online and offline integration

A “real and virtual integration” channel type has already become a trend, such that businesses must provide a seamless online and offline shopping experience. Take PetSmart, the leading pet retailer in the United States, for example. In 2018, it invested heavily in the acquisition of pet e-commerce platform Chewy. Combined with vast physical storefronts, it provides customers with online ordering and offline pickup services, thus improving its e-commerce capabilities.

b. Advanced technology brings innovative business opportunities

The progress of technology is expected to bring consumers a more innovative consumption experience. At the same time, it helps companies to eliminate the unmet expectations of consumers in the current shopping journey, and provides a more comprehensive and in-depth consumer demand experience. For example, this includes smart feeders that use cloud technology to record a furbaby’s eating history. In addition to reminding the owner or even automatically placing an order to buy pet food, it can also actively monitor the furbaby’s health. Through auxiliary preventive medicine, it can take the consumer experience to the next level.

2. Relevance between the upstream, midstream and downstream of the industry

(1) Upstream: Product manufacturers, such as FWUSOW and DogCatStar, which emphasize that the raw materials and manufacturing processes of their products are all made in Taiwan.

(2) Midstream: Agents and distributors.

(3) Downstream: Retail channels; including professional pet stores, online stores, wholesale stores, etc.

3. Competition

ET Pet is a professional pet channel. Therefore, the competitive situation of the top five professional pet chain companies in Taiwan can be explained as follows:

No.	Operator	Number of stores	Features
1	ET Pet	125	High brand awareness Wide distribution of stores
2	Pet parks	109	Uniform decoration style High proportion of proprietary products

No.	Operator	Number of stores	Features
3	Petsmall	42	Large store Highly professional aquariums
4	Cat and dog kennels	29	Rapid expansion of low-price promotions
5	Jinjingli	124	Around 16 brands.

C. Technology and R&D Overview

Not applicable as there is no entry into production manufacturing.

D. Long-term and short-term business development plan:

1. Short-term business development plan

(1) Offline retail physical channels

Continue to add or merge offline physical channels to enhance the effects and economies of scale brought about by network effects.

(2) Focus on consumer needs

Through the interaction between stores and consumers and engaging in focus group interviews, find the real needs of pet owners, and provide related services based on the real needs of consumers so that ET Pet becomes the first target for consultation or help when consumers encounter problems.

(3) Differentiated service content

Continue to hold pet health examination activities, and regularly tour all stores in Taiwan to provide free pet health examinations and teach pet health methods to distinguish from other chain pet channels.

(4) Differentiated service content

Develop multiple proprietary products such as pet nutraceuticals according to commodity development trends to differentiate from other competitors in the industry.

2. Medium and long-term development plan

(1) Technology upgrades

Raise the threshold, including big data, AI technology and consumer behavior, deepen daily operations and make good use of technical tools, dig a moat for ET Pet and widen the gap with other competitors.

(2) Deeply cultivate the channel brand

Through contact with consumers time and time again, we continue to strengthen consumers' trust in us with innovative activities, affordable prices, and value-for-money services and become the leading channel

brand in the pet industry.

(3) Expand the pet veterinary services

In June 2022, we carried out an in-depth partnership with Loving Kindness Animal Hospital. As of March 2023, there are a total of 15 branches of the Loving Kindness Animal Hospital, which is the largest chain brand of pet medical hospital in Taiwan. The hospital provides the members of ET Pet with exclusive medical services and pet health checkups, and has 24-hour online customer service. In the future, it is expected to build an online medical consultation platform, which will offer comprehensive medical services both online and offline to complete pet ecosystem services.

(4) Develop the pet nutraceuticals

ET Pet is committed to creating a happy life for pets and continues to develop its own products in response to market trends. In 2022, we introduced the leading frozen dried brand Stella&Chewy's in the U.S., and natural pet feeds based on Chinese herbal medicine. In addition, we are also working with Huato to develop pet joints health products. In March 2023, we launched probiotics for pets, combining 10 kinds of probiotics with Chinese herbal extracts to improve the quality of pet health food. In the future, we will provide consumers with high quality and high CP value pet products, and strive to create more high-quality products that are beneficial to pets to live a healthy and happy life.

5.3.2. Overview of market and of production and sales

A. Market analysis

1. Main service provider area

The main sales area of ET Pet is Taiwan.

2. Market share

The estimated number of stores accounts for about 8.5%, and the estimated number of stores is about 10.1%.

3. Future supply and demand status and growth of the market

Taiwan has now entered a stage of being an “aging” and “single” society, with furbabies gradually replacing children and partners. This is also changing the appearance of the pet market. With the evolution of the industry, the growth of traditional pet food and supplies has slowed down. However, the market demand for professional services such as pet care and training is growing rapidly. In addition, there is also huge market demand for furbaby health care services.

Taiwan's pet professional retail channels are estimated to reach 1,700 and the

intensity of market competition is high. In some areas, excessive supply has led to severe price competition. It is estimated that the professional retail channel of pets will continue to move towards horizontal integration in the future. Retail channels that can provide consumers with a good experience, value-added services and solve pain points will win.

4. Competitive niche

(1) Economies of scale

The largest number of stores in Taiwan and the most widely distributed among counties and cities.

(2) Social community resources

The ET Pet fan page has 1.79 million fans.

(3) Multiple services

Retail stores, professional beauty, professional veterinary services, etc.

(4) Multi-channel marketing

The sales channels are diversified including online, offline stores and channels of group enterprises.

5. Favorable and unfavorable factors of development prospects and countermeasures

(1) Favorable factors

a. Corporate management

Taiwan's pet industry does not yet have a mature corporate management system. ET Pet is the first company to enter the pet industry by means of disciplined and formal corporate operations.

b. High brand awareness of the Group

The Eastern Media group's brands have high brand awareness and trust in Taiwan. Therefore, in the process of establishing the channel brand of ET Pet, it has advantages compared with other peers.

c. E-commerce and online marketing

ET Pet is in the field of e-commerce and online marketing. It can be assisted by all group colleagues boasting profound experience. Soft content service aspects also have strong logistical support from the ET Pet fan club, which has accumulated more than 1.79 million fans.

d. Integrate group resource

The ET Group has a wide range of industries and is able to leverage the Group's cross-marketing to strengthen its sales force and channels, giving it a strong competitive advantage in the industries.

(2) Disadvantages and countermeasures

a. Disadvantages:

Excessive competition in physical stores and serious price cuts in online shopping. During the period of rapid market expansion, the speed of physical channel exhibitions is faster than the market growth rate. This leads to excessive competition in physical channels. With the rise of online shopping, those who don't have to bear store rent and related expenses use extremely deep discounts to attract consumers. As a result, profits are not enough to support good service quality.

b. Countermeasures:

Build up channel branding and provide differentiated services and products to bring distinctive consumption experiences to consumers, making consumption not only consumption but also more satisfaction and surprise. In addition, it provides additional value-added services for consumers who value service quality and have a high degree of profit contribution.

B. Important uses and production processes of main products

ET Pet is mainly engaged in general wholesale and retail business and has not entered into production manufacturing.

C. Supply conditions of primary raw materials

Not applicable as ET Pet has not entered into production manufacturing.

D. Major customers in the last two years

ET Pet is mainly engaged in general wholesale and retail business with no specific sales target; this is not applicable.

E. Recent production value

Not applicable as ET Pet has not entered into production manufacturing.

F. Sales volume in the last two years

2022		2023	
Sales volume (Items)	Amount (NTD thousand)	Sales volume (Items)	Amount (NTD thousand)
24,062,858	2,330,262	24,355,518	2,396,583

G. Industry-specific key performance indicators (KPIs)

None.

5.4 Employees

5.4.1 The Company:

March 31, 2024

Unit: Number of people

Year		2022	2023	March 31, 2024
Personnel Number	Management personnel	154	157	155
	Technical personnel	98	99	93
	Total	252	256	248
Average age		45.86	46.02	46.11
Average years of service		15.09	14.67	14.90
Educational distribution proportion	Ph.D.	1	2	2
	Master's degree	33	34	34
	Junior college	165	171	166
	High school	47	44	42
	Below high school	6	5	4

5.4.2 Related companies:

March 31, 2024

Unit: Number of people

Year		2022	2023	March 31, 2024
Personnel Number	Management personnel	215	217	219
	Technical personnel	1,292	1,248	1,187
	Total	1,507	1,465	1,406
Average age		33.58	34.24	34.47
Average years of service		4.22	4.74	4.96
Educational distribution proportion	Ph.D.	1	1	1
	Master's degree	82	71	67
	Junior college	1,070	1,044	1,000
	High school	340	338	327
	Below high school	14	11	11

5.5 Information on environmental protection expenditures

5.5.1 In the most recent year and as of the date of publication of the annual report, losses due to environmental pollution (including compensation and environmental protection audit results that violate environmental protection laws and regulations, the date of punishment, the scope of the punishment, the violation of the provisions of the regulations, the content of the violation of the regulations, the content of the punishment), and disclose the current and future estimated amount and corresponding measures; if it cannot be reasonably estimated, the fact that it cannot be reasonably estimated should be stated:

None.

5.5.2 Warehousing business:

A. According to the law, for those who should apply for a pollution facility permit or a pollution discharge permit, or should pay pollution prevention and control fees or set up personnel in an environmental protection unit, explanation of their application, payment or establishment:

Due to the nature of the industry, the terminal silo does not need to apply for pollution facilities or discharge permits, or pay pollution prevention fees or set up special environmental protection personnel.

B. In reference to the Greenhouse Gas Reduction and Management Act (the “Reduction and Management Act”) issued on 2015.07.01 by the Environmental Protection Administration, at present, the four silos are not included in the emission source inventory. There is no impact on the terminal silo operations.

C. To effectively reduce the fine suspended particles in the air (PM2.5), the Environmental Protection Administration of the Executive Yuan will levy air pollution fees including those for PM2.5 starting from July 2018. In response to laws and regulations, in the four silos in Taichung and Kaohsiung, we persuade the trucking industry to cut off the truck support rails to facilitate the extension of the unloading pipe to reduce dust when loading grain. When the truck is loaded, it must be covered with canvas. And we also persuade truck drivers to turn off the engine while waiting to reduce the exhaust gas generated by idling. Sprinklers, dust-proof rubber strips and dust screens are equipped at truck discharging ports to suppress the dust. In addition, we are also actively enhancing the functions of the dust collection equipment in the factory, including strengthening the cleaning of dust filter bags and increasing the replacement frequency, renewing dust collectors and pipelines, etc.

5.6 Labor Relations

5.6.1 Working environment and personal safety

A. All employees

1. The Company prepares employee health check services with a budget of NTD 6,000 per employee every year, and it adopts the method of hospital inspection. In addition to the general statutory inspection items, the physical examination content also includes ultrasound, X-ray, blood and urine tests, various cardiovascular examinations, computer tomography and cancer index testing of various parts of the body. In addition, family members of employees can participate in employee health check at their own expense at the same preferential price, placing great emphasis on maintaining the health of employees and their families.
2. In addition to statutory protections such as labor insurance and health insurance for employees of the Company, the Company will add group insurance for each employee. Group insurance includes items such as critical illness insurance, life insurance, accidental injury insurance, occupational injury insurance, accidental medical insurance, hospitalization medical insurance, cancer medical insurance, and so on. Furthermore, many of the above insurance items also cover spouses and children. It is a comprehensive welfare guarantee that can take care of employees and take care of their families.

B. Storage business

In view of the fact that the silos are mainly used for unloading of bulk grain ships and loading of grain out of the warehouse, the working environment is very different from that of general production sites. The environmental aspect mainly encompasses dust and noise, which directly affect the health of the workers. The wild pigeons near the silo are occasionally the subject of complaints by neighbors. In the industrial safety aspect, fire, dust explosions, hanging, and falling are more likely to occur.

The Company's current environmental and industrial safety management measures are summarized as follows:

1. Environmental aspect:

- (1) The dust collection equipment keeps normal operation at any time and there is regular inspection, cleaning, and updating of the filter bag to make sure that exhaust gas is free of dust.
- (2) The indoor and outdoor environmental cleaning committee cleans grain on the ground at any time by using a professional labor service company to keep the environment clean at all times.

- (3) Set up a sprinkler and spray device at the discharge port of the truck to reduce dust from loading
- (4) The silo factory area is equipped with a pigeon-blocking net to reduce the roosting and foraging of wild pigeons, so as to inhibit the proliferation of these animals.
- (5) Allocate dust masks and noise-proof earplugs to protect employees' health.
- (6) Equip every silo with professional measuring instruments to monitor the noise 、 dust concentration 、 the temperature of the operating equipment and the vibration diagnosis of the running motor in the workplaces to enhance the safety of environmental health of the operating personnel.
- (7) During the COVID-19 pandemic, in line with the government's prevention measures, we strengthened the wearing of personal protective equipment for the operators and implemented workplace and workflow diversion.
- (8) Conduct regular health checks on employees every year.

2. Work safety aspect:

- (1) Follow the fire regulations and regulations. Every six months, the Taichung and Kaohsiung operations offices hold fire drills. Every employee must be familiar with actions such as evacuation and firefighting.
- (2) Hanging appliances must obtain a license for use in accordance with the labor inspection regulations, and apply for re-inspection every year to obtain qualified use license.
- (3) During the Spring Festival period every year, we cooperate with port management units to handle drills and carry out Spring Festival work.
- (4) The two operations offices at Taichung and Kaohsiung have established emergency response teams and implement drills every year to make sure that every employee is familiar with disaster response operations and tasks.
- (5) Based on the fact that there is no holiday for work safety, the operating offices in Taichung and Kaohsiung convene regular work safety meetings every week, with members including on-site supervisors and contractors of each team, team leaders and deputy team leaders, as well as the manager and assistant manager of the operating offices, so as to establish a bottom-up management model of automatically identifying problems and coordinating with each team to solve problems and take response measures.
- (6) Keep the fire and alarm system facilities within the qualified period and can operate at any time, and in accordance with the requirements of fire protection regulations, every year, professional fire-fighting manufacturers are invited to inspect and repair damaged facilities.

- (7) Operators of rigging and hoisting equipment must be trained and qualified to obtain an operation certificate before they are allowed to operate, and regularly return to training in accordance with regulations.
- (8) Conveying equipment (chain conveyors, bucket lifts) are equipped with monitoring instruments. The signals are sent to the control center to monitor to get facility operation information at any time and facilitate immediate handling of abnormal conditions.

3. Self-supervision and inspection measures:

- (1) Set up electrical administrators in accordance with power regulations, perform self-inspection, repair and replacement in accordance with regulations and make a register to the area (Taichung City, Kaohsiung City); the Construction Bureau reports the results.
- (2) The four silos in Taichung and Kaohsiung conduct regular and comprehensive inspections on high and low voltage equipment and circuit commissions by professional electrical engineering consulting companies, replacing unqualified equipment and lines.
- (3) The two operating offices in Taichung and Kaohsiung have established a “Sustainable Innovation Group” has been established from January 1, 2023, including environmental protection, and industrial safety management personnel respectively. They regularly inspect the factory area. If it is found that there is a violation of environmental protection, industrial safety regulations, or that affects the well-being of employees, they immediately make corrections and improvements and accept irregular inspections from the head office’s storage division.
- (4) The warehousing division of the head office collects the latest regulations or new knowledge of environmental protection and industrial safety, and according to the relevant education and training courses for on-site employees.
- (5) In response to international trends of development as well as the government policies, continue to reinforce the ESG (environmental, social and corporate governance) information disclosure and the promotion of relevant measures to progress toward the targets of sustainable operating and improving market competitiveness.

5.6.2 Welfare system:

A. The Company has established a complete welfare system in addition to the various welfare projects, facilities and activities provided by the Company. Furthermore, the law provides for the establishment of a consortium legal person employee welfare committee responsible for formulating employee welfare

measures and promoting related activities. The Company and the welfare committee have compiled annual budgets and implemented them as planned.

B. The main welfare items include group insurance, weddings and funerals and celebration subsidies, continuing education subsidies, travel subsidies, and new year gifts (gift money), birthday gifts, and so on.

5.6.3 Signing of collective agreements:

On December 1, 2023, the company reviewed the draft collective agreement proposed by the union to stabilize labor-management relations, promote harmony between labor and management, and enhance labor welfare. Negotiations on the draft collective agreement will be conducted on a clause-by-clause basis in 2024, covering labor conditions, welfare measures, occupational safety, internal complaint mechanisms, union operational activities, and the utilization of corporate facilities.

5.6.4 Education and training:

A. The Company attaches great importance to employee education and training. It has formulated the “Employee On-the-job Education and Training Measures,” and the Human Resources Office of the Management Department is responsible for implementing relevant training programs.

B. The Company’s education and training types are divided into six categories: pre-employment training, professional training, business management training, computer/language training, secondary expertise, and E-learning network learning training. The courses include ethical corporate management compliance, risk control, human rights education, occupational safety and health policies, and health seminars. Each department has compiled an annual education and training budget, In addition to participating in the Company’s own training, employees are also encouraged to participate in more field training and self-study to increase competitiveness.

C. The Company’s education and training in 2023 are aimed at training employees’ operational management capabilities, strengthening awareness of current labor laws and regulations, and enhancing employees’ information and computer operation skills, actively promoting it through the Company’s internal lecturers and external professional teachers.

D. The Company's 2023 education and training related statistics are as follows:

A: Total internal training hours: 10,145H

B: Total training hours dispatched: 1,516.5H

C: Total training hours of E-learning: 4,113H

D: Total education and training hours: 15,774.5H

E: Total number of trainees: 15,457 people

F: Total costs of education and training: NT\$1,684,714

5.6.5 Retirement system

A. The Company has established comprehensive employee retirement measures and established a labor retirement reserve supervision committee to allocate monthly retirement reserves and deposit them in a special bank account in Taiwan for safekeeping; all operations are handled in accordance with laws and regulations and reported to the competent authority for review.

B. In accordance with the implementation of the Labor Pension Regulations on July 1, 1995, for those who choose to apply the new system, 6% of their retirement pensions must be paid in accordance with the law and deposited in the individual account of the Labor Insurance Bureau.

5.6.6 Employee complaints

In line with the implementation of the Act of Gender Equality in Employment, the Company has revised the relevant internal leave regulations and formulated the “Sexual Harassment Prevention Measures, Appeals and Disciplinary Measures in the Workplace.” If the rights and interests of employees are violated, they can file a complaint according to the regulations.

5.6.7 Staff Service Code

- A. Employees should abide by all regulations and loyal services of the Company.
- B. Employees should abide by their positions, be responsible for their duties, supervise and direct the timely completion of supervisory matters, and be responsible for handling matters properly and promptly.
- C. Employees have the obligation to obey the command and dispatch of their superiors within the scope of their duties, and must not disobey, evade or leave their duties without authorization. Supervisors at all levels should also be fair and generous to their staff, guide the work, and must not use violence, coercion or other illegal methods to force work.
- D. Employees should be courteous and sincere and maintain the Company’s reputation.
- E. Employees should wear modest and dignified clothes during office hours, do not eat snacks or gather people to chat, pay attention to the surrounding environment is clean, try to avoid private calls, and make a long story short if necessary.
- F. Employees should work together and cooperate with each other, exert team spirit, and achieve work goals. If there are disagreements on the matters to be handled, they should be reported to the superior for arbitration, and quarrels, fights, or disturbing order must not be allowed.
- G. Employees are not allowed to harm the interests of the Company, and must not

use their positions (rights) to illegally profit themselves or others.

- H. Employees should take good care of the documents and articles under management, and should cherish maintenance of the Company's financial equipment, and must not waste, damage, or alter them for private use.
 - I. Employees must not exploit or extract benefits from the remuneration of others for their work.
 - J. Employees are not allowed to misappropriate loans from the Company or the vendors with which the Company has a relationship, or guarantee others in the name of their duties.
 - K. Employees must not forge vouchers, report expenses to the Company, and must not deduct or collect commissions from the payable expenses.
 - L. Regarding the undertakings and the Company's confidential information and business secrets, the obligation to keep confidential must be strictly observed during the employment period and after termination of employment.
 - M. Employees should abide by the regulations on salary confidentiality.
 - N. The intellectual property of the employee's invention, creation or work related to his or her duties during the service period must be reported to the Company and belong to the Company.
 - O. Employees are not allowed to hold any positions other than the Company's duties without the Company's prior approval.
 - P. Employees working in the port area should wear uniforms when attending work and abide by the port area regulations.
 - Q. When an employee violates the provisions of each article in this chapter, the Company may, in accordance with the seriousness of the circumstances, negotiate according to the rewards and punishments, and the Company has the right to demand compensation within a reasonable range if the behavior causes loss or damage to the Company.
- 5.6.8 There is an "employee service immediate center" service that adopts on-demand, deadline processing, immediate response and closing control and other operating standards. Employees can apply directly in writing, employee suggestion box, online application, etc.
- 5.6.9 Occupational Safety and Health Policies
- To protect the safety and health of all employees of the Company and prevent occupational accidents from occurrence, the Company commits to establish and maintain an effective occupational safety management system, and will continue to improve it. Awareness of occupational safety is the responsibility of every employee. In the future, we will strive to improve the safety and health educational training for all employees, increase the knowledge and awareness of safety and

health, protect the safety and health of all workers, and provide a comfortable and safe workplace.

To prevent the occurrence of occupational accident, protect employees' safety and health, and achieve zero occupational accidents, the Company establishes the "Occupational Safety and Health Management Plan" according to Article 23 of the Occupational Safety and Health Act and Article 31 of the Enforcement Rules of the Occupational Safety and Health Act. The main implementation contents are summarized as follows:

- A. Establish the "Occupational Safety and Health Committee" and convene meetings periodically to prepare, implement, and track the Occupational Safety and Health Management Plan; in addition, to review occupational safety and health related regulations and improvement items.
- B. The Company sets up full-time occupational safety and health management staff by law; prepares proactive safety and health inspection plans and forms; implements regular inspections, key inspections and operational checkpoints, and keeps records.
- C. It holds relevant education and training according to the courses and hours of education and training stipulated in the "Occupational Safety and Health Education and Training Rules"(including training and lectures about occupational safety and health); and announces, from time to time, various safety and health information and health promotion videos in the Company's E-learning platform.
- D. Regularly inspect the hazards in the employee work environment: Outsource the inspection to a qualified and registered organization and keep the inspection results for future reference to ensure that employee exposure to hazards is below the standard.
- E. Conduct the annual health checkup. The hospital provides overall statistics based on the examination results, and the medical staff selects abnormal cases, conducts risk classification and follow-up management; and introduces on-site services of medical consultation.

5.6.10 Please list the losses suffered due to labor disputes in the most recent year and as of the publication date of the annual report, and disclose the estimated amount and corresponding measures that may occur at present and in the future. If it cannot be reasonably estimated, the fact that it cannot be reasonably estimated must be stated: None.

5.6.11 Won the 2013 Taipei City Workforce Reconstruction and Utilization Office Certification Mark A.

5.6.12 The Company's Kaohsiung Department of Warehousing Division was awarded the

2020 Annual Fortune Enterprise Golden Award in Kaohsiung City - Wage category.

5.6.13 In 2023, the Taipei Headquarters, Taichung Office and Kaohsiung Office were awarded the "Healthy Workplace Certification - Health Promotion Badge" by the Health Promotion Administration, Ministry of Health and Welfare.

5.6.14 The Company was awarded the sports enterprise certification mark, medal and trophy in 2023 by the Sports Administration, Ministry of Education, which is valid from November 1, 2023 to October 31, 2026 (valid for three years).

5.6.15 Honored by 1111 Job Bank as the Gold Award and Special Award for the 2021-2022 Happy Company - Livelihood Service Industry. Honored by 1111 Job Bank as the Gold Award for the 2023 Happy Company - Livelihood Service Industry.

5.6.16 The Company's personnel involved in the transparency of financial information have obtained the relevant licenses as follows:

License	Number of people
Accountant of the Republic of China	1
Internal auditor	2
Lawyer	1
Public issuance of the professional certification certificate of the Company's accounting supervisor	2

5.7 Cyber security management

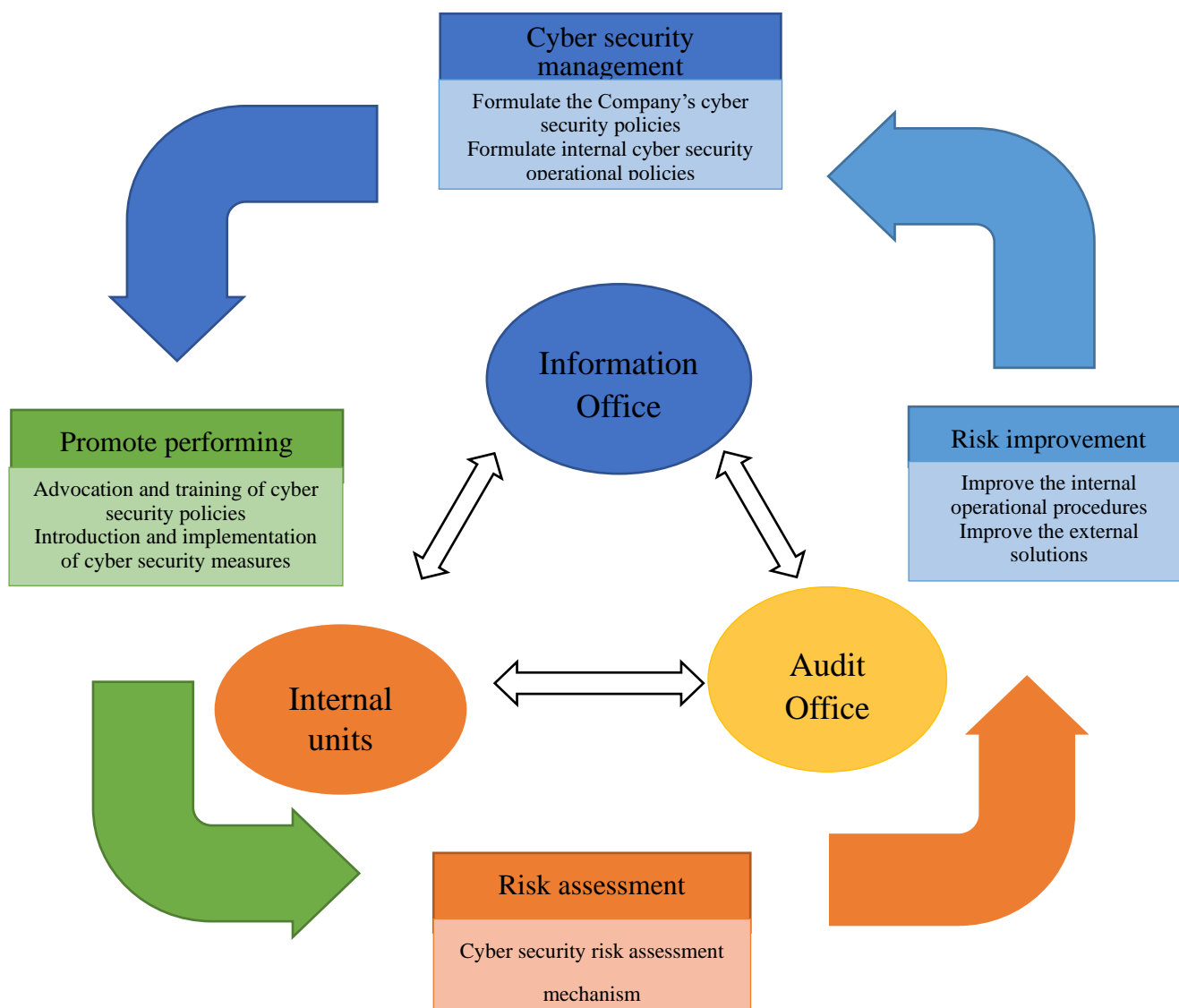
5.7.1 Specify the cyber security risk management structure, cyber security policies, specific administration program and resources invested in cyber security management, etc.

1. Cyber security management task force

The cyber security authority of the Company is the Information Office, which is responsible for planning, performing and promoting cyber security management affairs and advocating cyber security awareness.

The Company's Audit Office is the audit unit of cyber security supervisory. If any audit findings are presented, it will require the audited unit to submit relevant improvement plan and report to the Board of Directors and track the improvement result to reduce the internal cyber security risks.

Organization operating model- adopting PDCA (Plan-Do-Check-Act) cyclical management to ensure the achievement of reliability targets and keep improving.



2. Cyber security risk management mechanism:

Perform the administration of server room, computer file security, internet security, email security, information system access control, etc.

3. Cyber security policies:

(1) Cyber security targets:

Establish a safe and reliable computerized operating environment and ensure the security of the Company's information, systems, devices, and Internet to protect the Company's benefit and the sustainable operation of the information systems of each unit.

Cyber security scope:

A. Personnel management and cyber security training; B. Computer system security management; C. Internet security management; D. System access control; E. System development and maintenance security management; F. Information asset security management; G. Physical and environmental security management; H. Management of information system sustainable operation plan; I. Cyber security auditing

(2) Principles and standards of cyber security:

A. Conduct cyber security education training and advocacy periodically, including cyber security policies, cyber security laws and regulations, cyber security operating procedures, how to use information technology devices properly, etc., to make employees understand the importance of cyber security and various possible security risks and strengthen their cyber security awareness so that they can follow the regulations.

B. In prevention of the information systems and files being infected by the computer virus, the Company shall adopt detection and prevention measures against the computer virus. An intrusion Prevention System should be equipped against intrusion and malicious attacks to ensure the requirement of computer data security.

C. In preventing the disruption of the Company's material information asset and critical business or communication system caused by natural disasters or human errors, the Company should establish policies for planning the sustainable operating of information systems.

(3) Rules that employees should follow:

A. IT unit shall create an "User ID" upon receiving the account application.

B. Computer data and devices shall not be corrupted, taken out, lent or improperly modified to maintain data integrity.

C. Using copyright-free software is prohibited.

- D. After logging in to the mainframe, if the operation has ended or the machine has not been used for a long time, the user shall log out to prevent confidential data leakage, corruption by others or computer crashes.
- E. Computer devices shall be located for convenience and shall be kept away from drinks, sunlight or humid locations to prolong their lifetime.
- F. When resigning or transferring one job to another, the IT unit shall properly dispose of the data in consideration of data relevance.
- G. When a computer device is out of order, the user shall contact the IT unit immediately for inspection or repair.
- H. When computer devices are decommissioned, the data stored on the storage devices, such as hard disk, shall be completely removed to prevent leakage of the corporate information.

4. Specific administration program for cyber security:

(1) Firewall protection:

- A. Firewall connecting setup rules.
- B. Firewall shall have capabilities of intruder prevention, unified threat prevention, etc.
- C. Special connection requests shall be applied additionally.
- D. We continuously update our firewall to industry-leading and higher security standards to enhance our defense capabilities against external threats.

(2) User connection controls:

- A. Control user connection to the Internet via auto website protection system.
- B. Automatically filter the websites with a Trojan Horse program, ransomware or malware that users may link to when surfing the Internet.

(3) Antivirus software:

- A. Use anti-virus software and update the virus patterns automatically to reduce the possibility of infection.

(4) Extended Detection and Response (XDR) software:

Adopting XDR enhances our ability to detect attacks and accelerates our response time to threats.

(5) Scanning internal network vulnerabilities:

- A. Vulnerability scanning can help identify and patch security vulnerabilities that may be exploited by hackers, thereby enhancing network security.

- B. By regularly scanning and patching vulnerabilities, the risk of data breaches or other security incidents caused by security vulnerabilities can be reduced.
- (6) Operating system updates:
- A. The operating system shall be updated automatically. For devices that are not updated for any reason, the Information Office shall assist in updating.
 - B. Install the email threat scanner system (email firewall) to prevent unsafe attachments in advance, phishing emails, spam emails before users receive the emails, to extend the protection against malicious linkages.
- (7) Email security controls:
- A. Install the spam mail filter to prevent malware and phishing emails.
 - B. After the emails are received by PCs, they will also be scanned by the anti-virus software for unsafe attachments.
- (8) Data backups:
- A. Important databases of information systems shall be backed up automatically on a daily basis. The backup mechanism contains local backup and off-site backup.
- (9) Disaster recovery drill:
- A. The DR drill of ERP system shall be performed once per year.
Designate the base time point of the restoration date, store the data from the backup media back to the host, enter 1-day operation data in parallel, and then confirm the correctness of the restored data by the user units in writing.
 - B. Ensure the correctness and effectiveness of the backup storage media and redundant host programs.
- (10) Upload important files to the server:
- A. The important files of each department of the Company shall be stored on the server and backed up by the Information Office.
- (11) Cyber security insurance:
- A. The majority of the Company's customers are corporates, so there is no risk to consumer personal data retention. After evaluating the coverage and applicable industries of the cyber security insurances in the market, the Company will not take out the cyber security insurance for the time being.
 - B. However, in response to the cyber security challenges, it has equipped relevant software and hardware, such as firewall, anti-virus and intrusion prevention systems, etc. The Company will keep watch the trend of cyber environment changes and strengthen the cyber security

awareness of employees and the response capabilities of the cyber security personnel.

5. Emergency report procedures

When a cyber security incident occurs, the occurring unit shall notify the cyber security management task force to determine the type of incident, identify the problem, deal with it timely and keep a record.

6. Advocation and training of cyber security

Password policy: request employees to change system passwords periodically to maintain account security.

Advocation lecture: conduct cyber security-related training for employees annually.

The Company has established relevant administration policies for the identified cyber security risks (including the standards to be followed, administration and implementation) and has formulated and carried out specific administration operations accordingly (including security administration operation, firewall administration, user system access management, data revision request management, information system emergency response, information system file backup management, information devices decommission and handover management, and digital file management, etc.). The operations are incorporated into the internal control system, the Auditing Office, on a yearly basis, includes the cyber security inspection in the annual audit plan and reports the implementation of cyber security risk management to the Audit Committee and Board of Directors.

5.7.2 List any losses, possible impacts and countermeasures for incidents caused by significant cyber security issues that was suffered by the company from the most recent fiscal years up to the date of publication of the annual report.

If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

None.

