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SEA & LAND INTEGRATED CORP.

2024
Annual Report

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V. The name of any exchanges where the Company's securities are traded offshore and the method by which to access information on said offshore securities: None.

VI. Website of the Company: www.sea-land.com.tw

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Chapter 1 Letter to Shareholders

I. 2024 business report.

I. The operating conditions of each business division of the Company in 2024 are as follows:

Container Transportation Services:

The inland container transportation business remains closely tied to global trade trends. In recent years, the industry has been adversely affected by inflation, subdued consumer spending, and geopolitical developments such as U.S.-China tensions, regional conflicts, and the ongoing war between Russia and Ukraine. These macro factors have contributed to a persistent decline in container volumes, putting downward pressure on freight rates and intensifying competition within the sector. Consequently, price wars and market share battles have had a direct negative impact on our revenue performance.

Additionally, sustained high fuel prices, labor shortages, rising wages, evolving labor regulations, and increased costs of equipment and maintenance continue to pose significant challenges to profitability. Despite these headwinds, an increasing number of mid- to large-scale clients are placing greater emphasis on ESG considerations. Our company has proactively embraced these sustainability expectations, earning client recognition and fostering stronger, more resilient partnerships. This strategic alignment is expected to mitigate the impact of pricing pressures in the long term. This business segment reported a profit of TWD 32,174 thousand.

Heavy Haulage Transport and Hoisting Services:

Taiwan's energy transition policy underscores the importance of stabilizing existing energy infrastructure. In support of this initiative, our company has played a critical role in major upgrade projects for Hsingda, Taichung, and the privately operated Sun Ba Power Plants. We also participated in the overhaul of several generator units at the Datan Power Plant in Taoyuan, which have now commenced commercial operation. In 2024, we successfully completed the transport and hoisting of vaporization module equipment for the LNG receiving terminal in Taoyuan.

Looking ahead, we anticipate a peak in large-scale transport demand with upcoming public tenders for equipment upgrades at the Dalin and Tunghsiao Power Plants. Our operations will continue to adhere strictly to a safety-first approach as we actively pursue these bids.

In the area of coastal shipping, our fleet—comprising eight vessels including powered tugboats, workboats, and non-powered platform barges—provides us with significant operational flexibility. This asset base enables us to offer highly adaptable and customized solutions for the transportation of oversized and heavy machinery. Our long-standing expertise and reliable performance have established us as a trusted logistics partner for both domestic and international clients. This business segment generated a profit of TWD 123,497 thousand.

Gas Station Operations: The Business Division made a profit of TWD2,710 thousand.

Imported wine business:

Taiwan's imported liquor market faced significant challenges in 2024, driven by global economic uncertainty, inflationary pressures, and evolving consumer behavior. The overall growth of imported alcoholic beverages was constrained, with the market showing signs of weakness. The slow pace of post-pandemic economic recovery has dampened consumer willingness to purchase high-priced liquor, and near-term demand recovery remains uncertain.

Emerging markets and the rise of low- and non-alcoholic beverages have further eroded market share for traditional products such as whisky and wine. Additionally, the growing cocktail culture has drawn younger consumers away from conventional alcoholic beverages.

In response to these developments, we implemented targeted procurement and inventory strategies to optimize product offerings. The business focused on high-potential items, adjusted its portfolio composition, and explored emerging consumer preferences through the introduction of new products. These efforts have helped us maintain brand visibility and consumer engagement. This segment reported a profit of TWD 1,739 thousand.

To sum up, the consolidated operating income in 2024 is TWD1,817,795 thousand, the net operating profit is TWD93,963 thousand, the net profit before income tax is TWD151,575 thousand, the net profit after income tax is TWD129,834 thousand, the current net profit after tax attributed to the owner of the parent company is TWD129,569 thousand, and the net profit per share is TWD1.24.

(II) Financial revenue and expenditure and budget implementation results:

Unit: NT\$ thousand

Subject name:	Actual performance of 2024	Objectives of 2024	Objective achievement rate
Operating revenue	1,817,795	1,993,058	91%
Operating costs	1,547,133	1,623,192	95%
Gross profit from operations	270,662	369,866	73%
Operating expenses	176,699	303,374	58%
Net operating income	93,963	66,492	141%
Non-operating income and expenses	57,612	99,191	58%
Profit before tax	151,575	165,683	91%
Tax expense	21,741	9,873	220%
Profit	129,834	155,810	83%

Note: The budget values above are the internal budget of the Company and have not been audited by a CPA.

(III) Profitability analysis:

Item of analysis		Ratio
Return on assets		4.92%
Return on equity		6.64%
Ratio to paid-in capital	Net operating income	8.96%
	Profit before tax	14.45%
Profit ratio		7.14%
Earnings per share (NT\$)		1.24

(IV) Research and development status:

1. Container transportation: The Company introduced the fleet GPS monitoring system and blind area monitoring equipment, and signed maintenance contracts with excellent manufacturers to conduct regular maintenance and improve the carrying efficiency of the equipment.
2. Heavylift Haulage & Erection Service: The Company is strengthening its special transportation technology and cultivating professional personnel to create order receiving advantages.

II. Overview of 2025 Business Plan:

(I) Business Policies:

Container Transportation:

We remain committed to providing high-performance, safe, and environmentally compliant transportation equipment. In parallel, we will actively pursue new business development opportunities, including partnerships with shipping lines launching new routes.

Heavy Haulage Transport and Hoisting:

Our strategic focus will be on securing large-scale domestic infrastructure projects. By leveraging comprehensive planning capabilities and technical expertise, we aim to grow our project portfolio and drive sustainable profitability.

(II) Projected Sales and Supporting Rationale:

Container Transportation Division:

Closely tied to macroeconomic conditions, this business segment remains sensitive to global developments such as U.S. tariff policies, geopolitical tensions, and armed conflicts. While these factors introduce a degree of uncertainty for 2025, encouraging signs are emerging: the global supply chain is stabilizing, inflationary pressures are easing, and product demand is rebounding. These improvements are expected to reinvigorate international trade volumes, leading to a recovery in import and export activities and creating favorable conditions for growth in container transportation.

Heavy Haulage Transport and Hoisting Division:

The global push for net-zero carbon emissions has driven demand across industries for equipment upgrades and green infrastructure development. Key growth areas in 2025 include offshore wind power construction, petrochemical plant upgrades, and mass transit expansion projects—all of which require specialized heavy transport services. Notable projects include the transportation of equipment for Hsingda, Hualien Hoping, and Penghu power plants, petrochemical facility upgrades, and MRT San-ying Line carriage delivery operations.

(III) Key Production and Sales Policies:

Container Transportation Division:

The company utilizes Euro VI-compliant tractor units imported from Europe to reduce carbon emissions. To enhance operational safety, all vehicles are equipped with front and rear blind spot detection systems, and obsolete vehicles are systematically phased out based on defined safety depreciation guidelines.

We provide ongoing training for drivers in areas such as professional transport operations and road safety. Internal policies include driver safety incentive programs and fuel efficiency bonuses, reinforcing our commitment to operational safety, environmental responsibility, and cargo security.

Additionally, we are actively evaluating the feasibility of incorporating new energy vehicles, with the intention of positioning ourselves as an industry pioneer in next-generation transport solutions.

Heavy Haulage Transport and Hoisting Division:

In alignment with government infrastructure initiatives, we are actively supporting and participating in projects such as Taiwan Power Company (Taipower) and private power plant expansions and retrofits, MRT network expansions, offshore wind turbine transport, and low-carbon petrochemical plant redevelopment.

Simultaneously, we engage in early-stage collaboration with project owners through site assessments, data evaluations, and ongoing consultation, ensuring accurate pre-bid planning and enhancing our ability to secure high-quality tenders.

To further strengthen our market competitiveness and operational scale, we have entered into a strategic alliance with our affiliated company, Jia Yun Heavy Machinery, leveraging mutual capabilities and market synergies to expand business opportunities, maximize resource efficiency, and boost profitability.

(IV) Future Corporate Development Strategy:

Container Transportation Division:

To remain competitive in an increasingly complex and dynamic logistics environment, we will adopt the following strategic priorities:

- Fleet Modernization: Continue investing in state-of-the-art vehicles that comply with the latest environmental regulations, ensuring optimal transport capacity while minimizing carbon emissions.
- Talent Development: Proactively attract and retain high-caliber personnel while implementing structured training programs to continuously improve service quality.
- Client Relations: Foster long-term, trust-based relationships with our clients to ensure stability and customer loyalty.
- Strategic Partnerships: Build lasting partnerships with key suppliers and industry peers to enhance resilience and service continuity.
- Operational Flexibility: Maintain a strategic proportion of outsourced vehicles to supplement fleet capacity and adapt to fluctuating demand.
- Management Optimization: Implement modernized management frameworks and incorporate advanced ICT systems to enhance operational efficiency.
- Sustainability Commitment: Maintain our leadership in ESG implementation by actively promoting sustainable practices across all operations..

Heavy Haulage Transport and Hoisting Division:

The government's long-term Forward-Looking Infrastructure Development Program is designed to meet national development needs for the next 30 years. We will remain attentive to these developments and actively pursue related transportation projects.

With the national goal of net-zero carbon emissions by 2050, numerous industries—including power generation, petrochemicals, and steel manufacturing—are accelerating process upgrades and introducing new equipment. These initiatives generate substantial demand for specialized transport and hoisting services, and our company is well-positioned to support this transition. We aim to leverage our expertise in logistics to contribute meaningfully to environmental sustainability while capturing emerging market opportunities.

(V) Impact of the External Competitive Landscape, Regulatory Changes, and Macroeconomic Conditions:

Container Transportation Division

1. Competitive Environment:

The division faces continued pressure from price competition, while labor shortages, exacerbated by Taiwan's declining birthrate, have significantly reduced the supply of qualified container truck drivers. The retirement of veteran drivers further compounds this issue, leading to higher labor and operational costs.

2. Regulatory Environment:

In line with environmental improvement initiatives, container truck fleets must comply with Euro VI emission standards, resulting in increased capital expenditures for vehicle upgrades and replacements.

3. Macroeconomic Environment:

The division is challenged by a convergence of factors: intensified price competition, rising equipment and maintenance costs, and growing difficulties in driver recruitment and retention. These elements collectively pose a significant impact on operational sustainability and profit margins.

Heavy Haulage Transport and Hoisting Division:

1. 1. Competitive Environment:

The supply and demand for heavy machinery and equipment are inherently global. Countries such as the U.S., Japan, South Korea, and EU members actively export technical solutions and equipment, while China has aggressively expanded into Southeast Asian infrastructure markets, often leveraging low-cost bids, concessional financing, and comprehensive turnkey packages. This has significantly heightened competitive pressure in the region.

2. Regulatory Environment:

As a project-based business, each transport assignment requires approval from relevant authorities based on specific project needs. Environmental awareness has increased public scrutiny—particularly regarding coastal transport operations, which can trigger fishermen's protests due to perceived interference with fishing activities. We continue to work closely with relevant stakeholders to mediate concerns and offer appropriate compensation when necessary.

3. Macroeconomic Environment:

The business faces key structural challenges, including high equipment acquisition and maintenance costs, intensified global competition, and the need for sustained investment in specialized talent development. These factors define the current operational environment and inform our long-term strategic planning.

The company is a transport service industry, adhering to the "customer first, safety first, service-oriented" business philosophy, give full play to the excellent service established over the years, combined with the transport industry, together to create a good result.

I would like to wish you all

good health and good luck.

Chairman: Ho, Ying-Jin

Manager: Ho, Ying-Jin

Accounting Head: Hu, Li-Hua

Chapter 2 Corporate Governance Report

I. Information about directors, supervisors the president, vice presidents, assistant vice presidents, and heads of departments and branches:

(I) Directors and supervisors

April 13, 2025

Title	Nation ality or place of registra- tion	Name	Gender Age	Date elected (taking office)	Term	Date elected (note 1)	Number of shares held when elected		Current shareholding		Current shareholding of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent position at the Company and other companies	Managers, directors or supervisors of the Company who are the spouse or relatives within the second- degree of kinship			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relatio nship	
Chairman	ROC	Ho, Ying- Jin	Male 66-70	June 27, 2022	Three years	April 27, 1995 (note 1)	8,550,125	10.6	11,115,162	10.6	3,268,499	3.12	0	0	Chungyu Institute of Technology	(note 2)	None	None	None	(note 3)
Director	ROC	Chien, Chung-Jung	Male 61-65	June 27, 2022	Three years	June 18 2014	0	0	0	0	0	0	0	0	Master of Management, Baker University, Kansas, USA	(note 4)	None	None	None	
Director	ROC	Hung, Keng-Shu	Male 61-65	June 27, 2022	Three years	June 20, 2013	31,685	0.04	41,190	0.04	1,000	0.001	0	0	Shude Industrial College	Director and President, Sea & Land Wine & Spirits Incorporation	None	None	None	
Director	ROC	Lien, Chin- Chih	Male 56-60	June 27, 2022	Three years	June 16, 2016	9,733	0.01	12,652	0.01	19,185	0.02	0	0	Master of Information Engineering, Tatung University	(note 5)	None	None	None	
Director	ROC	Lin, Hsiu- Hung	Male 56-60	June 27, 2022	Three years	May 23, 2001	606,100	0.75	787,930	0.75	0	0	0	0	Tamsui Institute of Business Administration	Director of Champion. Acc. international. Trade Co., Ltd.	None	None	None	
Independent Director	ROC	Tung, Young- Cheng	Male 66-70	June 27, 2022	Three years	June 16, 2016	0	0	0	0	0	0	0	0	Master of Business Management, Tatung University	None.	None	None	None	
Independent Director	ROC	Lin, Jy- Shenp	Male 61-65	June 27, 2022	Three years	June 16, 2016	0	0	0	0	0	0	0	0	EMBA, National Taiwan University	None.	None	None	None	
Independent Director	ROC	Lee, Yeh- Chung	Male 66-70	June 27, 2022	Three years	June 27, 2022	0	0	0	0	0	0	0	0	Shipping Management Department, National Taiwan Ocean University	Director, 3L- Leemark Logistics Ltd.	None	None	None	
Independent Director	ROC	Chiang, Kuo-Cheng	Male 66-70	June 09, 2023	Two years	June 09, 2023	0	0	0	0	0	0	0	0	Master's degree from University of Minnesota	None.	None	None	None	

Note 1: The initial election date of Chairman Ho, Ying-Jin was in June 1995 when the Company's shares were publicly issued.