5.8 Important contracts

5.8.1 Storage business

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Kaohsiung Pier 71, 80,000 tons And 20,000 tons of silo lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd. -Kaohsiung Port Branch	2019-2028	1. Lease of 100,000 tons of silo space and ancillary equipment at Pier 71, with a lease term of ten years. 2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	It is not allowed to request the establishment of superficies or the guarantee of mortgage rights in this contract.
Kaohsiung Pier 71, 80,000 tons And 20,000 tons of silo lease contract revision agreement	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd. -Kaohsiung Port Branch	2019-2028	2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	
Kaohsiung Pier 72, 80,000 tons silo lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd. -Kaohsiung Port Branch	2019-2028	1. Lease 80,000 tons of silos and ancillary equipment at Pier 72; the lease term is ten years. 2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	Same as above
Kaohsiung Pier 72, 80,000 tons Silo lease agreement revision agreement	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd.-Kaohsiung Port Branch	2019-2028	2. If it is intended to continue the lease, rent will be continued for ten years under no less than the original contract conditions.	
Taichung Port No. 1, No. 3 terminal land and silo facilities lease contract	1. Eastern Media International Corporation 2. Taiwan International Ports Corporation, Ltd. -Taichung Port Branch	2019-2028	1. Lease of 90,000 tons of silos and ancillary equipment at Pier 1; the lease term is ten years. 2. Lease of 60,000 tons of silos and ancillary equipment at Pier 3; the lease term is ten years. 3. If there is intention to continue the lease, continue to rent for ten years with no less than the original contract.	Same as above

5.8.2 Media Business

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Revenue contract	Taipei Rapid Transit Corporation	2018.10.8 ~ 2024.1.16 (Lease period: 2~4 years)	Advertising billboards in MRT stations (Advertising space, Electronic Multimedia Display System, Multimedia e-shopping panel etc.)	It may not be subleased or assigned to others for operation.
Service procurement contract	Taipei City Public Transportation Office	2020.12.8 ~ 2023.9.30 (Lease period: about 3 years)	The operational management of street furniture advertising in Taipei City	May not assign the contract to others in part or in whole .
Advertising media entrusted operation agreement	Taiwan High Speed Rail Corporation	2022.9.1 ~ 2026.8.31 (Lease period: 4 year)	Ad media entrusted management for Taiwan High Speed Rail (Responsible for the production of advertising materials resulting from the entrusted management of the subject advertising space.)	It may not be assigned to a third party or exercised by a third party on proxy.
Lease contract	New Taipei Metro Corporation	2020.4.21 ~ 2024.11.30 (Lease period: 4 years)	Advertising spaces of Danhai LRT (Advertising spaces on piers, station outer wall and the connecting channel of Danhai LRT)	May not, in whole or in part, sublease, lend or assign the leasehold to others or allow others to use in lieu.
Lease contract	TAOYUAN METRO CORPORATION	2020.7.1 ~ 2024.6.30 (Lease period: 4 years)	Lease of advertising spaces in Taoyuan Airport MRT A1 to A21 stations, in train cars and on car bodies, train information video advertising.	May not assign the leasehold to others in part or in whole.

5.8.3 Long-term loan contracts

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Medium term borrowings	1.Eastern Media International Corporation 2.Taiwan Business Bank	2021~2026	The credit line is NT\$100 million.	None
Long term borrowings	1.Eastern Media International Corporation 2.King's Town Bank	2022-2030	The credit line is NT\$1,000 million.	1.Total liabilities/shareholders' equity must not exceed 250%. 2.The interest coverage ratio shall not be lower than 2 times.
Long term borrowings	1.Eastern Media International Corporation 2.Mega Commercial Bank	2022~2029	The credit line is NT\$180 million.	1. Current assets/Current liabilities must not be less than 100%。 2.Total liabilities /tangible net worth must not be higher than 250%。
Long term borrowings	1.Eastern Media International Corporation 2.King's Town Bank	2023~2031	The credit line is NT\$925 million.	None
Medium term borrowings	1.Eastern Media International Corporation 2.King's Town Bank	2023~2028	The credit line is NT\$75 million.	None
Medium term borrowings	1.HER Hotels & Resorts Group Yilan 2.King's Town Bank	2022-2025	The credit line is NT\$800 million.	None
Medium term borrowings	1.ET Pet Co., Ltd. 2.Mega Commercial Bank	2019~2025	The credit line is NT\$68 million.	None
Long term borrowings	1.ET Pet Co., Ltd. 2.King's Town Bank	2021-2029	The credit line is NT\$780 million.	1. Total liabilities /Shareholders' equity must not be higher than 250%. 2.The interest coverage ratio shall not be lower than 200%.
Long term borrowings	1.Eastern Asset Co., Ltd. 2.Mega Commercial Bank	2022-2037	The credit line is NT\$3,500 million	1.Shareholders' equity /total assets must not be lower than 30%. 2.The interest coverage ratio shall not be lower than 1 times.
Medium term borrowings	1.Care Pet Bio-Tech Company 2.SinoPac Financial Holdings Company	2023~2025	The credit line is NT\$58 million	None
Medium term borrowings	1.Care Pet Bio-Tech Company 2.Shin Kong Bank Co., Ltd	2024~2029	The credit line is NT\$35 million	None

5.8.4 Others

Nature of contract	Involved party	Contract start and end date	Principal content	Restrictive clauses
Contract for establishment of superficies	Economic Development Department, New Taipei City Government (On behalf of) Northern Region Branch, National Property Administration, MOF	2020.4.13 ~ 2070.4.12	<ol style="list-style-type: none"> 1. The Company pays annual lease to the National Property Administration at a rate of 1.1% (current annual interest rate of the announced land value)+2.4% (the annual interest rate of the announced land value when contract) every year. 2. After formal operation, the Company has to pay additional operating royalty for about 2% of net operating revenue each year. 	Upon expiration of the lease, the buildings and relevant facilities and equipment shall be transferred for free to the National Property Administration or its designatee. Any buildings on the ground and relevant facilities and equipment, that are deemed to have no use value by the National Property Administration, must be demolished, cleaned up and vacated per instructions of the National Property Administration, and then the land shall be returned.

VI. Financial Overview

6.1 Concise balance sheet, Comprehensive Income Statement and accountant's audit opinions for the most recent five years

6.1.1 Condensed Balance Sheet and Comprehensive Income Statement- International Financial Reporting Standards

Condensed Balance Sheet-Consolidated

Unit: NTD Thousand

Item		Financial information				
		2023	2022	2021	2020	2019
Current assets		4,147,334	4,213,260	3,906,853	3,280,987	3,208,576
Property, plant and equipment		4,270,166	2,620,318	1,764,631	1,669,684	1,439,296
Right of use assets		7,023,430	6,412,380	6,303,591	7,210,677	6,762,163
Intangible assets		15,286	24,602	405,966	467,334	490,834
Other assets		2,111,616	2,226,323	3,538,766	3,594,792	3,004,918
Total assets		17,567,832	15,496,883	15,919,807	16,223,474	14,905,787
Current liabilities:	Before distribution	3,372,046	3,639,198	3,545,961	2,581,251	2,204,163
	After distribution	3,372,046	3,639,198	4,074,911	3,026,683	2,760,953
Non-current liabilities:		9,977,945	7,784,349	5,713,741	6,896,700	6,251,445
Total liabilities	Before distribution	13,349,991	11,423,547	9,259,702	9,477,951	8,455,608
	After distribution	13,349,991	11,423,547	9,788,652	9,923,383	9,012,398
Attributable to parent company Owners' equity		3,301,934	3,534,055	6,243,683	6,276,616	6,361,140
Share capital		3,002,431	4,760,554	5,289,504	5,567,899	5,567,899
Capital surplus		15,992	15,992	16,243	20,769	20,769
Retained Earnings	Before distribution	384,991	(1,098,138)	1,284,545	983,904	1,000,273
	After distribution	384,991	(1,098,138)	755,595	538,472	443,483
Other equity interest		(101,480)	(144,353)	(346,609)	(295,956)	(227,801)
Treasury shares		0	0	0	0	0
Non-controlling interests		915,907	539,281	416,422	468,907	89,039
Equity Total amount	Before distribution	4,217,841	4,073,336	6,660,105	6,745,523	6,450,179
	After distribution	4,217,841	4,073,336	6,131,155	6,300,091	5,893,389

Note: Due to profit deficits in both fiscal years 2022 and 2023, it is intended not to distribute cash dividends.

Condensed Comprehensive Income Statement-Consolidated

Unit: NTD Thousand

Earnings (Loss)per share unit: NTD

Item \ Year	Financial information				
	2023	2022	2021	2020	2019
Operating income	5,841,598	5,949,064	5,511,919	4,728,014	3,129,360
Operating margin	1,711,646	1,918,286	1,668,261	1,444,933	942,657
Operating profit and loss	(90,069)	210,829	157,122	(10,155)	(23,227)
Non-operating income and expenses	(202,902)	(1,713,051)	553,030	319,874	383,947
Net profit(loss) before tax	(292,971)	(1,502,222)	710,152	309,719	360,720
Continuing operations (Loss)					
Profit after tax for the current period	(346,082)	(1,750,246)	749,290	493,106	544,725
Profit or loss from discontinued operations	0	0	0	0	(168,130)
Profit (loss) for the period	(346,082)	(1,750,246)	749,290	493,106	376,595
Other comprehensive income, net of tax, for the period (Net of tax)	36,880	217,366	(50,136)	(48,743)	(60,899)
Total comprehensive income for the period	(309,202)	(1,532,880)	699,154	444,363	315,696
Net profit (loss) attributable to Owners of parent	(272,765)	(1,655,102)	745,493	520,859	390,531
Net profit (loss) attributable to non-controlling interest	(73,317)	(95,144)	3,797	(27,753)	(13,936)
Total comprehensive income attributable to owner of the parent company	(235,770)	(1,438,312)	695,498	472,266	329,653
Total comprehensive profit and loss attributable to non-controlling interests	(73,432)	(94,568)	3,656	(27,903)	(13,957)
Earnings (loss) per share	(0.91)	(5.06)	1.37	0.94	0.70

Concise balance sheet-parent company only

Unit: NTD Thousand

Item		Year	Financial information				
			2023	2022	2021	2020	2019
Current assets			1,634,718	1,628,400	1,800,650	1,813,349	2,229,749
Property, plant and equipment			712,428	700,484	570,737	387,257	285,395
Right of use assets			3,168,904	3,387,080	3,496,274	3,709,212	3,925,459
Intangible assets			2,655	2,477	1,351	817	538
Other assets			3,929,818	3,613,995	5,062,712	5,051,122	4,205,078
Total assets			9,448,523	9,332,436	10,931,724	10,961,757	10,646,219
Current liabilities:	Before distribution		633,284	929,274	640,038	554,574	343,995
	After distribution		633,284	929,274	1,168,988	1,000,006	900,785
Non-current liabilities:			5,513,305	4,869,107	4,048,003	4,130,567	3,941,084
Total liabilities	Before distribution		6,146,589	5,798,381	4,688,041	4,685,141	4,285,079
	After distribution		6,146,589	5,798,381	5,216,991	5,130,573	4,841,869
Attributable to parent company Owners' equity			3,301,934	3,534,055	6,243,683	6,276,616	6,361,140
Share capital			3,002,431	4,760,554	5,289,504	5,567,899	5,567,899
Capital surplus			15,992	15,992	16,243	20,769	20,769
Retained Earnings	Before distribution		384,991	(1,098,138)	1,284,545	983,904	1,000,273
	After distribution		384,991	(1,098,138)	755,595	538,472	443,483
Other equity interest			(101,480)	(144,353)	(346,609)	(295,956)	(227,801)
Treasury shares			0	0	0	0	0
Non-controlling interests			0	0	0	0	0
Equity total amount	Before distribution		3,301,934	3,534,055	6,243,683	6,276,616	6,361,140
	After distribution		3,301,934	3,534,055	5,714,733	5,831,184	5,804,350

Note: Due to profit deficits in both fiscal years 2022 and 2023, it is intended not to distribute cash dividends.

Concise comprehensive income statement-parent company only

Unit: NTD Thousand
Earnings(Loss) per share unit:
NTD

Item	Year	Financial information				
		2023	2022	2021	2020	2019
Operating income		1,436,570	1,479,159	1,369,908	1,338,004	1,282,112
Operating margin		773,659	824,167	728,207	728,733	665,722
Operating profit and loss		473,025	506,562	390,959	428,709	430,177
Non-operating income and expenses		(692,202)	(1,916,675)	309,406	(107,857)	(236,499)
Net profit(loss) before tax		(219,177)	(1,410,113)	700,365	320,852	193,678
Continuing operations (Loss)						
Profit after tax for the current period		(272,765)	(1,655,102)	745,493	520,859	390,531
Profit or loss from discontinued operations		0	0	0	0	0
Profit (loss) for the period		(272,765)	(1,655,102)	745,493	520,859	390,531
Other comprehensive income, net of tax, for the period (Net of tax)		36,995	216,790	(49,995)	(48,593)	(60,878)
Total comprehensive income for the period		(235,770)	(1,438,312)	695,498	472,266	329,653
Net profit (loss) attributable to Owners of parent		(272,765)	(1,655,102)	745,493	520,859	390,531
Net profit (loss) attributable to non-controlling interest		0	0	0	0	0
Total comprehensive income Attributable to owner of the parent company		(235,770)	(1,438,312)	695,498	472,266	329,653
Total comprehensive profit and loss attributable to non-controlling interests		0	0	0	0	0
Earnings (loss) per share		(0.91)	(5.06)	1.37	0.94	0.70

6.1.2 CPA audit opinion

Year	Certified public accountant	Audit opinion
2019	Shih-Chin Chih, Chung-Che Chen	Unqualified opinion plus paragraph on matters for attention and paragraph on other matters
2020	Shih-Chin Chih, Chung-Che Chen	Unqualified opinion plus paragraph on other matters
2021	Shih-Chin Chih, Hsin-Ting Huang	Unqualified opinion plus paragraph on other matters
2022	Shih-Chin Chih, Hsin-Ting Huang	Unqualified opinion plus paragraph on other matters
2023	Shih-Chin Chih, Hsin-Ting Huang	Unqualified opinion plus paragraph on other matters

6.2 Financial analysis for the last five years

Financial Analysis-International Financial Reporting Standards Consolidated

Analysis item		Year	Financial analysis				
		2023	2022	2021	2020	2019	
Finance Structure (%)	Debt to asset ratio	75.99	73.72	58.16	58.42	56.73	
	Ratio of long-term funds to property, plant, and equipment	332.44	452.53	701.21	817.05	882.49	
Debt service ability (%)	Current ratio	122.99	115.77	110.18	127.11	145.57	
	Quick ratio	99.78	98.64	95.00	108.45	120.43	
	Interest coverage ratio	(4.18)	(508.48)	416.86	237.19	346.93	
Operating ability	Accounts receivable turnover (times)	12.21	11.18	10.54	10.64	5.52	
	Average cash collection days	29.89	32.64	34.62	34.30	66.12	
	Inventory turnover (times)	3.15	3.09	3.34	3.75	0.49	
	Payables turnover (times)	8.53	7.82	9.80	11.66	1.71	
	Average sales days	115.87	118.12	109.28	97.33	744.89	
	Property, plant, and equipment turnover rate (times)	1.70	2.71	3.21	3.04	1.61	
	Total asset turnover (times)	0.35	0.38	0.34	0.30	0.20	
Profit ability	Return on assets (%)	(0.73)	(9.88)	5.78	4.33	3.12	
	Return on equity (%)	(8.35)	(32.61)	11.18	7.47	5.14	
	Net profit before tax to paid-in capital ratio (%)	(9.76)	(31.56)	13.43	5.56	6.48	
	Net profit rate (%)	(5.92)	(29.42)	13.59	10.43	12.03	
	Earnings(Loss) per share (NTD)	(0.91)	(5.06)	1.37	0.94	0.70	
Cash on hand Flow	Cash flow adequacy ratio (%)	44.12	35.98	27.69	36.39	58.83	
	Cash flow ratio (%)	107.99	98.19	98.13	293.20	357.31	
	Cash reinvestment ratio (%)	17.44	11.51	7.68	5.41	11.78	
Leverage	Operating leverage	Note 1	17.06	21.85	Note 1	Note 1	
	Financial leverage	Note 1	(5.85)	(2.35)	Note 1	Note 1	
		Analysis and explanation of increases and decreases in ratios:					
		(1) The decrease by 26.54% in the ratio of long-term funds to property, plant, and equipment, along with a decrease of 37.27% in the turnover rate of property, plant, and equipment, is due to the group's headquarters actively investing in construction					

	<p>projects during the current year and developing nearby land, resulting in an increase in property, plant, and equipment.</p> <p>(2) The interest coverage ratio increased by 99.18% due to the convergence of losses during the current year.</p> <p>(3) All aspects of profitability show a decreasing trend in losses because the group's various companies conducted asset impairment assessments in the previous year, resulting in larger impairment losses being recognized in the previous period's non-operating income and expenses.</p> <p>(4) All cash flow ratios show an increasing trend as the net cash inflow from operating activities increased during the current year. The increase in net cash inflow from operating activities is due to reduced purchase quantities in 2023 due to the unstable stock market and the collection of accounts receivable within the period.</p>
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Note 1 : Due to the negative operating profit, it is not calculated.

Parent company only

Analysis item		Year	Financial analysis				
		2022	2021	2020	2019	2018	
Finance structure (%)	Debt to asset ratio	65.05	62.13	42.88	42.74	40.25	
	Ratio of long-term funds to property, plant, and equipment	1,237.35	1,199.62	2,026.97	2,687.41	3,609.81	
Debt service ability (%)	Current ratio	258.13	175.23	281.33	326.98	648.19	
	Quick ratio	245.08	170.89	275.04	317.73	608.83	
	Interest coverage ratio	(43.42)	(1,013.97)	712.54	371.52	307.53	
Operating ability	Accounts receivable turnover (times)	52.58	59.48	100.68	107.64	90.60	
	Average cash collection days	6.94	6.14	3.63	3.39	4.03	
	Inventory turnover (times)	Note 1	Note 1	Note 1	Note 1	Note 1	
	Payables turnover (times)	Note 1	Note 1	Note 1	Note 1	Note 1	
	Average sales days	Note 1	Note 1	Note 1	Note 1	Note 1	
	Property, plant, and equipment turnover rate (times)	2.03	2.45	3.06	3.98	5.92	
	Total asset turnover (times)	0.15	0.15	0.13	0.12	0.14	
Profit ability	Return on assets (%)	(1.60)	(15.34)	7.65	5.70	5.25	
	Return on equity (%)	(7.98)	(33.85)	11.91	8.24	6.04	
	Percentage of paid-in capital (%)	Operating profit	15.75	10.64	7.39	7.70	7.73
		Net profit before tax	(7.30)	(29.62)	13.24	5.76	3.48
	Net profit rate (%)	(18.99)	(111.89)	54.42	38.93	30.46	
	Earnings per share (NTD)	(0.91)	(5.06)	1.37	0.94	0.70	
Cash on hand Flow	Cash flow adequacy ratio (%)	123.66	52.29	48.12	137.85	344.16	
	Cash flow ratio (%)	133.24	107.90	124.70	149.70	151.50	
	Cash reinvestment ratio (%)	13.59	0	0	3.05	9.70	
Leverage	Operating leverage	2.42	2.31	2.69	2.48	2.37	
	Financial leverage	1.48	1.33	1.41	1.38	1.28	

	<p>Changes in financial ratios of up to 20% in the last two years are explained as follows:</p> <ol style="list-style-type: none"> (1) The increase by 47.31% in the current ratio and a 43.41% increase in the quick ratio are due to the repayment of related-party loans during the current year, resulting in a reduction in current liabilities. (2) The interest coverage ratio increased by 95.72% due to the convergence of losses during the current year. (3) The increase by 48.03% in the ratio of operating profit to paid-in capital is attributable to the offsetting of losses through capital reduction during the current period. The increase in other profitability ratios compared to the previous period is due to the convergence of losses during the current period. (4) The cash flow ratio is influenced by a reduction in current liabilities and a decrease in investments due to the unstable stock market.
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Note 1 : Due to the nature of the industry where accounts payable does not arise from purchases and sales transactions, related financial ratios are not calculated.

Note 2 : The calculation formula of this Table is as follows:

1. Financial structure

- (1) Liabilities to assets ratio = total liabilities/total assets.
- (2) The ratio of long-term funds to property, plant, and equipment = (total equity + non-current liabilities) / net property, plant, and equipment.

2. Solvency

- (1) Current ratio = current assets/current liabilities.
- (2) Quick ratio = (current assets-inventory-prepaid expenses) / current liabilities.
- (3) Interest coverage ratio = net profit before income tax and interest expense/interest expense in the current period.

3. Operating ability

- (1) Accounts receivable (including accounts receivable and notes receivable due to business) turnover rate = net sales / average receivables in each period (including accounts receivable and notes receivable due to business) balance.
- (2) Average cash collection days=365/receivable turnover rate.
- (3) Inventory turnover rate = cost of goods sold / average inventory value.
- (4) Payables (including accounts payable and bills payable due to business) turnover rate = cost of goods sold / average payables in each period (including accounts payable and bills payable due to business) balance.
- (5) Average sales days = 365 / inventory turnover rate.
- (6) Turnover rate of property, plant, and equipment = net sales/average net property, plant, and equipment.
- (7) Total asset turnover ratio = net sales/average total assets.

4. Profitability

- (1) Return on assets = (after-tax profit and loss + interest expense × (1-tax rate))/average total assets.
- (2) Return on equity = profit and loss after tax/average total equity.
- (3) Percentage of operating profit to paid-in capital= operating profit / capital stock
- (4) Percentage of net profit before tax to paid-in capital= net profit before tax / capital stock
- (5) Net profit rate = after-tax profit and loss/net sales.
- (6) Earnings per share = (profit and loss attributable to owners of the parent company-preferred share dividends) / weighted average number of issued shares.

5. Cash flow

- (1) Cash flow ratio = net cash flow from operating activities/current liabilities.
- (2) Net cash flow ratio = net cash flow from operating activities in the last five years / the last five years (capital expenditure + inventory increase + cash dividend)
- (3) Cash reinvestment ratio = (net cash flow from operating activities-cash dividends) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capital)

6. Leverage:

- (1) Operating leverage = (net operating income-variable operating costs and expenses) / business interests.
- (2) Financial leverage = operating profit / (business profit-interest expense)

6.3 The Audit Committee review report of the most recent financial report

Audit Report by the Audit Committee of EMI Corporation

The Board of Directors has prepared EMI's 2023 Business Report, Financial Statements, and proposal for appropriation of loss. The CPAs Shih-Chin Chih and Hsin-Ting Huang from KPMG were retained to audit EMI's Financial Statements and has issued an audit report relating to the Financial Statements. The Business Report, Financial Statements, and appropriation of loss proposal have been reviewed and determined to be correct and accurate by the Audit Committee members of Eastern Media International Corporation. According to relevant requirements of Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Law, we hereby submit this report.

Sincerely yours,

Eastern Media International Corporation

2024 Annual General Meeting

Chairman of the Audit Committee: Kuen-Chang Lee

A handwritten signature in black ink that reads "Kuen-Chang Lee". The signature is written in a cursive, flowing style.

February 26, 2024

6.4 The most recent annual financial reports

Please refer to Appendix 1.

6.5 Parent company only financial report of the Company that has been checked by an accountant in the most recent year

Please refer to Appendix 2.

6.6 Financial difficulties faced by the Company and its affiliated companies

None.

VII. Review of Financial Conditions, Financial Performance, and Risk Management

7.1 Financial status

Review and analysis table of consolidated financial status

Unit: NTD Thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	4,147,334	4,213,260	(65,926)	(1.56)
Property, plant and equipment	4,270,166	2,620,318	1,649,848	62.96
Right of use assets	7,023,430	6,412,380	611,050	9.53
Intangible assets	15,286	24,602	(9,316)	(37.87)
Other assets	2,111,616	2,226,323	(114,707)	(5.15)
Total assets	17,567,832	15,496,883	2,070,949	13.36
Current liabilities:	3,372,046	3,639,198	(267,152)	(7.34)
Non-current liabilities:	9,977,945	7,784,349	2,193,596	28.18
Total liabilities	13,349,991	11,423,547	1,926,444	16.86
Capital stock	3,002,431	4,760,554	(1,758,123)	(36.93)
Capital surplus	15,992	15,992	--	--
Retained earnings	384,991	(1,098,138)	1,483,129	135.06
Other equity interest	(101,480)	(144,353)	42,873	29.70
Equity attributable to the parent company	3,301,934	3,534,055	(232,121)	(6.57)
Total equity	4,217,841	4,073,336	144,505	3.55

Analysis and explanation of increases and decreases in ratios:

1. The increase in property, plant, and equipment during this period primarily stems from the continued active investment in construction projects by the group's headquarters during the current year, along with the simultaneous development of nearby land, resulting in an increase of NTD 1,730,003 thousand units.
2. The increase in non-current liabilities during this period is due to the group's increased borrowing for capital utilization, amounting to NTD 1,480,008 thousand units, and the leasing of advertising spaces by the Media Division, leading to an increase in lease liabilities of approximately NTD 938,741 thousand units.
3. The increase in share capital and retained earnings is mainly attributable to the reduction of capital to offset losses during the current year and the losses incurred during the current year. For detailed explanations of the reasons for the losses, please refer to the explanation of financial performance.
4. The increase in other equity during this period is mainly attributed to fluctuations in exchange rates.

Review and analysis of parent company only financial status

Unit: NTD Thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current assets	1,634,718	1,628,400	6,318	0.39
Property, plant and equipment	712,428	700,484	11,944	1.71
Right of use assets	3,168,904	3,387,080	(218,176)	(6.44)
Intangible assets	2,655	2,477	178	7.19
Other assets	3,929,818	3,613,995	315,823	8.74
Total assets	9,448,523	9,332,436	116,087	1.24
Current liabilities:	633,284	929,274	(295,990)	(31.85)
Non-current liabilities:	5,513,305	4,869,107	644,198	13.23
Total liabilities	6,146,589	5,798,381	348,208	6.01
Capital stock	3,002,431	4,760,554	(1,758,123)	(36.93)
Capital surplus	15,992	15,992	--	--
Retained earnings	384,991	(1,098,138)	1,483,129	135.06
Other equity interest	(101,480)	(144,353)	42,873	29.70
Total equity	3,301,934	3,534,055	(232,121)	(6.57)
<p>Analysis and explanation of increases and decreases in ratios:</p> <ol style="list-style-type: none"> 1. The decrease in current liabilities during the current year is due to the repayment of related-party loans, resulting in a reduction in current liabilities. 2. The increase in share capital and retained earnings is mainly attributable to the reduction of capital to offset losses during the current year and the losses incurred during the current year. For detailed explanations of the reasons for the losses, please refer to the explanation of financial performance. 3. The increase in other equity during this period is mainly attributed to fluctuations in exchange rates. 				

7.2 Financial performance

Review and analysis table of consolidated financial performance

Unit: NTD Thousand
Earnings(loss) per share unit: NTD

Item \ Year	2023	2022	Increase (decrease) amount	Change Percent %
Operating income	5,841,598	5,949,064	(107,466)	(1.81)
Operating costs	4,129,952	4,030,778	99,174	2.46
General and administrative expense	1,801,715	1,707,457	94,258	5.52
Non-operating income and expenses	(202,902)	(1,713,051)	1,510,149	88.16
Net profit(loss) before tax	(292,971)	(1,502,222)	1,209,251	80.50
Profit (loss)for the period	(346,082)	(1,750,246)	1,404,164	80.23
Other comprehensive income, net of tax, for the period (Net of tax)	36,880	217,366	(180,486)	(83.03)
Total comprehensive income for the period	(309,202)	(1,532,880)	1,223,678	79.83
Net profit(loss) attributable to Owners of parent	(272,765)	(1,655,102)	1,382,337	83.52
Total comprehensive income Attributable to owner of the parent company	(235,770)	(1,438,312)	1,202,542	83.61
Earnings(Loss) per share	(0.91)	(5.06)	4.15	82.02

Analysis and explanation of increases and decreases in ratios:

1. The increase in non-operating income and expenses, pre-tax net (loss) income, and net (loss) income during the current year is due to the impairment loss of NTD 1,222,110 thousand units recognized by the equity investees last year after assessing their assets for impairment. Additionally, the net profit from stock sales and valuation amounted to 56,614 thousand units during the current year, which is a net increase of NTD 313,848 thousand units compared to the valuation loss of NTD 257,234 thousand units in the same period last year.
2. In terms of other comprehensive income, the positive impact from the increase in exchange rates on the recognition of investment gains or losses of foreign equity investees when translating financial statements into the reporting currency was lower compared to last year. Furthermore, the increase in other comprehensive income due to the revaluation of investment properties by equity investees last year did not occur during the current year.
3. The increase in net (loss) income attributable to the parent company and comprehensive (loss) income attributable to the parent company during the current year is largely attributable to the same reasons as the changes in non-operating income and expenses and other comprehensive income mentioned above.

Review and analysis table of financial performance of parent company only

Unit: NTD Thousand
Earnings(loss) per share unit:
NTD

Year	2023	2022	Increase (decrease) amount	Change Percent %
Item				
Operating income	1,436,570	1,479,159	(42,589)	(2.88)
Operating costs	662,911	654,992	7,919	1.21
General and administrative expense	300,634	317,605	(16,971)	(5.34)
Non-operating income and expenses	(692,202)	(1,916,675)	1,224,473	63.89
Net profit(loss) before tax	(219,177)	(1,410,113)	1,190,936	84.46
Profit (loss)for the period	(272,765)	(1,655,102)	1,382,337	83.52
Other comprehensive income, net of tax, for the period (Net of tax)	36,995	216,790	(179,795)	(82.94)
Total comprehensive income for the period	(235,770)	(1,438,312)	1,202,542	83.61
Net profit(loss) attributable to Owners of parent	(0.91)	(5.06)	4.15	82.02

Analysis and explanation of increases and decreases in ratios:

1. The increase in non-operating income and expenses and the increase in net (loss) income after tax during the current year are mainly due to the impairment loss recognized last year by equity investees after assessing their assets for impairment, resulting in an increase in the company's investment losses by NTD 1,127,158 thousand units. Additionally, the net profit from stock sales and valuation for this period amounted to NTD 13,620 thousand units, representing a net increase of NTD 211,952 thousand units compared to the valuation loss of NTD 198,332 thousand units in the same period last year.
2. In terms of other comprehensive income, the positive impact from the increase in exchange rates on the recognition of investment gains or losses of foreign equity investees when translating financial statements into the reporting currency was lower compared to last year. Furthermore, the increase in other comprehensive income due to the revaluation of investment properties by equity investees last year did not occur during the current year.

Revenue outlook, key assumptions, potential impact on the Company's business and corresponding proposal :

Please refer to "I. Letter to Shareholders".

7.3 Cash flows

7.3.1 Analysis and explanation of changes in combined cash flow of parent and subsidiary companies in recent years

Unit: NTD Thou sand

Item \ Year	2023 Cash increase (decrease)	2022 Cash increase (decrease)	Change in increase (decrease)	
			Amount	%
Operating activity	1,487,768	1,309,476	178,292	13.62
Investment activity	(1,834,256)	(837,522)	(996,734)	(119.01)
Financing activity	116,187	(341,012)	457,199	134.07

Analysis and explanation of increases and decreases in ratios:

1. The increase in net cash outflow from investing activities is primarily due to the decrease in dividend income received in 2023, amounting to NTD 171,571 thousand units, and the increase in cash outflow for the acquisition of property, plant, and equipment, totaling NTD 745,517 thousand units.
2. The decrease in net cash outflow from financing activities is mainly attributed to the reduction in long-term and short-term borrowings and accounts payable borrowings in 2023, reducing cash outflow by NTD 681,076 thousand. Additionally, the reduction in cash outflow is due to the decrease in capital reduction refund of NTD 528,950 units thousand and the distribution of cash dividends of NTD 534,877 thousand units conducted last year, which are the primary reasons for the changes between the two periods

Item \ Year	2023	2022	Ratio of increase (decrease) (%)
Cash Flow Adequacy Ratio (%)	107.99	98.19	9.98
Cash Reinvestment Ratio (%)	17.44	11.51	51.52

Analysis and explanation of the increase and decrease ratio: Please explain the consolidated financial analysis.

7.3.2 Improvement plan for insufficient liquidity: The Company does not have insufficient cash liquidity.

7.3.3 Analysis of cash liquidity in the coming year-parent company only

Unit: NTD Thousand

Beginning cash balance (1)	Estimated net cash flow from proprietary business activities throughout the year (2)	Estimated annual cash outflow (3)	Estimated cash surplus (insufficiency) amount (1)+(2)-(3)	Remedial measures for expected cash shortage	
				Investment plan	Financing plan
379,507	453,085	1,219,727	(387,135)	531,106	107,000

Note:

- (1) The estimated net cash inflow of the year from operating activities is NT\$453,085 thousand: It includes net cash inflow from warehousing business of NT\$772,167 thousand and other income of NT\$111,285 thousand, and should be sufficient to cover the expenses of NT\$430,368 thousand, such as management fee, etc.
- (2) The estimated annual cash outflow is NT\$1,219,727 thousand (cash outflow generated from non-operating activities): It includes capital expenditure of NT\$352,865 thousand, long-term investments increase of NT\$731,016 thousand, and limit for loan to subsidiary NT\$100,000 thousand.
- (3) (insufficiency) amount= Beginning cash balance+ Estimated net cash flow from proprietary business activities throughout the year- Estimated annual cash outflow
- (4) Remedial measures for expected cash shortage Financing plan:
 - a. Investment plan: NT\$531,106 thousand
 - b. Financing plan: NT\$107,000 thousand

7.4 The impact of major capital expenditures in recent years on financial operations

7.4.1 Utilization and sources of funding for significant capital expenditures:

Unit: NTD Million

Plan	The actual or expected sources of Funding	The actual or expected sources of Completion date	Total funding required	The actual or expected sources of Utilization of funds	
				Year 2023	Year 2024
Equipment replacement	Operating capital	2024/11/01	273	77	196

7.4.2 The above capital expenditures and equipment replacement can enhance operational efficiency and achieve energy-saving and carbon reduction goals.

7.5 Reinvestment policy in the most recent year, main reasons for its profit or loss, improvement plan and investment plan for the next year

Unit: NTD Thousand

Item	Investment amount	Policy	Profit or loss Primary reasons	Improvement program	Other future items Investment plan
Natural Beauty Bio-Technology Limited (Natural Beauty Biotechnology Co., Ltd., Hong Kong listed company)	2,060,871	Long-term investments	The loss for the year 2023 decreased by approximately 50.4% from the loss as at 2022 to approximately HK\$15.1 million. The progress of our business growth was slow due to the sluggish economic recovery and the evident conservative consumption for the year of 2023.	None	The Company will carefully evaluate its investment plans from a long-term strategic perspective to respond to future market changes and continue to strengthen its competitiveness.
Eastern Home Shopping & Leisure Co., Ltd.(EHS)	325,772	Long-term investments	The loss was mainly due to the impairment loss on goodwill as a result of the “intangible asset impairment loss test”.	None	The Company will carefully evaluate its investment plans from a long-term strategic perspective to respond to future market changes and continue to strengthen its competitiveness.