Note 2: President of the Company, Chairman of Sea & Land Wine & Spirits Incorporation (representative of Sea & Land), Chairman of Sea & Land Sinogreenenergy Inc. (representative of Sea & Land), Chairman of Chiayi New Energy Co., Ltd. (representative of Sea & Land), Director of Giant Heavy Machinery Service Corp. (representative of Sea & Land), Chairman of Champion Shipping Agency Co., Ltd., Chairman of Deluxe Wine & Spirits Inc., Supervisor of Meiho Shipping Agency, Chairman of Hongda Tally, Chairman of Lufeng Shipping Engineering, Director of Sumiso (Taiwan) Co., Ltd. (representative of Li Feng), Supervisor of Kamigumi (Taiwan) Co., Ltd., Chairman of Yiyou Investment (representative of Deluxe Wine & Spirits Inc.), Supervisor of Shengho Energy (representative of Yiyou Investment), Supervisor of Hongtai Industry, Principal of Eternal (representative of Sea & Land), Principal of Glory Base (representative of Eternal), Principal of Peace King (representative of Eternal), and Principal of Formosa (representative of Glory Base)

Note 3: The Chairman and the President are the same person, and the Company has increased the number of independent directors.

Note 4: Chairman of Meiho Shipping Agency, Director of Sea & Land Sinogreenenergy Inc., Director of Sea & Land Wine & Spirits Incorporation, Director and President of Giant Heavy Machinery Service Corp., Director of Taiwan International Ports Heavy-Machinery Corporation Ltd. (representative of Giant Heavy Machinery), Chairman of Charlie Global Limited Company. Director of Giant Maritime Services Co., Ltd. (Representative of Giant Heavy Machinery)

Note 5: Special Assistant to the General Manager's Office of the Company, Supervisor of Sea & Land Sinogreenenergy Inc., and Supervisor of Tiantai Optoelectronics (representative of Sea & Land)

※ Major shareholders of directors who are corporate shareholders: None.

※ Major shareholders of major shareholders who are corporate shareholders: Not applicable.

I. Disclosure of professional qualifications and independence of independent directors:

Requirements Name	Professional qualification and experience	Independence status	Number of independent director positions concurrently serving in other public companies
Ho, Ying-Jin	Experience in business and company operations and related businesses. Continuously served as a director of the Company. Years of experience in transportation related businesses. There are no circumstances under Article 30 of the Company Act.	Not applicable	None.
Chien, Chung-Jung	Experience in business and company operations and related businesses. Continuously served as a director of the Company. Years of experience in handling and transporting heavy machinery parts. There are no circumstances under Article 30 of the Company Act.	Not applicable	None.
Hung, Keng-Shu	Experience in business and company operations and related businesses. Continuously served as a director of the Company. Years of experience in the wine business. There are no circumstances under Article 30 of the Company Act.	Not applicable	None.
Lien, Chin-Chih	Experience in company operations. Continuously served as a director of the Company. Years of experience in the administration and management. There are no circumstances under Article 30 of the Company Act.	Not applicable	None.
Lin, Hsiu-Hung	Experience in business and company operations and related businesses. Years of experience in transportation related businesses. There are no circumstances under Article 30 of the Company Act.	Not applicable	None.

Tung, Young-Cheng	Experience in business and company operations and related businesses. Member of the Company's Remuneration Committee. Years of experience in securities firm related businesses. There are no circumstances under Article 30 of the Company Act.	Being an independent director who meets the requirements of independence, including but not limited to the fact that the person, spouse, or any relative within the second degree of kinship has not served as a director, supervisor or employee of the Company or its affiliated enterprises; does not hold the Company's shares; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company; no remuneration is received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the past two years.	None.
Lin, Jy-Shenp	Experience in business, legal affairs and company operations and related businesses. Member of the Company's Remuneration Committee. There are no circumstances under Article 30 of the Company Act.	Being an independent director who meets the requirements of independence, including but not limited to the fact that the person, spouse, or any relative within the second degree of kinship has not served as a director, supervisor or employee of the Company or its affiliated enterprises; does not hold the Company's shares; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company; no remuneration is received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the past two years.	None.
Lee, Yeh-Chung	Experience in business and company operations and related businesses. Years of experience in transportation related businesses. There are no circumstances under Article 30 of the Company Act.	Being an independent director who meets the requirements of independence, including but not limited to the fact that the person, spouse, or any relative within the second degree of kinship has not served as a director, supervisor or employee of the Company or its affiliated enterprises; does not hold the Company's shares; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company; no remuneration is received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the past two years.	None.

Chiang, Kuo-Cheng	Experience in business and company operations and related businesses. There are no circumstances under Article 30 of the Company Act.	Being an independent director who meets the requirements of independence, including but not limited to the fact that the person, spouse, or any relative within the second degree of kinship has not served as a director, supervisor or employee of the Company or its affiliated enterprises; does not hold the Company's shares; not serving as a director, supervisor or employee of a company that has a specific relationship with the Company; no remuneration is received for providing business, legal, financial, accounting, and other services to the Company or its affiliated enterprises in the past two years.	None.
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II. Diversification and independence of the Board of Directors:

Diversification shall be considered for the composition of the Board of Directors; in addition that the number of directors who concurrently serve as managers of the Company shall not exceed one-third of the total number of directors, and the Board's own operations, operational patterns and development needs shall be considered to formulate appropriate diversification policies accordingly. The criteria shall include, but not be limited to, the following two broad aspects:

I. basic conditions and values: gender, age, nationality, and culture.

II. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing or technology), professional skills and industrial experience.

Board members shall generally possess the knowledge, skills and literacy required to perform their duties.

Article 17 of the Company's Corporate Governance Best-Practice Principles clearly states:

to achieve the ideal goal of corporate governance, the overall capabilities of the Board of Directors are as follows:

I. Operational judgment.

II. Accounting and financial analysis ability.

III. Operation and management ability.

IV. Crisis management ability.

V. Industrial knowledge.

VI. International market outlook.

VII. Leadership.

VIII. Decision making ability.

When selecting directors, the Company not only considers the professional background of the candidates, but also the diversification of members as an important factor.

The 17th-term of Board of Directors of the Company has a total of seven directors, four of whom are independent directors; the current independent director ratio is 44.44%. The members' professional backgrounds include industry operators, professional managers, as well as professionals in the fields of business and legal affairs.

The diversification policy of the current board members of the Company and implementation status are as follows:

Due to the characteristics of the transportation industry, the number of directors of the opposite sex will be increased in the future, depending on the actual demand.

In be increased in the future, depending on the actual demand.																						
Director name	Core of diversification		Basic composition							Industrial knowledge.					Professional competence							
	Nationality	Gender	Having the employee identity	Age			Seniority as an independent director		Transportation	Professional services and marketing	Finance	Commerce and supply	Information and technology	Operational judgment ability	Accounting and financial analysis ability.	Operation and management ability.	Crisis management ability.	International market outlook.	Leadership.	Decision making ability.		
				40-50 years old	51-60 years old	61-70 years old	Under 3 years	6-9 years														
Ho, Ying-Jin	ROC	Male	V	-	-	V	-	-	V	V	-	V	-	V	-	V	V	V	V	V		
Chien, Chung-Jung	ROC	Male	V	-	-	V	-	-	V	V	-	V	-	V	-	V	V	V	V	V		
Hung, Keng-Shu	ROC	Male	V	-	-	V	-	-	-	V	-	V	-	V	-	V	V	V	V	V		
Lien, Chin-Chih	ROC	Male	V	-	V	-	-	-	V	V	-	V	V	V	-	V	V	V	V	V		
Lin, Hsiu-Hung	ROC	Male	-	-	V	-	-	-	V	V	-	V	-	V	-	V	V	V	V	V		
Tung, Young-Cheng	ROC	Male	-	-	-	V	-	V	-	V	V	V	-	V	V	V	V	V	V	V		
Lin, Jy-Shenp	ROC	Male	-	-	-	V	-	V	-	V	V	V	-	V	V	V	V	V	V	V		
Lee, Yeh-Chung	ROC	Male	-	-	-	V	V	-	V	V	V	V	-	V	V	V	V	V	V	V		
Chiang, Kuo-Cheng	ROC	Male	-	-	-	V	V	-	-	V	V	V	V	V	V	V	V	V	V	V		

(II) Information about the president, vice presidents, assistant vice presidents, and heads of departments and branches: April 13, 2025

Title	Nationality	Name	Gender	Date elected (taking office)	Shareholding		Current shareholding of spouse and minor children		Shareholding in other people's names		Experience (education)	Current concurrent positions at other companies	Managers with relationship of spouse or second degree kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relation- ship	
President	ROC	Ho, Ying-Jin	Male	November 1, 1980	11,115,162	10.60	3,268,499	3.12	0	0	Already disclosed in the director's identity.	Already disclosed in the director's identity.	None.	None.	None.	The Chairman and the President are the same person, and the Company has increase the number of independent directors.
AVP, Heavy Machinery Division	ROC	Tsai, Yi-Hsien	Male	April 1, 2010	114	0	0	0	0	0	Chung Cheng Institute of Technology	Supervisor, Taiwan Renewable Energy Co., Ltd.	None.	None.	None.	
Finance Manager	ROC	Hu, Yu-Hui	Female	February 8, 2011	3,152	0	0	0	0	0	Taipei Open College	Director, Chiayi New Energy Co., Ltd. (representative of Sea & Land)	None.	None.	None.	
Accounting Manager	ROC	Li, Yin-Hsueh	Female	December 5, 2016	1,458	0	0	0	0	0	Yuda Commercial College	Director, Chiayi New Energy Co., Ltd. (representative of Sea & Land)	None.	None.	None.	
Accounting Manager	ROC	Hu, Li-Hua	Female	December 5, 2016	2,300	0	0	0	0	0	Taipei Open College	None.	None.	None.	None.	

II. Remuneration paid to Directors, Supervisors, the President and Vice Presidents in the most recent year:

(I) General and Independent Directors' Remuneration

Unit:NT\$ thousand

Title	Name	Directors' Remuneration						Relevant remuneration received by part-time employees						Total amount of items A, B, C, D, E, F and G as a proportion of the net profit after tax			Remuneration from reinvestment enterprises other than subsidiaries or parent company			
		Remuneration (A)		Retirement pension (B)		Directors' remuneration (C)		Business execution expenses (D)		Total amount of items A, B, C and D as a proportion of the net profit after tax		Salary, bonus and special expenses (E)		Retirement pension (F)		Employees' remuneration (G)				
		The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report	All the companies in the Company's financial report	The Company's financial report		All the companies in the Company's financial report		
Director	Ho, Ying-Jin	0	0	0	0	914	914	60	60	0.75%	5,037	5,037	0	404	0	404	0	4.95%	4.95%	0
Director	Chien, Chung-Jung	0	0	0	0	914	914	60	60	0.75%	392	392	0	50	0	50	0	1.09%	1.09%	0
Director	Hung, Keng-Shu	0	0	0	0	914	914	60	60	0.75%	0	1,950	0	0	0	0	0	0.75%	2.26%	0
Director	Lien, Chin-Chih	0	0	0	0	914	914	60	60	0.75%	1,896	1,896	0	105	0	105	0	2.30%	2.30%	0
Director	Lin, Hsiu-Hung	0	0	0	0	914	914	60	60	0.75%	0	0	0	0	0	0	0	0.75%	0.75%	0
Director	Corporate representative of Ever Glory Transportation – Wu, Bo-Hsiao	0	0	0	0	0	0	5	5	0.004%	0	0	0	0	0	0	0	0.004%	0.004%	0
Independent Director	Tung, Young-Cheng	0	0	0	0	914	914	60	60	0.75%	0	0	0	0	0	0	0	0.75%	0.75%	0
Independent Director	Lin, Jy-Shenp	0	0	0	0	914	914	60	60	0.75%	0	0	0	0	0	0	0	0.75%	0.75%	0
Independent Director	Lee, Yeh-Chung	0	0	0	0	914	914	60	60	0.75%	0	0	0	0	0	0	0	0.75%	0.75%	0
Independent Director	Chiang, Kuo-Cheng	0	0	0	0	914	914	60	60	0.75%	0	0	0	0	0	0	0	0.75%	0.75%	0
1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid. : The company's independent directors' remuneration and other related payment policies are the same as those of general directors in accordance with the articles of association.																				
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): This is not the case.																				

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid. : The company's independent directors' remuneration and other related payment policies are the same as those of general directors in accordance with the articles of association.

2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises):This is not the case.

Note 1: Incorporated Director - Ever Glory Transportation Limited Resignation on 15 January 2024.

Remuneration Tier Table

Remuneration level of each supervisor of the Company	Director name			
	Total remuneration of the first three items (A+B+C)		Total remuneration of the first seven items (A+B+C+D+E+F+G)	
	The Company	All the companies in the Company's financial report (H)	The Company	All the companies in the Company's financial report (I)
Lower than NT\$1,000,000	Ho, Ying-Jin; Chien, Chung-Jung; Hung, Keng-Shu Lien, Chin-Chih Lin, Hsiu-Hung; Wu, Bo-Hsiao; Lin, Jy-Shenp; Tung, Young-Cheng; Li, Ye-Chung; Chiang, Kuo-Cheng	Ho, Ying-Jin; Chien, Chung-Jung; Hung, Keng-Shu Lien, Chin-Chih Lin, Hsiu-Hung; Wu, Bo-Hsiao; Lin, Jy-Shenp; Tung, Young-Cheng; Li, Ye-Chung; Chiang, Kuo-Cheng	Hung, Keng-Shu; Lin, Hsiu-Hung; Wu, Bo-Hsiao; Lin, Jy-Shenp; Tung, YoungCheng; Li, Ye-Chung Chiang, Kuo-Cheng	Lin, Hsiu-Hung; Wu, Bo-Hsiao; Lin, Jy-Shenp; Tung, Young-Cheng; Li, Ye-Chung Chiang, Kuo-Cheng
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)	0	0	Chien, Chung-Jung	Chien, Chung-ung
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)	0	0	Lien, Chin-Chih	Lien, Chin-Chih Hung, Keng-Shu
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)	0	0	0	0
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	0	0	Ho, Ying-Jin	Ho, Ying-Jin
NT\$10,000,000 (inclusive) – NT\$15,000,000 (exclusive)	0	0	0	0
NT\$15,000,000 (inclusive) – NT\$30,000,000 (exclusive)	0	0	0	0
NT\$30,000,000 (inclusive) – NT\$50,000,000 (exclusive)	0	0	0	0
NT\$50,000,000 (inclusive) – NT\$100,000,000 (exclusive)	0	0	0	0
Above NT\$100,000,000	0	0	0	0
Total	8,771	8,771	16,655	18,605

(II) Remuneration to Supervisors: The Company has established an audit committee since June 27, 2022, therefore, it is not applicable.