7.6 Risk Management

Analyze and evaluate the following matters in the most recent year and up to the publication date of the annual report:

7.6.1 The impact of interest rate, exchange rate changes, and inflation on the Company’s profit and loss and future countermeasures

A. The impact of interest rates on the Company’s profit and loss and future measures:

The Group held bank deposits and cash equivalents on December 31, 2023 totaling NT\$1,682,873 thousand. Therefore, for every 1% increase in interest rates in the financial market, it would increase the Group’s

interest income in the next year by approximately NT\$16,829 thousand. As for the borrowing rate, the Group's account has a loan amount of NT\$4,344,391 thousand from financial institutions. The borrowings of its financial institutions are calculated based on the benchmark or advertised interest rate plus or minus. It is a debt with a floating interest rate. Changes in market interest rates will cause the Group's borrowing rates to change accordingly. As a result, its interest expenses fluctuate. Therefore, every 1% increase in the borrowing interest rate will increase the Group's interest expense in the next year by approximately NT\$43,443 thousand. Response measures for future interest rate changes: 1. The Group manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates. 2. The Company regularly evaluates hedging activities, aligning them with the interest rate view and established risk tolerance to ensure that the most cost-effective hedging strategy is adopted.

B. The impact of exchange rates on the Company's profit and loss and future measures:

1. The impact of exchange gains and losses on the account:

The Group's exchange rate risk mainly comes from foreign currency denominated cash and cash equivalents, accounts receivable and other receivables, financial assets available for sale, loans, accounts payable and other payables, etc. Foreign currency exchange gains and losses occur during the conversion. When the New Taiwan Dollar depreciates or appreciates 1 NTD relative to the U.S. dollar and all other factors remain unchanged, the net profit after tax would increase or decrease by NT\$ 1,315 thousand.

2. Countermeasures for future exchange rate changes:

The Group is exposed to exchange rate risks arising from sales, purchases and borrowing transactions that are not denominated in the functional currency of each Group company. The functional currencies of Group companies are mainly New Taiwan Dollars, as well as US Dollars and RMB. The main currencies for these transactions are New Taiwan Dollars, Euros and US Dollars. Loan interest is priced in the currency of the principal of the loan. Generally speaking, the currency of the loan is the same as the currency of the cash flow generated by the Group's operations, mainly in New Taiwan Dollars. In this case, it provides economic hedging without the need to use derivatives. Therefore,

hedging accounting is not used. For monetary assets and liabilities denominated in other foreign currencies, when short-term imbalances occur, the Group buys or sells foreign currencies at real-time exchange rates to ensure that the net risk exposure remains at an acceptable level.

C. The impact of inflation on the Company's profit and loss and future countermeasures:

Inflation has no significant impact on the Group's profit and loss.

7.6.2 The policy of engagement in high risk and high leverage investment, loaning to a third party, guarantee/endorsement, and derivative trade, the main reason for profit or loss, and the response in the future

A. High-risk investment, high-leverage investments: None.

B. Loans of funds to others: As of December 31, 2023, the balance approved by the Board of Directors of the Group's capital loans to others is NT\$1,616,423 thousand, and the actual amount of expenditure is NT\$1,111,423 thousand. The Group engages in the above transactions based on applicable rules under the Company's "Procedures for Loaning Funds to Others."

C. Derivative commodity trading: None.

D. Endorsement guarantees: As of December 31, 2023 the Group's approved balance of the Board of Directors endorsed by others is NT\$11,319,340 thousand, and the actual amount of expenditure is NT\$3,898,062 thousand. All endorsement guarantees are determined by applicable rules under each company's "Endorsement Guarantee Operation Procedures."

7.6.3 Future R&D plans and estimated R&D expenses

None.

7.6.4 The impact of important domestic and foreign policies and legal changes on the Company's financial business and corresponding measures

None.

7.6.5 The impact of technological changes (including cyber security risks) and industrial changes on the Company's financial business and corresponding measures

A. In order to restore operations as soon as possible when the information

system damage occurs and reduce possible losses and risks, a backup mechanism has been established for important data and remote backups are regularly performed.

- B. We formulate key points of system recovery operations and recovery procedures for important information equipment. After encountering natural disasters or man-made disasters, the information system can be restored to normal operation in the shortest time through the system recovery mechanism team.

The Information Office conducts parallel testing of ERP system recovery with ERP system users every year. After the relevant test report is confirmed to be correct, it issues “Recovery Test Drill Results Report”.

- C. All the Company’s personal computers are equipped with endpoint protection software, and all internal and Internet gateways are protected by firewalls. This avoids malicious attacks on the Company’s computer systems from the Internet.

7.6.6 The impact of corporate image change on corporate crisis management and countermeasures

None.

7.6.7 Expected benefits and possible risks of mergers and acquisitions and countermeasures

ET Pet Co., Ltd., a subsidiary of ET New Media Holdings (shares), was established in January 2019. It acquired pet shops such as Animal Kingdom, Baoluo, Yuanta and Oscar through business transfer and mergers and acquisitions. By end of 2023, ET Pet had 125 pet stores national wise, making it the largest offline pet channel in Taiwan. With the transformation of social patterns, business opportunities for pets to become family members gradually emerge. We are optimistic about the development potential of pet market. The Company will continue to extend its market scale and supply chain through M&A to shorten the time to develop loyal customers and reduce costs. However, it may face the risk that the local market has shrunk or the original management team has been operating poorly for a period of time. In order to avoid the internal and external risks that may be faced after a takeover, ET Pet confirms the profit potential of the market environment with a comprehensive evaluation method, and then operates the taken over pet shop in a consistent operation model.

7.6.8 Expected benefits and possible risks of plant expansion and countermeasures

None.

7.6.9 Risks and countermeasures faced by purchase or sales concentration

None.

7.6.10 The influence and risk of the massive transfer of shares or the replacement of the Directors or major shareholders holding more than 10% of the shares issued by the Company, and the response

None.

7.6.11 The impact, risks and countermeasures of a change of management rights on the Company

None.

7.6.12 Litigation or non-litigation events

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. In order to save lawsuit fees, Sammok and the Company were willing to negotiate. Therefore, Sammok and the Company made a negotiation at Hong Kong International Arbitration Centre on December 6, 2023. Eventually, the lawsuit was determined with the settlement of USD 2,750.
- C. The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2023 and 2022, all unsettled lawsuits had no impact on its financial and business operation.

7.6.13 Other major risks and countermeasures

In order to minimize the damage arising from various risks and crises that the Company may face, the Company has established a Risk Management Team under the Corporate Governance and Sustainable Development Committee and established the "Risk Management Policy and Procedures" which defines risks according to the Company's overall operating policy and establishes a mechanism for risk identification, accurate measurement, effective continuous monitoring, and control to ensure the effectiveness and integrity of risk management. Please refer to "Important Rules and Regulations" in the corporate website for relevant contents.

7.7 Other important matters

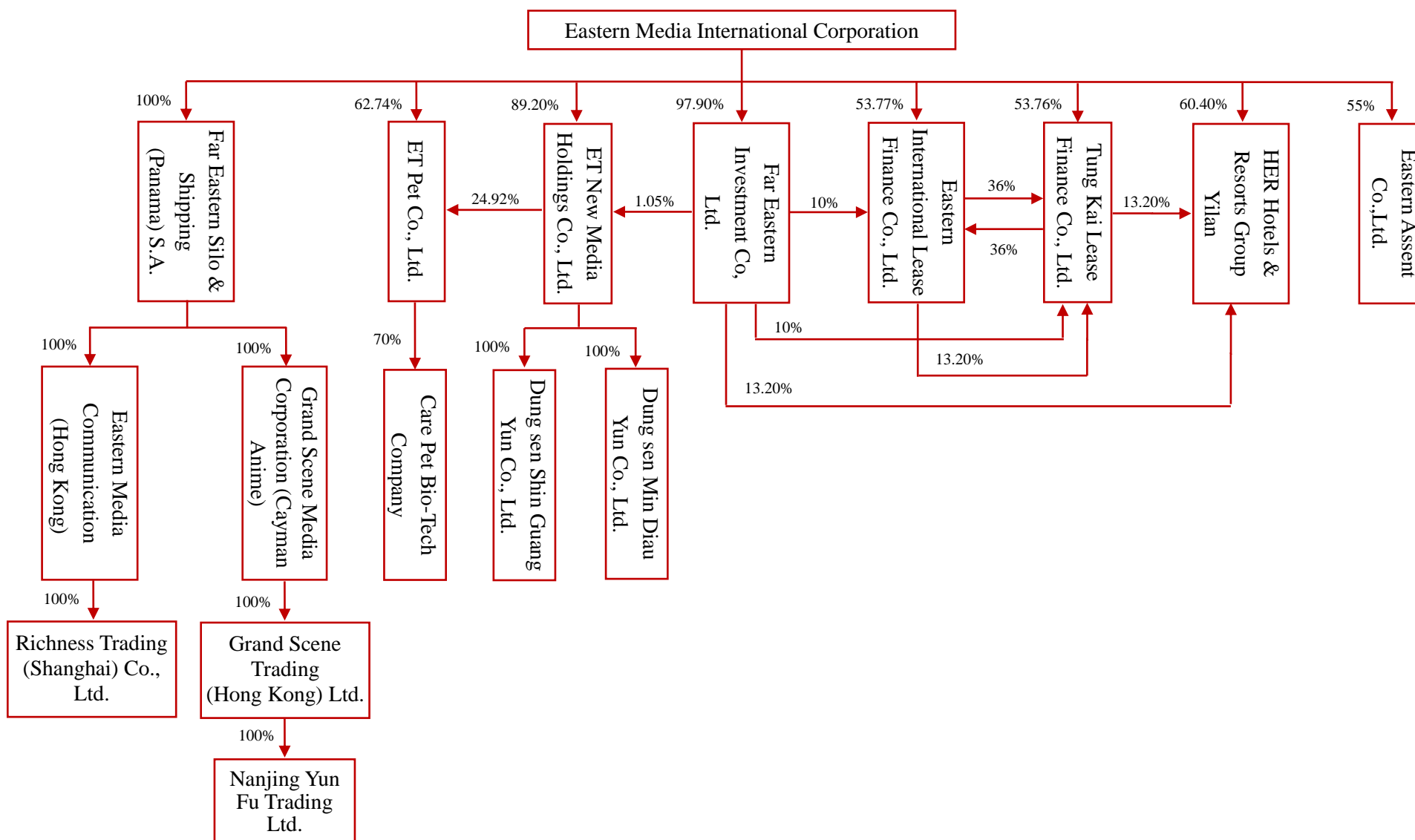
None.

VIII. Special Disclosures

8.1. Related information of affiliated companies

8.1.1 Affiliated business merger report

A. Organization chart of affiliated companies of Eastern Media International Corporation (2024.03.28)



B. Basic information of each affiliated company

December 31, 2023

Units: NTD thousand/USD thousand/RMB thousand/HKD thousand

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
FESS—Panama Far Eastern Silo & Shipping (Panama) S.A.	1996.01	East 53rd Street, Marbella Swiss Bank Building, 2nd follr, Panama	US 71,700	Investment holdings
Grand Scene Trading (Hong Kong) Ltd.	2010.06	17th Floor, Siu Ying Commercial Building, 151-155 Queen’s Road Central, Hong Kong	HK 31,980	Investment holdings
Nanjing Yun Fu Trading Ltd.	2010.09	Room 303, Commercial Office Building, Nanjing High-tech Development Zone	RMB 10,389	Wholesale trade
Grand Scene Media Corporation (Cayman Anime)	2010.05	Grand Pavilion, Hibiscus Way, 802 West Bay Road, P.O. Box 31119, KY1-1205, Cayman Islands	US 4,500	Investment holdings
Eastern Media Communication (Hong Kong) Ltd.	2008.12	Room D, 8/F., Wing Cheong Commercial Building, 19-25 Jervois Street, Sheung Wan, Hong Kong.	HK 285,698	Investment holdings
Richness Trading (Shanghai) Co., Ltd.	2006.04	Building 6, No. 2222 Gangcheng Road, Pudong New Area, Shanghai (Building) Room 303	RMB 250,774	Cosmetics, jewelry, and household sundries wholesaling and support services
Far Eastern Investment Co., Ltd.	1997.09	8F., No. 368, Sec. 1, Fuxing S. Rd., Da’an Dist., Taipei City 106, Taiwan	472,258	General investing

Enterprise Name	Date Established	Address	Paid-in capital amount	Main business or production items
Eastern International Lease Finance Co., Ltd.	1998.06	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	756,750	Leasing service
Tung Kai Lease Finance Co., Ltd.	1998.07	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	759,750	Leasing service
ET New Media Holdings Co., Ltd.	2009.03	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	600,000	General advertising services
Dung Sen Shin Guang Yun Co., Ltd.	2019.01	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	3,000	Audiovisual and singing, information leisure
Dung Sen Min Diao Yun Co., Ltd.	2020.09	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	5,000	Management consultant, market research and opinion poll
MOOD Internet Corporation Limited.	2022.12	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	50,000	Marketing, market research and data collection
ET Pet Co., Ltd.	2019.01	5F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	300,000	Pet food and supplies and providing pet beauty service
Care Pet Bio-Tech Company	2022.05	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	10,000	Pet food and supplies and providing pet beauty service
HER Hotels & Resorts Group Yilan (HER)	2011.04	5th Floor, No. 368, Section 1, Fuxing South Road, Da'an District, Taipei City	545,912	Leisure site management, catering business
Eastern Asset Co., Ltd.	2020.02	8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106, Taiwan	2,300,000	Real estate leasing

C. Information of the same shareholders who are presumed to have control and affiliation

December 31, 2023

Unit: NTD thousand, Shares, %

Presumed cause	Name or designation	Shares held		Date Established	Address	Paid-in capital amount	Main business items
		Shares	Percentage of shareholding				
Not applicable							

D. The industries covered by the business of the overall related company

The industries covered by the business of the overall related company mainly include:

- (1) Industry: Warehousing and trading.
- (2) General investment industry.
- (3) Management consulting services and catering business.
- (4) Other: Real estate leasing, wholesale, retail sale, general advertisement service and market research and public opinion polling, etc.

For details of the main business or production projects of each affiliated company, please refer to the list of basic information of each affiliated company in the previous disclosure.

E. Information on directors, supervisors and general managers of related companies

December 31, 2023

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
FESS—Panama Far Eastern Silo & Shipping (Panama) S.A.	Director & President	Eastern Media International Corporation	Representative: Shang-Wen Liao	71,700	100.00%
	Director & Secretary	Eastern Media International Corporation	Representative: Chao-Hsin Chiu	71,700	100.00%
	Director & Treasurer	Eastern Media International Corporation	Representative: Kao-Ming Tsai	71,700	100.00%
Grand Scene Trading (Hong Kong) Ltd.	Director	Grand Scene Media Corporation	Representative: Shang-Wen Liao	3,198,000	100.00%
	Director	Grand Scene Media Corporation	Representative: Kao-Ming Tsai	3,198,000	100.00%
	Director	Grand Scene Media Corporation	Representative: Chao-Hsin Chiu	3,198,000	100.00%
Nanjing Yun Fu Trading Ltd.	Chairman	Grand Scene Trading (Hong Kong) Ltd.	Representative: Chao-Hsin Chiu	0	100.00%
	Director	Grand Scene Trading (Hong Kong) Ltd.	Representative: Shang-Wen Liao	0	100.00%
	Director	Grand Scene Trading (Hong Kong) Ltd.	Representative: Kao-Ming Tsai	0	100.00%
	Supervisor	Grand Scene Trading (Hong Kong) Ltd.	Representative: Ying-Na Cheng	0	100.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
Grand Scene Media Corporation (Cayman Animation)	Director	FESS—Panama	Representative: Shang-Wen Liao	450,000	100.00%
	Director	FESS—Panama	Representative: Kao-Ming Tsai	450,000	100.00%
	Director	FESS—Panama	Representative: Chao-Hsin Chiu	450,000	100.00%
Eastern Media Communication (Hong Kong) Ltd.	Chairman	FESS—Panama	Representative: Shang-Wen Liao	28,569,840	100.00%
	Director	FESS—Panama	Representative: Chao-Hsin Chiu	28,569,840	100.00%
	Director	FESS—Panama	Representative: Vacancy	0	0
Richness Trading (Shanghai) Co., Ltd.	Chairman	Eastern Media Communication (Hong Kong) Ltd.	Representative: Shang-Wen Liao	0	100%
	Director	Eastern Media Communication (Hong Kong) Ltd.	Representative: Kao-Ming Tsai	0	100%
	Director	Eastern Media Communication (Hong Kong) Ltd.	Representative: Chao-Hsin Chiu	0	100%
	Supervisor	Eastern Media Communication (Hong Kong) Ltd.	Representative: Min-Hui Liu	0	100%
Far Eastern Investment Co, Ltd.	Chairman & General Manager	Eastern Media International Corporation	Representative: Shang-Wen Liao	46,234,059	97.90%
	Director	Eastern Media International Corporation	Representative: Yao-Tsu Shen	46,234,059	97.90%
	Director	Eastern Media International Corporation	Representative: Cheng-Kuo Lu	46,234,059	97.90%
	Supervisor	Ying-Na Cheng		0	0
Eastern International Lease Finance Co., Ltd. (EILF)	Chairman & General Manager	Eastern Media International Corporation	Representative: Kao-Ming Tsai	40,690,330	53.77%
	Director	Eastern Media International Corporation	Representative: Ying-Na Cheng	40,690,330	53.77%
	Director	Eastern Media	Representative:	40,690,330	53.77%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
		International Corporation	Shang-Wen Liao		
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Chao-Hsin Chiu	7,567,500	10.00%
Tung Kai Lease Finance Co., Ltd.	Chairman & General Manager	Eastern Media International Corporation	Representative: Kao-Ming Tsai	40,847,294	53.76%
	Director	Eastern Media International Corporation	Representative: Ying-Na Cheng	40,847,294	53.76%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	40,847,294	53.76%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Chao-Hsin Chiu	7,597,500	10.00%
ET New Media Holdings Co., Ltd.	Chairman	Eastern Media International Corporation	Representative: Ling-Lin Wang	53,522,508	89.20%
	Director & Vice Chairman	Eastern Media International Corporation	Representative: Yung-Jui Ma	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shang-Wen Liao	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Lei Chien	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Ching-He Chen	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Chi-Chong Cheng	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Chien-Chiang Wu	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Huang-Chi Liu	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Chun-Ying He	53,522,508	89.20%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
		Corporation			
	Director & General Manager	Eastern Media International Corporation	Representative: Pao-Hui Huang	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Vacancy	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Ching-Hui Tsai	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: An-Hsiang Chen	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shi-Teng Wang	53,522,508	89.20%
	Director	Eastern Media International Corporation	Representative: Shih-Jhih Chen	53,522,508	89.20%
	Supervisor	Far Eastern Investment Co, Ltd.	Representative: Ying-Na Cheng	627,492	1.05%
	Dung Sen Shin Guang Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	300,000
Dung Sen Min Diao Yun Co., Ltd.	Chairman	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	500,000	100.00%
MOOD Internet Corporation Limited.	Chairman	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	5,000,000	100.00%
ET Pet Co., Ltd.	Chairman & General Manager	ET New Media Holdings Co., Ltd.	Representative: Shi-Heng Zhao	7,928,568	26.43%
	Director	ET New Media Holdings Co., Ltd.	Representative: Shang-Wen Liao	7,928,568	26.43%
	Director	ET New Media Holdings Co., Ltd.	Representative: An-Hsiang Chen	7,928,568	26.43%
	Supervisor	Far Rich International Corporation	Representative: Ying-Na Cheng	2,548,178	8.49%
Care Pet Bio-Tech Company	Chairman	ET Pet Co., Ltd.	Representative: Tong-Ho Chen	700,000	70.00%

Enterprise Name	Job Title	Name or representative		Shares held	
				Shares	Shareholding Percent
	Vice Chairman & General Manager	Pei-Zhong CHEN		92,800	9.28%
	Director	ET Pet Co., Ltd.	Representative: Chia-Wei Lin	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: Zhi-Zhe Lin	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: Huang-Chi Liu	700,000	70.00%
	Director	ET Pet Co., Ltd.	Representative: An-Hsiang Chen	700,000	70.00%
	Director	Ying-Jun Ye		55,500	5.55%
	Supervisor	Yao-Tsu Shen		0	0
	HER Hotels & Resorts Group Yilan (HER)	Chairman	Eastern Media International Corporation	Representative: Ching-Chi Chen	32,973,086
Director		Eastern Media International Corporation	Representative: Shang-Wen Liao	32,973,086	60.40%
Director		Eastern Media International Corporation	Representative: Kao-Ming Tsai	32,973,086	60.40%
Supervisor		Far Eastern Investment Co, Ltd.	Representative: Ying-Na Cheng	7,206,038	13.20%
Eastern Asset Co., Ltd.	Chairman	Eastern Media International Corporation	Representative: Shang-Wen Liao	126,500,000	55.00%
	Director	Eastern Media International Corporation	Representative: Shih-Jhih Chen	126,500,000	55.00%
	Director	Eastern Media International Corporation	Representative: Kao-Ming Tsai	126,500,000	55.00%
	Supervisor	Ying-Na Cheng		0	0

F. Overview of operations of each affiliated company

December 31, 2023

Unit: NTD Thousand

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit(loss)	Profit and loss after tax for the current period	Earnings(Loss) per share (NTD) (after tax)
FESS—Bermuda (Note 1)	--	--	--	--	--	(978)	(358)	(0.36)
FESS—Panama	2,201,549	1,365,694	172,520	1,193,174	--	(69,412)	(124,028)	(1,851.16)
Grand Scene Trading (Hong Kong) Ltd.	125,649	84,401	50	84,351	--	(125)	1,282	0.40
Nanjing Yun Fu Trading Ltd.	44,953	3,908	123	3,785	--	(178)	(129)	NA
Grand Scene Media Corporation (Cayman Anime)	138,173	145,381	59,004	86,377	--	(330)	1,017	2.26
Eastern Media Communication (Hong Kong) Ltd.	1,122,504	48,925	171	48,754	--	(261)	(567)	(0.02)
Richness Trading (Shanghai) Co., Ltd.	1,085,100	9,187	6,724	2,463	--	(801)	(747)	NA
Grand Richness Trading (Hong Kong) Ltd.(Note 2)	--	--	--	--	--	(250)	(851)	(0.05)
Far Eastern Investment Co., Ltd.	472,258	524,459	41,647	482,812	--	(9,874)	(4,105)	(0.09)
Eastern International Lease Finance Co., Ltd.	756,750	661,041	84,067	576,974	8,569	(59)	31,204	0.41
Tung Kai Lease Finance Co., Ltd.	759,750	670,402	25,650	644,752	597	(2,903)	25,516	0.34
ET New Media Holdings Co., Ltd.	600,000	2,893,389	3,821,432	(928,043)	1,984,280	(122,977)	(276,083)	(4.60)
Dung Sen Shin Guang Yun Co., Ltd.	3,000	1,908	1,052	856	3,537	(2,216)	(2,196)	(7.32)

Company Name	Capital amount	Total assets	Total liabilities	Net worth	Operating income	Operating profit(loss)	Profit and loss after tax for the current period	Earnings(Loss) per share (NTD) (after tax)
MOOD Internet Corporation Limited.	50,000	7,099	37,463	(30,364)	622	(79,539)	(80,364)	(16.07)
ET Pet Co., Ltd.	300,000	1,556,224	1,786,614	(230,390)	2,216,197	(258,322)	(294,440)	(9.81)
HER Hotels & Resorts Group Yilan (HER)	545,912	550,469	734,568	(184,099)	--	(5,066)	(39,740)	(0.73)
Eastern Asset Co., Ltd.	2,300,000	4,879,219	2,599,115	2,280,104	--	(8,481)	(6,863)	(0.03)
Dung Sen Min Diao Yun Co., Ltd.	5,000	19,310	15,940	3,370	15,228	1,821	1,577	3.15
Care Pet Bio-Tech Company	10,000	132,399	132,870	(471)	180,390	(12,797)	(6,064)	(6.06)

Note 1: The liquidation of FESS-Bermuda was approved on March 16, 2023 and was completed on August 22, 2023. Therefore, the profit and loss of the current fiscal year covers the period from January 1 to August 22, 2023.

Note 2: Grand Richness Trading (Hong Kong) Limited was approved for liquidation on June 8, 2022 and completed on January 13, 2023. Therefore, the profit and loss of the current year covers the period from January 1 to January 13, 2023

Note 3:

- (1) Foreign currency exchange rates are as follows: US Dollar/New Taiwan Dollar=1/30.705 (Balance Sheet) US Dollar/New Taiwan Dollar=1/31.1548 (Comprehensive income statement)
- (2) Foreign currency exchange rates are as follows: Hong Kong dollar/New Taiwan dollar=1/3.929 (Balance Sheet) Hong Kong dollar/New Taiwan dollar=1/3.9794 (Comprehensive income statement)
- (3) Foreign currency exchange rates are as follows: USD/HKD=1/7.815 (Balance Sheet) USD/HKD=1/7.829 (Comprehensive income statement)
- (4) Foreign currency exchange rates are as follows: HKD/RMB=1/0.908 (Balance Sheet) HKD/RMB=1/0.9054 (Comprehensive income statement)
- (5) Foreign currency exchange rates are as follows: USD/RMB=1/7.0961 (Balance Sheet) USD/RMB=1/7.088 (Comprehensive income statement)

8.1.2 Consolidated financial statements of related companies

It is the same as the consolidated financial report of Eastern Media International's parent company and subsidiary company for 2021 which should be included in the compilation of parent company only. Therefore, it is not compiled separately. See consolidated financial report.

8.1.3 Relationship report

Not applicable.

8.2 Circumstances of private placement of securities

The implementation of privately placed securities in the most recent year and as of the date of publication of the annual report.

In 2021 and 2022 through the printing date of the annual report, the Company did not conduct private placement of securities.

8.3 Status of holding or disposing of the Company's stocks by subsidiaries in the most recent year and as of the date of publication of the annual report

Status of holding or disposing of the Company's stocks by subsidiaries in 2021 and 2022 as of the publication date of the annual report: None.

8.4 Other necessary supplementary explanations

In the most recent year and as of the printing date of the annual report, the occurrence of the matters that have a significant impact on shareholders' equity or securities prices as specified in Article 36 Paragraph 3, Item 2 of the Securities and Exchange Act: None.

Eastern Media International Corporation

Chairman Shang-Wen Liao

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

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

**Address: 5F & 8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106,
Taiwan**
Telephone: 886-2-27557565

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

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Representation Letter

The entities that are required to be included in the combined financial statements of Eastern Media International Corporation as of and for the year ended December 31, 2023 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10, "Consolidated Financial Statements." endorsed by the Financial Supervisory Commission of the Republic of China. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Eastern Media International Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Eastern Media International Corporation
Chairman: Liao, Shang Wen
Date: February 26, 2024

Independent Auditors' Report

To the Board of Directors of Eastern Media International Corporation:

Opinion

We have audited the accompanying consolidated financial statements of Eastern Media International Corporation and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the financial statements of partial companies, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 7.09% and 8.82% of consolidated total assets at December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituting 37.00% and 13.61% of consolidated total loss before tax for the years then ended December 31, 2023 and 2022, respectively.

Eastern Media International Corporation has prepared its parent-company-only financial statements as of and for the years ended December 31, 2023 and 2022, on which we have issued an unqualified opinion with other matters paragraph and unqualified opinion with emphasis paragraph and other matter paragraph respectively.

Key Audit Matters

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

1. Revenue recognition

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Right of use assets impairment

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

Description of key audit matter:

The right-of-use assets of the Group constituted 39.98% of its consolidated assets. The assets mentioned above is likely to be influenced by the government policies and economic environments, which may result in the recoverability of the assets valued with discounted cash flow to be highly uncertain. Therefore, right-of-use assets impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

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

3. The investments accounted of using equity method impairment

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

Description of key audit matter:

The investments accounted of using equity method of the Group amounted to \$1,244,741 thousand, constituting 7.09% of its consolidated assets. The evaluation of the impairment on

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

How the matter was addressed in our audit:

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the group financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

KPMG
Taipei, Taiwan (Republic of China)
February 26, 2024

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)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Assets				
Current assets:				
1100 Cash and cash equivalents (Note 6)	\$ 1,682,873	10	\$ 1,914,254	12
1110 Current financial assets at fair value through profit or loss (Notes 7 and 37)	1,081,754	6	1,073,448	7
1151 Notes receivable, net (Notes 9, 29 and 37)	17,756	-	40,204	-
1160 Notes receivable due from related parties, net (Notes 9, 29 and 36)	-	-	2,550	-
1170 Accounts receivable, net (Notes 9 and 29)	409,697	2	415,014	4
1180 Accounts receivable due from related parties, net (Notes 9, 29 and 36)	37,479	-	34,270	-
1200 Other receivables, net (Notes 7, 8, 10 and 17)	146,619	1	122,683	1
1210 Other receivables due from related parties (Notes 10 and 36)	2,390	-	6,191	-
130X Inventories (Notes 11 and 36)	442,290	3	447,021	3
1400 Current biological assets, net	13,788	-	19,081	-
1410 Prepayments (Note 36)	178,714	1	99,992	1
1476 Other current financial assets (Notes 6 and 37)	132,011	1	38,055	-
1479 Other current assets, others	1,963	-	497	-
	<u>4,147,334</u>	<u>24</u>	<u>4,213,260</u>	<u>28</u>
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,500	-	7,510	-
1550 Investments accounted for using equity method, net (Notes 12 and 37)	1,244,741	7	1,366,514	9
1600 Property, plant and equipment (Notes 16, 35, 36 and 37)	4,270,166	24	2,620,318	17
1755 Right of use assets (Notes 17, 36 and 37)	7,023,430	40	6,412,380	41
1780 Intangible assets (Notes 18, 35 and 36)	15,286	-	24,602	-
1840 Deferred tax assets (Note 26)	151,410	1	201,581	1
1920 Refundable deposits (Note 37)	352,726	2	432,274	3
1930 Long-term notes and accounts receivable (Notes 9, 29 and 37)	31,234	-	-	-
1940 Long-term notes and accounts receivable due from related parties (Notes 9, 29 and 36)	49,084	-	76,083	-
1980 Other non-current financial assets (Notes 17 and 37)	186,163	1	133,040	1
1990 Other non-current assets, others (Note 38)	88,758	1	9,321	-
	<u>13,420,498</u>	<u>76</u>	<u>11,283,623</u>	<u>72</u>
Total assets	<u>\$ 17,567,832</u>	<u>100</u>	<u>\$ 15,496,883</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

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

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Liabilities and Equity				
Current liabilities:				
2100 Short-term loans (Notes 19 and 37)	\$ 385,559	2	\$ 377,450	2
2110 Short-term notes and bills payable (Notes 20, 35 and 37)	99,779	1	349,427	2
2130 Current contract liabilities (Notes 29 and 36)	62,160	1	42,123	-
2150 Notes payable (Notes 21 and 35)	44,212	-	173,161	1
2160 Notes payable due from related parties (Notes 21 and 36)	-	-	2,550	-
2170 Accounts payable	289,923	2	315,719	2
2180 Accounts payable due from related parties (Note 36)	77,383	-	65,537	-
2200 Other payables (Notes 35 and 38)	1,023,153	6	860,554	6
2220 Other payables due from related parties (Notes 36)	11,012	-	13,073	-
2230 Current tax liabilities	2,103	-	821	-
2280 Current lease liabilities (Notes 24 and 36)	1,039,192	6	1,083,123	7
2310 Advance receipts	2,002	-	1,664	-
2320 Long-term liabilities, current portion (Notes 22, 23, 35 and 37)	301,868	2	322,475	2
2399 Other current liabilities, others	33,700	-	31,521	-
	<u>3,372,046</u>	<u>20</u>	<u>3,639,198</u>	<u>22</u>
Non-current liabilities:				
2540 Long-term loans (Notes 22, 35 and 37)	3,802,581	22	2,322,573	16
2580 Non-current lease liabilities (Notes 24 and 36)	6,089,355	35	5,425,792	36
2610 Long-term notes and accounts payable (Note 23)	75,072	-	30,000	-
2640 Net defined benefit liability, non-current (Note 25)	6,325	-	1,799	-
2645 Guarantee deposits received	4,612	-	4,185	-
	<u>9,977,945</u>	<u>57</u>	<u>7,784,349</u>	<u>52</u>
Total liabilities	<u>13,349,991</u>	<u>77</u>	<u>11,423,547</u>	<u>74</u>
Equity attributable to owners of parent (Note 27)				
3100 Capital stock	3,002,431	17	4,760,554	31
3200 Capital surplus	15,992	-	15,992	-
3300 Retained earnings	384,991	2	(1,098,138)	(7)
3400 Other equity interest	(101,480)	(1)	(144,353)	(1)
Total equity attributable to owners of parent	<u>3,301,934</u>	<u>18</u>	<u>3,534,055</u>	<u>23</u>
36XX Non-controlling interests (Note 14)	915,907	5	539,281	3
Total equity	<u>4,217,841</u>	<u>23</u>	<u>4,073,336</u>	<u>26</u>
Total liabilities and equity	<u>\$ 17,567,832</u>	<u>100</u>	<u>\$ 15,496,883</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

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

		For the years ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 29 and 36)	\$ 5,841,598	100	\$ 5,949,064	100
5000	Operating costs (Notes 11, 25, 30, 31 and 36)	4,129,952	71	4,030,778	68
	Gross profit from operations	1,711,646	29	1,918,286	32
6000	Operating expenses (Notes 11, 25, 30 and 36)	1,801,707	30	1,706,439	28
6450	Impairment loss determined in accordance with IFRS9 (Note 9)	8	-	1,018	-
	Net operating (loss) gain	(90,069)	(1)	210,829	4
	Non-operating income and expenses:				
7100	Interest income (Notes 31 and 36)	23,089	-	11,047	-
7010	Other income (Notes 7, 8, 31 and 36)	169,235	3	248,048	4
7020	Other gains and losses, net (Notes 15, 17, 31 and 36)	(5,613)	-	(1,520,758)	(26)
7050	Finance costs (Notes 24, 31 and 36)	(281,223)	(5)	(246,880)	(4)
7060	Share of profit of associates accounted for using equity method (Note 12)	(108,390)	(2)	(204,508)	(3)
7900	Loss before tax	(292,971)	(5)	(1,502,222)	(25)
7950	Less: tax expenses (Note 26)	53,111	1	248,024	4
	Net loss	(346,082)	(6)	(1,750,246)	(29)
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(7,199)	-	13,465	-
8320	Share of other comprehensive (loss) / gain of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	(2,590)	-	37,270	1
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	(9,789)	-	50,735	1
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	61,170	1	13,945	-
8370	Share of other comprehensive (loss) / gain of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(14,501)	-	152,686	3
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	46,669	1	166,631	3
8300	Other comprehensive income, net of tax	36,880	1	217,366	4
	Total comprehensive loss	(\$ 309,202)	(5)	(\$ 1,532,880)	(25)

(Please see accompanying notes to the consolidated financial statements)

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

		For the years ended December 31			
		2023		2022	
		Amount	%	Amount	%
Loss attributable to:					
8610	Owners of parent	(\$ 272,765)	(5)	(\$ 1,655,102)	(28)
8620	Non-controlling interests	(73,317)	(1)	(95,144)	(1)
		<u>(\$ 346,082)</u>	<u>(6)</u>	<u>(\$ 1,750,246)</u>	<u>(29)</u>
Comprehensive loss attributable to:					
8710	Owners of parent	(\$ 235,770)	(4)	(\$ 1,438,312)	(24)
8720	Non-controlling interests	(73,432)	(1)	(94,568)	(1)
		<u>(\$ 309,202)</u>	<u>(5)</u>	<u>(\$ 1,532,880)</u>	<u>(25)</u>
Loss per share (Unit: NTS) (Note 28)					
9750	Basic loss per share	<u>(\$ 0.91)</u>		<u>(\$ 5.06)</u>	

(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			
Loss for year ended December 31, 2022	-	-	-	-	(1,655,102)	-	-	-	(1,655,102)	(95,144)	(1,750,246)			
Other comprehensive income, for the year ended December 31, 2022	-	-	-	-	14,534	166,152	4,989	31,115	216,790	576	217,366			
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	(1,640,568)	166,152	4,989	31,115	(1,438,312)	(94,568)	(1,532,880)			
Appropriation and distribution of retained earnings:														
Legal reserve appropriated	-	-	74,607	-	(74,607)	-	-	-	-	-	-			
Special reserve appropriated	-	-	-	50,654	(50,654)	-	-	-	-	-	-			
Cash dividends of ordinary share	-	-	-	-	(528,950)	-	-	-	(528,950)	-	(528,950)			
Capital reduction	(528,950)	-	-	-	-	-	-	-	(528,950)	-	(528,950)			
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	(5,664)	-	-	-	(5,664)	(39,696)	(45,360)			
Changes in subsidiaries	-	388	-	-	-	-	-	-	388	(388)	-			
Changes in investments accounted for using equity method	-	-	-	-	(207,501)	-	-	-	(207,501)	(3,312)	(210,813)			
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	-	(5,927)	(5,927)			
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	266,750	266,750			
Others	-	(639)	-	-	-	-	-	-	(639)	-	(639)			
Balance at December 31, 2022	\$4,760,554	\$ 15,992	\$313,375	\$346,610	(\$1,758,123)	(\$ 176,758)	\$ 1,290	\$ 31,115	\$3,534,055	\$539,281	\$4,073,336			

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of 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, 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			
Loss for year ended December 31, 2023	-	-	-	-	(272,765)	-	-	-	(272,765)	(73,317)	(346,082)			
Other comprehensive income, for the year ended December 31, 2023	-	-	-	-	(5,878)	46,731	(3,858)	-	36,995	(115)	36,880			
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	(278,643)	46,731	(3,858)	-	(235,770)	(73,432)	(309,202)			
Capital reduction	(1,758,123)	-	-	-	1,758,123	-	-	-	-	-	-			
Changes in investments accounted for using equity method	-	-	-	-	3,649	-	-	-	3,649	58	3,707			
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	450,000	450,000			
Balance at December 31, 2023	\$3,002,431	\$ 15,992	\$ 313,375	\$ 346,610	(\$ 274,994)	(\$ 130,027)	(\$ 2,568)	\$ 31,115	\$3,301,934	\$ 915,907	\$4,217,841			

(Please see accompanying notes to the consolidated financial statements)

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

	For the years ended December 31	
	2023	2022
Cash flows (used in) from operating activities:		
Profit before tax	(\$ 292,971)	(\$ 1,502,222)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	1,341,035	1,332,870
Amortization expense	60,205	30,220
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(56,614)	257,234
Interest expense	282,125	247,542
Interest income	(23,089)	(11,047)
Dividend income	(34,455)	(66,154)
Share of profit of associates and joint ventures accounted for using equity method	108,390	204,508
Gain on disposal of property, plant and equipment	(1,569)	(2,079)
Loss on disposal of investments	63,146	-
Impairment loss determined in accordance with IFRS 9	8	1,018
Impairment loss on non-financial assets	-	1,222,110
Rent reductions listed as other income	-	(78,668)
Amounts from modification of lease contracts	(5,307)	(696)
Total adjustments to reconcile profit	<u>1,733,875</u>	<u>3,136,858</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	48,308	(369,262)
Decrease in notes receivable	1,742	83,245
Decrease in accounts receivable	9,925	1,554
Decrease (increase) in accounts receivable due from related parties	29,743	(5,205)
Decrease (increase) in other receivables	35,358	(7,571)
Decrease (increase) in inventories	3,021	(65,265)
Decrease in biological assets	5,293	2,306
Increase in prepayments	(78,558)	(38,354)
Increase in other current assets	(1,466)	(163)
Decrease in other operating assets	20	2,222
Total changes in operating assets, net	<u>53,386</u>	<u>(396,493)</u>
Changes in operating liabilities, net:		
Increase in contract liabilities	20,037	9,885
Decrease in notes payable	(8,264)	(76,410)
(Decrease) increase in accounts payable	(13,949)	97,877
(Decrease) increase in other payable	(4,652)	37,243
Increase (decrease) in advance receipts	338	(5,227)
Increase in other current liabilities	1,158	5,226
Decrease in net defined benefit liability, non-current	(2,673)	(2,028)
Total changes in operating liabilities	<u>(8,005)</u>	<u>66,566</u>
Net changes in operating assets and liabilities	<u>45,381</u>	<u>(329,927)</u>
Total adjustments	<u>1,779,256</u>	<u>2,806,931</u>
Cash inflow from operations	<u>1,486,285</u>	<u>1,304,709</u>
Tax income refunded	1,483	4,767
Net cash inflow from operating activities	<u>1,487,768</u>	<u>1,309,476</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)

	For the years ended December 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	(1,703,531)	(958,014)
Proceeds from disposal of property, plant and equipment	33,252	1,141
Decrease in refundable deposits	37,759	128,050
Increase in other receivables	(44,600)	(24,400)
Increase in long-term notes receivable	(12,618)	-
Increase in long-term notes receivable due from related parties	(5,892)	(76,510)
Decrease in long-term lease payments receivables	9,677	5,491
Acquisition of intangible assets	(50,904)	(13,217)
Increase in other financial assets	(71,196)	(65,159)
Increase in other non-current assets	(79,437)	(3,736)
Interest received	21,297	10,684
Dividends received	31,937	203,508
Net cash flows used in investing activities	(1,834,256)	(837,522)
Cash flows from (used in) financing activities:		
Increase in short-term loans	883,961	1,303,499
Decrease in short-term loans	(875,852)	(1,019,494)
(Decrease) increase in short-term notes and bills payable	(250,000)	270,000
Increase in long-term loans	1,761,399	2,196,542
Decrease in long-term loans	(275,237)	(948,418)
Decrease in notes payable	(124,649)	(21,851)
Increase (decrease) in other payables	50,437	-
Increase (decrease) in guarantee deposits received	427	(132)
Payment of lease liabilities	(1,185,060)	(1,127,582)
Increase in long-term notes payable	21,806	92,663
Capital reduction	-	(528,950)
Issuance cash dividends	-	(534,877)
Interest paid	(341,045)	(289,162)
Changes in non-controlling interests	450,000	266,750
Net cash flows used in financing activities	116,187	(341,012)
Effect of exchange rate changes on cash and cash equivalents	(1,080)	21,506
Net (decrease) increase in cash and cash equivalents	(231,381)	152,448
Cash and cash equivalents at beginning of period	1,914,254	1,761,806
Cash and cash equivalents at end of period	\$ 1,682,873	\$ 1,914,254

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Notes To Consolidated Financial Statements

For The Years Ended December 31, 2023 And 2022

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

1. Company history

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

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

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

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on February 26, 2024.

3. New standards, amendments and interpretations adopted

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

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

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- b. The impact of IFRS issued by the FSC but not yet effective

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

annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendment to IAS 1 “Non-current Liabilities with Covenants”
- Amendment to IAS 7 and IFRS 7 “Supplier Financing Arrangements”
- Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

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

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information”
- Amendments to IAS 21 “Lack of Exchangeability”

4. Summary of significant accounting policies

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

a. Statement of compliance

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

b. Basis of consolidation

(a) Basis of preparation

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

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

(b) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the Company’s

functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

c. Basis of consolidation

(a) Principles for preparing consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group ‘controls’ an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non controlling interests, even if this results in the non controlling interests having a deficit balance.

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

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

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

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2023	December 31, 2022	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	- %	100.00%	Note A (Note 10)
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	97.90%	Note A
The Company	Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	Investing activities	- %	100.00%	Note A (Note 3)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	Note A

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2023	December 31, 2022	
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	Note A
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	Note A
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	Note A
The Company	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	59.46%	59.46%	Note A (Note 7)
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	Note B
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	Note B
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	26.43%	26.43%	Note B (Note 7)
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	Note C
ET New Media	Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	Amusementpark information leisure	- %	100.00%	Note C (Note 4)
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	- %	100.00%	Note C (Note 5)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen mu de tech)	Marketing, research and data collection	100.00%	100.00 %	Note C
ET New Media	MOOD Internet Corporation Limited (MOOD)	Consulting management, market research and opinion poll	100.00%	100.00%	Note C (Note 8)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	- %	- %	Note C (Note 1 and 6)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	- %	- %	Note C (Note 1 and 6)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	- %	- %	Note C (Note 1 and 6)
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 2)
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	Note C
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	Note C

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio		Explanation
			December 31, 2023	December 31, 2022	
FESS-Bermuda	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	- %	8.77%	Note C (Note 9)
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%	Note C (Note 9)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	Note C
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	Note C

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

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

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

Note 1: 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 2: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 3: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 4: 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 5: 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 6: 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 was the surviving company. The reference date of merger was on November 1, 2022.

Note 7: 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 was 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 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 8: 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 9: 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 10: The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023.

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

d. Foreign currencies

(a) Foreign currency transactions

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

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

equity investment, which are recognized in other comprehensive income.

(b) Foreign operations

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

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

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

e. Classification of current and non current assets and liabilities

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

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

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

An entity shall classify a liability as current when:

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

Since the operating cycles of EILF and TKLF are more than one year, the classification of

balance sheet accounts depends on whether their realization or settlement will be within or beyond one year from the balance sheet date.

f. Cash and cash equivalents

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

g. Financial instruments

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

(a) Financial assets

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

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

(a-1) Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

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

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

payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

All financial assets not classified as amortized cost or FVOCI (such as financial assets held for trading, financial assets evaluated performance and managed on the basis of fair value) described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(a-4) Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

(a-6) Impairment of financial assets

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a-7) Derecognition of financial assets

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

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

(b) Financial liabilities and equity instruments

(b-1) Financial liabilities

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

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

(b-2) Derecognition of financial liabilities

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

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

(b-3) Offsetting of financial assets and liabilities

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

h. Program to be broadcast

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

i. Inventories

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

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

j. Biological assets

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

k. Investment subsidiary

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

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

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

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

l. Investment in associates

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

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

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

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

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

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

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

m. Property, plant and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent cost

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

(c) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is

recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

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

Buildings	5~55 years
Transportation equipment	2~5 years
Leasehold improvements	1~20 years
Miscellaneous equipment	1~20 years

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

n. Leases

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

(a) As a lessee

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

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

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

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

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

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

- there is a change in future lease payments arising from the change in an index or rate;
- or

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

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

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

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

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

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

- the rent concessions occurring as a direct consequence of the COVID 19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

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

(b) As a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-

term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

o. Intangible assets

(a) Recognition and measurement

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

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

(b) Subsequent expenditure

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

(c) Amortization

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

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

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

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

p. Impairment of non-financial assets

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

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

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

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

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying

amounts of the other assets in the CGU on a pro rata basis.

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

q. Revenue recognition

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

(a) Sale of goods

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

(b) Rendering of services

The Group is involved in loading and unloading, warehousing and pet beauty service, and recognizes relevant revenue during the financial reporting period of providing labor services.

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

(c) Advertisement revenue

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

(d) Program authorization revenue

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

(e) Installment sales interest income

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

(f) Course income

The Group provides media courses and recognizes relevant revenue during the financial reporting period of providing labor services.

In case of fixed-price contracts, the Group recognizes the income on the bases of the actual teaching hours as the reporting date.

r. Contract costs

Costs to fulfil a contract

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

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

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

s. Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(c) Short-term employee benefits

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

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

t. Income taxes

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

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

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

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

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

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

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

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

u. Business combination

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

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

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

v. Earnings per share

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

w. Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

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

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

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

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

a. The Group is the single largest shareholder of an investee with less than 50% of the voting

rights of it and concludes that the Group does not control but has significant influence over it.

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

It is stated in Note 12 that the Group is the single largest shareholder of Natural Beauty with 30% of the voting rights of the investee. After considering Natural Beauty is a listed company in Hong Kong, the independent executive directors and non-executive directors have the right to execute their own duty. Furthermore, the board of Natural Beauty directs the relevant activities, and none shareholder is able to appoint enough board members to direct the board's decision. Therefore, the Group cannot direct the relevant activities of Natural Beauty and does not control Natural Beauty. Management of the Group considered the Group as exercising significant influence over Natural Beauty and; therefore, classified it as an associate of the Group.

b. Lease term

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

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

a. The loss allowance of trade receivables

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

b. Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions as to future demand within a specific time horizon. Due to the rapid industrial transformation,

there may be significant changes in the net realizable value of inventories. Please refer to Note 11 for further description of the valuation of inventories.

c. Impairment of investments accounted for using equity method

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

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

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

e. Impairment of goodwill

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

f. Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability. Refer to Note 25 for further description of the actuarial assumptions and sensitivity analysis.

g. Revenue recognition

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

h. Recognition of deferred tax assets

As of December 31, 2023 and 2022, the carrying amounts of deferred tax assets in relation to unused tax losses were \$151,410 and \$201,581, respectively. As of December 31, 2023 and 2022, no deferred tax assets have been recognized on tax losses of \$1,103,353 and \$1,251,804, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit

generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

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

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

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

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to Note 32, Financial instruments, for assumptions used in measuring fair value

6. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	\$ 19,468	\$ 16,418
Cash in banks	1,643,243	1,513,294
Cash equivalents	20,162	384,542
	<u>\$ 1,682,873</u>	<u>\$ 1,914,254</u>

- a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$68,640, and \$3,900 which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for December 31, 2023 and 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

	December 31, 2023	December 31, 2022
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	<u>\$ 1,081,754</u>	<u>\$ 1,073,448</u>

- a. Please refer to Note 31 for the remeasurement of fair value.
- b. For the years ended December 31, 2023 and 2022, the dividends from financial assets designated as at fair value through profit or loss were \$32,073 and \$63,346, respectively.
- c. As of December 31, 2023 and 2022, the amount of \$4,251 and \$1,733 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received by the Group as of the reporting date.
- d. Please refer to Note 37 for the details of the financial assets at fair value through profit or loss pledged as collateral.

8. **Financial assets at fair value through other comprehensive income**

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

For the years ended December 31, 2023 and 2022, the Group recognized the dividends of \$2,382 and \$2,808 related to equity instruments measured at fair value through other comprehensive income, respectively.

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

b. For credit risk and market risk; please refer to Note 32 and 33.

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

9. **Notes and accounts receivable (including related parties)**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable-generated from operation	\$ 3,501	\$ 5,143
Installment notes receivable	17,360	42,600
Accounts receivable	496,243	498,841
Long-term installment notes receivable	86,118	85,344
Less: Allowance for doubtful accounts	(46,535)	(50,197)
Unrealized interest revenue	(11,437)	(13,610)
	<u>\$ 545,250</u>	<u>\$ 568,121</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>December 31, 2023</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 20,970</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>

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

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 34,036	- %	-
More than 91 days past due	433	100%	433
	\$ 34,469		\$ 433

	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

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

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 362,297	0~0.18%	643
1 to 30 days past due	10,331	0~9.3%	953
31 to 60 days past due	4,430	0~22.48%	907
61 to 90 days past due	180	1.8~75.03%	135
More than 91 days past due	130	100%	130
	\$ 377,368		\$ 2,768

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

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

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 118,494	0~1.25%	1,324
More than 91 days past due	4	100%	4
	\$ 118,498		\$ 1,328

	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

Note: As of December 31, 2023 and 2022, the receivables amounted to \$40,480 and \$44,150 were unrecoverable due to the financial difficulty of the customers. Therefore, the Group had recognized the allowance for doubtful accounts for all of its receivables.

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

	For the years ended December 31	
	2023	2022
Balance on January 1	\$ 50,197	\$ 52,019
Recognition of impairment losses	8	1,018
Impairment losses reversed	(3,670)	(1,570)
Amounts written off	-	(1,270)
Balance on December 31	<u>\$ 46,535</u>	<u>\$ 50,197</u>

Please refer to Note 37 for the details of the installment notes receivable pledged as collateral.

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

	December 31, 2023	December 31, 2022
Other accounts receivable—loans to associates	\$ 99,000	\$ 54,400
Other accounts receivable—others	51,826	76,291
Less: Loss allowance	(1,817)	(1,817)
	<u>\$ 149,009</u>	<u>\$ 128,874</u>

a. As of December 31, 2023 and 2022, there were no bills past due but not impaired of other receivables.

b. For credit risk and market risk; please refer to Note 32 and 33.

11. Inventories

	December 31, 2023	December 31, 2022
Goods held for sale	\$ 428,321	\$ 414,248
Raw materials and others (including fuel)	32,282	32,773
Less: Allowance for inventory valuation losses	(18,313)	-
	<u>\$ 442,290</u>	<u>\$ 447,021</u>

a. Except for cost of goods sold, the rest components of operating cost were as follows:

	For the years ended December 31	
Operating cost		
Loss of inventory valuation	\$ 18,313	\$ -
Written-off	6,685	8,405
Loss (gain) on physical inventory	3,611	(2,831)
Operating expense	13,046	5,080
	<u>\$ 41,655</u>	<u>\$ 10,654</u>

b. No inventories were pledged as collateral on December 31, 2023 and 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:

	December 31, 2023	December 31, 2022
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,209,106	\$ 1,300,901
Eastern Home Shopping & Leisure Co., Ltd (EHS)	35,635	65,613
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-
	\$ 1,244,741	\$ 1,366,514

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

Affiliate Name	Within the Group Nature of Relationship	Main operating location	Proportion of shareholding and voting rights	
			December 31, 2023	December 31, 2022
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	25.87%

(a) Natural Beauty Bio-Technology Limited

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

	December 31, 2023	December 31, 2022
Fair value	\$ 1,132,736	\$ 1,300,901

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

	December 31, 2023	December 31, 2022
Current assets	\$ 1,348,758	\$ 1,436,971
Non-current assets	2,079,013	1,998,172
Liabilities	(1,170,478)	(1,082,343)
Net assets	\$ 2,257,293	\$ 2,352,800
Net assets attributable to investee	\$ 2,257,293	\$ 2,352,800
	For the years ended December 31	
	2023	2022
Operating revenue	\$ 1,337,143	\$ 1,278,228
Net loss	(\$ 60,134)	(\$ 112,270)
Other comprehensive income (loss)	33,771	(94,947)
Total comprehensive loss	(\$ 26,363)	(\$ 207,217)
Comprehensive loss attributable to investee	(\$ 26,363)	(\$ 207,217)

	For the years ended December 31	
	2023	2022
Share of net assets attributable to the Group of beginning balance	\$ 705,840	\$ 700,483
Comprehensive loss attributable to the Group	(7,909)	(62,165)
Dividends received from associates	-	(6,826)
Effect of exchange rate fluctuations	(20,744)	74,348
Subtotal	677,187	705,840
Add: Goodwill	338,598	338,653
Trademark	306,012	306,062
Property, plant and equipment	478,618	500,046
Other intangible assets in useful life (e.g., memberships and patents, etc.)	121,426	163,180
Effect of exchange rate fluctuations	(2,190)	(22,848)
Less: adjustment for inventories	(11,073)	(11,075)
Impairment loss	(699,472)	(678,957)
Book value of net assets attributable to the Group of ending balance	\$ 1,209,106	\$ 1,300,901

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

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

	December 31,	December 31,
	2023	2022
Current assets	\$ 5,125,260	\$ 4,774,859
Non-current assets	5,967,040	6,196,361
Liabilities	(10,953,761)	(10,709,994)
Net assets	\$ 138,539	\$ 261,226
Non-controlling interests, attributable to investee	\$ 785	\$ 7,584
Net assets attributable to investee	\$ 137,754	\$ 253,642
	For the years ended December 31	
	2023	2022
Operating revenue	\$ 20,424,296	\$ 24,656,410
Net loss	(105,005)	(528,777)
Other comprehensive (loss) income	(28,351)	141,635
Total comprehensive loss	(\$ 133,356)	(\$ 387,142)
Comprehensive loss, attributable to non-controlling interests	(\$ 3,136)	(\$ 16,903)
Comprehensive loss attributable to investee	(\$ 130,220)	(\$ 370,239)

	For the years ended December 31	
	2023	2022
Share of net assets attributable to the Group of beginning balance	\$ 65,613	\$ 504,022
Comprehensive loss attributable to the Group	(33,685)	(95,775)
Dividends received from associates	-	(131,821)
Changes in investments accounted for using equity method	3,707	(210,813)
Share of net assets attributable to the Group of ending balance	\$ 35,635	\$ 65,613

- c. Nature Beauty had been continuously affected by the Covid-19 pandemic, leading to a decline in revenue in Taiwan and China. In addition, the escalating trade war between the US and China, which has evolved into a diplomatic war, has caused the Chinese economy to slow down and the possibility of a recession due to debt defaults and inflation in the real estate industry. Overall, the profitability of the investment could not compare to that at the time of acquisition. Therefore, the management of the Group carried out an impairment test for these investments, comparing the carrying amount of the investment with its recoverable amount. For the years ended December 31, 2023 and 2022, 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 8.35% and 8.86%, respectively. Based on the assessment, the carrying amount of Natural Beauty was higher than its recoverable amount in 2022; on the other hand, there was no indication of impairment in 2023. Therefore, the Group recognized impairment loss of \$678,957 in 2022.
- d. Please refer to Note 37 for the details of the investments accounted for using equity method pledged as collateral.

13. Acquire a subsidiary

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

Subsidiary	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 year ended December 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 was 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 was 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. It did not participate in the cash capital increase of \$3,000 on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.
- 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 was 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.
- e. On October 20, 2023, May 29, 2023 and September 5, 2022, the board of directors of the subsidiary, Eastern Asset, resolved capital injections by cash with an investment amount of \$500,000, \$500,000 and \$400,000, and the reference dates were on December 15, 2023, June 30, 2023 and October 7, 2022, respectively. These capital injections were participated by the Company and EHS in proportion to the shareholding ratio. The registrations were completed on January 5, 2024, July 17, 2023 and November 1, 2022, respectively.
- f. On August 2, 2022, the consolidated subsidiary, Dung sen shin guang yun, was approved to hold capital injection by cash with an investment amount of \$2,900, and the reference date was on September 1, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registrations were completed on September 26, 2022.
- g. On August 4, 2022, the consolidated subsidiary, Dung sen min diau yun, was approved to hold capital injection by cash with an investment amount of \$4,000, and the reference date was on August 15, 2022. This capital injection was participated by ET New Media in proportion to the shareholding ratio. The registrations were completed on September 6, 2022.
- h. On November 4, 2021, the board of directors of the consolidated subsidiary, EHR, resolved a capital injection by cash with an investment amount of \$200,000, and the reference date was on December 15, 2021. This capital injection was participated by the

Company, EILF, TKLF and EIC in proportion to the shareholding ratio. The registrations were completed on January 6, 2022.

14. Material non-controlling interests of subsidiaries

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

Subsidiary name	Main operating location	Percentage of non-controlling interests	
		December 31, 2023	December 31, 2022
Eastern Asset	Taiwan	45.00%	45.00%

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

The financial information of Eastern Asset was as follows:

	December 31, 2023	December 31, 2022
Current assets	\$ 962,058	\$ 555,076
Non-current assets	3,917,161	2,245,918
Current liabilities	(267,787)	(119,519)
Non-current liabilities	(2,331,328)	(1,394,508)
Net assets	\$ 2,280,104	\$ 1,286,967
	For the years ended December 31	
	2023	2022
Operating revenue	\$ -	\$ -
Net loss	(6,863)	(11,238)
Other comprehensive income	-	-
Total comprehensive loss	(\$ 6,863)	(\$ 11,238)
	For the years ended December 31	
	2023	2022
Net cash flows used in operating activities	(\$ 79,276)	(\$ 45,772)
Net cash flows used in investing activities	(1,479,214)	(575,658)
Net cash flows from financing activities	1,880,577	887,182
Net increase in cash and cash equivalents	\$ 322,087	\$ 265,752

15. Loss of control of subsidiaries

- The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023 and the Company lost control over FESS-Bermuda since then. The loss on disposal of the investment was amounted to \$23,544.
- 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 \$39,602.
- ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The liquidation procedures were finished on February 23, 2023.

d. 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	38,510	-	-	133,878	1,697,285	29,473	1,899,146
Transfers	(38,510)	-	690	2,367	37,852	-	2,399
Disposals / Written-off	(29,236)	(3,633)	(3,460)	(84,779)	-	(67,388)	(188,496)
Balance on December 31, 2023	\$ 596,742	\$ 1,020,714	\$ 13,391	\$ 911,623	\$ 2,895,223	\$ 212,557	\$ 5,650,250
Balance on January 1, 2022	\$ 596,742	\$ 1,024,259	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Additions	29,236	88	1,437	143,865	906,652	51,482	1,132,760
Transfers	-	-	-	62,000	18,191	3,435	83,626
Disposals / Written-off	-	-	(10,245)	(70,311)	-	(176,634)	(257,190)
Balance on December 31, 2022	\$ 625,978	\$ 1,024,347	\$ 16,161	\$ 860,157	\$ 1,160,086	\$ 250,472	\$ 3,937,201
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	\$ 983,629	\$ 8,797	\$ 217,140	\$ -	\$ 107,317	\$ 1,316,883
Depreciation	-	3,521	3,258	136,009	-	58,859	201,647
Disposals / Written-off	-	(3,633)	(3,010)	(71,739)	-	(60,064)	(138,446)
Balance on December 31, 2023	\$ -	\$ 983,517	\$ 9,045	\$ 281,410	\$ -	\$ 106,112	\$ 1,380,084
Balance on January 1, 2022	\$ -	\$ 801,196	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Depreciation	-	6,922	3,759	113,930	-	58,181	182,792
Disposals / Written-off	-	-	(9,580)	(68,657)	-	(176,557)	(254,794)
Impairment loss	-	175,511	-	-	-	-	175,511
Balance on December 31, 2022	\$ -	\$ 983,629	\$ 8,797	\$ 217,140	\$ -	\$ 107,317	\$ 1,316,883
Carrying amounts:							
December 31, 2023	\$ 596,742	\$ 37,197	\$ 4,346	\$ 630,213	\$ 2,895,223	\$ 106,445	\$ 4,270,166
January 1, 2022	\$ 596,742	\$ 223,063	\$ 10,351	\$ 552,736	\$ 235,243	\$ 146,496	\$ 1,764,631
December 31, 2022	\$ 625,978	\$ 40,718	\$ 7,364	\$ 643,017	\$ 1,160,086	\$ 143,155	\$ 2,620,318

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 subsidiary-EHR resolved to reconstruct its real estate in the extraordinary general meeting in 2021 and appointed Formosa international hotels corporation to manage resorts in Yilan. EHR recognized impairment loss of \$85,073 due to the reconstruction in 2021. During the period, the professional team carefully planned the construction project. However, as of December 2022, EHR had been unable to obtain a construction license. After reassessment, the company planned to submit a new application for reconstruction urban unsafe and old buildings. Due to the change in construction purpose, all of the basements of the building would need to be demolished. Therefore, EHR recognized impairment loss of \$175,511 as the same amount of the book value of the basements in 2022. Please refer to Note 31 for the details.

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 interest expenses of loans during the planning and construction period will be capitalized. For the years ended December 31, 2023 and 2022, the interest rates were at 3.28%~3.53% and 2.87%~3.14%, respectively. Details were as follows:

	For the years ended December 31	
	2023	2022
Interest expense on loans	\$ 34,867	\$ 3,763

e. 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	-	145,776	1,737,648	1,922	1,885,346
Write off - lease modification	-	(84,213)	(2,190)	(1,346)	(87,749)
Write off - lease ending	-	(40,680)	(1,606,404)	(2,815)	(1,649,899)
Write off - sublease	-	(38,638)	-	-	(38,638)
Balance on December 31, 2023	\$ 5,330,416	\$ 1,378,421	\$ 2,644,001	\$ 4,442	\$ 9,357,280
Balance on January 1, 2022	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Additions	97,027	428,526	959,467	1,049	1,486,069
Write off - lease modification	(59)	(56,348)	(155,917)	-	(212,324)
Write off - lease ending	-	(174,121)	(1,088,870)	-	(1,262,991)
Write off - sublease	-	(46,335)	-	-	(46,335)
Balance on December 31, 2022	\$ 5,330,416	\$ 1,396,176	\$ 2,514,947	\$ 6,681	\$ 9,248,220
Accumulated depreciation and impairment losses:					
Balance on January 1, 2023	\$ 896,993	\$ 480,408	\$ 1,454,498	\$ 3,941	\$ 2,835,840
Depreciation	228,762	233,340	699,199	2,002	1,163,303
Write off - lease modification	-	(11,594)	-	(808)	(12,402)
Write off - lease ending	-	(40,680)	(1,606,404)	(2,815)	(1,649,899)
Write off - sublease	-	(2,992)	-	-	(2,992)
Balance on December 31, 2023	\$ 1,125,755	\$ 658,482	\$ 547,293	\$ 2,320	\$ 2,333,850
Balance on January 1, 2022	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Depreciation	228,301	226,911	716,176	2,143	1,173,531
Write off - lease modification	-	(34,619)	(19,864)	-	(54,483)
Write off - lease ending	-	(174,121)	(1,088,870)	-	(1,262,991)
Write off - sublease	-	(427)	-	-	(427)
Balance on December 31, 2022	\$ 896,993	\$ 480,408	\$ 1,454,498	\$ 3,941	\$ 2,835,840
Carrying amounts:					
December 31, 2023	\$ 4,204,661	\$ 719,939	\$ 2,096,708	\$ 2,122	\$ 7,023,430
January 1, 2022	\$ 4,564,756	\$ 781,790	\$ 953,211	\$ 3,834	\$ 6,303,591
December 31, 2022	\$ 4,433,423	\$ 915,768	\$ 1,060,449	\$ 2,740	\$ 6,412,380

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 were as follows:

	For the years ended December 31	
	2023	2022
Right-of-use assets depreciation expense	\$ 23,915	\$ 23,453
Interest expense on lease liabilities	\$ 24,175	\$ 24,555

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

- e. In April, 2023 and July, 2022, ET Pet and Care Pet Bio-Tech subleased their leasehold properties partially in financial leasing, and the initial investments were \$35,646 and \$45,908, respectively. The durations of subleases were the same as the original leases. Care Pet Bio-Tech negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing finance lease receivables by \$1,732, also causing loss from modification of lease contracts at the same amount. The maturity analysis of lease payments receivable under operating subleases was as follows:

	December 31, 2023	December 31, 2022
Within 1 year	\$ 14,191	\$ 12,366
1-3 years	23,910	19,185
3-5 years	15,796	10,613
More than 5 years	13,696	943
Total subleasing investment	67,593	43,107
Unearned finance income	(5,982)	(2,689)
Lease payments receivables (current and non-current)	\$ 61,611	\$ 40,418

For credit risk; please refer to Note 32.

f. Impairment losses

The recoverable amount of outdoor advertising boards is calculated based on the value in use, and the value in use in turn is calculated based on the pre-tax cash flow forecast of the financial forecast for the remaining lease period of the outdoor advertising boards. As the years ended December 31, 2023 and 2022, the discount rates used to estimate the value in use were 9.29% and 7.57%. The discount rate is a pre-tax rate measured on the basis of the estimated industry weighted average cost of capital, and the risk premium is adjusted to reflect the increased risk of general investment in equity and the specific systemic risk of cash-generating units.

The cash flow estimation is based on the financial budget of the remaining lease period of the outdoor advertising boards estimated by the management. The estimation of EBITDA during the financial budget period is based on past experience, actual operating results and future lease expiry dates. Considering the nature of the outdoor media business, the management believes that the aforementioned forecast period is reasonable. The relevant operating income is estimated based on past experience and actual operating conditions, taking into account the market environment and the growth of the industry market. It also estimates operating costs and expenses based on past experience and changes in various costs and expenses, and calculates the recoverable amount using the pre-tax discount rate. The values of these key assumptions represent the management's assessment of the future trend of the outdoor media space operation business, while taking external and internal information (historical information) into account.

After the estimation, there was no indication of impairment in 2023 and 2022.

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

18. Intangible assets

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

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
Cost:						
Balance on January 1, 2023	\$ -	\$ 8,357	\$ -	\$ 58,979	\$ 6,629	\$ 73,965
Additions	-	-	-	50,708	181	50,889
Disposal	-	(4,929)	-	(21,468)	(4,859)	(31,256)
Balance on December 31, 2023	\$ -	\$ 3,428	\$ -	\$ 88,219	\$ 1,951	\$ 93,598
Balance on January 1, 2022	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Additions	-	3,428	-	12,467	603	16,498
Disposal	(79,165)	(267,021)	(73,169)	(16,097)	(13,563)	(449,015)
Balance on December 31, 2022	\$ -	\$ 8,357	\$ -	\$ 58,979	\$ 6,629	\$ 73,965

	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	-	1,143	-	57,507	1,555	60,205
Disposal	-	(4,929)	-	(21,468)	(4,859)	(31,256)
Balance on December 31, 2023	\$ -	\$ 1,714	\$ -	\$ 75,064	\$ 1,534	\$ 78,312
Balance on January 1, 2022	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Amortization for the period	-	1,738	7,317	16,126	5,039	30,220
Disposal	(79,165)	(267,021)	(73,169)	(16,097)	(13,563)	(449,015)
Impairment loss	79,165	239,088	49,389	-	-	367,642
Balance on December 31, 2022	\$ -	\$ 5,500	\$ -	\$ 39,025	\$ 4,838	\$ 49,363
Carrying amounts:						
December 31, 2023	\$ -	\$ 1,714	\$ -	\$ 13,155	\$ 417	\$ 15,286
January 1, 2022	\$ 79,165	\$ 240,255	\$ 56,706	\$ 23,613	\$ 6,227	\$ 405,966
December 31, 2022	\$ -	\$ 2,857	\$ -	\$ 19,954	\$ 1,791	\$ 24,602

a. Trademark and Client rights

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

b. The impairment evaluation of goodwill

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

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

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

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

The management believed that any reasonable changes to key assumptions used for determining recoverable amount of each cash generating unit would not cause its carrying amount greater than the recoverable amount. The recoverable amount determined under aforesaid the key assumptions comparing with the carrying amount of the assets used for operation and the goodwill on the valuation date, ended up with no impairment loss should be recognized for the year ended December 31, 2023.