(III) Remuneration of the President and Vice Presidents

Unit: NT\$ thousand

Title	Name	Salary (A)		Retirement pension (B)		Salary, bonus and special expenses (C)		Employees' remuneration (D)				Total amount of items A, B, C and D as a proportion of the net profit after tax (%)		Remuneration from reinvestment enterprises other than subsidiaries or parent company
		The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report			
President	Ho, Ying-Jin	3,137	3,137	0	0	1,900	1,900	404	0	404	0	4.20%	4.20%	0

Remuneration Tier Table

Remuneration level of the President and each Vice President of the Company	Names of the President and Vice Presidents	
	All the companies	in the Company's financial report (E)
Lower than NT\$1,000,000	0	0
NT\$1,000,000 (inclusive) – NT\$2,000,000 (exclusive)	0	0
NT\$2,000,000 (inclusive) – NT\$3,500,000 (exclusive)	0	0
NT\$3,500,000 (inclusive) – NT\$5,000,000 (exclusive)	0	0
NT\$5,000,000 (inclusive) – NT\$10,000,000 (exclusive)	Ho, Ying-Jin	Ho, Ying-Jin
NT\$10,000,000 (inclusive) – NT\$15,000,000 (exclusive)	0	0
NT\$15,000,000 (inclusive) – NT\$30,000,000 (exclusive)	0	0
NT\$30,000,000 (inclusive) – NT\$50,000,000 (exclusive)	0	0
NT\$50,000,000 (inclusive) – NT\$100,000,000 (exclusive)	0	0
Above NT\$100,000,000	0	0
Total	5,441	5,441

(IV) Remuneration of the top five top executives of the Company (disclose name and remuneration method respectively)

Unit: NT\$ thousand														
Title	Name	Salary (A)		Retirement pension (B)		Salary, bonus and special expenses (C)		Employees' remuneration (D)				Total amount of items A, B, C and D as a proportion of the net profit after tax (%)		Remuneration from reinvestment enterprises other than subsidiaries or parent company
		The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report	The company	All the companies in the Company's financial report	The company		All the companies in the Company's financial report	The company			
								Cash amount	Stock amount			Cash amount	Stock amount	
Chairman	Ho, Ying-Jin	3, 137	3, 137	0	0	1, 900	1, 900	404	0	404	0	4. 20%	0	
Special Assistant	Lien, Chin-Chih	1, 196	1, 196	0	0	700	700	105	0	105	0	1. 54%	0	
Assistant Vice	Tsai, Yi-Hsien	1, 059	1, 059	0	0	600	600	72	0	72	0	1. 34%	0	
Manager	Vincent, Weng	954	954	0	0	400	400	72	0	72	0	1. 10%	0	
Manager	Lei, Jhen-Dong	860	860	0	0	300	300	75	0	75	0	0. 95%	0	

(V) Names and distribution status of manager who received the distribution of employees' remuneration

Title	Name	Stock amount	Cash amount	Total	Proportion of total amount to net profit after tax (%)
Managers	President	Ho, Ying-Jin	404	404	0.31%
	AVP, Heavy Machinery Division	Tsai, Yi-Hsien	72	72	0.06%
	Finance Department Manager	Hu, Yu-Hui	83	83	0.06%
	Accounting Department Manager	Li, Yin-Hsueh	78	78	0.06%
	Accounting Department Manager	Hu, Li-Hua	74	74	0.06%

(VI) Compare and explain the proportion of the total remuneration paid by the Company to its directors, supervisors, president, and vice presidents in the last two years to the after tax net income of the individual financial report, and explain the policies, standards, and procedures for remuneration payment, as well as the relevance to business performance and future risks, by comparing and explaining, respectively, the total remuneration paid by the Company and all companies in the consolidated statements:

1. The total remuneration paid by the Company to its Directors, Supervisors, the President and Vice Presidents in 2024 and 2023 and as a proportion of net profit after tax are shown in the following table:

Title	Proportion of remuneration to net profit after tax%			
	2024		2023	
	The company	All the companies in the consolidated statements of the Company	The company	All the companies in the consolidated statements of the Company
Director and Independent Director	12.85%	14.36%	10.59%	12.01%
President and Vice Presidents	4.20%	4.20%	3.07%	3.07%

2. The policy, standard and combination of remuneration payment, and the relevance of the procedure for setting remuneration with business performance and future risks

(1) Remuneration policy:

- a. Remuneration of directors and supervisors: According to Article 28 of the Articles of Association of the Company, the board meeting is authorized to determine the remuneration of directors and supervisors based on the peer level. The directors may also be paid monthly travel expenses, and the amount shall be determined by the board meeting.
- b. Remuneration of directors and supervisors: In accordance with Article 31 of the Articles of Association, the maximum remuneration for directors and supervisors is 5% of the current year's pre-tax profit.
- c. The remuneration of the CEO, the President and Vice Presidents: It shall be adjusted by the CEO or President based on the actual contribution level, with reference to the peer level and the actual company profit of the current year.

- (2) The correlation between remuneration and future risks: The payment of remuneration to directors, supervisors, the President and Vice Presidents is calculated based on the contribution to the Company's operations and is adjusted considering the future operational risks of the Company.

III. Corporate Governance Operation

(I) Operation of the Board of Directors

The Board of Directors held 6 meetings in the most recent year (2024), and the attendance of the Directors and Supervisors is as follows:

(the attendance rate of incoming and outgoing directors is calculated based on the actual tenure)

Title	Name	Actual number of voting or non-voting attendance	Number of entrusted attendance	Actual number of voting or non-voting attendance rate (%)	Remark
Chairman	Ho, Ying-Jin	6	0	100	
Director	Chien, Chung-Jung	5	0	83	
Director	Hung, Keng-Shu	5	0	83	
Director	Lien, Chin-Chih	6	0	100	
Director	Lin, Hsiu-Hung	5	0	83	
Director	Ever Glory Transportation Inc. – Wu, Bo-Hsiao	0	0	0	Resignation on 15 January 2024
Independent Director	Lin, Jy-Shenp	6	0	100	
Independent Director	Tung, Young-Cheng	4	1	67	
Independent Director	Lee, Yeh-Chung	6	0	100	
Independent Director	Chiang, Kuo-Cheng	6	0	100	

Other matters to be recorded:

I. In case of any of the following circumstances in the operation of the board meeting, state the date, session, content of the proposal, opinions of all independent directors, and the Company's handling of the opinions of independent directors:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act: Please refer to page56.

(II) Except for the matters referred to in the preceding paragraph, other matters decided at the board meeting that have been objected to or reserved by Independent Directors and have been recorded or stated in writing: None.

II. For the implementation of the directors' avoidance of the proposals involving personal interests, state the name of the director, the content of the proposal, the reason for the avoidance, and the status of their participation in voting: None.

III. Assessment of the objectives of strengthening the functions of the board of directors in the current year and the most recent year and the implementation:

(I) In order to implement corporate governance, protect the rights and interests of shareholders and strengthen the functions of the Board of Directors, the Board of Directors formulated the "Corporate Governance Best Practice Principles" on March25,2021 and approved the appointment of a Corporate Governance Officer on May10,2021.

(II) The Company has established an audit committee according to law after the shareholders' meeting on June 27, 2022.

(III) In addition to disclosing relevant information at the Market Observatory Post System, the Company has also set up a special area for investors, corporate sustainability, and corporate governance on the Company's website, disclosing relevant information to enhance the transparency of the Company's information, and holding a corporate information meeting to enable stakeholders to understand the Company's dynamics.

* Implementation of evaluation of the Board of Directors

In order to strengthen corporate governance and enhance the functions of the Company's board of directors and establish performance objectives to enhance the operational efficiency of the board of directors, in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, the Company adopted the "Performance Evaluation Measures for the Board of Directors" to standardize the performance evaluation that the Company's Board of Directors should perform every year.

I. Evaluation Cycle and Period

The Board of Directors of the Company shall annually conduct performance evaluations of the Board in accordance with the evaluation procedures and evaluation indicators of the Measures. The performance evaluation results of the Board of Directors shall be completed before the end of the first quarter of the next year.

II. Evaluation Scope and Method

Scope of evaluation: Performance evaluation of the overall Board of Directors, individual board members, and functional committees under the Board of Directors.

Evaluation methods: internal self-evaluation by the Board of Directors, self-evaluation by members of the Board of Directors, and self-evaluation by functional committees.

III. Evaluation Procedure

The self-evaluation is conducted by the Directors and relevant members of the functional committee under the Board of Directors using the "Board Performance Evaluation Self-Assessment Questionnaire," "Board Member Performance Evaluation Self-Assessment Questionnaire," and "Functional Committee Performance Evaluation Self-Assessment Questionnaire."

IV. Annual Evaluation Indicators and Options

Performance evaluation of the Board of Directors	Performance Self-evaluation of Board Members	Performance Evaluation of Functional Committees
• Participation in company operations. • Improvement in the quality of board decisions • Board composition and structure. • Election and continuing study of directors. • Internal control.	• Mastery of company goals and tasks. • Cognition of directors' responsibilities. • Participation in company operations. • Internal relationship management and communication. • Election and continuing study of directors • Internal control.	• Participation in company operations. • Cognition of the functional committee's responsibilities. • Improvement of the decision-making quality of the functional committee's meeting. • Composition and member selection of the functional committee. • Internal control.
38 evaluation indicators	23 evaluation indicators	14 evaluation indicators

Evaluation options: very agree – 5 points; agree – 4 points; neutral – 3 points; disagree – 2 points; very disagree – 1 point

V. Annual Evaluation Results

Performance evaluation of the Board of Directors	Performance Self-evaluation of Board Members	Performance Evaluation of Functional Committees	
		audit committee	Remuneration Committee
Evaluation result: 4.89 points	Evaluation result: 4.84 points	Evaluation result: 4.79 points	Evaluation result: 4.79 points

The performance evaluation results of the Company's Board of Directors in 2024 were between 5 points of "very agree" and 4 points of "agree." The Directors were mostly very positive about the operation of various evaluation indicators, and the overall operation of the evaluation board and functional committees was good, meeting the Company's governance requirements, and effectively strengthening the functions of the Board of Directors and safeguarding shareholder rights and interests.

The performance evaluation results of the Board of Directors for 2024 have been submitted to the board meeting of the Company on March 12, 2025.

(II) Operation of the Audit Committee or participation of supervisors in the operation of the Board of Directors:

1. Operation of the Audit Committee:

The 1st-term Audit Committee was established by the Company in accordance with the law on June 27, 2022; 4 meetings were held in 2024, with audit members' attendance status as follows:

Title	Name	Actual number of non-voting attendance	Number of entrusted attendance	Actual non-voting attendance rate	Remark
Independent Director	Tung, Young-Cheng	2	1	50	
Independent Director	Lin, Jy-Shenp	4	0	100	
Independent Director	Lee, Yeh-Chung	4	0	100	
Independent Director	Chiang, Kuo-Cheng	4	0	100	
	Other matters to be recorded: I. In case of any of the following circumstances in the operation of the Audit Committee meeting, state the date, session, content of the proposal, Independent Directors' objections, reservations or significant proposed project content, resolution of the Audit Committee, and the Company's handling of the opinions of the Audit Committee: (I) Matters listed in Article 14-5 of the Securities and Exchange Act: Please refer to the table below. (II) Other than the matters above, the resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: None. II. For the implementation of the directors' avoidance of the proposals involving personal interests, state the name of the director, the content of the proposal, the reason for the avoidance, and the status of their participation in voting: None. III. The communication between the independent directors and the internal audit director and the certified public accountant (which shall include the major matters, methods and results of communication regarding the company's financial and business conditions).Please refer to the table below:				

	The independent directors' communications with the accountants and Chief internal auditor in 2024 are as follows: Date: November 19, 2024 Attendance : Independent Director- Lin, Jy-Shenp Independent Director- Tung, Young-Cheng Independent Director -Chiang, Kuo-Cheng Independent Director -Lee, Yeh-Chung CPA-Huang,Chin-Lien Attendance : Chief Internal Auditor- Yang,Hsiu-Chun PwC Taiwan- Assistant Vice Wu, pei-cheng Communication matters : — 、The CPA explains the annual audit planning items in the “Planning Stage - Communication with Governing Units”. 1.Explain the roles and responsibilities of the CPA. 2.Explain the objectives and strategies of the audit scheme, as well as risk assessment and key audit items. 3.Explain the independence of the CPA. 4.Explain the quality management system of the CPA firm. 5.Advocate for recent legal updates. Communicate the results : None of the above was adopted with any objection.
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2.Important Resolutions of the Audit Committee for 2024 :

Date	Matters for resolution	Securities and Exchange Act §14-5 Matters listed	The content of the independent directors' objections, reservations, or material recommendations
8th session of the 1th term on March 12, 2024	(1) Self-evaluation and issuance of the “Internal Control Declaration.”	V	None
	(2) Review of the 2023 financial statements and consolidated financial statements.	V	
	(3) Review of the 2023 business report.	V	
	(4) The CPA made internal organizational adjustments and replaced the certified accountant.	V	
	The outcome of the resolution of the Audit Committee : All attending Directors approved without objection.		
	The Company's handling of the Audit Committee's opinion : All directors present at the board of directors approved without objection.		

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	The content of the independent directors' objections, reservations, or material recommendations
9th session of the 1th term on May 13, 2024	(1) Review of the First Quarter 2024 financial statements and consolidated financial statements.	V	None
	The outcome of the resolution of the Audit Committee : All attending Directors approved without objection.		
	The Company's handling of the Audit Committee's opinion : All directors present at the board of directors approved without objection.		
10th session of the 1th term on August 12, 2024	(1) Review of the Second Quarter 2024 financial statements and consolidated financial statements.	V	None
	(2) CPA remuneration for 2024.	V	
	The outcome of the resolution of the Audit Committee : All attending Directors approved without objection.		
	The Company's handling of the Audit Committee's opinion : All directors present at the board of directors approved without objection.		
11th session of the 1th term on November 12, 2024	(1) Review of the third Quarter 2024 financial statements and consolidated financial statements.	V	None
	(2) Change to the Chief internal auditor of the company	V	
	(3) Establishment of Internal Control Procedures for the "Management of Sustainability Information" by the company	V	
	The outcome of the resolution of the Audit Committee : All attending Directors approved without objection.		
The Company's handling of the Audit Committee's opinion : All directors present at the board of directors approved without objection.			