19. Short-term loans

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

	December 31, 2023	December 31, 2022
Unsecured bank loans	\$ 69,217	\$ 2,450
Secured bank loans	316,342	375,000
Total	\$ 385,559	\$ 377,450
Unused credit lines	\$ 1,757,441	\$ 1,614,550

- 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:

	December 31, 2023	December 31, 2022
No guarantees to pay commercial promissory notes	\$ 100,000	\$ 350,000
Less: discount amount	(221)	(573)
Carrying amount	\$ 99,779	\$ 349,427
Unused credit lines	\$ 492,500	\$ 300,000

- 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)

	December 31, 2023	December 31, 2022
Generated from operation	\$ 2,899	\$ 11,163
Non-generated from operation	41,313	164,548
	\$ 44,212	\$ 175,711

- 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 2.03%~3.66% and 1.53%~3.25% on December 31, 2023 and 2022, respectively.

22. Long-term loans

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

	December 31, 2023	December 31, 2022
Unsecured loans	\$ 81,000	\$ 35,000
Secured bank loans	3,901,619	2,461,457
Less: Current portion	(156,251)	(151,211)
Fees	(23,787)	(22,673)
Total	\$ 3,802,581	\$ 2,322,573
Duration year	113~126	112~126
Unused credit lines	\$ 4,130,780	\$ 4,742,567

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

23. Long term notes and accounts payable

	December 31, 2023	December 31, 2022
Generated from operation	\$ 94,714	\$ 17,300
Non-generated from operation	125,975	183,964
Less: Current portion	(145,617)	(171,264)
	\$ 75,072	\$ 30,000

- a. Long-term notes payable were 18 and 24 periods of repayment checks. Since there were demands for working capital of the Group, the Group signed installment purchase contracts.
b. The interest rates in long-term loans and long-term notes and accounts payable are 2.41%~4.70% and 2.43%~4.52% on December 31, 2023 and 2022, respectively.

24. Lease liabilities

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

	December 31, 2023	December 31, 2022
Current	\$ 1,039,192	\$ 1,083,123
Non-current	\$ 6,089,355	\$ 5,425,792

For the maturity analysis, please refer to Note 32.

Lease amounts recognized as profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	\$ 169,378	\$ 162,495
Interest capitalized on lease liabilities	\$ 24,175	\$ 24,555
Variable lease payments not included in the measurement of lease liabilities	\$ 30,437	\$ 33,254
Expenses relating to short term leases	\$ 369,890	\$ 323,381
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ 1,153	\$ 1,181
Covid-19 related rent concessions recognized as other income	\$ -	(\$ 78,668)

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	\$ 1,780,093	\$ 1,672,448

- a. For the years ended December 31, 2023 and 2022, newly added lease liabilities amounted to \$1,885,346 and \$1,486,069, respectively, and the interest rates were 3.25%~3.5% and 2.75%~3.25%. Lease period ending dates extend from January, 2024 to May, 2092. However, for the years ended December 31, 2023 and 2022, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$80,654 and \$158,537, 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 December 31, 2023 and 2022, 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 partially 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 three to five years. In some cases, the Group has options to extend lease terms at the end of the contract term.

The Group also leases IT equipment and machinery with contract terms of one to three years. These leases are short-term or leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

25. Employee benefits

a. Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 134,922	\$ 131,378
Fair value of plan asset	(128,597)	(129,579)
Net defined benefit liabilities	\$ 6,325	\$ 1,799

(a) Composition of plan assets

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

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$128,597 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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

The movement in present value of the defined benefit obligations for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Defined benefit obligations on January 1	\$ 131,378	\$ 143,259
Current service cost and interest	2,297	2,360
Remeasurements of the net defined benefit liability:		
—Actuarial gains (losses) due to experience adjustments	7,980	(3,948)
Benefits paid by the plan	(6,733)	(6,981)
Others	-	(3,312)
Defined benefit obligations on December 31	\$ 134,922	\$ 131,378

(c) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Fair value of plan assets on January 1	\$ 129,579	\$ 122,283
Interest revenue	1,412	784
Remeasurements of the net defined liability:		
—Return on plan assets (excluding interest for the period)	781	9,517
Contributions made from employer	3,558	3,582
Benefits paid by the plan	(6,733)	(6,556)
Refund	-	(31)
Fair value of plan assets on December 31	\$ 128,597	\$ 129,579

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Service cost of the period	\$ 865	\$ 1,466
Net interest on net defined benefit liability	20	110
	\$ 885	\$ 1,576
Operating cost	\$ 611	\$ 1,095
General and administrative expense	274	481
	\$ 885	\$ 1,576

(e) Actuarial valuations

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

	December 31, 2023	December 31, 2022
Discount rate	1.05%	1.09%
Future salary increase	1%	1%

The expected allocation payment to be made by the Group to the defined benefit plans for the one-year period after the reporting date is \$2,616.

The weighted-average lifetime of the defined benefits plans is 1 year.

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

(f) Sensitivity analysis

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

As of December 31, 2023 and 2022, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2023		
Discount of 0.50%	(\$ 185)	\$ 1,160
Future salary change of 0.50%	\$ 1,137	(\$ 186)
	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2022		
Discount of 0.50%	(\$ 1,112)	\$ 1,679
Future salary change of 0.50%	\$ 1,658	(\$ 1,118)

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

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

b. Defined contribution plans

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

For the years ended December 31, 2023 and 2022, the Group contributed \$64,189 and \$53,623, respectively, under the pension plan to the Bureau of Labor Insurance.

26. Income taxes

a. The components of income tax for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current income tax expense		
Current period	\$ 3,784	\$ 2,008
Undistributed earnings additional tax	-	1,679
Adjustment for prior periods	(844)	(10)
	<u>2,940</u>	<u>3,677</u>
Deferred tax expense		
Origination and reversal of temporary differences	50,171	244,347
Income tax expense	<u>\$ 53,111</u>	<u>\$ 248,024</u>

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

	For the years ended December 31	
	2023	2022
Profit loss before tax	(\$ 292,971)	(\$ 1,502,222)
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	(58,594)	(300,444)
Differences of income tax rate in foreign countries	(8,916)	(19,239)
Investment gain or loss from domestic investment accounted for using equity method	21,678	40,902
Other adjustments in accordance with tax laws	49,616	237,823
Prior years' adjustment	(844)	(10)
Undistributed earnings additional tax	-	1,679
Income basic tax	-	743
Deferred income taxes	50,171	286,570
Total	\$ 53,111	\$ 248,024

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

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

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	\$ 227,652	\$ 348,145
The carryforward of unused tax losses	1,103,353	1,251,804
	\$ 1,331,005	\$ 1,599,949

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

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

As of December 31, 2023, the information of the Group's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

Year of Occurrence	Remaining Creditable Amount	Year of Expiration
2014	\$ 1,538,180	2024
2015	1,288,921	2025
2016	250,598	2026
2017	217,394	2027
2018	267,037	2028
2019	369,412	2029
2020	426,434	2030
2021	181,085	2031
2022	219,857	2032
2023	757,848	2033
	\$ 5,516,766	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, were as follows:

	For the years ended December 31	
	2023	2022
Balance, January 1	\$ 201,581	\$ 446,453
Recognized in profit or loss	(\$ 50,171)	(\$ 244,872)
Balance, December 31	<u>\$ 151,410</u>	<u>\$ 201,581</u>

	For the years ended December 31	
	2023	2022
Deferred Tax Liabilities:		
Balance, January 1	\$ -	\$ 525
Recognized in profit or loss	-	(525)
Balance, December 31	<u>\$ -</u>	<u>\$ -</u>

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

27. Capital and other equity

a. Ordinary shares

As of December 31, 2023 and 2022, the total value of nominal ordinary shares amounted to \$15,000,000 with a par value of \$10 (dollars) per share. The total number of shares was 300,243 and 476,055 thousand shares, respectively.

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 was passed in the shareholders' meeting on May 30, 2023 and approved by the Taiwan Stock Exchange on June 26, 2023. The Company's board of directors approved the reference date for capital reduction would be on July 11, 2023. The registration procedures were finished on July 18, 2023. For further information, please refer to the Market Observation Post System.

b. Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	<u>\$ 15,992</u>	<u>\$ 15,992</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital

surplus in excess of par value should not exceed 10% of the total common stock outstanding.

c. Retained earnings

(a) Legal reserve

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

(b) Special reserve

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

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

(c) Earnings distribution

In respect to the Company's dividend policy, in order to cope with the Company's diversified operations and the capital expenditure required for future expansion of the scope of operations and long-term financial planning, it can be based on the needs of the business climate and industry changes and take into account the interests of shareholders, making appropriate assignments or reservations. Any profit in the annual financial statements shall be paid to all taxes and dues in accordance with the laws and make up for any accumulated deficits, and then set aside 10% of said profits as legal reserve, provided such legal reserve amounts to the total paid-in capital, this provision shall not apply. As well as special reserve appropriation and reversal in accordance with the laws or regulations of the competent authority. If there is still a profit, and the undistributed profit at the beginning of the same period (including adjustment of the amount of undistributed profit), the Board of Directors shall prepare a profit distribution proposal and submit it to the General Meeting of Shareholders for resolution: 1. Shareholders' dividends are allocated with distributable earnings, which shall not be less than 15% of the current year's distributable earnings and; 2. the cash dividend shall not be less than 10% of the current year; 3. however, if the balance of the distributable earnings of the current year minus the beginning undistributed earnings is less than NT\$0.1 per share, the Company may exempt from this provision. Distribution of the earnings in the preceding paragraph is authorized after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such

distribution shall be submitted to the shareholders' meeting; by means of issuing new shares, a resolution shall be submitted to the shareholders' meeting in accordance with the regulations.

The appropriation of 2021 earnings concerning cash dividends had 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 appropriation was as follows:

	<u>Amount</u>	<u>Dividend per share (NT\$)</u>
	<u>2021</u>	<u>2021</u>
Legal reserve	\$ 74,607	\$ -
Special reserve	52,654	-
Cash dividends	528,950	1.00

On March 14, 2023, the Company's Board of Directors resolved to make a capital reduction, and did not distribute dividends for there was net loss in 2022. The capital reduction for 2022 was passed in the Boardmeeting on May 30, 2023.

On February 26, 2024, 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 2023. The capital reduction for 2023 was passed in the Boardmeeting on May 27, 2024 (expected). For further information, please refer to the Market Observation Post System.

- (d) In 2022, as the Group did not increase the capital of subsidiaries in proportion to the shareholding ratio, making differences between consideration and carrying-amount of subsidiaries. This incident increased (decreased) capital surplus by \$388 and \$(639), respectively.
- (e) In 2022, the Group's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$5,664 reducing retained earnings directly. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$207,501.
- (f) In 2023, due to the changes in investments accounted for using equity method, the Company recognized a reduction in retained earnings of \$3,649.

d. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1, 2023	(\$ 176,758)	\$ 1,290	\$ 31,115	(\$ 144,353)
Exchange differences on foreign operation	61,170	-	-	61,170
Change in other comprehensive income of associates accounted for using equity method	(14,439)	(3,858)	-	(18,297)
Balance on December 31, 2023	<u>(\$ 130,027)</u>	<u>(\$ 2,568)</u>	<u>\$ 31,115</u>	<u>(\$ 101,480)</u>

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

28. Losses per share

The basic losses per share were calculated as follows:

	<u>For the years ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Basic Losses per share		
Loss attributable to ordinary shareholders of the Company	<u>(\$ 272,765)</u>	<u>(\$ 1,655,102)</u>
The weighted average number of ordinary shares outstanding (thousand shares)	<u>300,243</u>	<u>327,053</u>
	<u>(\$ 0.91)</u>	<u>(\$ 5.06)</u>

Note: On May 30, 2023, the company resolved at the shareholders' meeting to reduce capital to offset losses, with the reference date being on July 11, 2023. The impact of the reduction of capital to offset losses has been retrospectively adjusted when calculating loss per share.

Since there were net losses in both 2023 and 2022, there is no need to disclose diluted earnings per share.

29. Revenue from contracts with customers

a. Details of revenue

	<u>For the years ended December 31</u>				
	<u>2023</u>				
	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Others</u>	<u>Total</u>
Main services:					
Sales revenue	\$ -	\$ 2,158,680	\$ 13	\$ -	\$ 2,158,693
Media revenue	-	-	1,929,129	-	1,929,129
Loading and storage revenue	1,436,570	-	-	-	1,436,570
Other revenue	-	237,874	70,182	9,150	317,206
	<u>\$ 1,436,570</u>	<u>\$ 2,396,554</u>	<u>\$ 1,999,324</u>	<u>\$ 9,150</u>	<u>\$ 5,841,598</u>
	<u>For the years ended December 31</u>				
	<u>2022</u>				
	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Others</u>	<u>Total</u>
Main services:					
Sales revenue	\$ -	\$ 2,136,959	\$ 10	\$ -	\$ 2,136,969
Media revenue	-	-	2,043,974	-	2,043,974
Loading and storage revenue	1,479,159	-	-	-	1,479,159
Other revenue	-	193,303	86,941	8,718	288,962
	<u>\$ 1,479,159</u>	<u>\$ 2,330,262</u>	<u>\$ 2,130,925</u>	<u>\$ 8,718</u>	<u>\$ 5,949,064</u>

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Notes receivable-generated from operation	\$ 3,501	\$ 5,143	\$ 5,785
Installment notes receivable	17,360	42,600	131,397
Accounts receivable	496,243	498,841	497,999
Long-term installment notes receivable	86,118	85,344	-
Less: Allowance for doubtful accounts	(46,535)	(50,197)	(52,019)
Unrealized interest revenue	(11,437)	(13,610)	(11,051)
	\$ 545,250	\$ 568,121	\$ 572,111
Contract liability –			
Commodity Gift Certificates and Special Offer Points	\$ 6,353	\$ -	\$ -
Contract liability advertising services	22,616	28,626	26,134
Contract liability others	33,191	13,497	6,104
Total	\$ 62,160	\$ 42,123	\$ 32,238

(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.

For the years ended 2023 and 2022, there were \$23,811 and \$32,149 transferred into revenue from the beginning balance of contract liabilities, respectively.

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.

Since there were net losses in 2023 and 2022, no remuneration should be calculated.

For the years ended December 31, 2022 and 2021, the Company estimated its employee remuneration amounting to nil and \$25,402, respectively. The amounts of employees' and directors' remuneration, as stated in the consolidated financial statements, were identical to the actual distributions amounts for the years 2022 and 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 years ended December 31	
	2023	2022
Interest income from bank deposits	\$ 14,996	\$ 5,837
Interest income from financial assets measured at amortized cost	1,108	253
Other interest income	6,985	4,957
	\$ 23,089	\$ 11,047

b. Other income

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

	For the years ended December 31	
	2023	2022
Rental income	\$ 42,380	\$ 58,790
Dividend income	34,455	66,154
Other revenue (Note)	92,400	123,104
	\$ 169,235	\$ 248,048

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

c. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	2022
Gain on disposal of property, plant, and equipment	\$ 1,569	\$ 2,079
Lease modification benefits	5,307	696
Foreign exchange loss	(275)	(18,576)
Net gain (loss) on evaluation of financial assets at fair value through profit or loss	56,614	(257,234)
Impairment loss on intangible assets	-	(367,642)
Impairment loss on financial assets	-	(678,957)
Loss on disposal of investments	(63,146)	-
Impairment loss on property, plant, and equipment	-	(175,511)
Other loss	(5,682)	(25,613)
	(\$ 5,613)	(\$ 1,520,758)

d. Finance costs

The Group's finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest expenses – lease liabilities	\$ 169,378	\$ 162,495
Interest expenses – bank loans	92,814	71,497
Finance expense	19,933	13,550
	<u>282,125</u>	<u>247,542</u>
Less: operating costs	(902)	(662)
	<u>\$ 281,223</u>	<u>\$ 246,880</u>

32. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2023 and 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 \$3,898,062 and \$3,302,085.

(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.

As of December 31, 2023 and 2022, there was no allowance for notes and accounts receivable.

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.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
December 31, 2023						
Non derivative financial liabilities						
Loans	\$ 4,344,391	\$ 5,192,081	\$ 679,358	\$ 1,327,042	\$ 562,010	\$ 2,623,671
Short term notes and bills payable	99,779	100,000	100,000	-	-	-
Payables (current and non-current)	1,666,372	1,673,728	1,597,561	76,167	-	-
Lease liabilities (current and non-current)	7,128,547	8,796,603	1,241,925	2,117,006	1,139,193	4,298,479
Guarantee deposits received	4,612	4,612	-	4,612	-	-
	<u>\$ 13,243,701</u>	<u>\$ 15,767,024</u>	<u>\$ 3,618,844</u>	<u>\$ 3,524,827</u>	<u>\$ 1,701,203</u>	<u>\$ 6,922,150</u>

	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	\$ 3,307,230	\$ 608,538	\$ 1,077,002	\$ 271,733	\$ 1,349,957
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	-	-
	<u>\$ 11,345,619</u>	<u>\$ 13,536,039</u>	<u>\$ 3,825,710</u>	<u>\$ 2,506,048</u>	<u>\$ 1,205,739</u>	<u>\$ 5,998,542</u>

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

c. Exchange rate risk

(a) Exposure to exchange rate risk

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

	December 31, 2023			December 31, 2022		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial assets						
Monetary items						
USD:TWD	\$ 1,315	30.705	\$ 40,382	\$ 149	30.712	\$ 4,575
USD:HKD	719	7.815	22,087	6,037	7.798	185,403
CNY:TWD	272	4.327	1,177	218	4.408	963
USD:CNY	42	7.096	1,288	42	6.967	1,288
HKD:TWD	28,813	3.929	113,205	8	3.938	31
Non-monetary items						
USD:TWD	\$ 38,859	30.705	\$ 1,193,174	\$ 43,214	30.712	\$ 1,327,108
HKD:TWD	73,990	3.929	290,763	14,835	3.938	58,419
CNY:HKD	1,444	1.101	6,248	1,578	0.893	6,958
HKD:USD	341,530	0.128	1,341,872	364,257	0.128	1,433,792
Financial liabilities						
Monetary items						
USD:TWD	\$ -	30.705	\$ -	\$ 5,757	30.712	\$ 176,807
HKD:TWD	26,000	0.12796	102,154	-	0	-

(b) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net loss before tax would have respectively increased or decreased by \$760 and \$155 for the years ended December 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 years ended December 31, 2023 and 2022, foreign currency exchange losses (including realized and unrealized) amounted \$275 and \$18,576, respectively.

d. Interest rate analysis

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

The following sensitivity analysis is based on the exposure to interest rate risk of the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities on the reporting date have been outstanding for the whole year. The Group's internal

management reported the increases/decreases in interest rates, and changes in interest rates of one basis point are considered by management to be reasonably possible.

If the interest rate had increased or decreased by 1% and assuming all other variable factors remained constant, the Group's net loss after tax would have respectively increased or decreased by \$22,122 and \$10,297 for the the years ended December 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 years ended December 31		For the years ended December 31	
	2023		2022	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	\$ 32,453	\$ 225	\$ 32,203
Decreasing 3%	(225)	(32,453)	(225)	(32,203)

f. Fair value of financial instruments

(a) Fair value hierarchy

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

December 31, 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	\$ 1,081,754	\$ 1,081,754	\$ -	\$ -	\$ 1,081,754
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets at fair value through profit or loss					
Cash and cash equivalents	1,682,873				
Notes and accounts receivable (including related parties)	464,932				
Other receivables (including related parties)	149,009				
Other current financial assets	132,011				
Long-term notes and accounts payable (including related parties)	80,318				
Refundable deposits	352,726				
Other non-current financial assets	186,163				
Financial liabilities measured at amortized cost					
Short-term loans	385,559				
Short term notes and bills payable	99,779				

December 31, 2023	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Notes and accounts payable (including related parties)	\$ 411,518				
Other payables (including related parties)	1,034,165				
Long-term loans (including current portion of long-term loans)	3,958,832				
Lease liabilities (current and non-current)	7,128,547				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	220,689				
Guarantee deposits received	4,612				

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 at fair value through profit or loss					
Cash and cash equivalents	1,914,254				
Notes and accounts receivable (including related parties)	492,038				
Other receivables (including related parties)	128,874				
Other current financial assets	38,055				
Long-term notes and accounts payable (including related parties)	76,083				
Refundable deposits	432,274				
Other non-current financial assets	133,040				
Financial liabilities measured at amortized cost					
Short-term loans	377,450				
Short term notes and bills payable	349,427				
Notes and accounts payable (including related parties)	556,967				
Other payables (including related parties)	873,627				
Long-term loans (including current portion of long-term loans)	2,473,784				
Lease liabilities (current and non-current)	6,508,915				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	201,264				
Guarantee deposits received	4,185				

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

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

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

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

- (c-1) Non-derivative financial instruments

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

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

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

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

- (c-2) Derivative financial instruments

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

- (d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

- (e) Reconciliation of Level 3 fair values

There was no change in fair value through other comprehensive income recognized

for the years ended December 31, 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 (1.58 and 1.29 as of December 31, 2023 and 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:

	<u>Inputs</u>	<u>Rate increasing or decreasing</u>	<u>Other comprehensive income</u>	
			<u>Favourable</u>	<u>Unfavourable</u>
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 161	(\$ 161)
Equity investments without an active market	Discount for lack of marketability	1%	161	(161)

	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)

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

33. Financial risk management

a. Overview

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

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

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

b. Risk management framework

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

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

c. Credit risk

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

(a) Accounts receivable and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. For the year ended December 31, 2023, 10% of the Group's revenue was not concentrated with a single customer; therefore, there was no significant

concentration of credit risk.

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

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

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

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

(b) Investment

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

(c) Guarantee

The Group's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2023 and 2022, no other guarantees were outstanding.

d. Liquidity risk

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

As of December 31, 2023 and 2022, the Group had unused bank credit lines for short term borrowings amounting to \$6,380,721 and \$6,657,117, respectively. According to the Group's evaluation, the working funds of the Group are sufficient to meet its entire contractual obligations and non hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. Equity investments recorded as financial assets carried at cost do not have reliable market prices and are expected to have liquidity risk.

e. Market risk

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

(a) Currency risk

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

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

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

(b) Interest rate risk

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

(c) Other market price risk

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

34. Capital management

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

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

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

As at December 31, 2023, the Group's capital management strategy is consistent with the prior year as at December 31, 2022, ensure financing at a reasonable cost. The Group's debt to equity ratios at the balance sheet dates were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 13,349,991	\$ 11,423,547
Less: cash and cash equivalents	(1,682,873)	(1,914,254)
Net debt	11,667,118	9,509,293
Total Equity	4,217,841	4,073,336
Total capital	\$ 15,884,959	\$ 13,582,629
Net Debt-to-equity ratio	73.45%	70.01%

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

35. Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

	For the years ended December 31	
	2023	2022
Acquisition of property, plant and equipment	\$ 1,899,146	\$ 1,132,760
Add: Notes payable January 1	-	706
Add: Other payables January 1	162,265	38,584
Less: Interest and depreciation capitalization	(82,957)	(51,771)
Less: Other payables December 31	(274,923)	(162,265)
Cash paid in this period	\$ 1,703,531	\$ 958,014
Acquisition of intangible assets	\$ 50,889	\$ 16,498
Add: Other payables January 1	3,430	149
Less: Other payables December 31	(3,415)	(3,430)
Cash paid in this period	\$ 50,904	\$ 13,217

For the details for obtaining right-of-use assets by leasing, please refer to Note 17.

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

	January 1, 2023	Cash flows	Discount	Non-cash changes Amortization of financing use commitment fees	December 31, 2023
Short term notes and bills payable	\$ 349,427	(\$ 250,000)	\$ 352	\$ -	\$ 99,779
Long-term loans	2,473,784	1,486,162	-	(1,114)	3,958,832
Total	\$ 2,823,211	\$ 1,236,162	\$ 352	(\$ 1,114)	\$ 4,058,611
	January 1, 2022	Cash flows	Discount	Non-cash changes Amortization of financing use commitment fees	December 31, 2022
Short term notes and bills payable	\$ 79,848	\$ 270,000	(\$ 421)	\$ -	\$ 349,427
Long-term loans	1,241,674	1,248,124	-	(16,014)	2,473,784
Total	\$ 1,321,522	\$ 1,518,124	(\$ 421)	(\$ 16,014)	\$ 2,823,211

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:

<u>Name of related party</u>	<u>Relationship with the Group</u>
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
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Eastern Beauty Company Ltd.	Other related parties (Note 2)
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 1)
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
Taiwan Information and Communication Association	Other related parties
E-Happy Travel Co., Ltd. (E-Happy Travel)	Other related parties
Chunghwa New Media Industry Development Association (Chunghwa New Media)	Other related parties
Dongsen Health Biotechnology Co., Ltd. (Dongsen Health Biotechnology)	Other related parties
Eastern Realty Co., Ltd.	Other related parties (Note 3)
Dongsen Health Biomedical Co., Ltd. (Dongsen Health Biomedical)	Other related parties
YOUG CHENG Real Estate Management Co., Ltd. (YOUG CHENG Real Estate Management)	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 1)

Note 1: Since September 23, 2022, due to the merger of Oscar, Pet Kingdom and Kaou Sin, Huangjue and Fangcheng Su were not related parties.

Note 2: The original Eastern Realty Co., Ltd. was renamed as Eastern Beauty Company Ltd. on April 7, 2023.

Note 3: The precursor of the new Eastern Realty Co., Ltd. was Xin Wang real estate agency Co., Ltd.. The registration of changing the name of the company was finished on April 10, 2023.

b. Significant transactions with related parties

(a) Sales of goods and services

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

	For the years ended December 31	
	2023	2022
Associates	\$ 83,121	\$ 90,613
Other related parties	15,519	37,700
Key management	10,024	7,857
	\$ 108,664	\$ 136,170

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

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

(b) Purchase of goods

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

	For the years ended December 31	
	2023	2022
Associates	\$ 15,816	\$ 1,564
Other related parties	377	76,000
	\$ 16,193	\$ 77,564

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

	For the years ended December 31	
	2023	2022
Associates	\$ 862	\$ 8,940
Other related parties	75,006	116,980
Key management	10,667	9,000
	\$ 86,535	\$ 134,920

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

(c) Receivables

<u>Accounts</u>	<u>Related parties</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable	FAR RICH	-	2,550
Long-term accounts receivable	EIP	49,084	76,083
Accounts receivable	Associates	1,129	1,216
Accounts receivable	EHS	16,600	22,598
Accounts receivable	Natural Beauty	-	479
Accounts receivable	Other related parties	1,519	654
Accounts receivable	EIP	18,231	-
Accounts receivable	Xu Bon	-	8,675
Accounts receivable	Eastern E-Commerce	-	648
Other receivables	Associates	192	39
Other receivables	EHS	1,100	5,532
Other receivables	Natural Beauty	731	579
Other receivables	Other related parties	367	41
		<u>\$ 88,953</u>	<u>\$ 119,094</u>

The Group took installment sale with EIP, and collecting installment notes receivable at an annual interest rate of 4.5% plus interest. In addition, the interest received by the Group was \$3,343 and \$3,432 for the years ended December 31, 2023 and 2022, respectively.

(d) Payables

<u>Accounts</u>	<u>Related parties</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes payable	FAR RICH	-	2,550
Accounts payable	Associates	5	716
Accounts payable	EHS	12,135	-
Accounts payable	Other related parties	377	95
Accounts payable	Xu Bon	37,233	49,473
Accounts payable	EIP	27,633	15,253
Other payables	Associates	260	161
Other payables	EHS	7,112	11,983
Other payables	Other related parties	1,732	352
Other payables	Xu Bon	-	195
Other payables	Dongsen Social Welfare	1,350	-
		<u>\$ 87,837</u>	<u>\$ 80,778</u>

(e) Prepayments, advance receipts and contract liabilities

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

Accounts	Related parties	December 31, 2023	December 31, 2022
Prepayments	Associates	\$ 2	\$ -
Prepayments	Other related parties	6,612	6,150
		\$ 6,614	\$ 6,150

Accounts	Related parties	December 31, 2023	December 31, 2022
Contract liabilities	Associates	\$ 10	\$ -

(f) Endorsement / Guarantee provided

For the years ended December 31, 2023 and 2022 the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$1,913 and \$1,162, respectively. As of December 31, 2023 and 2022, the Group's remuneration payable was amounted to \$558 and \$382, 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 years ended December 31, 2023 and 2022 were amounted to \$1,181 and \$1,390, respectively.

(g-2) As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the years ended December 31, 2023 and 2022 were amounted to \$5,719 and \$3,061, 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 years ended December 31, 2023 and 2022, the interest expenses of lease liabilities were \$637 and \$227, respectively. As of December 31, 2023, the ending balance of lease liabilities was \$16,218.

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

(h) Acquisition of property, plant and equipment

Related parties	For the years ended December 31	
	2023	2022
Other related parties	\$ -	\$ 179

(i) Acquisition of intangible assets

Related parties	For the years ended December 31	
	2023	2022
Associates	\$ -	\$ 222
FAR RICH	39,088	-
	\$ 39,088	\$ 222

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

(j) Other

(j-1) For the years ended December 31, 2023 and 2022, the Group paid operating fees to

associates, key management, and other related parties to fulfill its business requirements were amounted to \$19,548 and \$25,289, respectively.

(j-2) In order to follow its operating plan, the Group donated \$6,200 and \$5,700 to related parties in related industries for the years ended December 31, 2023 and 2022, respectively.

(j-3) For the years ended December 31, 2023 and 2022, the Group received non-operating revenue from related parties amounted to \$696 and \$4,680, respectively.

(j-4) For the years ended December 31, 2023 and 2022, the Group paid non-operating expenses to related parties amounted nil and \$25, respectively.

(j-5) In January 2022, the Group acquired the shares of Oscar, Pet kingdom and Kaou Sin at the price \$45,360. The transaction price had been fully paid.

c. Key management personnel compensation

	For the years ended December 31	
	2023	2022
Short-term employee benefits	\$ 93,761	\$ 98,752

37. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	December 31, 2023	December 31, 2022
Property, plant and equipment	Short-term and long- term loans	\$ 918,690	\$ 776,296
Investments accounted for using equity method	Long- term loans	1,241,983	1,321,177
Other current financial assets- demand deposits	Reserve and its interest	23,390	34,134
Other current financial assets- demand deposits	Security for issuance of travel vouchers at travel fair	39,981	-
Refundable deposits	Bid bonds, performance bonds and security deposits	295,245	373,432
Other non-current financial assets – reserve account	Deposit in long-term loans	121,950	103,875
Investments accounted for using equity method for subsidiary (Note 1)	Long-term loans	-	-
Current financial assets at fair value through profit or loss	Short-term loans and short-term notes and bills payable	484,282	543,235
Right-of-use asstes	Long-term loans	1,137,372	1,161,287
Notes receivable and long-term notes and accounts receivable	Notes payable (Note 2)	37,007	-
		\$ 4,299,900	\$ 4,313,436

Note 1: The investments accounted for using equity method for subsidiary's stocks have been written off in the preparation of consolidated financial statement.

Note 2: The assests were pledged to TKLF.

38. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	December 31, 2023	December 31, 2022
Unused standby letters of credit	\$ 196,654	\$ -

(b) The Company and its subsidiary-EHR had signed contracts relating to manage resorts in

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

(c) Unrecognized contractual commitments:

The Group's unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Total contract price	\$ 5,673,343	\$ 3,687,320
Accounted amount	\$ 2,622,374	\$ 968,876

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. In order to save lawsuit fees, Sammok and the Company were willing to negotiate. Therefore, Sammok and the Company made a negotiation at Hong Kong International Arbitration Centre on December 6, 2023. Eventually, the lawsuit was determined with the settlement of USD 2,750.
- (c) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2023 and 2022, all unsettled lawsuits had no impact on its financial and business operation.

39. Losses Due to Major Disasters: None.

40. Subsequent Events:

On February 26, 2024, ET New Media's Board of Directors resolved to make a consolidation by merger of MOOD. Meanwhile ET New Media would be the surviving company. The reference date of merger would be on February 29, 2024.

41. Other

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

By nature	By function	For the years ended December 31		
		2023		
		Operating cost	Operating expense	Total
Employee benefits				
Salary		\$ 668,235	\$ 837,363	\$ 1,505,598
Health and labor insurance		64,330	70,266	134,596
Pension		30,186	34,888	65,074
Remuneration of directors		-	28,479	28,479
Others		11,221	15,417	26,638
Depreciation expense		991,832	349,203	1,341,035
Amortization expense		49,195	11,010	60,205

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

42. Other disclosures

a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the years ended December 31, 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 December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures).
- (d) Please refer to Table 4 for the individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital.
- (e) Please refer to Table 5 for acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital.
- (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 6 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 7 for the business relationships and significant intercompany transactions.
- b. Information on investees
Please refer to Table 8 or the information on investees for the years ended December 31, 2023.
 - c. Information on investment in Mainland China
 - (a) Please refer to Table 9 for the relevant information such as the name and main business items of the investee company in Mainland China.
 - (b) Please refer to Table 9 for the limitation on investment in Mainland China
 - (c) Please refer to Table 9 for the significant transactions with investee companies in Mainland China.
 - d. Major shareholders
Please refer to Table 10 for the major shareholders for the years ended December 31, 2023.