(III) The Company's corporate governance operation and its differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies, and the reasons:

Evaluation Item	Operation status		Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
I. Has the Company formulated and disclosed its corporate governance best-practice principles in accordance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies"?	V		Compliant with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
II. Company's Equity Structure and Shareholders' Equity			
(I) Has the Company established internal operating procedures to handle shareholder suggestions, doubts, disputes and litigation, and implement them in accordance with the procedures?		V	Improvement will be studied.
(II) Does the Company have a list of the major shareholders who actually control the Company and the final controllers of the major shareholders?	V		Compliant with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(III) Has the Company established and implemented risk control and firewall mechanisms with affiliated enterprises?	V		Compliant with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	Operation status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV) Has the Company formulated internal regulations to prohibit insiders from trading securities using information not yet published on the market?	V		(IV) From time to time, the stock affairs unit actively advocates relevant laws and regulations on insiders, and reminds the Directors and Supervisors to take further training, so as to improve insiders' awareness; the Company also formulated the "Operating Procedures for Handling Material Internal Information and Preventing Insider Trading Management."	Compliant with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
III. Composition and Responsibilities of the Board of Directors				
(I) Has the Board of Directors formulated a diversification policy and specific management objectives and implemented them accordingly?		V	(I) The Board of Directors substantively authorized the President to formulate multiple policies and implement them.	Improvement will be studied.
(II) In addition to setting up the Remuneration Committee and the Audit Committee according to law, has the Company voluntarily set up other functional committees?		V	(II) The Company has established the Remuneration Committee and Audit Committee according to law.	To be further studied based on future needs.
(III) Has the Company formulated the performance evaluation measures and the evaluation method for the Board of Directors, conducted the performance evaluation annually and regularly, and submitted the results of the performance evaluation to the board meeting and used them for the reference of individual directors' remuneration and nomination for renewal?	V		(III) The Company has formulated the Board of Directors' Performance Appraisal Measures and its appraisal method in accordance with the law, and conducts performance appraisal for the previous year in the first quarter of each year and submits the results of the performance appraisal to the Board of Directors for consideration at the Board of Directors' meeting.	Compliant with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	Operation status			Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(IV) Does the Company regularly evaluate the independence of its certifying CPAs?	V		(IV) An assessment of the independence of the certified public accountants is conducted in the first quarter of each year and reported to the Board of Directors. An assessment of the independence of the certified public accountants is conducted in the first quarter of each year and reported to the Board of Directors.	Compliant with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”
IV. For a TWSE/TPEX listed company, has it allocated competent and an appropriate number of corporate governance personnel, and designated a director of corporate governance to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform business, assisting directors and supervisors in complying with laws and regulations, handling matters related to the board meeting and shareholders’ meeting according to law, and preparing minutes of the board meeting and shareholders’ meeting)?	V		The Company has appointed a corporate governance director responsible for corporate governance related matters. The responsibilities of the Corporate Governance Director include but are not limited to the following: I. Handle matters related to board meetings and shareholders’ meetings in accordance with the law. II. Prepare minutes of board meetings and shareholders’ meetings. III. Assist directors in taking office and continuing their study. IV. Provide the necessary information for directors to carry out their businesses. V. Assist directors in legal compliance. VI. Other matters stipulated in the Company’s Articles of Association or contracts. Further study of Corporate Governance Director: (see note 1 for details).	Compliant with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies.”

Evaluation Item	Operation status		Differences form the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
V. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers), set up stakeholder zones on the company's website, and properly responded to important corporate social responsibility issues of concern to stakeholders?	V	The Company has assigned corresponding communication channels based on the types of stakeholders, including "mailbox for investor relations and media contacts, customer and partner services, supplier services, labor and capital harmony services, environmental protection, and social participation," to appropriately respond to important social responsibility issues that are of concern to stakeholders. The above has been disclosed in the "Stakeholder Zone" on our website.	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
VI. Has the Company appointed a professional stock affairs agency to handle the affairs of the shareholders' meeting?	V	The Company has appointed the Stock Agency Department of Oriental Securities Corporation to handle the affairs of the shareholders' meeting.	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
VII. Information Disclosure	V	(I) The Company has set up a website to disclose its finance, business and corporate governance information. (II) The Company has a spokesman and an acting spokesman to speak on behalf of the Company. The Company's collection and disclosure of information is handled by the Finance Department in collaboration with the IT Room personnel. Investors may also access relevant information about the Company through the MOPS	Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."
(I) Has the Company set up a website to disclose financial business and corporate governance information? (II) Has the Company adopted other methods of information disclosure (such as setting up an English website, appointing a special person to be responsible for the collection and disclosure of company information, implementing the spokesperson system, placing on the company website the corporate investor briefing process)?	V		Compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Evaluation Item	Operation status			Differences form the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(III) Has the Company announced and filed its annual financial report within two months after the end of the fiscal year, and announced and filed its first, second, and third quarter financial reports and monthly operating conditions before the prescribed time limit?		V	(III) Not yet compliant, but will work on the improvement.	Improvement will be studied.
VIII. Does the Company have other important information that can help to understand the operation of corporate governance (including but not limited to employee rights and interests, employee care, investor relations, supplier relations, rights of interested parties, directors and supervisors' further study, implementation of risk management policies and risk measurement standards, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	V		(I) Implementation of employee rights and employee care: Please refer to the "Labor Relations" on page 87 of this annual report. (II) The implementation of investor relations, supplier relations, and the rights of interested parties can be found in the "Stakeholder Zone" on the Company's website. (III) Continuing study by Directors and Supervisors: (see note 2 for details) (IV) Implementation of risk management policies and risk measurement standards: (note 3) (V) Implementation of customer policies: The Company adheres to the business philosophy of "customer first, safety first and service oriented," and adheres to good service quality. (VI) Director and supervisor liability insurance has been purchased.	No material difference.
IX. Please explain the situation that has been improved according to the corporate governance evaluation results issued by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year, and propose priority strengthening items and measures for those that have not been improved. The Company has tried its best to improve the information disclosure part of the its website which was pointed out in the recent annual governance evaluation.				

Note 1: Further study of Corporate Governance Director in 2024.

Title	Name	Date	Organizer	Course name	Number of hours
Corporate Governance Director	Hu, Yu-Hui	October 18, 2024	Taiwan Investor Relations Association	Brand communication and stakeholder management	3
		November 22, 2024	Taiwan Corporate Governance Association	Introduction to Carbon Management and Energy Management from a Sustainability Perspective for Listed and OTC Companies	3
		December 16, 2024	Taipei Foundation of Finance	Analysis of key indicators and trends of international situation observation in 2025	3
		December 24, 2024	Taiwan Corporate Governance Association	The path to net zero with unlimited business opportunities - analyzing the strategic direction from the perspective of the industry	3

Note 2: Directors' and Supervisors' further study in 2024

Title	Name	Date	Organizer	Course name	Number of hours
Director	Ho, Ying-Jin	September 12, 2024	The Allied Association For Science Park Industries	Case study and analysis of personal data protection	3
		December 20, 2024	Securities and Futures Institute	Corporate Finance Cognition - Behavioral Finance and Corporate Decision-making	3
Director	Chien, Chung-Jung	September 12, 2024	The Allied Association For Science Park Industries	Case study and analysis of personal data protection	3
		December 20, 2024	Securities and Futures Institute	Corporate Finance Cognition - Behavioral Finance and Corporate Decision-making	3
Director	Hung, Keng-Shu	October 25, 2024	Securities and Futures Institute	The technological development and application opportunities of the chatbot ChatGPT	3
		December 12, 2024	Securities and Futures Institute	Shareholders' meeting, management rights and equity strategy	3
Director	Lien, Chin-Chih	March 26, 2024	Chinese National Association of Industry and Commerce	How to integrate with international carbon trading and promote enterprise innovation	3
		November 14, 2024	Securities and Futures Institute	NVIDIA's Three Trillion Miracles: The New Thinking of the Semiconductor Industry Revolution Behind Artificial Intelligence	3
Director	Lin, Hsiu-Hung	November 06, 2024	Securities and Futures Institute	Code of Ethical Management	3
		November 13, 2024	Securities and Futures Institute	Challenges and opportunities of sustainable development pathways and introduction to greenhouse gas inventory	3

Title	Name	Date	Organizer	Course name	Number of hours
Independent Director	Tung, Young-Cheng	May 24, 2024	Chinese National Association of Industry and Commerce	Research and analysis of the criminal behavior of unconventional transactions	3
		September 10, 2024	Securities and Futures Institute	Insider equity promotion briefing meeting for TPEx Emerging Market Companies	3
Independent Director	Lin, Jy-Shenp	May 07, 2024	Chinese National Association of Industry and Commerce	From the perspective of corporate and family governance, we will talk about the legal tax-saving layout	3
		May 28, 2024	Chinese National Association of Industry and Commerce	Global and Taiwanese biomedical industry M&A trends	3
Independent Director	Lee, Yeh-Chung	March 15, 2024	Chinese National Association of Industry and Commerce	Precautions and FAQs for the 2024 Board of Directors Shareholders' Meeting	3
		May 07, 2024	Chinese National Association of Industry and Commerce	From the perspective of corporate and family governance, we will talk about the legal tax-saving layout	3
		October 08, 2024	Chinese National Association of Industry and Commerce	The new thinking of the semiconductor industry revolution behind artificial intelligence	3
Independent Director	Chiang, Kuo-Cheng	March 27, 2024	Chinese National Association of Industry and Commerce	How can enterprises make good use of the latest AI application trends to innovate and transform?	3
		November 20, 2024	Securities and Futures Institute	Protection of trade secrets	3

Note 3:

1. In accordance with the latest development of internal audit and the requirements of standards, the Company has strengthened the management of enterprise risks in recent years, including risk detection, evaluation, reporting and handling, all in a very cautious and strict manner. The Company's risk control is divided into three levels (mechanisms): The direct supervisor or department head is the "first mechanism" and must be responsible for the design and prevention of the initial risk detection, evaluation, and control of operations. The second mechanism is the division heads and the Administration Department, which are responsible for not only the feasibility evaluation, but also the evaluation of various risks. The third mechanism is the review by the Audit Office and by the board meeting. The risk management organization chart is shown as follows.

Important risk assessment items	Direct unit of risk control (business sponsor) (first mechanism)	Risk review and control (second mechanism)	Board meeting and Audit Office (third mechanism)
I. Interest rate, exchange rate and financial risks	Finance Department	Finance Department	Board meeting: (decision making and final control over risk assessment and control) Audit Office: (inspection, evaluation, supervision, improvement tracking, and reporting of risks)
II. High risk and high leverage investment, capital lending to others, derivative trading and financial investment	Finance Department	Finance Department	
III. Changes in Policies and Laws	Administration Department	Management Division	
IV. Investment, Reinvestment, and Merger and Acquisition Benefits	Finance Department and President's Office	Finance Division	
V. Changes in Shareholders of Directors, Supervisors and Major Shareholders	Finance Department and President's Office	Finance Division	
VI. Change in Management Rights	Finance Department and President's Office	Finance Division	
VII. Litigation and Non-litigation Matters	Administration Department	Management Division	
VIII. Other Operation Matters	President's Office	Management Division	
IX. Personnel Conduct, Ethics and Integrity	Unit supervisors	Management Division, Quality Assurance Committee, and Safety and Health Office	
X. Compliance with SOP and Regulations	Unit supervisors	Quality Assurance Committee, Safety and Health Office, and Administration Department	
XI. Management of Board Meeting Affairs	Finance Department	Finance Division	

2. If any business sponsor discovers any immediate potential risks, it must immediately report to the superior for prevention. If necessary, it shall submit each case to the board meeting for review, and the Audit Office shall conduct regular audits.
3. At the beginning of each year when the Audit Office conducts self-evaluation of the internal control system, it shall submit a company-wide risk assessment report to the board meeting as a reference for decision-making, work, and planning in the new year.

(IV) Composition, Responsibilities and Operation of the Remuneration Committee:

Composition: On July 5, 2022, the board meeting of the Company held a re-election of the 5th-term Remuneration Committee, and appointed three members Lin, Jy-Shenp, Hsieh, Mei-Ts, and Tong Yung-Chang. The term of office is from July 5, 2022 to June 26, 2025. The members of the committee mutually elect Lin, Jy-Shenp as the convener and chairman of the meeting.

Responsibilities: The function of this committee is to evaluate the compensation policies and systems of directors, supervisors and managers of the Company from a professional and objective perspective, and to make recommendations to the board meeting for reference in their decision-making.

1. Members of Remuneration Committee

December 31, 2024

Requirements		Professional qualification and experience	Independence status	Number of remuneration committee membership of other public companies concurrently held
Identity	Name			
Independent Director	Lin, Jy-Shenp	Possessing the necessary work experience in legal affairs.	Compliant with independence requirements.	0
Independent Director	Tung, Young-Cheng	Possessing the necessary work experience in commerce.	Compliant with independence requirements.	0
Others	Hsieh, Mei-Tzu	Possessing the CPA license and necessary work experience in accounting.	Compliant with independence requirements.	0

2. Operation of Remuneration Committee:

I. The Remuneration Committee of the Company has three members.

II. The term of office of the current member is from July 5, 2022 to June 26, 2025. The Remuneration Committee has met twice (A) in the most recent year, and the qualifications and attendance of the members are as follows:

Title	Name	Actual number of non-voting attendance (B)	Number of entrusted attendance	Actual attendance rate (%) (B/A)	Remark
Convener	Lin, Jy-Shenp	2	0	100	
Member	Tung, Young-Cheng	1	1	50	
Member	Hsieh, Mei-Tzu	1	1	50	

Other matters to be recorded:

- I. If the board meeting does not adopt or amend the suggestions of the Remuneration Committee, state the date of the board meeting, the session, the content of the proposal, the resolution of the board meeting, and the Company's handling of the opinions of the Remuneration Committee (if the remuneration adopted by the board meeting is superior to the suggestions of the Remuneration Committee, state the circumstances and reasons for the differences): No such situation.
- II. If the members of the Remuneration Committee disagree or reserve their opinions on the resolutions, and there are records or written statements in place, state the date, session, content of the proposal, opinions of all members, and the handling of the opinions of the members: No such situation.

3. Important resolutions of the Remuneration Committee until the end of the 2024 Annual

Date	Matters for resolution	Remuneration Committee Resolution	The Company's handling of the Remuneration Committee's opinions
4th session of the 5th term on March 12, 2024	(1) Appropriation of 2023 employees' remuneration and directors' remuneration.	All attending commissioner approved without objection.	Proposed by the Board of Directors and approved by all attending directors without objection.
	(2) Discussion on the actual amount of the company's 2023 year-end bonus for managers.	All attending commissioner approved without objection.	Reported at the Board of Directors meeting on March 12, 2024.
	(3) Discussion on the policies, systems, standards and structure of the Company's 2023 performance evaluation and remuneration of directors and managers.	All attending commissioner approved without objection.	-
5th session of the 5th term on November 19, 2024	(1) Discussion on the Company's 2024 year-end bonus allocation principles and manager payment amounts.	All attending commissioner approved without objection.	Reported at the Board of Directors meeting on December 27, 2024.
	(2) Discussion on the revision of the "Remuneration Committee Charter" of the Company.	All attending commissioner approved without objection.	To be discussed by the Board of Directors.

(V) The implementation of the Company's promotion of sustainable development and the differences between the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation Item	Operation status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
I. Has the Company established a governance structure to promote sustainable development, and set up a full-time (part-time) unit to promote sustainable development, which is authorized by the board meeting to be handled by senior management and supervised by the board of directors?	V		The Company has established a sustainable development governance framework. The chairman of the board of directors is the general convener, and the heads of various departments are members of the group, who jointly review the company's operational risks and opportunities, and formulate a sustainable development plan. No material difference.
II. Does the Company conduct risk assessment on environmental, social and corporate governance issues related to the company's operations in accordance with the principle of materiality, and has it formulated relevant risk management policies or strategies?	V		1. The Company's disclosed data for 2024 cover the sustainable development performance of key business units. The risk assessment scope is the Company's business, including the north, middle, and south business offices. 2. The internal "Risk Management Policy" established by the Company adopts preventive measures to reduce the losses caused by risks for the Company to identify, evaluate, process and monitor potential risks that may affect the Company's achievement of objectives; the Company also regularly tracks and incorporates them into the daily operations of each unit. The Company conducts risk assessments on major issues based on the materiality principle of sustainable development, and formulates relevant risk management policies or strategies based on the assessed risks as follows:

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons									
	Yes	No	Summary										
			<table><tr><th>Major issues</th><th>Rick evaluation item</th><th>Management policy</th></tr><tr><td>Environment</td><td>Energy saving and carbon reduction</td><td>Our main business is container transport, and we have purchased new tractor trucks for container transport that meet the latest environmental standards.</td></tr><tr><td>Society</td><td>Occupational safety</td><td>In order to promote driving safety, transportation vehicles for business use are equipped with traffic recorders and blind-spot detection systems. Drivers who have not caused accidents or violated regulations are given appropriate rewards in accordance with the “Driving Safety Rewards and Punishments Measures.” For those who maintain a safe driving record, a safety bonus is issued every six months as a reward.</td></tr></table>	Major issues	Rick evaluation item	Management policy	Environment	Energy saving and carbon reduction	Our main business is container transport, and we have purchased new tractor trucks for container transport that meet the latest environmental standards.	Society	Occupational safety	In order to promote driving safety, transportation vehicles for business use are equipped with traffic recorders and blind-spot detection systems. Drivers who have not caused accidents or violated regulations are given appropriate rewards in accordance with the “Driving Safety Rewards and Punishments Measures.” For those who maintain a safe driving record, a safety bonus is issued every six months as a reward.	
Major issues	Rick evaluation item	Management policy											
Environment	Energy saving and carbon reduction	Our main business is container transport, and we have purchased new tractor trucks for container transport that meet the latest environmental standards.											
Society	Occupational safety	In order to promote driving safety, transportation vehicles for business use are equipped with traffic recorders and blind-spot detection systems. Drivers who have not caused accidents or violated regulations are given appropriate rewards in accordance with the “Driving Safety Rewards and Punishments Measures.” For those who maintain a safe driving record, a safety bonus is issued every six months as a reward.											

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons								
	Yes	No	Summary									
			<table><tr><td></td><td></td><td>For special transportation business items, relevant external training courses will be arranged irregularly to provide continuous professional training on driving. An employee health check us held every year.</td></tr><tr><td>Corporate governance</td><td>Socio-economic and legal compliance</td><td>Ensure that all personnel and operations of the Company comply with relevant laws and regulations by implementing the internal control system. 1. Plan relevant refresher courses for directors every year, and irregularly advocate for the latest regulations, system development and policies to directors. 2. insure directors against liability insurance.</td></tr><tr><td></td><td>Strengthen the functions of directors.</td><td></td></tr></table>			For special transportation business items, relevant external training courses will be arranged irregularly to provide continuous professional training on driving. An employee health check us held every year.	Corporate governance	Socio-economic and legal compliance	Ensure that all personnel and operations of the Company comply with relevant laws and regulations by implementing the internal control system. 1. Plan relevant refresher courses for directors every year, and irregularly advocate for the latest regulations, system development and policies to directors. 2. insure directors against liability insurance.		Strengthen the functions of directors.	
		For special transportation business items, relevant external training courses will be arranged irregularly to provide continuous professional training on driving. An employee health check us held every year.										
Corporate governance	Socio-economic and legal compliance	Ensure that all personnel and operations of the Company comply with relevant laws and regulations by implementing the internal control system. 1. Plan relevant refresher courses for directors every year, and irregularly advocate for the latest regulations, system development and policies to directors. 2. insure directors against liability insurance.										
	Strengthen the functions of directors.											

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			Stakeholder communication I. In order to avoid risks of business or litigation caused by misunderstandings between stakeholders and the Company, the Company annually analyzes important issues of interest to key stakeholders. II. Establish various communication channels, actively communicate with stakeholders, and reduce confrontation and misunderstanding. Appoint a spokesperson to handle and respond to issues.	
III. Environmental Issues (I) Has the Company established an appropriate environmental management system according to its industrial characteristics?		V	(I) Although the Company has not established an environmental management system, the Transportation Department selects and only purchases transportation equipment that meets the latest environmental laws and regulations; The Gas Station Business Department operates in accordance with environmental laws and regulations.	Improvement will be studied.

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(II) Does the company endeavour to improve the efficiency of energy use and use recycled materials that have a low impact on the environment?	V		(II) The Company is committed to reducing the impact on the environment by taking the following measures: electronic signature approval system, electronic payroll, reducing the use of paper cups, and maximizing the recycling and reuse of paper/envelopes/kraft paper bags. The toner cartridges used by copiers or printers are returned to the original manufacturers for recycling.	No material difference.
(III) Has the company assessed the potential risks and opportunities of climate change for the business now and in the future, and taken relevant countermeasures?	V		(III) The Company's main operating items are container transport and heavy machinery lifting. Although climate change has not had a significant impact on its main operating items.	No material difference.
(IV) Has the company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste over the past two years, and formulated policies on greenhouse gas reduction, water consumption reduction or other waste management?	V		(IV) Please refer to page 49 for details. The company is not a manufacturing company, and the office water used by the operating base is mainly for people's livelihood, so the quantitative information of waste and water consumption has not been disclosed.	No material difference.

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
IV. Social Issues (I) Has the Company formulated relevant management policies and procedures in accordance with relevant regulations and international human rights conventions?	V		(I) In order to fulfill its corporate social responsibility and protect the basic human rights of employees, customers and other stakeholders, the Company supports and respects international human rights conventions such as the United Nations Universal Declaration of Human Rights, the Global Compact and the International Labour Organization Convention, and formulates human rights policies in accordance with the relevant provisions of the Code of Practice for the Sustainable Development of Listed and OTC Companies.	No material difference.
(II) Has the Company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits), and appropriately reflected the business performance or results in employee compensation?	V		(II) The Company has formulated a “Salary Assessment Method” and provides appropriate rewards and punishments based on actual situations, and has clear system regulations for employee promotion, assessment, training, rewards and punishments.	No material difference.
(III) Does the Company provide a safe and healthy working environment for employees, and conduct regular safety and health education for employees?	V		(III) The company is very concerned about environmental safety education and training, and We require all personnel to comply with the relevant regulations to ensure a safe working environment. Protecting the safety and health of our employees is our number one priority. New employees will be provided with 3 hours of general safety and health education training, as well as general education and training on dangerous and hazardous substances. These courses are not only a	No material difference.

Evaluation Item	Operation status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	
			regulatory requirement, but also an important commitment to our new colleagues to ensure that they can safely integrate into the work environment. For colleagues in specific positions, including fixed cranes, vehicle machinery and forklift operator, etc., we have commissioned qualified education and training institutions to organize relevant courses and training. Only employees who have undergone professional training and obtained a certificate of competency can make relevant machinery and equipment. In addition, personnel in specific positions will receive 3 hours of on-the-job return training every 3 years. This is not only a renewal of skills, but also a reinforcing of security awareness. For occupational safety and health supervisors, Luhai requires 6 hours of on-the-job training every 2 years, while occupational safety and health managers receive 12 hours every 2 years. Because the occupational safety and health department plays a key role in the overall safety of the company. Through these comprehensive and systematic education and training, we not only comply with the requirements of laws and regulations, but more importantly, we continue to strengthen the safety awareness and skills of every employee to create a safe and healthy working environment.

Evaluation Item	Operation status		Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons												
	Yes	No													
(IV) Has the Company established an effective career competence development and training program for employees?	V	(IV) We have invested diverse resources in employee training, and these training courses cover all levels from grassroots employees to senior managers, reflecting our comprehensive and multi-level talent development strategy. Through a comprehensive education and training system, we hope to help our employees continue to grow in their professional fields, and at the same time cultivate diversified skills, so as to lay a solid talent foundation for the sustainable development of the company. The total number of training hours in 2024 will reach 671 hours , The amount of investment in training is TWD326,231 dollar. Overview of education and training in 2024 <table><tr><th>Hours/ Expenses</th><th>Grand total</th></tr><tr><td>Number of male employees trained</td><td>79</td></tr><tr><td>Number of female employees trained</td><td>11</td></tr><tr><td>Total number of employees trained</td><td>90</td></tr><tr><td>Total training hours</td><td>671</td></tr><tr><td>Training expenses(TWD)</td><td>326,231</td></tr></table>	Hours/ Expenses	Grand total	Number of male employees trained	79	Number of female employees trained	11	Total number of employees trained	90	Total training hours	671	Training expenses(TWD)	326,231	No material difference.
Hours/ Expenses	Grand total														
Number of male employees trained	79														
Number of female employees trained	11														
Total number of employees trained	90														
Total training hours	671														
Training expenses(TWD)	326,231														

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
			In 2024, a total of 90 employees participated in internal training courses, of which 79 were male employees, accounting for 87.78%, and 11 female employees, accounting for 12.22%. We are committed to providing more diversified and professional training resources, so that all colleagues can give full play to their strengths in their own career paths, and promote the common growth of individuals and enterprises. In the future, Luhai will continue to optimize the content of education and training, provide more diversified and practical courses based on industry trends and the company's development needs, help employees improve their workplace competitiveness, and lay a solid talent foundation for the sustainable development of the company.	
(V) Does the company comply with relevant regulations and international standards on issues such as customer health and safety, customer privacy, marketing and labelling of products and services, and has it formulated relevant policies and grievance procedures to protect the rights and interests of consumers or customers?		V	(V) The Company's transportation services are labeled in compliance with transportation regulations, and the labeling of oil and gas products is in line with China Petroleum's regulations. The contact method for each service is specified in the Company's website, and consumers can file complaints in accordance with this method. The consumer protection policy and complaint procedures are not yet in place.	Improvement will be studied.

Evaluation Item	Operation status			Differences from the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
(VI) Has the Company formulated a supplier management policy that requires suppliers to comply with relevant specifications on issues, such as environmental protection, occupational safety and health or labor human rights, and the implementation status?	V		(VI) According to ISO management practices, the Company conducts regular evaluation on third-party manufacturers. The Company will immediately terminate the contract and the cooperative relationship if a third-party manufacturer makes significant harm to the society and the environment (such as an accident from drunk driving of contract car driver).	No material difference.
V. Has the Company prepared the sustainability report or guidelines that disclose non-financial information of the company by reference to internationally accepted reporting standards or guidelines? Has the aforementioned report obtained the assurance or guarantee opinion of a third-party certification organization?		V	V. Prepare the 2024 sustainability report in accordance with the law, and obtain the confirmation of the accountant, and have not yet obtained third-party verification.	Improvement will be studied.
VI. If the Company has its own Sustainable Development Best-Practice Principles in accordance with the “Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies,” please describe the differences between their operations: Not yet available.				
VII Other important information to facilitate better understanding of the company’s promotion of sustainable development: None.				

(VI) Implementation of Climate-Related Information

Item	Implementation status
I. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities. II. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	I. The Company will promote the sustainability of climate-related risks and opportunities in the form of a sustainability promotion team, and report to the Board of Directors on the status and circumstances of the sustainability work.. II. The Company has introduced the TCFD framework to identify climate risks and opportunities as follows: (1) Transition risk: a. In response to the low-carbon era, the risk of phasing out transportation vehicles and equipment, and increasing equipment and capital expenditure b. In response to market trends, major customers have successively requested that suppliers possess carbon reduction plans and low-carbon service capabilities. c. In response to the low-carbon policy shift, the cost of replacing fuel-powered equipment and machinery with electric alternatives is high. Furthermore, due to the current limited prevalence of using electricity as an energy source for heavy machinery, there is an increased risk of higher operating expenses. d. In response to international carbon tax and carbon fee regulations, if included as a regulated entity, operating costs are expected to increase (2) Opportunity a. Implement energy-saving strategies, such as reducing equipment idling, adjusting workloads, and selecting high-efficiency machinery, to lower energy consumption and costs. b. Adopt intelligent technologies and data analytics tools to monitor and optimize machinery performance. By monitoring the operational status of machinery, we can enhance operational efficiency and predict potential energy waste for proactive preventive measures.

	c. f. Enhance energy conservation awareness and cultivate an energy-saving mindset and culture among colleagues. Furthermore, conduct relevant emissions inventories and implement energy management measures to achieve energy conservation and carbon reduction, thereby lowering energy consumption and costs. d. Replace equipment with energy-efficient models to reduce energy consumption and related energy costs, and consequently decrease greenhouse gas emissions. e. The low-carbon transition enables us to offer low-emission products and low-carbon transportation services to customers, thereby opening up new product lines and markets. f. Promote green sustainability to enhance corporate image and strengthen market competitiveness and brand value. g. The replacement of low-carbon equipment and the construction of renewable energy sites are increasing the demand for transportation and heavy lifting engineering services for related energy equipment, such as power plants, wind farms, and solar power plants. This growth in demand expands service opportunities and enhances the company's business and service prospects.
III. Describe the financial impact of extreme weather events and transformative actions. IV. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. V. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	III. In the past year, no extreme weather events have impacted our company. Furthermore, we invested TWD9,400 thousand in solar power generation in 2024. IV. Our company integrates climate change into its overall risk management framework. The Sustainability Steering Committee, based on the TCFD framework, is responsible for identifying climate-related risks and opportunities, managing and promoting relevant response measures and plans, and establishing a comprehensive mechanism for risk detection, assessment, reporting, and handling. V. Scenario analyses have not been used to assess resilience to climate change risks, 2025 improvements have been planned.