43. Segment information

a. General Information

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

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

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

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

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

For the year ended December 31, 2023						
	Warehousing	Trading	Media	Tourism	Others	Total
Revenue:						
Revenue from external customers	\$1,436,570	\$2,396,554	\$1,999,324	-	\$ 9,150	\$5,841,598
Interest revenue	-	3,423	2,695	539	16,432	23,089
Total revenue	<u>\$1,436,570</u>	<u>\$2,399,977</u>	<u>\$2,002,019</u>	<u>\$ 539</u>	<u>\$ 25,582</u>	<u>\$5,864,687</u>
Interest expense	101,027	44,440	50,773	35,054	49,929	281,223
Depreciation and amortization	273,826	297,731	810,203	-	19,480	1,401,240
Share of profit of associates and joint ventures accounted for using equity method	-	(25,938)	-	-	(82,452)	(108,390)
Material non-monetary item:						
Reportable segment profit or loss before tax	<u>420,531</u>	<u>(321,547)</u>	<u>(165,283)</u>	<u>(74,221)</u>	<u>(152,451)</u>	<u>(292,971)</u>
For the year ended December 31, 2022						
	Warehousing	Trading	Media	Tourism	Others	Total
Revenue:						
Revenue from external customers	\$1,479,159	\$2,330,262	\$2,130,925	-	\$ 8,718	\$5,949,064
Interest revenue	-	958	1,137	534	8,418	11,047
Total revenue	<u>\$1,479,159</u>	<u>\$2,331,220</u>	<u>\$2,132,062</u>	<u>\$ 534</u>	<u>\$ 17,136</u>	<u>\$5,960,111</u>
Interest expense	106,047	49,284	41,111	32,222	18,878	247,542
Depreciation and amortization	266,434	274,691	773,517	5,100	43,348	1,363,090
Share of profit of associates and joint ventures accounted for using equity method	-	(130,333)	-	-	(74,175)	(204,508)
Material non-monetary item:						
Impairment losses	-	367,642	-	175,511	678,957	1,222,110
Reportable segment profit or loss before tax	<u>\$ 461,948</u>	<u>(\$ 600,519)</u>	<u>(\$ 53,579)</u>	<u>(\$ 233,397)</u>	<u>(\$1,076,675)</u>	<u>(\$1,502,222)</u>

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

c. Information about products and services

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

d. Geographical information

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

Regions	For the years ended December 31	
	2023	2022
External revenue :		
Taiwan	\$ 5,720,284	\$ 5,756,574
Hong Kong	6,318	-
The USA	114,996	192,490
	<u>\$ 5,841,598</u>	<u>\$ 5,949,064</u>
Non-current assets :		
Taiwan	<u>\$ 11,397,640</u>	<u>\$ 9,066,621</u>

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

and pension fund assets.

e. Information about major customers

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

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to other parties

For the year ended December 31, 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	\$ 700,000	\$ 700,000	\$ 300,000	3~3.5	2	-	Operation requirements	-	-	-	\$ 1,320,774 (Note 2)	\$ 1,981,161 (Note 2)	
0	"	Care Pet Bio-Tech	"	Yes	150,000	50,000	-	3.25~3.5	2	-	"	-	-	-	1,320,774 (Note 2)	1,981,161 (Note 2)	
0	"	ET Pet	"	Yes	100,000	-	-	3~3.25	2	-	"	-	-	-	1,320,774 (Note 2)	1,981,161 (Note 2)	
1	EIC	ET New Media	"	Yes	205,000	205,000	165,000	3~3.5	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)	
1	"	Dung sen min diau yun	"	Yes	10,000	-	-	3.25	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)	
1	"	MOOD	"	Yes	50,000	50,000	35,000	3.25~3.5	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)	
1	"	Care Pet Bio-Tech	"	Yes	30,000	-	-	3.50	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)	
2	TKLF	ET New Media	"	Yes	200,000	195,000	195,000	3~3.5	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)	
2	"	Dung sen min diau yun	"	Yes	10,000	10,000	10,000	3.25~3.5	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)	
2	"	Care Pet Bio-Tech	"	Yes	15,000	-	-	4	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)	
2	"	Lido International Managerment	Other receivables	No	30,000	29,000	29,000	8.5	2	-	"	-	-	Shiding land mortgage	\$ 31,716	32,238 (Note 4)	386,851 (Note 4)

(to be continued)

(continued)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
2	TKLF	A li shan dong fang ming shu	Other receivables	No	\$ 20,000	\$ 20,000	\$ 20,000	9	2	-	Operation requirements	-	Longtan land mortgage	\$ 27,085	\$ 32,238	\$ 386,851
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.5	2	-	"	-			(Note 4) 230,789	(Note 4) 346,184
3	"	Care Pet Bio-Tech	"	Yes	13,000	-	-	4	2	-	"	-			(Note 5) 230,789	(Note 5) 346,184
3	"	Sunflower leisure	Other receivables	No	20,000	-	-	9	2	-	"	-			(Note 5) 28,849	(Note 5) 346,184
3	"	DE-NIAN INTERNATIONAL INC.	"	No	28,000	28,000	28,000	8	2	-	"	-	Gongliao land mortgage	31,163	(Note 5) 28,849	(Note 5) 346,184
3	"	JN AGRICULTURE CORPORATION	"	No	22,000	22,000	22,000	8	2	-	"	-	Gongliao land mortgage	24,485	(Note 5) 28,849	(Note 5) 346,184
4	GRAND SCENE TRADING (HONG KONG)	The Company	Other receivables - related parties	Yes	58,954	-	-	1	2	-	"	-			84,351	168,703
4	"	GSMC-Cayman	"	Yes	58,935	58,935	58,935	1	2	-	"	-			(Note 6) 84,351	(Note 6) 168,703
5	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,750	-	-	1	2	-	"	-			(Note 6) 48,754	(Note 6) 97,509
5	"	FESS-Panama	"	Yes	43,219	43,219	43,219	1	2	-	"	-			(Note 7) 48,754	(Note 7) 97,509
6	GSMC-Cayman	FESS-Panama	"	Yes	55,269	55,269	55,269	1.1	2	-	"	-			(Note 7) 86,378	(Note 7) 172,756
7	FESS-Panama	The Company	"	Yes	49,128	-	-	1	2	-	"	-			(Note 8) 1,193,174	(Note 8) 2,386,348
															(Note 9) -	(Note 9) -

Note 1: Lending of capital has the following two types:

(1) Those with business dealings.

(2) The necessity for short-term financing.

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

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

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

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

Note 6: For GRAND 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.

(to be continued)

(continued)

Note 8: For GSMC-Cayman, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

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

Note 10: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Guarantees and endorsements for other parties

For the year ended December 31, 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	\$ 13,207,738 (Note 2)	\$ 553,652	\$ 498,840	\$ 312,313	\$ -	15.11%	\$ 13,207,738 (Note 2)	Y	N	N
0	The Company	EHR	2	13,207,738 (Note 2)	1,312,000	1,312,000	736,000	-	39.73%	13,207,738 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	13,207,738 (Note 2)	5,875,000	5,875,000	915,245	-	177.93%	13,207,738 (Note 2)	Y	N	N
0	The Company	ET Pet	2	13,207,738 (Note 2)	1,961,500	1,615,500	660,254	8,613	48.93%	13,207,738 (Note 2)	Y	N	N
0	The Company	Care Pet Bio-Tech	2	13,207,738 (Note 2)	93,000	93,000	58,000	-	2.82%	13,207,738 (Note 2)	Y	N	N
1	EIC	ET Pet	4	330,193 (Note 3)	220,000	-	-	-	- %	330,193 (Note 3)	N	N	N
1	EIC	The Company	3	330,193 (Note 3)	925,000	925,000	416,250	24,264	191.59%	330,193 (Note 3)	N	Y	N
2	FESS-Panama	The Company	3	4,097,081 (Note 4)	1,000,000	1,000,000	800,000	1,209,106	83.81%	4,097,081 (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

December 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				Highest percentage of Owner ship	Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value		
The Company	Taiwan Cement Co., Ltd.	-	Financial assets at fair value through profit or loss	6,819,555	\$ 237,661	0.09 %	\$ 237,661	0.09 %	Note
"	Formosa Plastics corporation	-	"	4,670,000	369,864	0.07 %	369,864	0.07 %	Note
"	Alibaba Group	-	"	602,000	178,814	- %	178,814	- %	
"	Momo	-	"	104,000	52,936	0.04 %	52,936	0.19 %	Note
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	15.00 %	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	11.43 %	
EILF	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	325,000	25,740	0.01 %	25,740	0.01 %	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	70,000	41,510	- %	41,510	- %	Note
"	Alibaba Group	-	"	128,000	38,039	- %	38,039	- %	
TKLF	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	47,440	- %	47,440	- %	
"	Formosa Plastics corporation	-	"	200,000	15,840	- %	15,840	- %	
"	Alibaba Group	-	"	248,700	73,910	- %	73,910	- %	

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

EASTERN MEDIA INTERNATIONAL CORPORATION

The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital

For the year ended December 31, 2023

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

Table 4

Name of the company	Category and name of security	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount (Note 1)	Shares/ Units	Amount (Note 1)	Shares/ Units	Price (Note 1)	Cost (Note 1)	Gain (loss) on disposal	Shares/ Units	Amount (Note 1)
The Company	Alibaba Group	Financial assets at fair value through profit or loss	-	-	-	\$ -	1,376,000	\$ 464,992	774,000	\$ 294,112	258,072	\$ 36,040	602,000	\$ 178,814
"	Eastern Asset	Investments accounted for using equity method	Eastern Asset	Subsidiary	71,500,000	707,832	55,000,000	550,000	-	-	-	-	126,500,000	1,254,057

Note 1: Including exchange differences on financial assets designated at fair value, investments accounted for using equity method, and translation.

EASTERN MEDIA INTERNATIONAL CORPORATION

Acquisition of individual real estate at costs of at least \$300 million or 20% of the paidin capital

For the year ended December 31, 2023

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

Table 5

Name of the company	Types of property	Transaction date	Transaction amount (Note)	Payment	Counterparty	Nature of relationships	Pior transaction of related counterparty				Price Reference	Purpost of acqursion	Other terms
							Owner	Relationships	Transfer date	Amount			
Eastern asset	Construction in progress	112.05.29	\$ 12,000,000	\$ 2,611,249	DEHWA CONSTRUCTION CO., LTD. 、EPOQUE CORPORATION, etc.	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Agreement between the parties	Building the headquarters of the Group	None

Note : The transaction amount was based on the budget of this program approved by the board of the directs. The actual information should be subjected to the contracts.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

December 31, 2023

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

Table 6

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	\$ 302,009	Not applicable	\$ -	-	\$ 2,009	\$ -
EIC	ET New Media	Subsidiary	165,487	Not applicable	-	-	487	-
EILF	ET New Media	Subsidiary	150,432	Not applicable	-	-	432	-
TKLF	ET New Media	Subsidiary	195,561	Not applicable	-	-	561	-

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Business relationships and significant intercompany transactions
December 31, 2023
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Table 7

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	\$ 302,009	Refer to contract terms or market price	1.72%
1	EIC	ET New Media	3	Other receivables - related parties	165,487	Refer to contract terms or market price	0.94%
2	EILF	ET New Media	3	Other receivables - related parties	150,432	Refer to contract terms or market price	0.86%
3	TKLF	ET New Media	3	Other receivables - related parties	195,561	Refer to contract terms or market price	1.11%

Note 1 : For the inter-company business relationship and transaction condition in the "Number" column, the labeling method is as follows:

1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2 : Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees

For the year ended December 31, 2023

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

Table 8

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Ownership	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value				
The Company	FESS-Bermuda	Bermuda	Holding company	-	\$ 32,161	-	- %	-	100.00%	(\$ 358)	(\$ 358)	Note 4
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,193,174	100.00%	(124,028)	(124,028)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	-	672,603	-	- %	-	100.00%	(851)	(851)	Note 1
The Company	EIC	Taiwan	General investing	342,117	500,525	46,234,059	97.90%	472,673	97.90%	(4,105)	(4,019)	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	310,238	53.77%	31,204	16,779	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	346,645	53.76%	25,516	13,718	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	178,393	416,250	17,839,278	59.46%	(137,000)	59.46%	(294,440)	(175,087)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	8,971	6.51%	(101,869)	(6,633)	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(827,854)	89.20%	(276,083)	(246,278)	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%	(111,195)	60.40%	(39,740)	(24,003)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	1,265,000	715,000	126,500,000	55.00%	1,254,057	55.00%	(6,863)	(3,775)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(9,706)	1.05%	(276,083)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	26,664	19.36%	(101,869)	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	64,475	10.00%	25,516	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	57,697	10.00%	31,204	"	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%	(24,301)	13.20%	(39,740)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	207,710	36.00%	31,204	"	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%	(24,301)	13.20%	(39,740)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	232,111	36.00%	25,516	"	Subsidiary

(to be continued)

(continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Highest percentage of Owner ship	Net income (losses) of investee	Share of profits/ losses of investee	Note
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value				
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%	(\$ 24,301)	13.20%	(\$ 39,740)	Exempt from disclosure	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	86,378	100.00%	1,017	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	48,754	100.00%	(567)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,209,106	30.00%	(60,134)	"	Associate
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	84,351	100.00%	1,282	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	3,000	300,000	100.00%	856	100.00%	(2,196)	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	5,000	5,000	500,000	100.00%	3,371	100.00%	1,577	"	Subsidiary
ET New Media	MOOD	Taiwan	Marketing, research and data collection	50,000	50,000	5,000,000	100.00%	(30,364)	100.00%	(80,364)	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	-	5,000	-	- %	-	-	-	"	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	79,286	185,000	7,928,568	26.43%	(60,889)	26.43%	(294,440)	"	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%	(330)	70.00%	(6,064)	"	Subsidiary

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

Note 2: 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.

Note 4: The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Information on investment in Mainland China
For the year ended December 31, 2023
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 9

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, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Highest Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business	\$ -	Note 2	\$ 1,004,054	\$ -	\$ -	\$ 1,004,054	\$ -	- %	- %	\$ -	\$ -	\$ -
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,085,100	Note 3	1,169,861	-	-	1,169,861	(747)	100.00 %	100.00 %	(747)	2,463	-
Nanjing Yun Fu	Wholesale trading	44,953	Note 4	92,115	-	-	92,115	(129)	100.00 %	100.00 %	(129)	3,785	-
Jiangsu Sen Fu Da	Research and development of film and television technology	43,270	Note 5	-	-	-	-	-	34.00 %	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	432,349	Note 3	-	-	-	-	21,807	30.00 %	30.00 %	6,542	194,747	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	93,120	Note 3	-	-	-	-	2,107	30.00 %	30.00 %	632	31,624	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,049,168	Note 3	-	-	-	-	81,202	30.00 %	30.00 %	24,361	339,056	-

(continued)

Note 1: Except that the investment gain (loss) of RICHNESS TRADING (SHANGHAI) and Nanjing Yun Fu was recognized based on the financial statements audited by the same audit team of the Company, the rest of the investment gain (loss) was recognized based on financial statements audited by other audit teams.

Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.

Note 3: The Group indirectly invested through FESS-Panama.

Note 4: 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 5: The Group indirectly invested t through Nanjing Ji Cheng on August 30, 2012.

Note 6: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,266,029	\$ 4,014,872	\$ 2,530,705

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

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the years ended December 31, 2023, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders

December 31, 2023

(Expressed in Units)

Table 10

Shareholding Shareholders name	Shares	Percentage
Jinxin Trading Co., Ltd.	28,932,001	9.63%

**EASTERN MEDIA INTERNATIONAL
CORPORATION**
Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

**Address: 5F & 8F., No. 368, Sec. 1, Fuxing S. Rd., Da'an Dist., Taipei City 106,
Taiwan**
Telephone: 886-2-27557565

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' Report

To the Board of Directors of Eastern Media International Corporation:

Opinion

We have audited the accompanying financial statements of Eastern Media International Corporation ("the Company"), which comprise the parent Company only balance sheets as of December 31, 2023 and 2022, the parent Company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent Company only financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to Other Matter paragraph), the accompanying parent Company only financial statements present fairly, in all material respects, the parent Company only financial position of the Company as of December 31, 2023 and 2022, and its parent Company only financial performance and its parent Company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our opinion.

Other Matter

We did not audit the parent Company only financial statements of partial companies, associates of the Company, which represented investments in other entities accounted for using the equity method. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method constituting 13.17% and 14.64% of total assets at December 31, 2023 and 2022, respectively, and the related share of profit of associates accounted for using the equity method constituting 49.45% and 14.50% of total loss before tax for the years then ended December 31, 2023 and 2022, respectively.

Key Audit Matters

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

1. Warehousing Revenue recognition

Please refer to Note 4n "Revenue recognition" for accounting policy related to revenue recognition, and Note 23 "Revenue from contracts with customers" to the parent Company only financial statements.

Description of key audit matter:

Major of the operating revenue sources of the Company are the services of warehousing amounted to \$1,436,570 thousand, constituting 100.00% of its Company revenue. The impact of revenue recognition on financial report is significant. Therefore, revenue recognition is one of the key matters in our audit.

How the matter was addressed in our audit:

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

2.The investments accounted of using equity method impairment

Please refer to Note 4m "Impairment of non-financial assets" for accounting policy related to the investments accounted of using equity method impairment, and Note 12 " investments accounted for using equity method " to the parent Company only financial statements.

Description of key audit matter:

The investments accounted of using equity method of the Company constituted 38% of its parent Company only assets. The evaluation of the impairment on December 31 is significant to the parent Company only financial statements. There are risks that the assumption of the financial performance and cash flows related to the Company' s subsidiaries and associates which Management uses remains a highly uncertainty. This risk may affect the recoverability of the asset mentioned above. Therefore, the evaluation of the investments accounted of using equity method impairment is one of the key matters in our audit.

How the matter was addressed in our audit:

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent Company only financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of the parent Company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the parent Company only Financial Statements

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

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent Company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent Company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent Company only financial statements, including the disclosures, and whether the parent Company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent Company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

KPMG
Taipei, Taiwan (Republic of China)
February 26, 2024

Notes to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only 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 parent company only financial statements, the Chinese version shall prevail.

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Balance Sheets
(Expressed in Thousands of New Taiwan Dollars)

Assets	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Current assets:				
1100 Cash and cash equivalents (Notes 6)	\$ 379,507	4	\$ 424,348	5
1110 Current financial assets at fair value through profit or loss (Notes 7 and 31)	839,275	9	811,095	9
1170 Accounts receivable, net (Notes 9 and 23)	20,970	-	33,675	-
1200 Other receivables, net (Notes 7 and 10)	7,459	-	3,259	-
1210 Other receivables due from related parties (Notes 10 and 30)	304,850	3	315,667	3
130X Inventories (Notes 11)	32,283	-	32,773	-
1410 Prepayments	7,602	-	7,489	-
1476 Other current financial assets (Notes 6 and 31)	42,772	1	94	-
	<u>1,634,718</u>	<u>17</u>	<u>1,628,400</u>	<u>17</u>
Non-current assets:				
1517 Non-current financial assets at fair value through other comprehensive income (Note 8)	7,500	-	7,500	-
1550 Investments accounted for using equity method, net (Notes 12 and 31)	3,585,759	38	3,253,698	35
1600 Property, plant and equipment (Notes 13, 14, 29 and 31)	712,428	8	700,484	8
1755 Right of use assets (Notes 14, 18 and 31)	3,168,904	34	3,387,080	36
1780 Intangible assets (Notes 29)	2,655	-	2,477	-
1840 Deferred tax assets (Note 5 and 20)	132,535	1	187,799	2
1920 Refundable deposits (Note 31)	117,657	1	158,621	2
1980 Other non-current financial assets (Note 31)	4,554	-	4,000	-
1990 Other non-current assets, others (Notes 32)	81,813	1	2,377	-
	<u>7,813,805</u>	<u>83</u>	<u>7,704,036</u>	<u>83</u>
Total assets	\$ 9,448,523	100	\$ 9,332,436	100

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Balance Sheets (Cotn'd)
(Expressed in Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
	Amount	%	Amount	%
Liabilities and Equity				
Current liabilities:				
2100 Short-term loans (Notes 15 and 31)	\$ 103,000	1	\$ 170,000	2
2110 Short-term notes and bills payable (Notes 16 and 29)	-	-	99,941	1
2130 Current contract liabilities (Notes 23)	-	-	2,145	-
2200 Other payables (Notes 24 and 29)	260,317	3	257,614	3
2220 Other payables due from related parties (Notes 30)	2,159	-	182,976	2
2230 Current tax liabilities	-	-	229	-
2280 Current lease liabilities (Notes 18)	182,074	2	182,964	2
2320 Long-term liabilities, current portion (Notes 17, 29 and 31)	72,371	1	19,668	-
2399 Other current liabilities, others	13,363	-	13,737	-
	<u>633,284</u>	<u>7</u>	<u>929,274</u>	<u>10</u>
Non-current liabilities:				
2540 Long-term loans (Notes 17, 29 and 31)	1,313,659	14	899,352	10
2580 Non-current lease liabilities (Notes 18)	3,116,912	33	3,298,828	35
2640 Net defined benefit liability, non-current (Note 19)	6,325	-	1,799	-
2645 Guarantee deposits received	360	-	360	-
2670 Other non-current liabilities, others (Note 12)	1,076,049	11	668,768	7
	<u>5,513,305</u>	<u>58</u>	<u>4,869,107</u>	<u>52</u>
Total liabilities	<u>6,146,589</u>	<u>65</u>	<u>5,798,381</u>	<u>62</u>
Equity attributable to owners of parent (Note 12 and 21)				
3100 Capital stock	3,002,431	32	4,760,554	51
3200 Capital surplus	15,992	-	15,992	-
3300 Retained earnings	384,991	4	(1,098,138)	(12)
3400 Other equity interest	(101,480)	(1)	(144,353)	(1)
Total equity	<u>3,301,934</u>	<u>35</u>	<u>3,534,055</u>	<u>38</u>
Total liabilities and equity	<u>\$ 9,448,523</u>	<u>100</u>	<u>\$ 9,332,436</u>	<u>100</u>

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Statements of Comprehensive Income
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

		For the years ended December 31			
		2023		2022	
		Amount	%	Amount	%
4000	Operating revenue (Notes 23)	\$ 1,436,570	100	\$ 1,479,159	100
5000	Operating costs (Notes 11, 19, 24 and 30)	662,911	46	654,992	44
	Gross profit from operations	773,659	54	824,167	56
6000	Operating expenses (Notes 19, 24 and 30)	300,634	21	317,605	21
	Net operating gain	473,025	33	506,562	35
	Non-operating income and expenses:				
7100	Interest income (Notes 25 and 30)	23,086	2	14,821	1
7010	Other income (Notes 7, 8, 25 and 30)	40,389	3	92,894	6
7020	Other gains and losses, net (Notes 12, 25 and 30)	(48,322)	(3)	(216,112)	(15)
7050	Finance costs (Notes 18, 25 and 30)	(152,820)	(11)	(126,585)	(9)
7370	Share of loss (profit) of associates accounted for using equity method (Note 12)	(554,535)	(39)	(1,681,693)	(114)
7900	Net loss before tax	(219,177)	(15)	(1,410,113)	(96)
7950	Less: tax expenses (Note 20)	53,588	4	244,989	16
	Net loss	(272,765)	(19)	(1,655,102)	(112)
8300	Other comprehensive income:				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Remeasurements of defined benefit plans	(7,199)	(1)	13,465	1
8330	Share of other comprehensive (loss) / gain of subsidiaries, associates and joint ventures accounted for using equity method	(2,537)	-	37,173	2
	Total other comprehensive income that will not be reclassified to profit or loss	(9,736)	(1)	50,638	3
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation of foreign financial statements	50,627	4	136,147	9
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive (loss) / gain that will be reclassified to profit or loss	(3,896)	-	30,005	2
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	46,731	4	166,152	11
8300	Other comprehensive income, net of tax	36,995	3	216,790	14
	Total comprehensive loss	(\$ 235,770)	(16)	(\$ 1,438,312)	(98)
	Loss per share (Unit: NTS) (Note 22)				
9750	Basic loss per share	(\$ 0.91)		(\$ 5.06)	

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Total other equity interest			Total equity
			Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value		
	Ordinary shares	Capital surplus					through other comprehensive income	Revaluation surplus	
Balance at January 1, 2022	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	-	\$ 6,243,683
Loss for the year ended December 31, 2022	-	-	-	-	(1,655,102)	-	-	-	(1,655,102)
Other comprehensive income, for the year ended December 31, 2022	-	-	-	-	14,534	166,152	4,989	31,115	216,790
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	(1,640,568)	166,152	4,989	31,115	(1,438,312)
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	74,607	-	(74,607)	-	-	-	-
Special reserve appropriated	-	-	-	50,654	(50,654)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(528,950)	-	-	-	(528,950)
Capital reduction	(528,950)	-	-	-	-	-	-	-	(528,950)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	(5,664)	-	-	-	(5,664)
Changes in subsidiaries	-	388	-	-	-	-	-	-	388
Changes in investments accounted for using equity method	-	-	-	-	(207,501)	-	-	-	(207,501)
Others	-	(639)	-	-	-	-	-	-	(639)
Balance at December 31, 2022	\$ 4,760,554	\$ 15,992	\$ 313,375	\$ 346,610	(\$ 1,758,123)	(\$ 176,758)	\$ 1,290	\$ 31,115	\$ 3,534,055

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Statements of Changes in Equity (Cotn'd)
(In Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Total other equity interest			Total equity
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value		
							through other comprehensive income	Revaluation surplus	
Balance at December 31, 2023	\$ 4,760,554	\$ 15,992	\$ 313,375	\$ 346,610	(\$ 1,758,123)	(\$ 176,758)	\$ 1,290	\$ 31,115	\$ 3,534,055
Loss for the year ended December 31, 2023	-	-	-	-	(272,765)	-	-	-	(272,765)
Other comprehensive income, for the year ended December 31, 2023	-	-	-	-	(5,878)	46,731	(3,858)	-	36,995
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	(278,643)	46,731	(3,858)	-	(235,770)
Capital reduction	(1,758,123)	-	-	-	1,758,123	-	-	-	-
Changes in investments accounted for using equity method	-	-	-	-	3,649	-	-	-	3,649
Balance at December 31, 2023	\$ 3,002,431	\$ 15,992	\$ 313,375	\$ 346,610	(\$ 274,994)	(\$ 130,027)	(\$ 2,568)	\$ 31,115	\$ 3,301,934

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Statements of Cash Flows
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows (used in) from operating activities:		
Net loss before tax	(\$ 219,177)	(\$ 1,410,113)
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	289,683	281,331
Amortization expense	2,089	1,170
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(13,620)	198,332
Interest expense	152,820	126,585
Interest income	(23,086)	(14,821)
Dividend income	(28,840)	(51,475)
Share of profit of associates and joint ventures accounted for using equity method	554,535	1,681,693
Loss on disposal of investments	63,146	-
Total adjustments to reconcile profit	<u>996,727</u>	<u>2,222,815</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
Increase in current financial assets at fair value through profit or loss	(14,560)	(323,488)
Decrease (increase) in accounts receivable	12,705	(17,610)
Decrease in other receivable	1,524	2,217
Increase in inventories	(1,219)	(3,247)
(Increase) decrease in prepayments	(113)	2,282
Decrease in other current assets	-	196
Total changes in operating assets, net	<u>(1,663)</u>	<u>(339,650)</u>
Changes in operating liabilities, net:		
(Decrease) increase in current contract liabilities	(2,145)	2,145
Decrease in notes payable	-	(38)
Increase (decrease) in other payables (including related parties)	12,744	(1,447)
(Decrease) increase in other current liabilities	(374)	3,624
Decrease in net defined benefit liability, non-current	(2,673)	(2,017)
Total changes in operating liabilities	<u>7,552</u>	<u>2,267</u>
Net changes in operating assets and liabilities	<u>5,889</u>	<u>(337,383)</u>
Total adjustments	<u>1,002,616</u>	<u>1,885,432</u>
Cash inflow generated from operations	783,439	475,319
Tax income (paid) refunded	(325)	10,573
Net cash inflow from operating activities	<u>783,114</u>	<u>485,892</u>

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION
Parent Company Only Statements of Cash Flows (Cotn'd)
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31	
	2023	2022
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(\$ 550,000)	(\$ 636,250)
Proceeds from disposal of subsidiaries	5,035	-
Acquisition of property, plant and equipment	(122,999)	(125,874)
Proceeds from disposal of property, plant and equipment	29,236	-
Increase in refundable deposits	(136)	(41,135)
Decrease in other receivables due from related parties	8,000	92,000
Acquisition of intangible assets	(2,229)	(2,293)
Increase in other financial assets	(2,132)	(2,806)
Increase in other non-current assets	(79,436)	(3,736)
Interest received	22,611	15,005
Dividends received	27,566	359,890
Net cash flows used in investing activities	(664,484)	(345,199)
Cash flows from (used in) financing activities:		
Increase in short-term loans	443,000	616,000
Decrease in short-term loans	(510,000)	(446,000)
(Decrease) increase in short-term notes and bills payable	(100,000)	100,000
Increase in long-term loans	511,250	848,000
Decrease in long-term loans	(40,000)	(20,000)
Decrease in other receivables due from related parties	(125,796)	(208)
Payment of lease liabilities	(183,015)	(257,196)
Capital reduction	-	(528,950)
Issuance cash dividends	-	(528,950)
Interest paid	(158,910)	(132,457)
Net cash flows used in financing activities	(163,471)	(349,761)
Net decrease in cash and cash equivalents	(44,841)	(209,068)
Cash and cash equivalents at beginning of period	424,348	633,416
Cash and cash equivalents at end of period	\$ 379,507	\$ 424,348

(Please see accompanying notes to the parent company only financial statements.)

EASTERN MEDIA INTERNATIONAL CORPORATION

Notes To the Parent Company Only Financial Statements

For The Years Ended December 31, 2023 and 2022

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

1. Company history

Eastern Media International Corporation (the “Company”) was established on May 14, 1975 to promote the private port silo business, and its warehouse officially opened in 1980 with the completion of its silo. In order to enhance the operating performance and expand the business scope, the Company merged with Grain Union Transport Ltd. on May 15, 1989. The Company’s shares listed on the Taiwan Stock Exchange, classified in the shipping category, on September 25, 1995. As the proportion of revenue from shipping has declined years by years, and the proportion of revenue from trading has increased to more than 50% of overall revenue, the Company’s stocks have changed classification to the retail sales category. The transfer was approved by the Taiwan Stock Exchange on July 1, 2014. In June 2019, the Company 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 include forwarding, loading and unloading cargo onto/from ships, the handling and operation of wharf and transit shed facilities.

2. Approval date and procedures of the financial statements

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

3. New standards, amendments and interpretations adopted

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

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only 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”

The Group has initially adopted the following new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

- b. The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendment to IAS 1 “Classification of Liabilities as Current or Non-current”
 - Amendment to IAS 1 “Non-current Liabilities with Covenants”
 - Amendment to IAS 7 and IFRS 7 “Supplier Financing Arrangements”
 - Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback
- c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company 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 Company completes its evaluation.

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendment to IFRS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

4. Summary of significant accounting policies

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

a. Statement of compliance

The parent company only financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

(a) Basis of measurement

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

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

(b) Functional and presentation currency

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

c. Foreign currencies

(a) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies

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

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

(b) Foreign operations

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

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

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

d. Classification of current and non current assets and liabilities

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

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

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

An entity shall classify a liability as current when:

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

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

e. Cash and cash equivalents

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

f. Financial instruments

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

(a) Financial assets

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

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

(a-1) Financial assets measured at amortized cost

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

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

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

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

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

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

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

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

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

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

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

All financial assets not classified as amortized cost or FVOCI (such as financial assets held for trading, financial assets evaluated performance and managed on the basis of fair value) described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

(a-4) Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;

- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

(a-6) Impairment of financial assets

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

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

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

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

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative

information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

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

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

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

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

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

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

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

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

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

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

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to

the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(a-7) Derecognition of financial assets

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

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

(b) Financial liabilities and equity instruments

(b-1) Financial liabilities

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

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

(b-2) Derecognition of financial liabilities

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

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

(b-3) Offsetting of financial assets and liabilities

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

g. Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of

inventories includes expenditure incurred in acquiring the inventories and capitalized borrowing costs incurred in bringing them to their existing location and condition.

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

h. Investment in associates

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

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

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

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

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

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

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

be required if the associate had directly disposed of the related assets or liabilities

i. Subsidiaries

The subsidiaries in which the Company holds controlling interest are accounted for under equity method in the parent company only financial statements. Under equity method, the net income, other comprehensive income and equity in the parent company only financial statement are the same as those attributable to the owners of parent in the consolidated financial statements.

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

j. Property, plant and equipment

(a) Recognition and measurement

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

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

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

(b) Subsequent cost

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

(c) Depreciation

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

Land is not depreciated.

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

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

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

k. Leases

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

(a) As a lessee

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

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

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

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

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

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

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

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

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

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

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

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

- the rent concessions occurring as a direct consequence of the COVID 19 pandemic;
- the change in lease payments that resulted in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments that affects only those payments originally due on, or before, June 30, 2022; and
- there is no substantive change in other terms and conditions of the lease.

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

(b) As a lessor

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

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

1. Intangible assets

(a) Recognition and measurement

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

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

(b) Subsequent expenditure

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

(c) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is

recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

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

Computer software	1~3 years
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Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

m. Impairment of non-financial assets

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

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

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

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

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

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

n. Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

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

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

o. Employee benefits

(a) Defined contribution plans

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

(b) Defined benefit plans

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

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

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

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

(c) Short-term employee benefits

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

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

p. Income taxes

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

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

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

- (a) temporary differences on the initial recognition of assets and liabilities (i) in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction and (ii) in a transaction that did not generate comparing taxable income and temporary differences;

- (b) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (c) taxable temporary differences arising on the initial recognition of goodwill.

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

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

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

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

q. Business combination

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

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

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

r. Earnings per share

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

calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

s. Operating segments

Please refer to the consolidated financial report of Eastern Media International Corporation for the years ended December 31, 2023 and 2022 for operating segments information.

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

The preparation of the financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

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

a. Refer to the consolidated financial statement for the years ended December 31, 2023 for judgment regarding control of subsidiaries.

b. Lease term

The Company determines the lease term as the non-cancellable period of the lease, together with periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the lessee is reasonably not to exercise that option. In assessing whether a lessee is reasonably to exercise the options, the Company considers all relevant facts and circumstances that create an economic incentive for the lessee. The Company reassesses whether it is reasonably certain to exercise an extension option or not to exercise the option upon the occurrence of either a significant event or a significant change in circumstances that is within the control of the lessee. If there is a change in the lease term, the Company recognizes the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. Please refer to Note 14 and 18.

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

a. Measurement of defined benefit obligations

Accrued pension liabilities and resulting pension expenses under defined benefit pension plans are calculated using the Projected Unit Credit Method. Actuarial assumptions comprise the discount rate, rate of employee turnover, future salary increase rate, etc. Changes in economic circumstances and market conditions will affect these assumptions and may have a material impact on the amount of the expense and the liability. Refer to Note 19 for further description of the actuarial assumptions and sensitivity analysis.

b. Recognition of deferred tax assets

As of December 31, 2023 and 2022, the carrying amounts of deferred tax assets in relation

to unused tax losses were \$132,535 and \$187,799, respectively. As of December 31, 2023 and 2022, no deferred tax assets have been recognized on tax losses of \$528,708 and \$719,427, respectively, due to the unpredictability of future profit streams. The realizability of deferred tax assets mainly depends on whether sufficient future profit or taxable temporary differences will be available. In cases where the actual future profit generated is less than expected, a material reversal of deferred tax assets may arise, which would be recognized in profit or loss for the period in which such a reversal takes place.

c. Impairment of goodwill from investments in subsidiaries

Determining whether the goodwill included in the investments in subsidiaries is impaired requires an estimation of the value in use of the cash generating units which are expected to benefit from the synergies of the related combination and to which the goodwill has been allocated since the acquisition date. The calculation of the value in use requires management to estimate the future cash flows expected to arise from the cash generating units and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

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

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

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

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to the following notes for assumptions used in measuring fair value: Note 26, Financial instruments.