VI. 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. VII. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated. VIII. 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. IX. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan (separately fill out in points 1-1 and 1-2 below).	VI. There is no transformation plan to manage climate-related risks. 2025 has been planned for improvement. VII. Internal carbon pricing is not used as a planning tool. VIII. No climate-related targets set, 2025 planning has taken place. IX. Please refer to the following pages 1-1 and 1-2.
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1-1. Greenhouse Gas Inventory and Assurance Status for the Most Recent 2 Fiscal Years

1-1-1 Greenhouse Gas Inventory and Assurance Status

scope 1	Total emissions (tonnes CO2 equivalent)		Density (tonnes CO2/million)		Assurance institutions		Assurance opinion			
	2024	2023	2024	2023	2024	2023	2024	2023		
Parent Company	15,250.8220	15,214.9002	8.9605	9.3464	None	Chris Lin Annie & Lin CPAs Company	None	None		
Subsidiaries		-								
TOTAL	15,250.8220	15,214.9002	8.9605	9.3464	Assurance institutions		Assurance opinion			
scope 2	Total emissions (tonnes CO2 equivalent)		Density (tonnes CO2/million)		Assurance institutions		Assurance opinion			
	2024	2023	2024	2023	2024	2023	2024	2023		
Parent Company	187.9019	180.6988	0.1104	0.1110	None	Chris Lin Annie & Lin CPAs Company	None	None		
Subsidiaries		-								
TOTAL	187.9019	180.6988	0.1104	0.1110	Assurance institutions		Assurance opinion			

Note 1: According to the "Sustainable Development Roadmap for Listed Companies" issued by the FSC, the Company's paid-in capital will be NT\$1,048,766,070 by 2023 December 31, and the Parent Company should complete the inventory by 2026 and the confirmation by 2028. In view of the concept of sustainable management, The Company has conducted and completed the Scope 1 and 2 inventory of the parent company in 2022 and expanded to Scope 3 in 2023 ahead of schedule. The scope of the 2024 annual inventory is included in the consolidated financial report of the subsidiary, and the greenhouse gas emissions in 2024 are the company's own inventory, which has not been confirmed and certified by a third-party notary.

Note 2: Our 2022 greenhouse gas inventory calculation standard is: Greenhouse Gas Protocol (GHG Protocol). 2023 to meet the needs of important customers to change to: ISO 14064-1 issued by the International Organization for Standardisation (ISO).

Note 3: The intensity of our greenhouse gas emissions is calculated based on turnover (NT\$ million).

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance for the most recent 2 fiscal years as of the printing date of the annual report, including the scope of assurance, assurance institutions, assurance standards, and assurance opinion:
If the prescribed year is not reached, the plan shall be handled on a regular schedule in accordance with the law.

1-2 Greenhouse Gas Reduction Targets, Strategy, and Concrete Action Plan

Specify the greenhouse gas reduction base year and its data, the reduction targets, strategy and concrete action plan, and the status of achievement of the reduction targets:
The company's 2024 annual greenhouse gas inventory is included in the consolidated financial report of the subsidiary, the annual report information of the shareholders' meeting is a consolidated expression, it is proposed to take 2024 as the base year for greenhouse gas reduction, and the internal inventory of the parent company has been completed by the date of printing of the annual newspaper, please refer to P49 for relevant data, and the data of the subsidiary is planned to be completed by the end of June 2024, and it is expected that the reduction target, strategy and specific actions will be proposed in the second half of 2025. **The greenhouse gas emissions in 2024 are self-examined by the company and have not been verified and certified by a third-party notary.

(VII) Performance of ethical corporate management, and differences form the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons:

Evaluation Item	Operation status			Differences form the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
I. Establishment of ethical corporate management policy and plan				
(I) Has the Company formulated an ethical corporate management policy approved by the board meeting, and clearly stated the policies and practices of ethical corporate management in rules and external documents, as well as the commitment of the board of directors and senior management to actively implement the operation policy?	V		(I) The Company has formulated its “Ethical Corporate Management Best-Practice Principles” which was approved by the board meeting; it has also been disclosed on the company websites and MOPS to indicate that the ethical corporate management policy has been actively implemented by the board of directors and other management levels.	In compliance with the Company’s Ethical Corporate Management Best-Practice Principles.
(II) Has the company established a risk assessment mechanism for unethical behavior, regularly analyzed and assessed business activities within its business scope that have a high risk of unethical behavior, and formulated a plan to prevent unethical behavior that at least covers the preventive measures for acts under paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		(II) The Company has explicitly stipulated punishment provisions for dishonest acts in its “Work Rules” and “Ethical Corporate Management Best-Practice Principles,” covering preventive measures for acts under paragraph 2, Article 7 of the “Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies.”	In compliance with the Company’s Ethical Corporate Management Best-Practice Principles.
(III) Has the Company specified operating procedures, conduct guidelines, disciplinary and appeal systems for violations in the unethical behavior prevention plan, implemented them, and regularly reviewed and amended the disclosure plan?	V		(III) Same as the explanation above.	No material difference.

Evaluation Item	Operation status			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
II. Implementation of Ethical Corporate Management				
(I) Does the Company evaluate the ethical corporate management record of its counterparties, and specify the terms of ethical behavior in the contracts signed with its counterparties?	V		(I) The Company evaluates the ethics of its key business partners, and tries to explicitly stipulate ethics clauses for the contracts to facilitate mutual adherence.	No material difference.
(II) Has the Company set up a dedicated unit subordinate to the board of directors to promote the ethical corporate management of enterprises, and regularly (at least once a year) report to the board of directors its ethical corporate management policy and plan to prevent unethical behavior, as well as the implementation of supervision?		V	(II) Although the Company has not yet established a dedicated unit under the Board of Directors to promote the integrity of business operations, it has explicitly stipulated punishment provisions for unethical acts in the “Work Rules” and implemented the rules through various operating units.	Improvement will be studied.
(III) Has the Company developed a conflict of interest prevention policy, provided appropriate presentation channels, and implemented them?	V		(III) The Company has formulated the “Ethical Corporate Management Best-Practice Principles” and “Code of Ethical Conduct” and implemented them.	No material difference.
(IV) Has the Company established an effective accounting system and internal control system for the implementation of ethical operation, and has the internal audit unit formulated relevant audit plans based on the assessment results of unethical behavior risks, and audited the compliance with the unethical behavior prevention plan, or entrusted CPAs to perform the audit?	V		(IV) The Company has established an effective accounting system and internal control system. Internal audits are conducted regularly, and financial reports are signed and audited by CPAs.	In compliance with the Company’s Ethical Corporate Management Best-Practice Principles.
(V) Does the company regularly hold internal and external training on ethical corporate management?	V		(V) Relevant contents have been stipulated in the Company’s “Ethical Corporate Management Best-Practice Principles.”	No material difference.

Evaluation Item	Operation status			Differences from the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies and the reasons
	Yes	No	Summary	
III. Operation of the Company's Whistleblowing System				
(I) Has the Company established a specific whistleblower and reward system, established a convenient channel for whistleblowing, and assigned appropriate personnel to handle complaints?	V		(I) The Company has formulated the "Ethical Corporate Management Best-Practice Principles" which stipulates the relevant whistleblowing system.	No material difference.
(II) Has the Company established standard operating procedures for the investigation of matters reported, follow-up measures to be taken after the investigation, and relevant confidentiality mechanisms?	V		(II) Same as above.	No material difference.
(III) Does the Company take measures to protect the whistleblower from improper handling due to the whistleblowing?	V		(III) Same as above.	No material difference.
IV. Strengthening of Information Disclosure Does the Company disclose the content of its Ethical Corporate Management Best-Practice Principles and the effectiveness of promotion on its website and the MOPS?	V		The Company has formulated its "Ethical Corporate Management Best-Practice Principles," and disclose the contents on its website and the MOPS.	No material difference.
V. If the Company has its own Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies," please describe the differences between their operations: The Company has formulated its "Ethical Corporate Management Best-Practice Principles," and follows the provisions in its daily operations.				
VI. Other important information that will facilitate the understanding of the Company's ethical corporate management (such as the Company's review and revision of its Ethical Corporate Management Best-Practice Principles): None.				

(VIII) Please also disclose other important information which may enhance the understanding of the Company's corporate governance operation:
Please refer to our website-www.sea-land.com.tw

(IX) Implementation of the internal control system

1. Internal Control Declaration

Internal Control System Declaration of Public Offering Company

Indicating that both the design and execution are valid

(This declaration is applicable when all laws and regulations are declared on the legal compliance part.)

Sea & Land Integrated Corp.
Internal Control System Declaration

Date: March 12, 2025

Based on the results of the Company's self-evaluation of the internal control system for 2024, we hereby declare the following:

- I. The Company knows that the establishment, implementation and maintenance of the internal control system is the responsibility of the Board of Directors and managers of the Company, and the Company has already established this system. Its purpose is to provide reasonable assurance for the achievement of the objectives of operational effectiveness and efficiency (including profitability, performance and asset security), reliability, timeliness, transparency of reporting, and compliance with relevant norms and relevant laws and regulations.
- II. The internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide reasonable assurance for the achievement of the three objectives above. Moreover, due to changes in environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-supervision mechanism, and once deficiencies are identified, the Company will take corrective action immediately.
- III. The Company judges whether the design and implementation of the internal control system is effective in accordance with the judgment items of the effectiveness of the internal control system specified in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The judgment items of the internal control system adopted in the Regulations are to divide the internal control system into five components according to the process of management control: 1. control environment, 2. risk assessment, 3. control operations, 4. information and communication, and 5. supervision operations. Each component element includes several items. For the items above, please refer to the provisions of the "Regulations."
- IV. The Company has adopted the internal control system judgment items above to evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the evaluation results referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system as of December 31, 2024 (including supervision and management of subsidiaries), including the understanding of the effectiveness of operations and the extent to which efficiency goals have been achieved, the reliability, timeliness, transparency of reporting, and the compliance with relevant norms and relevant laws and regulations, as well as the compliance with relevant internal control systems, are effective and can reasonably ensure the achievement of the goals above.
- VI. This Declaration will become the main content of the Company's annual report and prospectus, and will be made public. If there are false, hidden and other illegal circumstances in the disclosure above, the legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be involved.
- VII. This Declaration was approved by the board meeting of the Company on March 12, 2025. Of the eight directors present (One person is taking leave), 0 had objections, and the rest agreed with the contents of this Declaration.

Sea & Land Integrated Corp.

Chairman and President: Ho, Ying-Jin signature and seal

2. Where a CPA is entrusted to audit the internal control system on a special case basis, the CPA's audit report shall be disclosed: None.

(X) Important resolutions of the shareholders' meeting and the board meeting for the most recent year and up to the printing date of the annual report.

* 2024 Shareholders' Meeting Date: June 12, 2024 Number of shares present: The total number of shares present by shareholders and their agents (including electronic voting) totals 58,978,397, accounting for 56.23% of the total number of 104,876,607 shares issued by the Company and reached the quorum required.		
Matters for resolution	Voting results	Implementation status
(1) Recognition of the 2023 final accounts	Attending shareholders (including entrusted agents and those exercising electronic voting) The shares represented 58,978,397 voting rights. Among them, 56,699,966 rights were affirmative. 65,709 rights were negative and 1,084,222 rights were invalid. Abstaining/non-voting: 1,128,500 rights. The affirmative votes reached 96.13% of the shares present, and the motion was approved.	
(2) Recognition of the 2023 earnings distribution schedule.	Attending shareholders (including entrusted agents and those exercising electronic voting) The shares represented 58,978,397 voting rights. Among them, 56,698,418 rights were affirmative. 68,009 rights were negative and 1,083,470 rights were invalid. Abstaining/non-voting: 1,128,500 rights. The affirmative votes reached 96.13% of the shares present, and the motion was approved.	The cash dividend distribution date is July 30, 2024.

* Important resolutions of board meetings in 2024 and up to the date of printing of the annual report:

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
10th session of the 17th term on March 12, 2024	(1) Self-evaluation and issuance of the "Internal Control Declaration."	V	All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) Performance evaluation of the Board of Directors		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(3) Appropriation of 2023 employees' remuneration and directors' remuneration.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(4) Review of the 2023 financial statements and consolidated financial statements.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(5) Review of the 2023 business report.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(6) 2023 earnings distribution.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(7) Convening of the 2024 general shareholders' meeting.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(8) Regular evaluation of the independence of certifying CPAs.		All Independent Directors approved without objection.	All attending Directors approved without objection.

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
	(9) The CPA made internal organizational adjustments and replaced the certified accountant.	V	All Independent Directors approved without objection.	All attending Directors approved without objection.
11th session of the 17th term on May 13, 2024	(1) Amendment to the " Regulations Governing Procedure for Board of Directors "		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) Financing from financial institutions.		All Independent Directors approved without objection.	All attending Directors approved without objection.
12th session of the 17th term on June 25, 2024	(1) Setting the Company's ex dividend date, issuance date and other related matters.		All Independent Directors approved without objection.	All attending Directors approved without objection.
13th session of the 17th term on August 12, 2024	(1) Financing from financial institutions.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) CPA remuneration for 2024.	V	All Independent Directors approved without objection.	All attending Directors approved without objection.