6. **Cash and cash equivalents**

	December 31, 2023	December 31, 2022
Cash on hand	\$ 2,165	\$ 1,582
Cash in banks	377,342	262,766
Cash equivalents	-	160,000
	\$ 379,507	\$ 424,348

a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$42,636 and \$-, which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for December 31, 2023 and 2022, respectively.

b. Please refer to Note 26 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>December 31, 2023</u>	<u>December 31, 2022</u>
Financial assets designated as at fair value through profit or loss:		
Non-derivative financial assets		
Stocks listed on domestic markets	<u>\$ 839,275</u>	<u>\$ 811,095</u>

- a. Please refer to Note 25 for the remeasurement of fair value.
- b. For the years ended December 31, 2023 and 2022, the dividends from financial assets designated as at fair value through profit or loss were \$26,458 and \$48,667, respectively.
- c. As of December 31, 2023 and 2022, the amount of \$2,355 and \$1,081 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received respectively by the Company as of the audit date.
- d. Please refer to Note 31 for the details of financial assets pledged as collateral.

8. Financial assets at fair value through other comprehensive income

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

- a. Equity investments at fair value through other comprehensive income
 The Company 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 Company intends to hold for long-term for strategic purposes. For the years ended December 31, 2023 and 2022, the Company recognized the dividends of \$2,382 and \$2,808 related to equity instruments measured at fair value through other comprehensive income, respectively.
- b. For credit risk and market risk; please refer to Note 26 and 27.
- c. No financial assets mentioned above were pledged as collateral.

9. Accounts receivable (including related parties)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	<u>\$ 20,970</u>	<u>\$ 33,675</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

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

	December 31, 2023		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 20,970</u>	0%	<u>-</u>

	December 31, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	<u>\$ 33,675</u>	0%	<u>-</u>

a. As of December 31, 2023 and 2022, there was no allowance for notes and accounts receivable.

b. Please refer to Note 26 and 27 for the Company's accounts receivable exposure to credit risk and currency risk.

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

	December 31, 2023	December 31, 2022
Other accounts receivable—loans to associates	\$ 300,000	\$ 308,000
Other accounts receivable—others	12,309	10,926
	<u>\$ 312,309</u>	<u>\$ 318,926</u>

a. As of December 31, 2023 and 2022, there were no bills past due but not impaired of other receivables.

b. For credit risk and market risk; please refer to Note 26 and 27.

11. Inventories

	December 31, 2023	December 31, 2022
Raw materials and others (including fuel)	<u>\$ 32,283</u>	<u>\$ 32,773</u>

a. As of December 31, 2023 and 2022, raw material and others, recognized as cost of sales amounted \$9,768 and \$11,159, respectively.

b. No inventories were pledged as collateral on December 31, 2023 and 2022, respectively.

12. Investments accounted for using equity method

The Company's financial information for investments accounted for using the equity method at the reporting date was as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	\$ 2,500,739	\$ 2,568,412
Associates		
Eastern Home Shopping&Leisure Co., Ltd.	8,971	16,518
	2,509,710	2,584,930
Add: credit balance of investments accounted for using equity method transferred to non-current liabilities	1,076,049	668,768
	<u>\$ 3,585,759</u>	<u>\$ 3,253,698</u>

a. Subsidiaries

Expect for the following mentioned, please refer to the consolidated financial statement for the years ended December 31, 2023 and 2022.

(a) On December 31, 2023 and 2022, wherein the Company invested at an amount proportionate to subsidiaries' previous shareholding, credit balance of investments

accounted for using equity method carrying amounts of \$1,076,049 and \$668,768, respectively, the credit balance of investments accounted for using equity method has been transferred to non current liabilities.

- (b) 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 \$39,602.
- (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 would obtain shareholding of 59.46%. Therefore, ET Pet became a subsidiary controlled by the Company directly. The registrations were finished on January 17, 2023.
- (d) On October 20, 2023, May 29, 2023 and September 5, 2022, the board of directors of the subsidiary, Eastern Asset, resolved capital injections by cash with an investment amount of \$500,000, \$500,000 and \$400,000, and the reference dates would be on December 15, 2023, June 30, 2023 and October 7, 2022, respectively. The Company participated these capital injections amounting to \$275,000, \$275,000 and \$220,000 which were all in proportion to the shareholding ratio. The registration was completed on January 5, 2024, July 17, 2023 and November 1, 2022, respectively.
- (e) The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023 and the Company lost control over FESS-Bermuda since then. The loss on disposal of the investment was amounted to \$23,544.

b. Associates

Affiliates which are material to the Company consisted of the following:

Affiliate Name	Within the Company Nature of Relationship	Main operating location	Proportion of shareholding and voting rights	
			December 31, 2023	December 31, 2022
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	6.51%	6.51%

Eastern Home Shopping & Leisure Co., Ltd.

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

	December 31, 2023	December 31, 2022
Current assets	\$ 5,125,260	\$ 4,774,859
Non-current assets	5,967,040	6,196,361
Liabilities	(10,953,761)	(10,709,994)
Net assets	<u>\$ 138,539</u>	<u>\$ 261,226</u>
Non-controlling interests, attributable to investee	\$ 785	\$ 7,584
Net assets attributable to investee	<u>\$ 137,754</u>	<u>\$ 253,642</u>

	For the years ended December 31	
	2023	2022
Operating revenue	\$ 20,424,296	\$ 24,656,410
Net income	(105,005)	(528,777)
Other comprehensive loss	(28,351)	141,635
Total comprehensive income	(\$ 133,356)	(\$ 387,142)
Comprehensive income (loss), attributable to non-controlling interests	(\$ 3,136)	(\$ 16,903)
Comprehensive income attributable to investee	(\$ 130,220)	(\$ 370,239)
Share of net assets attributable to the Group of beginning balance	\$ 16,518	\$ 126,893
Comprehensive income attributable to the Group	(8,480)	(24,112)
Dividends received from associates	-	(33,188)
Changes in investments accounted for using equity method	933	(53,075)
Share of net assets attributable to the Group of ending balance	\$ 8,971	\$ 16,518

- c. The Company has processed an impairment test for investment using the equity method, please refer to Note 12 and Note 17 of the consolidated financial statements for the year ended December 31, 2023.
- d. Please refer to Note 31 for the details of the investments accounted for using equity method pledged as collateral.

13. Property, plant and equipment

The cost, depreciation, and impairment loss of the property, plant and equipment of the Company were as follows:

	Land	Buildings	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Cost or deemed cost:							
Balance on January 1, 2023	\$ 180,383	\$ 60,886	\$ 2,320	\$ 563,293	\$ 5,722	\$ 31,377	\$ 843,981
Additions	38,510	-	-	60,344	6,385	6,915	112,154
Transfers	(38,510)	-	-	1,709	38,510	-	1,709
Disposals / Written-off	(29,236)	(113)	-	(35,344)	-	(4,760)	(69,453)
Balance on December 31, 2023	\$ 151,147	\$ 60,773	\$ 2,320	\$ 590,002	\$ 50,617	\$ 33,532	\$ 888,391
Balance on January 1, 2022	\$ 151,147	\$ 60,798	\$ 8,972	\$ 423,195	\$ -	\$ 27,538	\$ 671,650
Additions	29,236	88	-	90,453	5,722	7,760	133,259
Transfers	-	-	-	61,683	-	-	61,683
Disposals / Written-off	-	-	(6,652)	(12,038)	-	(3,921)	(22,611)
Balance on December 31, 2022	\$ 180,383	\$ 60,886	\$ 2,320	\$ 563,293	\$ 5,722	\$ 31,377	\$ 843,981
Depreciation and impairment loss:							
Balance on January 1, 2023	\$ -	\$ 28,032	\$ 1,343	\$ 103,762	\$ -	\$ 10,360	\$ 143,497
Depreciation	-	1,714	464	62,950	-	7,555	72,683
Disposals / Written-off	-	(113)	-	(35,344)	-	(4,760)	(40,217)
Balance on December 31, 2023	\$ -	\$ 29,633	\$ 1,807	\$ 131,368	\$ -	\$ 13,155	\$ 175,963
Balance on January 1, 2022	\$ -	\$ 26,312	\$ 7,355	\$ 59,467	\$ -	\$ 7,779	\$ 100,913
Depreciation	-	1,720	640	56,333	-	6,502	65,195
Disposals / Written-off	-	-	(6,652)	(12,038)	-	(3,921)	(22,611)
Balance on December 31, 2022	\$ -	\$ 28,032	\$ 1,343	\$ 103,762	\$ -	\$ 10,360	\$ 143,497
Carrying amounts:							
December 31, 2023	\$ 151,147	\$ 31,140	\$ 513	\$ 458,634	\$ 50,617	\$ 20,377	\$ 712,428
January 1, 2022	\$ 151,147	\$ 34,486	\$ 1,617	\$ 363,728	\$ -	\$ 19,759	\$ 570,737
December 31, 2022	\$ 180,383	\$ 32,854	\$ 977	\$ 459,531	\$ 5,722	\$ 21,017	\$ 700,484

- a. 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.

For the years ended December 31, 2023 and 2022 the interest rates were at 3.13%~3.53% and 2.87%~3.13%, respectively. Details are as follows:

	For the years ended December 31	
	2023	2022
Interest expense on loans	\$ 1,715	\$ 686

b. Please refer to Note 31 for the details of the property, plant and equipment pledged as collateral.

14. Right-of-use assets

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

	Land and equipment	Buildings	Transportation equipment	Total
Right of use asset costs:				
Balance on January 1, 2023	\$ 4,202,045	\$ 48,595	\$ 2,101	\$ 4,252,741
Additions	-	209	-	209
Balance on December 31, 2023	\$ 4,202,045	\$ 48,804	\$ 2,101	\$ 4,252,950
Balance on January 1, 2022	\$ 4,105,077	\$ 44,253	\$ 1,471	\$ 4,150,801
Additions	97,027	5,572	630	103,229
Write off - lease modification	(59)	4,696	-	4,637
Write off - lease ending	-	(5,926)	-	(5,926)
Balance on December 31, 2022	\$ 4,202,045	\$ 48,595	\$ 2,101	\$ 4,252,741
Accumulated depreciation and impairment losses:				
Balance on January 1, 2023	\$ 834,460	\$ 30,209	\$ 992	\$ 865,661
Depreciation	205,856	11,829	700	218,385
Balance on December 31, 2023	\$ 1,040,316	\$ 42,038	\$ 1,692	\$ 1,084,046
Balance on January 1, 2022	\$ 629,064	\$ 25,136	\$ 327	\$ 654,527
Depreciation	205,396	10,999	665	217,060
Write off - lease ending	-	(5,926)	-	(5,926)
Balance on December 31, 2022	\$ 834,460	\$ 30,209	\$ 992	\$ 865,661
Carrying amounts:				
December 31, 2023	\$ 3,161,729	\$ 6,766	\$ 409	\$ 3,168,904
January 1, 2022	\$ 3,476,013	\$ 19,117	\$ 1,144	\$ 3,496,274
December 31, 2022	\$ 3,367,585	\$ 18,386	\$ 1,109	\$ 3,387,080

- a. 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 13 for the details.
- b. 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 3.25%. Details are as follows:

	For the years ended December 31	
	2023	2022
Right-of-use assets depreciation expense	<u>\$ 1,385</u>	<u>\$ 924</u>
Interest expense on lease liabilities	<u>\$ 535</u>	<u>\$ 662</u>

The above accounts are listed under property, plant and equipment. Please refer to Note 13 for the details

c. Please refer to Note 31 for the details of the right-of-use assets pledged as collateral.

15. Short-term loans

Details, conditions, and terms of short-term loan of the Company were as follows:

	December 31, 2023	December 31, 2022
Secured bank loans	<u>\$ 103,000</u>	<u>\$ 170,000</u>
Interest rates	<u>2.03%~2.07%</u>	<u>1.78%~1.90%</u>
Unused credit lines	<u>\$ 1,420,000</u>	<u>\$ 1,203,000</u>

Please refer to Note 31 for the details of the related assets pledged as collateral.

16. Short-term notes and bills

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

	December 31, 2023	December 31, 2022
No guarantees to pay commercial promissory notes	\$ -	\$ 100,000
Less: discount amount	-	(59)
Carrying amount	<u>\$ -</u>	<u>\$ 99,941</u>
Interest rates	<u>0%</u>	<u>2.14%</u>
Unused credit lines	<u>\$ 400,000</u>	<u>\$ 300,000</u>

17. Long-term loans

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

	December 31, 2023	December 31, 2022
Secured bank loans	\$ 1,395,916	\$ 924,667
Less: Current portion	(72,371)	(19,668)
Fees	(9,886)	(5,647)
Total	<u>\$ 1,313,659</u>	<u>\$ 899,352</u>
Duration years	<u>115-120</u>	<u>115-119</u>
Interest rates	<u>2.55%-3.53%</u>	<u>2.43%-3.13%</u>
Unused credit lines	<u>\$ 1,140,250</u>	<u>\$ 332,000</u>

Please refer to Note 31 for the details of the related assets pledged as collateral.

18. Lease liabilities

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

	December 31, 2023	December 31, 2022
Current	<u>\$ 182,074</u>	<u>\$ 182,964</u>
Non-current	<u>\$ 3,116,912</u>	<u>\$ 3,298,828</u>

For the maturity analysis, please refer to Note 26.

For the years ended December 31, 2023 and 2022, newly added lease liabilities amounted to \$209 and \$103,229 respectively, and the interest rates was 3.25%~3.5%. Lease period ending dates extend from May,2023 to May, 2092. However, for the years ended December 31, 2023 and 2022, the Company negotiated modifications to its contracts in consideration of its operating conditions, thereby increasing lease liabilities by nil and \$4,637 respectively. The information on modifications of the Company's lease contracts, please refer to Note 14 and 25.

Lease amounts recognized as profit or loss were as follows:

	For the years ended December 31	
	2023	2022
Interest on lease liabilities	\$ 101,458	\$ 106,752
Interest capitalized on lease liabilities	\$ 535	\$ 662
Variable lease payments not included in the measurement of lease liabilities	\$ 30,437	\$ 33,254
Expenses relating to short term leases	\$ 1,147	\$ 1,300
Expenses relating to leases of low value assets, excluding short term leases of low value assets	\$ 690	\$ 713
Covid-19 related rent concessions recognized as other income	\$ -	\$ -

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

	For the years ended December 31	
	2023	2022
Total cash outflow for leases	\$ 317,282	\$ 399,877

a. Leases of land and equipment, and buildings

As of December 31, 2023 and 2022, the Company leased land, buildings for its warehousing operations and office spaces and land rights. The leases of warehousing operations typically run for a period of 20 years, office spaces for 3~5 years, and land rights for 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.

Some leases of office buildings contained extension options exercisable by the Company 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 Company 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.

b. Other leases

The Company leases transportation equipment with lease terms of three years. In some cases, the Company has options to extend lease terms at the end of the contract term.

The Company 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 Company has elected not to recognize right of use assets and lease liabilities for these leases.

19. Employee benefits

a. Defined benefit plans

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	\$ 134,922	\$ 131,378
Fair value of plan asset	(128,597)	(129,579)
Net defined benefit liabilities	\$ 6,325	\$ 1,799

The Company makes defined benefit plans contributions to the pension fund account with Bank of Taiwan that provide pension benefits for employees upon retirement. Plans (covered by the Labor Standard Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for six months prior to retirement.

(a) Composition of plan assets

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

The Company's Bank of Taiwan labor pension reserve account balance amounted to \$128,597 as of December 31, 2023. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

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

The movement in present value of the defined benefit obligations for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Defined benefit obligations on January 1	\$ 131,378	\$ 139,545
Current service cost and interest	2,234	2,275
Remeasurements of the net defined benefit liability:		
—Actuarial (losses) gains due to experience adjustments	7,980	(3,948)
Benefits paid by the plan	(6,670)	(6,494)
Others	-	-
Defined benefit obligations on December 31	\$ 134,922	\$ 131,378

(c) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Fair value of plan assets on January 1	\$ 129,579	\$ 122,264
Interest revenue	1,412	783
Remeasurements of the net defined liability:		
—Return on plan assets (excluding interest for the period)	781	9,517
Contributions made from employer	3,495	3,509
Benefits paid by the plan	(6,670)	(6,494)
Refund	-	-
Fair value of plan assets on December 31	\$ 128,597	\$ 129,579

(d) Expenses recognized in profit and loss

The expenses recognized in profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Service cost of the period	\$ 802	\$ 1,382
Net interest on net defined benefit liability	20	110
	\$ 822	\$ 1,492
Operating cost	\$ 611	\$ 1,095
General and administrative expense	211	397
	\$ 822	\$ 1,492

(e) Actuarial valuations

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

	December 31,	December 31,
	2023	2022
Discount rate	1.05%	1.09%
Future salary increase	1%	1%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after the reporting date is \$2,616.

The weighted-average lifetime of the defined benefits plans is 1 year.

(f) Sensitivity analysis

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

As of December 31, 2023 and 2022, the changes in the principal actuarial assumptions will impact on the present value of defined benefit obligation as follows:

	Impact on present value of defined benefit obligations	
	Increase	Decrease
December 31, 2023		
Discount of 0.50%	(\$ 185)	\$ 1,160
Future salary change of 0.50%	\$ 1,137	(\$ 186)

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

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

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

b. Defined contribution plans

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

For the years ended December 31, 2023 and 2022, the Company contributed \$10,452 and \$10,076, respectively, under the pension plan to the Bureau of Labor Insurance.

20. Income taxes

a. The components of income tax for the years ended December 31, 2023 and 2022 were as follows:

	For the years ended December 31	
	2023	2022
Current income tax expense		
Current period	\$ 3	\$ -
Undistributed earnings additional tax	-	1,679
Adjustment for prior periods	(1,679)	-
	<u>(1,676)</u>	<u>1,679</u>
Deferred tax expense		
Origination and reversal of temporary differences	55,264	243,310
Income tax expense	<u>\$ 53,588</u>	<u>\$ 244,989</u>

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

	For the years ended December 31	
	2023	2022
Profit loss tax	(\$ 219,177)	(\$ 1,410,113)
Income tax on pre tax financial income calculated at the domestic rates applicable to profits in the country concerned	(43,835)	(282,023)
Investment gain or loss from domestic investment accounted for using equity method	110,907	336,339
Other adjustments in accordance with tax laws	(67,069)	(54,316)
Prior years' adjustment	(1,679)	-
Undistributed earnings additional tax	-	1,679
Deferred income taxes	55,264	243,310
Total	\$ 53,588	\$ 244,989

b. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

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

	December 31, 2023	December 31, 2022
Tax effect of deductible temporary differences	\$ 233,196	\$ 336,858
The carryforward of unused tax losses	528,708	719,427
	\$ 761,904	\$ 1,056,285

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

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

As of December 31, 2023, the information of the Company's unutilized business unused tax losses for which no deferred tax assets were recognized are as follows:

Year of Occurrence	Remaining Creditable Amount	Year of Expiration
103	\$ 1,313,720	113
104	1,092,827	114
112	236,993	122
	\$ 2,643,540	

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2023 and 2022, were as follows:

	For the years ended December 31	
	2023	2022
Balance, January 1	\$ 187,799	\$ 431,634
Recognized in profit or loss	(\$ 55,264)	(\$ 243,835)
Balance, December 31	\$ 132,535	\$ 187,799

	For the years ended December 31	
	2023	2022
Deferred Tax Liabilities:		
Balance, January 1	\$ -	\$ 525
Recognized in profit or loss	-	(525)
Balance, December 31	<u>\$ -</u>	<u>\$ -</u>

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

21. Capital and other equity

a. Ordinary shares

As of December 31, 2023 and 2022, the total value of nominal ordinary shares amounted to \$15,000,000 with a par value of \$10 (dollars) per share. The total number of shares was 300,243 and 476,055 thousand shares, respectively.

For increasing the return on equity, on March 23, 2022, a resolution was passed in the Board meeting 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 was passed in the shareholders' meeting on May 30, 2023 and approved by the Taiwan Stock Exchange on June 26, 2023. The Company's board of directors approved the reference date for capital reduction would be on July 11, 2023. The registration procedures were finished on July 18, 2023. For further information, please refer to the Market Observation Post System.

b. Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	15,992	15,992
	<u>\$ 15,992</u>	<u>\$ 15,992</u>

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

c. Retained earnings

(a) Legal reserve

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

(b) Special reserve

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

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

(c) Earnings distribution

In respect to the Company's dividend policy, in order to cope with the Company's diversified operations and the capital expenditure required for future expansion of the scope of operations and long-term financial planning, it can be based on the needs of the business climate and industry changes and take into account the interests of shareholders, making appropriate assignments or reservations. Any profit in the annual financial statements shall be paid to all taxes and dues in accordance with the laws and make up for any accumulated deficits, and then set aside 10% of said profits as legal reserve, provided such legal reserve amounts to the total paid-in capital, this provision shall not apply. As well as special reserve appropriation and reversal in accordance with the laws or regulations of the competent authority. If there is still a profit, and the undistributed profit at the beginning of the same period (including adjustment of the amount of undistributed profit), the Board of Directors shall prepare a profit distribution proposal and submit it to the General Meeting of Shareholders for resolution: 1. Shareholders' dividends are allocated with distributable earnings, which shall not be less than 15% of the current year's distributable earnings and; 2. the cash dividend shall not be less than 10% of the current year; 3. however, if the balance of the distributable earnings of the current year minus the beginning undistributed earnings is less than NT\$0.1 per share, the Company may exempt from this provision. Distribution of the earnings in the preceding paragraph which is paid in cash is authorized after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors, and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting; by means of issuing new shares, a resolution shall be submitted to the shareholders' meeting in accordance with the regulations.

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

	Amount	Dividend per share (NT\$)
	2021	2021
Legal reserve	\$ 74,607	\$ -
Special reserve	50,654	-
Cash dividends	528,950	1.00

On March 14, 2023, the Company's Board of Directors resolved to make a capital reduction, and did not distribute dividends for there was net loss in 2022. The capital reduction for 2022 was passed in the Boardmeeting on May 30, 2023.

On February 26, 2024, 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 2023. The capital reduction for 2023 was passed in the Boardmeeting on May 27, 2024 (expected). For further information, please refer to the Market Observation Post System.

- (d) In 2022, as the Company did not increase the capital of subsidiaries in proportion to the shareholding ratio, making differences between consideration and carrying-amount of subsidiaries. This incident increased (decreased) capital surplus by \$388 and \$(639), respectively.
- (e) In 2022, the Company's subsidiary acquired shares from non-controlling interests, leading changes in shareholdings at the amount of \$5,664 reducing retained earnings directly. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$207,501. Please refer to Note 12 in the consolidated financial statement for the years ended December 31, 2023.
- (f) In 2023, due to the changes in investments accounted for using equity method, the Company recognized a reduction in retained earnings of \$3,649.

d. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1,2023	(\$ 176,758)	\$ 1,290	\$ 31,115	(\$ 144,353)
Exchange differences on foreign operation	50,627	-	-	50,627
Change in other comprehensive income of associates accounted for using equity method	(3,896)	(3,858)	-	(7,754)
Balance on December 31,2023	(\$ 130,027)	(\$ 2,568)	\$ 31,115	(\$ 101,480)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Revaluation surplus	Total
Balance on January 1,2022	(\$ 342,910)	(\$ 3,699)	\$ -	(\$ 346,609)
Exchange differences on foreign operation	136,147	-	-	136,147
Change in other comprehensive income of associates accounted for using equity method	30,005	4,989	31,115	66,109
Balance on December 31,2022	(\$ 176,758)	\$ 1,290	\$ 31,115	(\$ 144,353)

22. Losses per share

The basic losses per share were calculated as follows:

	For the years ended December 31	
	2023	2022
Basic (loss) earnings per share		
Profit (loss) attributable to ordinary shareholders of the Company	(\$ 272,765)	(\$ 1,655,102)
The weighted average number of ordinary shares outstanding (thousand shares)	300,243	327,053
	<u>(\$ 0.91)</u>	<u>(\$ 5.06)</u>

Note: On May 30, 2023, the company resolved at the shareholders' meeting to reduce capital to offset losses, with the reference date being on July 11, 2023. The impact of the reduction of capital to offset losses has been retrospectively adjusted when calculating loss per share.

Since there were net losses in both 2023 and 2022, there is no need to disclose diluted earnings per share.

23. Revenue from contracts with customers

a. Details of revenue

Main services:	For the years ended December 31	
Loading and storage revenue	<u>\$ 1,436,570</u>	<u>\$ 1,479,159</u>

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	<u>\$ 20,970</u>	<u>\$ 33,675</u>	<u>\$ 16,065</u>
Contract liability others	<u>\$ -</u>	<u>\$ 2,145</u>	<u>\$ -</u>

Please refer to Note 9 for the details of accounts receivable and its impairment.

For the years ended 2023 and 2022, there were \$2,145 and \$- transferred into revenue from the beginning balance of contract liabilities, respectively.

24. 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.

Since there were net losses in 2023 and 2022, no remuneration should be calculated.

The amounts of employees' and directors' remuneration, as stated in the parent company only financial statements, were identical to the actual distributions amounts for the years 2022 and 2021. For further information, please refer to the Market Observation Post System.

25. Non-operating income and expenses

a. Interest income

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

	For the years ended December 31	
	2023	2022
Interest income from bank deposits	\$ 4,513	\$ 1,810
Interest income from financial assets measured at amortized cost	1,059	221
Other interest income	17,514	12,790
	<u>\$ 23,086</u>	<u>\$ 14,821</u>

b. Other income

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

	For the years ended December 31	
	2023	2022
Rental income	\$ 6,019	\$ 26,910
Dividend income	28,840	51,475
Other revenue	5,530	14,509
	<u>\$ 40,389</u>	<u>\$ 92,894</u>

c. Other gains and losses

The details of other gains and losses were as follows:

	For the years ended December 31	
	2023	2022
Foreign exchange gain (loss)	1,373	(17,742)
Net gain (loss) on evaluation of financial assets at fair value through profit or loss	13,620	(198,332)
Loss on disposal of investments	(63,146)	-
Other loss	(169)	(38)
	<u>(\$ 48,322)</u>	<u>(\$ 216,112)</u>

d. Finance costs

The Company's finance costs were as follows:

	For the years ended December 31	
	2023	2022
Interest expenses – lease liabilities	\$ 101,458	\$ 106,752
Interest expenses – bank loans	38,228	14,087
Finance expense	13,134	5,746
	<u>\$ 152,820</u>	<u>\$ 126,585</u>

26. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of December 31, 2023 and 2022, the maximum credit exposure for the Company 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 Company providing financial guarantees to its customers was \$2,681,812 and \$2,370,797.

(b) Concentration of credit risk

For the years ended December 31, 2023 and 2022, the Company's revenue come from sales to a single customer were 13.30% and 11.79%, respectively.

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 4f.

As of December 31, 2023 and 2022, there was no allowance for notes and accounts receivable.

b. Liquidity risk

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

	Carrying amount	Contractual cash flows	Within 1 year	1-3 years	3-5 years	More than 5 years
December 31, 2023						
Non derivative financial liabilities						
Loans	\$ 1,489,030	\$ 1,693,420	\$ 220,357	\$ 359,219	\$ 319,016	\$ 794,828
Payables (current and non-current)	262,476	262,476	262,476	-	-	-
Lease liabilities (current and non-current)	3,298,986	4,119,713	278,542	544,305	544,153	2,752,713
Guarantee deposits received	360	360	-	360	-	-
	<u>\$ 5,050,852</u>	<u>\$ 6,075,969</u>	<u>\$ 761,375</u>	<u>\$ 903,884</u>	<u>\$ 863,169</u>	<u>\$ 3,547,541</u>
December 31, 2022						
Non derivative financial liabilities						
Loans	\$ 1,089,020	\$ 1,203,386	\$ 212,756	\$ 181,807	\$ 192,966	\$ 615,857
Short term notes and bills payable	99,941	100,000	100,000	-	-	-
Payables (current and non-current)	440,590	440,590	440,590	-	-	-
Lease liabilities (current and non-current)	3,481,792	4,404,505	284,954	550,804	543,957	3,024,790
Guarantee deposits received	360	360	-	360	-	-
	<u>\$ 5,111,703</u>	<u>\$ 6,148,841</u>	<u>\$ 1,038,300</u>	<u>\$ 732,971</u>	<u>\$ 736,923</u>	<u>\$ 3,640,647</u>

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

	December 31, 2023			December 31, 2022		
	Foreign Currency	Exchange Rate	TWD	Foreign Currency	Exchange Rate	TWD
Financial assets						
Moneyetary items						
USD:TWD	\$ 1,185	30.705	\$ 36,397	\$ 46	30.712	\$ 1,399
Non-moneyetary items						
USD:TWD	\$ 38,859	30.705	\$ 1,193,175	\$ 43,214	30.712	\$ 1,327,108
HKD:TWD	45,511	3.929	178,814	14,835	3.938	58,419
Financial liabilities						
Moneyetary items						
USD:TWD	\$ -	30.705	\$ -	\$ 5,757	30.712	\$ 176,807

(b) Sensitivity analysis

The Company's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net loss before tax would have respectively increased or decreased by \$364 and \$1,754 for the years ended December 31, 2023 and 2022, respectively. The analysis is performed on the same basis for both periods.

As the Company deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the the years ended December 31, 2023 and 2022, foreign currency exchange gains (losses) (including realized and unrealized) amounted \$1,373 and \$(17,742), respectively.

d. Interest rate analysis

The interest risk exposure of the Company'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 Company'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 Company's net loss after tax would have respectively increased or decreased by \$9,902 and \$6,577 for the the years ended December 31, 2023 and 2022.

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:

	For the years ended December 31		For the years ended December 31	
	2023		2022	
Price of securities at reporting date	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	\$ 225	\$ 25,178	\$ 255	\$ 24,333
Decreasing 3%	(225)	(25,178)	(255)	(24,333)

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows;

however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

December 31, 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	\$ 839,275	\$ 839,275	\$ -	\$ -	\$ 839,275
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets at fair value through profit or loss					
Cash and cash equivalents	379,507				
Notes and accounts receivable (including related parties)	20,970				
Other receivables (including related parties)	312,309				
Other current financial assets	42,772				
Refundable deposits	117,657				
Other non-current financial assets	4,554				
Financial liabilities measured at amortized cost					
Short-term loans	103,000				
Short term notes and bills payable	-				
Other payables (including related parties)	262,476				
Long-term loans (including current portion of long-term loans)	1,386,030				
Lease liabilities (current and non-current)	3,298,986				
Guarantee deposits received	360				

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	\$ 811,095	\$ 811,095	\$ -	\$ -	\$ 811,095
Financial assets at fair value through other comprehensive income	7,500	-	-	7,500	7,500
Financial assets at fair value through profit or loss					
Cash and cash equivalents	424,348				
Notes and accounts receivable (including related parties)	33,675				
Other receivables (including related parties)	318,926				
Other current financial assets	94				
Refundable deposits	158,621				
Other non-current financial assets	4,000				
Financial liabilities measured at amortized cost					
Short-term loans	170,000				
Short term notes and bills payable	99,941				
Notes and accounts payable (including related parties)	440,590				
Long-term loans (including current portion of long-term loans)	919,020				
Lease liabilities (current and non-current)	3,481,792				
Guarantee deposits received	360				

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

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

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

(c-2) Derivative financial instruments

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

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the years ended December 31, 2023 and 2022.

(e) Reconciliation of Level 3 fair values

There was no change in fair value through other comprehensive income recognized for the years ended December 31, 2023 and 2022.

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> • Price to book ratio multiple (1.58 and 1.29 as of December 31, 2023 and 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 Company'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
December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 161	(\$ 161)
Equity investments without an active market	Discount for lack of marketability	1%	161	(161)

	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)

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.

27. Financial risk management

a. Overview

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

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

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

b. Risk management framework

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

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

c. Credit risk

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

(a) Accounts receivable and other receivables

The exposure of the credit risk depends on each customer of the sales of loading storage and lease. The Company assesses the customers' credit risk based on their basic information, which comprises of the default risk in their industry and country. The Company continuously monitors the exposure to credit risk and counterparty credit ratings, the Company does not require any collateral for trade and other receivables.

The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount with requiring approval from the Risk Management Committee; these limits are reviewed periodically. The Company would not trade with clients who cannot meet the basic credit rating requirement through regular review.

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

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

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

(b) Investment

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

(c) Guarantee

The Company's policy is to provide financial guarantees only to subsidiaries. As of December 31, 2023 and 2022, no other guarantees were outstanding.

d. Liquidity risk

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

As of December 31, 2023 and 2022, the Company had unused bank credit lines for short term borrowings amounting to \$2,960,250 and \$1,835,000, respectively. According to the Company's evaluation, the working funds of the Company are sufficient to meet its entire contractual obligations and non hedging forward exchange contracts; therefore, management does not expect any significant issue regarding liquidity risk. The Company revised the plan for real estate and investments, which is expected to improve liquidity risk. The Company intends to strengthen the activation and utilization plan of real estate and investment, which is expected to be sufficient to cope with liquidity risk.

e. Market risk

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

(a) Currency risk

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

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

(b) Interest rate risk

The Company's interest rate risk is managed by maintaining an appropriate combination of fixed and floating interest rates. The Company periodically evaluates the hedging activities and makes the interest rate and risk preference consistent, so

that the hedging strategies are most cost effective.

(c) Other market price risk

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

28. Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

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

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As at December 31, 2023, the Company's capital management strategy is consistent with the prior year as at December 31, 2022, ensure financing at a reasonable cost. The Company's debt-to-equity ratios at the balance sheet dates were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	\$ 6,146,589	\$ 5,798,381
Less: cash and cash equivalents	(379,507)	(424,348)
Net debt	5,767,082	5,374,033
Total Equity	3,301,934	3,534,055
Total capital	\$ 9,069,016	\$ 8,908,088
Net Debt-to-equity ratio	63.59%	60.33%

As of December 31, 2023, the increase in the debt-to-equity ratio was due to the increase in loans.

29. Investing and financing activities not affecting current cash flow

The Company's investing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

	For the years ended December 31	
	2023	2022
Acquisition of property, plant and equipment	\$ 112,154	\$ 133,259
Add: Other payables January 1	24,984	19,871
Less: Interest and depreciation capitalization	(3,635)	(2,272)
Less: Other payables December 31	(10,504)	(24,984)
Cash paid in this period	\$ 122,999	\$ 125,874

	For the years ended December 31	
	2023	2022
Acquisition of intangible assets	\$ 2,267	\$ 2,296
Add: Other payables January 1	151	148
Less: Other payables December 31	(189)	(151)
Cash paid in this period	\$ 2,229	\$ 2,293

The Company's financing activities which did not affect the current cash flow for the years ended December 31, 2023 and 2022, were as follows:

	January 1, 2023	Cash flows	Discount	Non-cash changes	
				Amortization of financing use commitment fees	December 31, 2023
Short term notes and bills payable	\$ 99,941	(\$ 100,000)	\$ 59	\$ -	\$ -
Long-term loans	919,020	471,250	-	(4,240)	1,386,030
Total	\$ 1,018,961	\$ 371,250	\$ 59	(\$ 4,240)	\$ 1,386,030

	January 1, 2022	Cash flows	Discount	Non-cash changes	
				Amortization of financing use commitment fees	December 31, 2022
Short term notes and bills payable	\$ -	\$ 100,000	(\$ 59)	\$ -	\$ 99,941
Long-term loans	96,241	828,000	-	(5,221)	919,020
Total	\$ 96,241	\$ 928,000	(\$ 59)	(\$ 5,221)	\$ 1,018,961

30. 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:

<u>Name of related party</u>	<u>Relationship with the Company</u>
Far Eastern Silo & Shipping (Panama) S.A (FESS-Panama)	The Company's subsidiary
Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	The Company's subsidiary (Note 9)
Grand Scene Media Corporation (GSMC-Cayman)	The Company's subsidiary
Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication (Hong Kong))	The Company's subsidiary
RICHNESS TRADING (SHANGHAI) CO., LTD. (RICHNESS TRADING (SHANGHAI))	The Company's subsidiary (Note 8)
GRAND SCENE TRADING (HONG KONG) LIMITED (GRAND SCENE TRADING (HONG KONG))	The Company's subsidiary
Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	The Company's subsidiary
Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	The Company's subsidiary (Note 3)
Far Eastern Investment Co., Ltd. (EIC)	The Company's subsidiary
Tung Kai Lease Finance Co., Ltd. (TKLF)	The Company's subsidiary
Eastern International Lease Finance Co., Ltd. (EILF)	The Company's subsidiary
ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	The Company's subsidiary
EHR Hotels & Resorts Group Yilan (EHR)	The Company's subsidiary
Eastern Asset Co., Ltd. (Eastern Asset)	The Company's subsidiary

Name of related party	Relationship with the Company
ET Pet Co., Ltd (ET Pet)	The Company's subsidiary (Note 6)
Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	The Company's subsidiary (Note 4)
Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	The Company's subsidiary
Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	The Company's subsidiary (Note 5)
Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	The Company's subsidiary
MOOD Internet Corporation Limited (MOOD)	The Company's subsidiary (Note 7)
Oscar Pet Co., Ltd. (Oscar)	The Company's subsidiary (Note 1)
Pet Kingdom Co., Ltd. (Pet Kingdom)	The Company's subsidiary (Note 1)
Kaou Sin Trading Co., Ltd. (Kaou Sin)	The Company's subsidiary (Note 1)
Care Pet Bio-Tech Company (Care Pet Bio-Tech)	The Company's subsidiary (Note 2)
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Eastern New Retail Department (EIM) Co., Ltd. (ET New Retail Department)	An associate
Strawberry Cosmetics Holdings Limited	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Happy Shopping CO., LTD.	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
Eastern Realty Co., Ltd.	Other related parties (Note 11)
Dongsen Health Biotechnology Co., Ltd. (Dongsen Health Biotechnology)	Other related parties
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Taiwan Information and Communication Association	Other related parties
Dongsen Social Welfare Foundation (Dongsen Social Welfare)	Other related parties
Eastern Beauty Company Ltd.	Other related parties (Note 10)
YOUG CHENG Real Estate Management Co., Ltd. (YOUG CHENG Real Estate Management)	Other related parties
E-Happy Travel Co., Ltd. (E-Happy Travel)	Other related parties
Dongsen Health Biomedical Co., Ltd. (Dongsen Health Biomedical)	Other related parties
All Directors, Supervisors, general manager and vice personnel general of the Company	Key management personnel

Note 1: 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 in December, 2021 and January, 2022, respectively. ET Pet's Board of Directors resolved to make a consolidation by merger of Oscar, Pet Kingdom and Kaou Sin. Meanwhile ET Pet was the surviving company. The reference date of merger was on November 1, 2022.

Note 2: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 3: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The liquidation procedures were finished on January 13, 2023.

Note 4: 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 5: 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 6: 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 was 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.

Note 7: On December 13, 2022, the ET New Media's Board of Directors resolved to invest \$50,000 in Mood with a 100% shareholding, which was registered on December 27, 2022.

Note 8: 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 9: The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023.

Note 10: The original Eastern Realty Co., Ltd. was renamed as Eastern Beauty Company Ltd. on April 7, 2023.

Note 11: The precursor of the new Eastern Realty Co., Ltd. was Xin Wang real estate agency Co., Ltd.. The registration of changing the name of the company was finished on April 10, 2023.

b. Significant transactions with related parties

(a) Receivables

Accounts	Related parties	December 31, 2023	December 31, 2022
Other receivables	Subsidiaries	\$ 2,113	\$ 4,714
Other receivables	Associates	1,297	1,733
Other receivables	Other related parties	89	35
		\$ 3,499	\$ 6,482

(b) Payables

Accounts	Related parties	December 31, 2023	December 31, 2022
Other payables	Associates	29	6,003
Other payables	Other related parties	1,858	12
		\$ 1,887	\$ 6,015

(c) Loans to related parties

	December 31, 2023	December 31, 2022
ET New Media	\$ 300,000	\$ 260,000
Care Pet Bio-Tech	-	48,000
	<u>\$ 300,000</u>	<u>\$ 308,000</u>

Interest revenue:

	For the years ended December 31	
	2023	2022
ET New Media	\$ 16,261	\$ 12,248
ET Pet	1,206	30
Care Pet Bio-Tech	-	487
	<u>\$ 17,467</u>	<u>\$ 12,765</u>

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company's short-term borrowings. All loans were unsecured and no need to recognized impairment. Interest receivables of the Company as of December 31, 2023 and 2022 were \$863 and \$793, respectively

(d) Borrowings from related parties

	December 31, 2023	December 31, 2022
FESS-Panama	\$ -	\$ 17,854
GRAND SCENE TRADING (HONG KONG)	-	58,963
Eastern Media Communication (Hong Kong)	-	45,758
Grand Richness (Hong Kong)	-	54,232
	<u>\$ -</u>	<u>\$ 176,807</u>

Interest expenses:

Interest which results from the unsecured borrowings by the Company from related parties would be calculated based on the average rates in the current year obtained from financial institutions. For the years ended December 31, 2023 and 2022, the interest expenses paid to the related party were \$1,097 and \$1,761, respectively

(e) Endorsement / Guarantee provided

(e-1) For the years ended December 31, 2023 and 2022, the Company had provided a guarantee for loans taken out by related parties. The credit limits of the guarantee were \$9,394,340, and \$9,511,215, respectively, and the remuneration charged from related parties for using guarantees on the loans taken out (recognized as other income) was \$1,549 and \$1,266, respectively. As of December 31, 2023 and 2022, the receivables of guarantee provided were \$488 and \$392, respectively.

(e-2) For the years ended December 31, 2023 and 2022, the related parties provided a guarantee for loans taken out by the Company. The credit limits of the guarantee were \$2,730,000, and \$1,530,000, respectively, and the remuneration paid to related parties for providing guarantees on the loans taken out by the Company (recognized as finance expense) was \$1,164 and \$511, respectively. As of December 31, 2023 and 2022, the Company's remuneration payable was amounted to \$272 and \$154, respectively

(f) Leases

(f-1) The Company rents out part of its office space and equipment to fulfill related

parties' business requirements. The rental revenues for the years ended December 31, 2023 and 2022 were amounted to \$1,254 and \$1,140, respectively.

(f-2) As the Company applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the years ended December 31, 2023 and 2022 were amounted to \$587 and \$782, respectively.

(f-3) Transaction terms for the above are the same as those for ordinary transactions.

(g) Other

(g-1) For the years ended December 31, 2023 and 2022, the Company paid operating fees to associates, key management, and other related parties to fulfill its business requirements were amounted to \$11,095 and \$18,520, respectively.

(g-2) For the years ended December 31, 2023 and 2022, the Company charged management fees and miscellaneous income from related parties amounted to \$732 and \$483, respectively.

(g-3) For the years ended December 31, 2023 and 2022, related parties paid the remuneration of directors to the Company was \$- and \$8,928, respectively.

(g-4) In order to follow its operating plan, the Company donated \$5,900 and \$5,700 to related parties in related industries for the years ended December 31, 2023 and 2022, respectively.

(g-5) The Company invested \$275,000, \$275,000 and \$220,000 in Eastern Asset in proportion to the shareholding ratio on December 15, 2023, June 30, 2023 and October 7, 2022.

(g-6) The Company participated in the capital increase of ET Pet by \$416,250 on December 26, 2022.

(g-7) As of December 31, 2023 and 2022, the Company pledged stocks of subsidiaries and associates as collateral.

c. Key management personnel compensation

	For the years ended December 31	
	2023	2022
Short-term employee benefits	\$ 46,035	\$ 47,121

31. Pledged assets

Pledged assets of the Company were as follows:

Assets	Purpose of pledge	December 31, 2023	December 31, 2022
Property, plant and equipment	Short-term and long- term loans	\$ 467,038	\$ 324,049
Investments accounted for using equity method	Long- term loans	8,613	15,858
Other current financial assets-demand deposits	Reserve and its interest	136	94
Refundable deposits	Bid bonds, performance bonds and security deposits	113,029	153,989
Other non-current financial assets – reserve account	Deposit in long-term loans	4,554	4,000
Current financial assets at fair value through profit or loss	Short-term loans and short-term notes and bills payable	447,712	453,412
Right-of-use asstes	Long-term loans	94,659	96,044
		\$ 1,135,741	\$ 1,047,446

32. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	December 31, 2023	December 31, 2022
Unused standby letters of credit	\$ 196,654	\$ -

(b) The Company had signed contracts relating to manage resorts in Linkuo, and also had signed services agreements relating to the hotel's business and authorization with Formosa international hotels corporation. The Company 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 Company's unrecognized contractual commitments are as follows:

	December 31, 2023	December 31, 2022
Total contract prices	\$ 264,747	\$ 8,500
Payout amount	\$ 81,656	\$ 3,450

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 established a legal affair department and hired external counselors to handle its legal affairs. As of December 31, 2023 and 2022, all unsettled lawsuits had no impact on its financial and business operation.

33. Losses Due to Major Disasters: None.

34. Subsequent Events:

On February 26, 2024, a resolution was passed in the board meeting of the Company for the capital reduction. Please refer to Note 21 for the details.

35. Other

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

By nature	For the years ended December 31		
	2023		
	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 141,565	\$ 162,919	\$ 304,484
Health and labor insurance	12,304	11,270	23,574
Pension	5,121	6,153	11,274
Remuneration of directors	-	9,892	9,892
Others	7,933	2,910	10,843
Depreciation expense	273,825	15,858	289,683
Amortization expense	105	1,984	2,089

By nature	For the years ended December 31		
	2022		
	Operating cost	Operating expense	Total
Employee benefits			
Salary	\$ 135,686	\$ 174,175	\$ 309,861
Health and labor insurance	12,257	10,836	23,093
Pension	5,517	6,051	11,568
Remuneration of directors	-	7,553	7,553
Others	7,399	2,748	10,147
Depreciation expense	266,434	14,897	281,331
Amortization expense	75	1,095	1,170

Note: Some of the remuneration received by human support is not excluded from the above employee welfare expenses.

For the years ended December 31, 2023 and 2022, the information on the number of employees and employee benefit expense of the Company is as follows:

	For the years ended December 31	
	2023	2022
Number of employees	<u>261</u>	<u>257</u>
Number of directors (non-employee)	<u>5</u>	<u>5</u>
Average employee benefit expense	<u>\$ 1,368</u>	<u>\$ 1,407</u>
Average employee salary expense	<u>\$ 1,189</u>	<u>\$ 1,230</u>
Percentage of average employee salary expense	<u>(3%)</u>	<u>(5%)</u>
Remuneration for supervisors	<u>\$ -</u>	<u>\$ -</u>

Compensation policies are as follows:

- The remuneration for directors in the Article 18th of the Company's Articles of Incorporation, is determined based on their involvement in the Company's operations, contributions to the

Company, and the general pay levels in the industry. Monthly fixed remuneration and transportation allowances paid are based on attendance in board meetings. According to the Company's Articles of Incorporation, there is no remuneration of directors.

- b. The Company has established the Board Performance Assessment Regulations. The Board performance evaluation is carried out every year in accordance with the evaluation procedures and evaluation indicators of the regulations. The assessment may be performed by an external independent professional institution or a panel of external experts and scholars every three years. An implementation of the evaluation report from the external independent professional institution, submit it to the Board of directors for review, and serve as a reference for selecting or nominating directors.
- c. Managers' remuneration is based on the company's "Salary Management Regulations" and the responsibilities, positions, seniority, personal abilities, and experience that they are concurrently responsible for, as well as the pay level as the basis for salary evaluation. Remuneration mainly includes three parts: fixed monthly salary, bonus and employee remuneration; remuneration at the time of appointment and salary adjustments after appointment are submitted for approval in accordance with the internal audit authority, and also refer to personal performance evaluation and contribution to the Company. The reports of related performance evaluation and reasonableness of remuneration are reviewed by the Compensation Committee, and then are submitted to the Board of directors for resolution.
- d. The Company's year end bonus is issued to reflect the Company's operating performance and profit and loss in the previous year, taking into account a number of internal and external factors, and weighting individual performance appraisal, Then the proposal of year end bonus is recommended by the general manager, and is reported to the chairman for approval.
- e. The estimated employee's compensation of the Company is set at the rates of 3.5% of profit before income tax; and after approval by the board of directors, the employee's compensation distributed is determined based on their salaries, contributions to the Company in the previous year, the proportion of service days for the Company and performance for individuals.
- f. In order to maintain the competitiveness of compensation, the Company evaluates the pay level in the labor market by conducting salary surveys every year. Operational performance and future development are also taken into consideration when determining the compensation policy. Compensation and performance bonuses of employees differ based on the performance of each employee in order to reward the outstanding employees for their contributions to the Company.

36. 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 Company for the year ended December 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 December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures).
- (d) Please refer to Table 4 for the individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital.
- (e) Please refer to Table 5 for acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital.
- (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 6 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.
 - (i) Trading in derivative instruments: None.
 - b. Information on investees
Please refer to Table 7 for the information on investees for the year ended December 31, 2023.
 - c. Information on investment in Mainland China
 - (a) Please refer to Table 8 for the relevant information such as the name and main business items of the investee company in Mainland China.
 - (b) Please refer to Table 8 for the limitation on investment in Mainland China
 - (c) Please refer to Table 8 for the significant transactions with investee companies in Mainland China.
 - d. Major shareholders
Please refer to Table 9 for the major shareholders for the year ended December 31, 2023.
- 37. **Segment information**
Please refer to the consolidated financial statements for the year ended December 31, 2023.

Eastern Media International Corporation
Statement of current financial assets at fair value through profit or loss
December 31, 2023
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)

Name of security	Category of security	Shares/ Units	Par value		Rate	Acquisition cost	Fair value		Movement of fair value attribute	Note
			(NT\$)	Amount			Price (NT\$)	Amount		
Taiwan Cement Co., Ltd.	Domestic stock	6,819,555	\$ 10	\$ 68,196	-%	\$ 320,550	\$ 34.85	\$ 237,661	-	Note
Formosa Plastics corporation	Domestic stock	4,670,000	10	46,700	-%	494,296	79.20	369,864	-	Note
Momo.com Inc.	Domestic stock	104,000	10	1,040	-%	55,781	509.00	52,936	-	-
Alibaba Group	Overseas stock	602,000	-	-	-%	206,921	297.03	<u>178,814</u>	-	-
								<u>\$ 839,275</u>		

Note: For the details of the financial instruments pledged as collateral of the Company please refer to Note 7 and 31.

Eastern Media International Corporation
Statement of changes in investments accounted for using the equity method
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Name of investee	Beginning Balance		Addition		Decrease		Retained earnings	Remeasurement of defined benefit plans	Investment Income or loss	Translation adjustment	Unrealized gain or loss of financial assets at fair value through other Comprehensive income	Ending Balance			Collateral	
	Shares	Amount	Shares	Amount	Shares	Amount						Shares	Percentage of ownership	Amount		Net Assets Value
FESS-Bermuda	600,000	\$ 283	-	\$ -	\$ 600,000	\$ -	\$ 72	\$ -	(\$ 358)	\$ 3	\$ -	-	-	\$ -	\$ -	None
FESS-Panama	71,700	1,326,825	-	-	-	-	(72)	787	(124,028)	(10,337)	-	71,700	100.00	1,193,175	1,193,175	"
Grand Richness (Hong Kong)	16,214,616	58,419	-	-	16,214,616	(55,996)	-	-	(851)	(1,572)	-	-	-	-	-	"
EIC	67,641,445	479,348	-	-	21,407,386	-	2,716	398	(4,019)	(2,899)	(2,871)	46,234,059	97.90	472,673	472,673	"
EILF	40,690,330	293,459	-	-	-	-	-	-	16,779	-	-	40,690,330	53.77	310,238	310,238	"
TKLF	40,847,294	332,927	-	-	-	-	-	-	13,718	-	-	40,847,294	53.76	346,645	346,645	"
EHS	6,637,500	16,518	-	-	-	-	933	137	(6,633)	(997)	(987)	6,637,500	6.51	8,971	8,971	Long term loans
ET New Media	53,522,508	(518,576)	-	-	-	-	-	-	(246,278)	-	-	53,522,508	89.20	(827,854)	(827,854)	None
ET Pet	41,625,000	38,087	-	-	23,785,722	-	-	-	(175,087)	-	-	17,839,278	59.46	(137,000)	(137,000)	"
EHR	32,973,086	(87,192)	-	-	-	-	-	-	(24,003)	-	-	32,973,086	60.40	(111,195)	(111,195)	Long term loans
Eastern Asset	71,500,000	<u>707,832</u>	55,000,000	<u>550,000</u>	-	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,775)</u>	<u>-</u>	<u>-</u>	126,500,000	55.00	<u>1,254,057</u>	1,254,057	None
		\$ 2,584,930		\$ 550,000		(\$ 55,996)	\$ 3,649	\$ 1,322	(\$ 554,535)	(\$ 15,802)	(\$ 3,858)			\$ 2,509,710		
Add: Classified as other liabilities		<u>668,768</u>												<u>1,076,049</u>		
		\$ 3,253,698												\$ 3,585,759		

Note: The increase in investments resulted from acquire subsidiaries amounted to \$550,000. The decrease in investments resulted from capital reduction of the investees amounting to \$55,996.

Eastern Media International Corporation
Statement of changes in Property, plant and equipment
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Please refer to Note 13 for the details.

Statement of changes in right-of-use assets

Please refer to Note 14 for the details.

Statement of long-term loans
December 31, 2023

Bank	Category of loans	Amount	Duration	Rate	Collateral	Note
Mega Bank	Secured loans	\$ 48,000	2022.07~ 2029.07	2.55%~ 3.53%	Property, plant and equipment, right-of-use assets and investments accounted for using equity method obtained by the subsidiary	
TBB	"	56,666	2021.10~ 2026.10	"	"	
KTB	"	1,291,250	2022.06~ 2031.06	"	"	
Less: Current portion		(72,371)				
Fees		(9,886)				
		<u>\$ 1,313,659</u>				

Statement of lease liabilities

Item (subject)	Lease term	Discount rate	Ending Balance Amount
Land and equipment	2019.01~2092.05	3%~3.25%	\$ 3,291,473
Buildings	2019.06~2025.07	3%~3.5%	7,091
Transportation equipment	2021.05~2025.03	3%~3.25%	<u>422</u>
			<u>\$ 3,298,986</u>

Eastern Media International Corporation
Statement of other non-current liabilities, others
December 31, 2023

Item	Description	Amount	Note
Credit balance of investments accounted for using equity method transferred to non-current liabilities		<u>\$ 1,076,049</u>	

Statement of operating revenue

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Loading and storage revenue			
Loading and unloading revenue		\$ 1,144,310	
Storage revenue		285,746	
Other revenue		<u>6,514</u>	
Subtotal		1,436,570	
Less: Sales return		<u>-</u>	
		<u>\$ 1,436,570</u>	

Statement of operating costs

Item	Amount	Note
Storage costs		
Port charges	\$ 30,436	
Commercial cost	591,581	
Maintenance cost	<u>40,894</u>	
Operating cost	<u>\$ 662,911</u>	

Eastern Media International Corporation
Statement of operating expenses
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

<u>Item</u>	<u>Description</u>	<u>Amount</u>	<u>Note</u>
Salary and wages expenses		\$ 162,958	
Insurance expense		12,458	
Entertainment expense		18,145	
Depreciation expense		15,858	
Professional service fees		12,590	
Other expenses			Less than 5% of the total
		<u>78,625</u>	account balance
		<u>\$ 300,634</u>	

Statement of the net amount of other non operating income and expenses

Please refer to Note 25 for the details.

Statement of finance costs

Please refer to Note 25 for the details.

EASTERN MEDIA INTERNATIONAL CORPORATION

Loans to other parties

For the year ended December 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	\$ 700,000	\$ 700,000	\$ 300,000	3~3.5	2	-	Operation requirements	-	-	-	\$ 1,320,774 (Note 2)	\$ 1,981,161 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	150,000	50,000	-	3.25~3.5	2	-	"	-	-	-	1,320,774 (Note 2)	1,981,161 (Note 2)
0	"	ET Pet	"	Yes	100,000	-	-	3~3.25	2	-	"	-	-	-	1,320,774 (Note 2)	1,981,161 (Note 2)
1	EIC	ET New Media	"	Yes	205,000	205,000	165,000	3~3.5	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	-	-	3.25	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)
1	"	Mood	"	Yes	50,000	50,000	35,000	3.25~3.5	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)
1	"	Care Pet Bio-Tech	"	Yes	30,000	-	-	3.50	2	-	"	-	-	-	193,125 (Note 3)	289,687 (Note 3)
2	TKLF	ET New Media	"	Yes	200,000	195,000	195,000	3~3.5	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)
2	"	Dung sen min diau yun	"	Yes	10,000	10,000	10,000	3.25~3.5	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)
2	"	Care Pet Bio-Tech	"	Yes	15,000	-	-	4	2	-	"	-	-	-	257,901 (Note 4)	386,851 (Note 4)
2	"	Lido International Managment	Other receivables	No	30,000	29,000	29,000	8.5	2	-	"	-	Shiding land mortgage	\$ 31,716	32,238 (Note 4)	386,851 (Note 4)

(to be continued)

(continued)

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
2	TKLF	A li shan dong fang ming shu	Other receivables	No	\$ 20,000	\$ 20,000	\$ 20,000	9	2	-	Operation requirements	-	Longtan land mortgage	\$ 27,085	\$ 32,238 (Note 4)	\$ 386,851 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.5	2	-	"	-			230,789 (Note 5)	346,184 (Note 5)
3	"	Care Pet Bio-Tech	"	Yes	13,000	-	-	4	2	-	"	-			230,789 (Note 5)	346,184 (Note 5)
3	"	Sunflower leisure	Other receivables	No	20,000	-	-	9	2	-	"	-			28,849 (Note 5)	346,184 (Note 5)
3	"	DE-NIAN INTERNATIONAL INC.	"	No	28,000	28,000	28,000	8	2	-	"	-	Gongliao land mortgage	31,163	28,849 (Note 5)	346,184 (Note 5)
3	"	JN AGRICULTURE CORPORATION	"	No	22,000	22,000	22,000	8	2	-	"	-	Gongliao land mortgage	24,485	28,849 (Note 5)	346,184 (Note 5)
4	GRAND SCENE TRADING (HONG KONG)	The Company	Other receivables - related parties	Yes	58,954	-	-	1	2	-	"	-			84,351 (Note 6)	168,703 (Note 6)
4	"	GSMC-Cayman	"	Yes	58,935	58,935	58,935	1	2	-	"	-			84,351 (Note 6)	168,703 (Note 6)
5	Eastern Media Communication (Hong Kong)	The Company	"	Yes	45,750	-	-	1	2	-	"	-			48,754 (Note 7)	97,509 (Note 7)
5	"	FESS-Pananma	"	Yes	43,219	43,219	43,219	1	2	-	"	-			48,754 (Note 7)	97,509 (Note 7)
6	GSMC-Cayman	FESS-Pananma	"	Yes	55,269	55,269	55,269	1.1	2	-	"	-			86,378 (Note 8)	172,756 (Note 8)
7	FESS-Panama	The Company	"	Yes	49,128	-	-	1	2	-	"	-			1,193,174 (Note 9)	2,386,348 (Note 9)

Note 1: Lending of capital has the following two types:

- (1) Those with business dealings.
- (2) The necessity for short-term financing.

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

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

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

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

Note 6: For GRAND 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.

(to be continued)

(continued)

Note 8: For GSMC-Cayman, the aggregate amount available for lending shall not exceed 200% of its net worth in the most recent financial statements. The individual amount available for lending to its parent company shall not exceed 100% of its net worth in the most recent financial statements.

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

Note 10: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION

Guarantees and endorsements for other parties

For the year ended December 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	\$ 13,207,738 (Note 2)	\$ 553,652	\$ 498,840	\$ 312,313	\$ -	15.11%	\$ 13,207,738 (Note 2)	Y	N	N
0	The Company	EHR	2	13,207,738 (Note 2)	1,312,000	1,312,000	736,000	-	39.73%	13,207,738 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	13,207,738 (Note 2)	5,875,000	5,875,000	915,245	-	177.93%	13,207,738 (Note 2)	Y	N	N
0	The Company	ET Pet	2	13,207,738 (Note 2)	1,961,500	1,615,500	660,254	8,613	48.93%	13,207,738 (Note 2)	Y	N	N
0	The Company	Care Pet Bio-Tech	2	13,207,738 (Note 2)	93,000	93,000	58,000	-	2.82%	13,207,738 (Note 2)	Y	N	N
1	EIC	ET Pet	4	330,193 (Note 3)	220,000	-	-	-	0.00%	330,193 (Note 3)	N	N	N
1	EIC	The Company	3	330,193 (Note 3)	925,000	925,000	416,250	24,264	191.59%	330,193 (Note 3)	N	Y	N
2	FESS-Panama	The Company	3	4,097,081 (Note 4)	1,000,000	1,000,000	800,000	1,209,106	83.81%	4,097,081 (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

Securities held

December 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	\$ 237,661	0.09 %	\$ 237,661	Note
"	Formosa Plastics corporation	-	"	4,670,000	369,864	0.07 %	369,864	Note
"	Alibaba Group	-	"	602,000	178,814	0.00 %	178,814	
"	Momo	-	"	104,000	52,936	0.04 %	52,936	Note
"	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	325,000	25,740	0.01 %	25,740	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	70,000	41,510	0.00 %	41,510	Note
"	Alibaba Group	-	"	128,000	38,039	0.00 %	38,039	
TKLF	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	80,000	47,440	0.00 %	47,440	
"	Formosa Plastics corporation	-	"	200,000	15,840	0.00 %	15,840	
"	Alibaba Group	-	"	248,700	73,910	0.00 %	73,910	

Note: For the details of the financial instruments pledged as collateral of the Company please refer to Note 7 and 31. As for other companies, please refer to the consolidated financial statements of 2023.

EASTERN MEDIA INTERNATIONAL CORPORATION

The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital

For the year ended December 31, 2023

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

Table 4

Name of the company	Category and name of security	Account name	Name of counter party	Relationship with the company	Beginning Balance		Purchases		Sales				Ending balance	
					Shares/ Units	Amount (Note 1)	Shares/ Units	Amount (Note 1)	Shares/ Units	Price (Note 1)	Cost (Note 1)	Gain (loss) on disposal	Shares/ Units	Amount (Note 1)
The Company	Alibaba Group	Financial assets at fair value through profit or loss	-	-	-	\$ -	1,376,000	\$ 464,992	774,000	\$ 294,112	258,072	\$ 36,040	602,000	\$ 178,814
"	Eastern Asset	Investments accounted for using equity method	Eastern Asset	Subsidiary	71,500,000	707,832	55,000,000	550,000	-	-	-	-	126,500,000	1,254,057

Note 1: Including exchange differences on financial assets designated at fair value, investments accounted for using equity method, and translation.

EASTERN MEDIA INTERNATIONAL CORPORATION

Acquisition of individual real estate at costs of at least \$300 million or 20% of the paidin capital

For the year ended December 31, 2023

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

Table 5

Name of the company	Types of property	Transaction date	Transaction amount (Note)	Payment	Counterparty	Nature of relationships	Pior transaction of related counterparty				Price Reference	Purpost of acquisition	Other terms
							Owner	Relationships	Transfer date	Amount			
Eastern asset	Construction in progress	112.05.29	\$ 12,000,000	\$ 2,611,249	DEHWA CONSTRUCTION CO., LTD. 、EPOQUE CORPORATION, etc.	Non-related party	Not applicable	Not applicable	Not applicable	Not applicable	Agreement between the parties	Building the headquarters of the Group	None

Note : The transaction amount was based on the budget of this program approved by the board of the directs. The actual information should be subjected to the contracts.

EASTERN MEDIA INTERNATIONAL CORPORATION

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

December 31, 2023

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

Table 6

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	\$ 302,009	Not applicable	\$ -	-	\$ 2,009	\$ -
EIC	ET New Media	Subsidiary	165,487	Not applicable	-	-	487	-
EILF	ET New Media	Subsidiary	150,432	Not applicable	-	-	432	-
TKLF	ET New Media	Subsidiary	195,561	Not applicable	-	-	561	-

EASTERN MEDIA INTERNATIONAL CORPORATION

Information on investees

For the year ended December 31, 2023

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

Table 7

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
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	-	\$ 32,161	-	0.00%	-	(\$ 358)	(\$ 358)	Note 4
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	1,193,175	(124,028)	(124,028)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	-	672,603	-	0.00%	-	(851)	(851)	Note 1
The Company	EIC	Taiwan	General investing	342,117	500,525	46,234,059	97.90%	472,673	(4,105)	(4,019)	Subsidiary
The Company	EILF	Taiwan	Leasing	391,195	391,195	40,690,330	53.77%	310,238	31,204	16,779	Subsidiary
The Company	TKLF	Taiwan	Leasing	391,613	391,613	40,847,294	53.76%	346,645	25,516	13,718	Subsidiary
The Company	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	178,393	416,250	17,839,278	59.46%	(137,000)	(294,440)	(175,087)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	8,971	(101,869)	(6,633)	Associate
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(827,854)	(276,083)	(246,278)	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%	(111,195)	(39,740)	(24,003)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	1,265,000	715,000	126,500,000	55.00%	1,254,057	(6,863)	(3,775)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(9,706)	(276,083)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	26,664	(101,869)	"	Associate
EIC	TKLF	Taiwan	Leasing	77,115	77,115	7,597,500	10.00%	64,475	25,516	"	Subsidiary
EIC	EILF	Taiwan	Leasing	74,464	74,464	7,567,500	10.00%	57,697	31,204	"	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%	(24,301)	(39,740)	"	Subsidiary
TKLF	EILF	Taiwan	Leasing	269,766	269,766	27,243,000	36.00%	207,710	31,204	"	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%	(24,301)	(39,740)	"	Subsidiary
EILF	TKLF	Taiwan	Leasing	278,342	278,342	27,351,000	36.00%	232,111	25,516	"	Subsidiary

(to be continued)

(continued)

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
				December 31, 2023	December 31, 2022	Shares/Units	Percentage of ownership	Carrying value			
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%	(\$ 24,301)	(\$ 39,740)	Exempt from disclosure	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	86,378	1,017	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	48,754	(567)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,209,106	(60,134)	"	Associate
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	84,351	1,282	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	3,000	3,000	300,000	100.00%	856	(2,196)	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	3,371	1,577	"	Subsidiary
ET New Media	Mood	Taiwan	Marketing, research and data collection	50,000	50,000	5,000,000	100.00%	(30,364)	(80,364)	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Video advertising service	-	5,000	-	0.00%	-	-	"	Note 2
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	-	100	-	0.00%	-	-	"	Note 3
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	79,286	185,000	7,928,568	26.43%	(60,889)	(294,440)	"	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%	(330)	(6,064)	"	Subsidiary

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

Note 2: 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.

Note 4: The Company approved to liquidate FESS-Bermuda on March 16, 2023. The liquidation procedures were finished on August 22, 2023.

EASTERN MEDIA INTERNATIONAL CORPORATION
Information on investment in Mainland China
For the year ended December 31, 2023
(Expressed in Thousands of New Taiwan Dollars, Except for the Noted Items)
Table 8

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

Name of investee	Main businesses and products	Total amount of paid in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of September 30, 2023	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	\$ 1,004,054	\$ -	\$ -	\$ 1,004,054	\$ -	- %	\$ -	\$ -	\$ -
RICHNESS TRADING (SHANGHAI)	Retail of cosmetics, jewelry and groceries	1,085,100	Note 3	1,169,861	-	-	1,169,861	(747)	100.00 %	(747)	2,463	-
Nanjing Yun Fu	Wholesale trading	44,953	Note 4	92,115	-	-	92,115	(129)	100.00 %	(129)	3,785	-
Jiangsu Sen Fu Da	Research and development of film and television technology	43,270	Note 5	-	-	-	-	-	34.00 %	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	432,349	Note 3	-	-	-	-	21,807	30.00 %	6,542	194,747	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	93,120	Note 3	-	-	-	-	2,107	30.00 %	632	31,624	-
Shanghai Natural Beauty Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,049,168	Note 3	-	-	-	-	81,202	30.00 %	24,361	339,056	-

(to be continued)

(continued)

Note 1: Except that the investment gain (loss) of RICHNESS TRADING (SHANGHAI) and Nanjing Yun Fu was recognized based on the financial statements audited by the same audit team of the Company, the rest of the investment gain (loss) was recognized based on financial statements audited by other audit teams.

Note 2: The Group indirectly made the investment through FESS-Panama, and was complete disposal of all shares on April 23, 2018.

Note 3: The Group indirectly invested through FESS-Panama.

Note 4: 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 5: The Group indirectly invested through Nanjing Ji Cheng on August 30, 2012.

Note 6: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,266,029	\$ 4,014,872	\$ 2,530,705

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

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the years ended December 31, 2023, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION

Major shareholders

December 31, 2023

(Expressed in Units)

Table 9

Shareholders name	Shareholding	Shares	Percentage
Jinxin Trading Co., Ltd.		28,932,001	9.63%