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
14th session of the 17th term on November 12, 2024	(1) Amendment to the " Regulations Governing Procedure for Board of Directors "		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) Amendment to the " Corporate Governance Best Practice Principles".		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(3) Amendment to the " Procedures for Handling Material Inside Information and Preventing Insider Trading.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(4) Change to the Chief internal auditor of the company.	V	All Independent Directors approved without objection.	All attending Directors approved without objection.
	(5) To Establish the Company's "Procedures for Sustainability Report Preparation and Assurance".		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(6) To Establish the Company's " Sustainability Information Management Operating Procedures".		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(7) To Establish the Company's " Management of Sustainability Information".	V	All Independent Directors approved without objection.	All attending Directors approved without objection.
	(8) Discussion on the Company's 2025 internal audit plan.		All Independent Directors approved without objection.	All attending Directors approved without objection.

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
	(9) Discussion on the 2025 internal audit plans of the Company's grandson companies.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(10) Financing from financial institutions.		All Independent Directors approved without objection.	All attending Directors approved without objection.
15th session of the 17th term on December 27, 2024	(1) The Company's business plan and annual budget for 2025.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) Amendments to the corporate charter.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(3) To Establish the Company's "Human Rights Policy".		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(4) Regarding the Company's other receivables exceeding a certain period beyond the normal credit period as of December 2024, which are not disguised financing.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(5) Financing from financial institutions.		All Independent Directors approved without objection.	All attending Directors approved without objection.

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
16th session of the 17th term on March 12, 2025	(1) Self-evaluation and issuance of the "Internal Control Declaration."	V	All Independent Directors approved without objection.	All attending Directors approved without objection.
	(2) Performance evaluation of the Board of Directors		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(3) Appropriation of 2024 employees' remuneration and directors' remuneration.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(4) Review of the 2024 financial statements and consolidated financial statements.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(5) Review of the 2024 business report.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(6) 2024 earnings distribution.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(7) Case Regarding Supplementary Explanation for Charter Amendments		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(8) Amendments to the Corporate Governance Best Practice Principles.		All Independent Directors approved without objection.	All attending Directors approved without objection.

Date	Matters for resolution	Securities and Exchange Act §14-3 Matters listed	Opinions of Independent Directors and the Company's handling of the opinions of Independent Directors	Board meeting Resolution
	(9) Amendments to the Remuneration Committee Charter.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(10) To Establish the Company's " Risk Management Policies and Procedures.".		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(11) Re-election of directors		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(12) Matter of Accepting Nominations for Director Candidates		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(13) Discussion to approve the lifting of non-competition restrictions for directors		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(14) Convening of the 2025 general shareholders' meeting.		All Independent Directors approved without objection.	All attending Directors approved without objection.
	(15) Regular evaluation of the independence of certifying CPAs.		All Independent Directors approved without objection.	All attending Directors approved without objection.

(XI) For the most recent year and up to the date of printing of the annual report, Whether Directors or Supervisors have different opinions on important resolutions adopted by the board meeting with records or written statements in place: None.

(XII) Evaluation of the independence of certifying CPAs:

In accordance with Article 29 of the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and the Company’s “Procedures for the Selection and Audit of Certifying CPAs,” the certifying CPAs are regularly evaluated and the results are submitted to the board meeting for resolution in the first quarter of each year.

Sea & Land Integrated Corp. Certifying CPA Review and Evaluation Table					
One. Review of independence requirements (if “No” is checked in any of the following items, the specific facts should be further understood)					
Item	Content of evaluation	Please check			Remark
		Yes	No	N/A	
01	The CPA him/herself or his/her spouse or minor children have no investment or financial interest sharing relationship with the Company.				
02	The CPA him/herself or his/her spouse or minor children have no fund lending or borrowing with the Company. However, this restriction does not apply to clients who are financial institutions and have regular transactions.				
03	The CPA firm has not issued an assurance service report it designed or assisted in the effective operation of the financial information system.				
04	The CPAs or audit service team members have not held any position as a director, manager or any position of the Company with a significant influence on the audit case at the moment or within the past two years.				
05	The non-audit services provided by the Company do not have any significant items that directly affect the audit case.				
06	The CPAs or audit service team members have not promoted or mediated the stocks or other securities issued by the Company.				
07	Except for the businesses permitted by laws and regulations, the CPAs or audit service team members have not represented the Company in defending legal cases or other controversial matters with third parties.				
08	The CPAs or audit service team members have no relationship of spouse, direct blood relatives, direct in-law relatives, or collateral blood relatives within the second degree of kinship with the Company’s directors, managers or personnel who have significant influence on the audit case.				
09	The co-certifying CPA who has left office for less than one year has not held any position as a director, manager or any position of the Company with a significant influence on the audit case.				
10	The CPAs or audit service team members have not received gifts or special offers of significant value from the Company or its directors, managers or major shareholders.				

11	The CPAs are not currently employed by a client or auditee to perform regular work, receive a fixed salary, or serve as a director or supervisor.				
12	TWSE or TPEx listed company: The CPAs have not provided audit services to the Company for seven consecutive years. Non-TWSE or non-TPEx listed company: The CPAs have not provided audit services to the Company for ten consecutive years.				
Two. Review of independence operations (if “No” is checked in any of the following items, the specific facts should be further understood)					
Item	Content of evaluation	Please check			Remark
		Yes	No	N/A	
01	Have the CPAs avoided and not handled matters that they have a direct or significant indirect interest in, and affect their impartiality and independence?				
02	When providing audit, review, re-check or special-case review of financial statements and issuing an opinion accordingly, do the CPAs maintain formal independence in addition to substantive independence?				
03	Do the audit service team members, other co-certifying CPAs, corporate shareholders of the CPA firm, CPA firm and affiliated companies and alliance firms also maintain independence from the Company?				
04	Does the CPAs perform professional services with integrity and rigor?				
05	Have the CPAs maintained a fair and objective position in the performance of their professional services, and have they avoided influencing their professional judgment due to bias, conflict of interest, or interest?				
06	The CPAs have no lack of or loss of independence that affects their integrity, impartiality and objectivity.				
Three. Review of job suitability (if “No” is checked in any of the following items, the specific facts should be further understood)					
Item	Content of evaluation	Please check			Remark
		Yes	No	N/A	
01	The CPAs have no disciplinary record at the CPA Disciplinary Committee for the past two years.				
02	Does the CPA firm have sufficient scale, resources, and regional coverage to handle the Company’s audit services?				
03	Does the CPA firm have a clear quality control procedure? Does the coverage include the levels and key points of the audit process, the way to handle audit issues and judgments, independent quality control reviews, and risk management?				

04	Does the CPA firm promptly notify the board of directors (audit committee) of any significant issues and developments in risk management, corporate governance, financial accounting, and related risk control?				
Four. Other supplementary matters:					
Five. Evaluation opinions ☐ Reviewed and approved, recommended to appoint/maintain the original appointment. ☐ There are doubts in the review, and it is recommended not to appoint/replace the CPAs. Reasons: Evaluation supervisor:					

IV. Certifying CPA's Fees

(I) Disclose the amount of audit fees and non-audit fees paid to the certifying CPAs and their affiliated CPA firm and affiliated enterprises, as well as the content of non-audit services:

Unit: NT\$ thousand

CPA firm's name	CPAs' names	CPA audit period	Audit fee	Audit fee	Total	Remark
PwC Taiwan	Huang, Chin-Lien	January 1, 2024 to December 31, 2024	3,075	575	3,650	Non-audit fees: tax certification and other financial advisory services.
	Yu, Chih-Fan					

1. If the accounting firm is replaced and the audit fees paid in the year of replacement are less than those paid in the year prior to the replacement, the amounts of audit fees before and after the replacement and the reasons thereof shall be disclosed: Not applicable.
2. If the audit fees have decreased by more than 10% compared to the previous year, the amount, proportion, and reason for the decrease shall be disclosed: Not applicable.

V. Information on replacement of CPA:

Due to an internal adjustment within the accounting firm resulting in a change of auditors, the Board of Directors approved on March 12, 2024, that effective from the first quarter of 2024, the Company's signing auditors will be replaced by CPA Huang Chin-Lien and CPA Yu Chih-Fan.

VI. The Chairman, President or manager in charge of financial or accounting affairs of the Company who has served in the CPA firm or its affiliated enterprises within the most recent year: None.

VII. For the most recent year and up to the date of printing of the annual report, the transfer of shares and changes in pledge of shares by directors, managers, and shareholders holding more than 10% of the shares:

(I) Changes in equity held by directors, supervisors, managers, and major shareholders:

Title	Name	2024		Current year as of April 13	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairman/President	Ho, Ying-Jin	0	0	0	0
Director	Chien, Chung-Jung	0	0	0	0
Director	Hung, Keng-Shu	0	0	0	0
Director	Lien, Chin-Chih	0	0	0	0
Director	Lin, Hsiu-Hung	0	0	0	0
Director	Ever Glory Transportation	0	0	Not applicable	Not applicable
	Ever Glory Transportation Representative – Wu, Bo-Hsiao	0	0	Not applicable	Not applicable
Independent Director	Lin, Jy-Shenp	0	0	0	0
Independent Director	Tung, Young- Cheng	0	0	0	0
Independent Director	Lee, Yeh-Chung	0	0	0	0
Independent Director	Ching, Kong-Kwok	0	0	0	0
Assistant Vice President	Huang, Liang-Ping	0	0	Not applicable	Not applicable
Assistant Vice President	Tsai, Yi-Hsien	0	0	0	0
Finance Manager	Hu, Yu-Hui	0	0	0	0
Accounting Manager	Li, Yin-Hsueh	0	0	0	0
Accounting Manager	Hu, Li-Hua	Increase by 1,000 shares	0	0	0

* AVP Huang, Liang-Ping retired on August 29, 2024.

*Corporate Director Ever Glory Transportation January 15, 2024 Resigned.

(II) Share transfer information: The directors, supervisors, managers, and major shareholders of the Company have not had any share transfer to related parties.

(III) Share pledge information: The directors, supervisors, managers, and major shareholders of the Company have not had any share pledge.

VIII. The relationships among the top ten shareholders in terms of shareholding and Their Relationships (Related Parties, Spouses, or Relatives within the Second Degree of Kinship).:

April 13, 2025

Name	Shareholding of the shareholder		Shareholding of spouse and minors		Shareholding in the name of others		Name and relationship of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship		Remarks
	Number Of shares	Share holding ratio	Number Of shares	Share holding ratio	Number of shares	Share holding ratio	Name	Relationship	
Ho Ying-Jin	11,115,162	10.60%	3,268,499	3.12%	0	0	Ho Chun-Ying	Brother and sister	
							Yen Ying-Zhen	Spouses	
							Ho Wei-Cheng	Father and son	
Tim Show Co., Ltd.	6,578,634	6.27%	0	0	0	0	Ho Chun-Ying	Representative	
Tim Show Co., Ltd. Representative: Ho Chun-Ying	0	0	0	0	0	0	Tim Show Co., Ltd.	Representative	
Tai ying Investment Co., Ltd.	5,141,297	4.90%	0	0	0	0	Ho Chun-Ying	Representative	
Tai ying Investment Co., Ltd. Representative: Ho Chun-Ying	0	0		0	0	0	Tai ying Investment Co., Ltd	Representative	
LI, Chun-Lai	4,901,000	4.67%	0	0	0	0	None	None	
Investment account of BNP Paribas Singapore Branch in the custody of HSBC Bank (Taiwan) Limited	4,718,950	4.50%	0	0	0	0	None	None	
Lifeng Transporation Enterprise Co., Ltd	4,228,599	4.03%	0	0	0	0	Wu Bo-Xiao	Representative	
Lifeng Transporation Enterprise Co., Ltd. Representative: Wu Bo-Xiao	40,000	0.04%	0	0	0	0	Lifeng Transporation	Representative	

Name	Shareholding of the shareholder		Shareholding of spouse and minors		Shareholding in the name of others		Name and relationship of the top ten shareholders who are related parties, spouses, or relatives within the second degree of kinship		Remarks
	Number of shares	Share holding ratio	Number Of shares	Share holding ratio	Number of shares	Share holding ratio	Name	Relationship	
Ever Glory Transportation Inc.	4,171,860	3.98%	0	0	0	0	Huang Chu-Yuan	Representative	
Ever Glory Transportation Inc. Representative: Huang Chu-Yuan	6,000	0.01%	0	0	0	0	Ever Glory Transportation	Representative	
Yen Ying-Zhen	3,268,499	3.12%	11,115,162	10.60%	0	0	Ho Ying-Jin	Spouses	
							Ho Wei-Cheng	Mother and son	
Property account of Tu Zhi-Wei entrusted to Cathay United Bank	2,250,350	2.15%	0	0	0	0	None	None	
Ho Wei-Cheng	2,070,094	1.97%	0	0	0	0	Ho Ying-Jin	Father and son	
							Yen Ying-Zhen	Mother and son	

IX. The number of shares held by the Company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company in the same reinvested enterprise, and the consolidated shareholding ratio:

December 31, 2024 Unit: thousand shares; %

Reinvested enterprise	Investment of the Company		Investment of directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company		Comprehensive investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Eternal Full Enterprise Ltd.	0	100.00	0	0	0	100.00
New Anho Gas Station Co., Ltd.	7,800	100.00	0	0	7,800	100.00
Sea & Land Wine & Spirits Incorporation	5,523	55.23	1,592	15.92	7,115	71.15
Sea & Land Sinogreenenergy Inc.	2,250	75.00	0	0	2,250	75.00
Chiayi New Energy Co., Ltd.	1,955	77.27	125	4.94	2,080	82.21
DENZAI Sea & Land Corporation	100	50.00	0	0	100	50.00
Giant Heavy Machinery Service Corp.	15,814	25.33	4,095	6.56	19,909	31.89
Peace King Enterprise Co.,Ltd.	0	0	0	100.00	0	100.00
Glory Base Group Limited	0	0	0	100.00	0	100.00
CTY TNHH Sea and Land Formosa	0	0	0	100.00	0	100.00

Chapter 3 Funding Situation

I. Capital and Shares

(I) Source of Capital

Month and year	Issuing price	Approved share capital		Paid-in capital		Remark		
		Number of shares (thousand shares)	Amount (NT\$ thousand)	Number of shares (thousand shares)	Amount (NT\$ thousand)	Source of capital	Share capital paid with property other than cash	Others
November 1994	10	19,900	199,000	19,900	199,000	Capital increase of NT\$89,000 thousand in cash and capital increase of NT\$10,000 thousand from earnings.	—	—
October 1995	10	30,200	302,000	30,200	302,000	Capital increase of NT\$63,200 thousand in cash and capital increase of NT\$39,800 thousand from earnings.	—	Approval via letter dated June 23, 1995 referenced Tai-Tsai-Cheng (I) 31893.
July 1996	10	45,000	450,000	34,966	349,664	Capital increase of NT\$47,664 thousand from earnings.	—	Approval via letter dated June 17, 1996 referenced Tai-Tsai-Cheng (I) 38720.
July 1997	10	45,000	450,000	39,512	395,120	Capital increase of NT\$45,456.32 thousand from earnings.	—	Approval via letter dated June 27, 1997 referenced Tai-Tsai-Cheng (I) 50641.
August 1998	10	45,000	450,000	44,814	448,139	Capital increase of NT\$53,018.59 thousand from earnings.	—	Approval via letter dated July 17, 1998 referenced Tai-Tsai-Cheng (I) 59624.
April 1999	10	113,000	1,130,000	62,505	625,053	Capital increase of NT\$44,813.89 thousand from earnings, capital increase of NT\$2,100 thousand from employee bonus, and capital increase of NT\$130,000 thousand in cash.	—	Approval via letter dated April 15, 1999 referenced Tai-Tsai-Cheng (I) 32082.
June 2000	10	123,000	1,230,000	65,688	656,885	Capital increase of NT\$25,002 thousand from earnings, capital increase of NT\$580 thousand from employee bonus, and capital increase of NT\$6,250 thousand from capital surplus.	—	Approval via letter dated July 7, 2000 referenced Tai-Tsai-Cheng (I) 58927.
March 2004	10	123,000	1,230,000	61,697	616,975	Capital reduction of NT\$39,910 thousand due to cancellation of treasury shares.	—	Approval via letter dated March 1, 2004 referenced Jing-Shou-Shang 09301030770.
October 2008	10	123,000	1,230,000	62,931	629,314	Capital increase of NT\$12,339 thousand from earnings.	—	Approval via letter dated November 14, 2008 referenced Jing-Shou-Shang 09701290080.
July 2014	10	123,000	1,230,000	63,078	630,775	NT\$1,461 thousand from conversion of secured convertible corporate bonds.	—	Approval via letter dated July 22, 2014 referenced Jing-Shou-Shang 09701290080.
September 2014	10	123,000	1,230,000	65,595	655,948	Capital increase of NT\$25,173 thousand from earnings.	—	Approval via letter dated September 29, 2014 referenced Jing-Shou-Shang 10301202630.
December 2014	10	123,000	1,230,000	74,595	745,949	Capital increase of NT\$90,000 thousand in cash.	—	Approval via letter dated December 31, 2014 referenced Jing-Shou-Shang 10301271740.
September 2015	10	123,000	1,230,000	78,325	783,246	Capital increase of NT\$37,297 thousand from earnings.	—	Approval via letter dated September 15, 2015 referenced Jing-Shou-Shang 10401197660.
October 2021	10	123,000	1,230,000	80,674	806,743	Capital increase of NT\$23,497 thousand from earnings.	—	Approval via letter dated October 26, 2021 referenced Jing-Shou-Shang 11001192030.
September 2022	10	123,000	1,230,000	104,876	1,048,766	Capital increase of NT\$242,023 thousand from earnings.	—	Approval via letter dated September 30, 2022 referenced Jing-Shou-Shang 11101179020.

April 13, 2025
Unit: thousand shares

Share type	Approved share capital			Remark
	Outstanding shares	Unissued shares	Total	
Ordinary shares	104,877	18,123	123,000	

Note: The outstanding shares are all TPEx listed shares

Information related to the blanket reporting system: None.

(II) Major shareholders

Shareholding as of April 13, 2025

Ranking	Account No.	Account name of shareholder	Number of shares	Ratio
1	2	Ho Ying-Jin	11,115,162	10.60%
2	48787	Tim Show Co., Ltd	6,578,634	6.27%
3	8880	Taiying Investment Co., Ltd	5,141,297	4.90%
4	24635	LI,Chun-Lai	4,901,000	4.67%
5	22010	Investment account of BNP Paribas Singapore Branch in the custody of HSBC Bank (Taiwan) Limited	4,718,950	4.50%
6	8879	Lifeng Transporation Enterprise Co., Ltd.	4,228,599	4.03%
7	9187	Ever Glory Transportation Inc.	4,171,860	3.98%
8	14	Yen Ying-Zhen	3,268,499	3.12%
9	22340	Property account of Tu Zhi-Wei entrusted to Cathay United Bank	2,250,350	2.15%
10	8360	Ho Wei-Cheng	2,070,094	1.97%
		Total	48,444,445	46.19%

(III) Company dividend policy and implementation status:

Policy:

1. According to the Company's Articles of Association, if the Company has any surplus in the annual final accounts, after paying taxes and making up for the losses of previous years according to law, it shall first set aside 10% as the legal reserve, except when the legal reserve has reached the total capital amount, and then set aside or reverse the special reserve in accordance with laws and regulations and the regulations of the competent authority. The accumulated undistributed earnings in the previous period shall then be added, and the balance is the accumulated distributable earnings. After considering the funds needed for the growth of the Company, the aforesaid accumulated distributable earnings shall be submitted to the shareholders' meeting for resolution by the board of directors. For the dividend distribution policy, as the Company is in a growth stage, the Company's current and future investment environment, capital demand, market competition and capital budget factors, as well as the interests of shareholders, balanced dividends and the Company's long-term financial planning shall be taken into account. The board of directors shall prepare a distribution proposal according to law, and submit it to the shareholders' meeting every year. For the distribution of shareholders' dividends, cash dividends shall be 20%–100% of the total dividends, and the rest shall be stock dividends.
2. The legal reserve shall not be used except to cover the Company's losses and to issue new shares or pay cash in proportion to the original shareholdings of shareholders. However, if new shares are issued or cash is paid, the portion of the reserve exceeding 25% of the paid-in capital shall apply.

Implementation Status:

According to the board resolution on March 12, 2025, the Company plans to distribute a cash dividend of NT\$104,876,607 (NT\$1/share) from the 2024 earnings.

- (IV) The impact of the proposed free share allotment at this shareholders' meeting on the Company's operating performance and earnings per share: No resolution of stock dividend was made at the shareholders' meeting.

(V) Remuneration for employees, directors and supervisors:

1. The percentage or scope of remuneration for employees, directors and supervisors as in the Company's Articles of Association:
According to the Company's Articles of Association, if there is a balance after deducting accumulated losses based on the profit situation of the current year, not less than 5% shall be allocated as employees' remuneration, and not more than 5% shall be allocated as directors' and supervisors' remuneration.
2. The estimation basis for the amount of employees', directors' and supervisors' remuneration for the current period, and the accounting treatment for differences between the calculation basis for the number of shares of employees' remuneration in stock and the actual distribution amount:
The estimated amount of employees' remuneration of the Company for 2024 is NT\$8,226,760, and the estimated amount of the directors' and supervisors' remuneration is NT\$8,226,760. The above-mentioned amounts are recognized in the work bonus account, and there is no difference between the estimated amount and the estimated amount.
3. Distribution of remuneration approved by the board meeting:
The profit of the Company in 2024 (before the distribution of employees' remuneration and directors' remuneration), is NT\$164,535,197. It is proposed to allocate 5% as employees' remuneration for 2024, for an amount of NT\$8,226,760; it is proposed to allocate 5% as directors' and supervisors' remuneration for 2024, for an amount of NT\$8,226,760.

4. The actual distribution of the remuneration of employees, directors and supervisors during the previous year (including the number of shares distributed, amount and share price); if they are different from the recognized remuneration of employees, directors and supervisors recognized, describe the differences, the reasons and the handling thereof:

The profit of the Company in 2023 (before the distribution of employees' remuneration and directors' and supervisors' remuneration), is NT\$243,649,409. 5% is appropriated as employees' remuneration for 2023 at an amount of NT\$12,182,470, and 5% as directors' and supervisors' remuneration for 2023 at an amount of NT\$12,182,470. There is no difference between the actual amounts distributed and the recognized amounts of remuneration of employees, directors, and supervisors.

(VI) The Company's repurchase of its shares: None.

II. Handling of corporate bonds: None.

III. Handling of preference shares: None.

IV. Handling of overseas depository receipts: None.

V. Handling of employee stock options: None.

VI. Handling of new shares with restricted employee rights: None.

VII. Handling of new shares issued for M&A or assignment of other companies' shares: None.

VIII. Implementation of capital utilization plan: None.

Chapter 4 Operation Overview

I. Business Contents:

(I) Business scope:

1. Main Business and Revenue Proportion:

Item	Proportion of operating revenue in 2024
Inland Container Transportation	44
Heavy Machinery Transportation & Hoisting	37
Sales Revenue (Imported Spirits, Gas Station)	16
Warehousing & Rental Income	3
Total	100

*Please refer to the operating income information in the consolidated financial statements.

2. Current service items of the Company:

(1) Inland Container Transportation Services

- A. Transshipment Operations – Inland container transportation between container yards designated or partnered with shipping lines in northern, central, and southern Taiwan and major ports.
- B. Quay Operations – Inland container transportation within or between terminal docks and nearby container yards at ports where shipping lines dock.
- C. CY Import & Export Operations – Inland container transportation between customer factories and container yards for import and export activities.

(2) Heavy Machinery Transportation & Hoisting Services

- A. Heavy Machinery Transportation & Hoisting –
 - a. Clients include domestic and international manufacturers, specialized machinery equipment suppliers, engineering firms, shipping companies, petrochemical plants, and state-owned enterprises.
 - b. Services cover transportation and hoisting of oversized and heavy machinery, including customs clearance, cargo handling, coordination, coastal shipping/beach landing, temporary dock design and construction, bridge reinforcement design and construction, and related permit applications.
- B. Turnkey Plant Equipment Transportation & Hoisting –
 - a. End-to-end logistics and hoisting services for import/export plant equipment commissioned by domestic and international manufacturers, engineering firms, and shipping companies.
 - b. Services include feasibility assessments, transportation and hoisting surveys, planning, design, permit applications, and preliminary civil engineering works.
 - c. Crane arrangements at domestic and international work sites, unloading services for manufacturers and shipping companies.
- C. Onshore Operations for Offshore Wind Power Equipment –
 - a. Offshore wind power is a key component of the government's green energy initiative. In 2024, Taiwan allocated five offshore wind farms to major energy developers:
 - (a) Senwei Energy (Yuede) – 700 MW
 - (b) Fengrui Energy (Haiguang) – 800 MW
 - (c) Copenhagen Infrastructure Partners (CIP) – 600 MW
 - (d) Corio Generation (Haiding I) – 360 MW
 - (e) Deneng Yihua Weideshuai – 240 MW
 - b. The total allocated capacity reaches 2.7 GW, supporting the 2025 goal of 5.6 GW offshore wind power capacity under Taiwan's energy transition policy.

- c. International offshore wind power investors continue investing in Taiwan, while domestic contractors actively compete for the manufacturing of monopiles, jackets, and subsea foundations.
 - d. Given the unprecedented scale and weight of these subsea structures, Sea & Land has leveraged its expertise in heavy machinery transportation and hoisting to secure multiple dockside lifting and transportation projects.
- D. Coastal Shipping & Barge Transport –
 - a. Coastal shipping expands the transport options for oversized heavy machinery.
 - b. With years of experience working with Taiwan Power Company (Taipower) and private power plants, Sea & Land has become a trusted partner for domestic and international clients.
 - c. The company owns a fleet of eight vessels, including powered tugboats and workboats as well as non-powered platform barges, enabling flexible and efficient barge transportation operations.
- (3) Imported Spirits Business
 - A. Import Agency Services –
 - a. Securing exclusive distribution rights for premium Spirits brands from major global producers to meet market demand in Taiwan.
 - .B. Distribution Network –
 - a. A province-wide distribution network with centralized warehousing and professional logistics ensures efficient and widespread delivery.
 - b. Sales channels include tobacco and alcohol specialty stores, hypermarkets, supermarkets, and food service distributors, providing comprehensive and timely service.
 - C. Retail Operations –
 - a. Operates Ses & Land Wine & Spirits Inc, a direct sales outlet offering customers face-to-face product promotions and sales.
 - D. Wine Tasting & Brand Promotion –
 - a. Hosting wine-pairing events, where international winemakers and brand ambassadors provide professional training to sales teams. Through these events and seminars, consumers gain firsthand insight into the winemaking process and brand heritage, while brands gather valuable consumer feedback.
 - b. Participating in major domestic wine exhibitions and tasting events.
 - c. Organizing wine-tasting courses for corporate clients, engaging with businesses of various sizes.
- (4) Other Business Activities
 - A. Gas Station Operations – The company operates a fuel and gas station in Changhua. While modest in scale, it maintains stable business operations.
 - B. Warehousing Services – Located at the Kaohsiung branch, serving long-term customers.
 - C. Real Estate Leasing – Rental properties, including the Taipei Fubei office and Xizhi factory office, contribute to stable revenue streams.

(II) Industry Overview

1. Current Industry Status and Development Trends

(1) Inland Container Transportation

The inland container transportation sector is highly correlated with the container shipping industry and is influenced by global trade conditions, including inflation, interest rate hikes, inventory reduction, and consumer spending contraction, as well as international geopolitical events such as U.S.-China competition, geopolitical conflicts, and the Russia-Ukraine war. These factors have led to persistently weak container volumes, negatively impacting freight rates and intensifying price competition among inland container transport operators, ultimately affecting the company's revenue.

The transportation industry is also highly sensitive to fuel prices. Sustained high fuel costs, labor shortages, wage increases, regulatory challenges, rising equipment costs, and maintenance expenses all significantly impact profitability. Additionally, the imbalance between northbound and southbound container volumes results in inefficiencies in fleet utilization. While the market faces these challenges, this period also serves as an opportunity for market consolidation, where weaker players may exit, leading to a more balanced supply-demand relationship and reducing unhealthy price competition in the long term.

Furthermore, mid-to-large-sized clients are increasingly prioritizing ESG (Environmental, Social, and Governance) initiatives. Our company has proactively responded to these concerns and gained recognition from our clients. This strategic alignment is expected to strengthen client relationships and mitigate the negative impact of price competition within the industry.

(2) Heavy Machinery Transportation & Hoisting Services

- A. Heavy Machinery Transportation refers to the use of specialized transport equipment to move oversized, overwidth, overlength, and overweight machinery and equipment. This sector requires overcoming spatial constraints and road conditions to ensure the safe, efficient, and cost-effective delivery of high-value equipment. Our services cover end-to-end logistics, including storage, cargo handling, and unloading, as well as hoisting the machinery onto foundation platforms at project sites. Comprehensive planning, pre-assessment, route surveys, design, and regulatory approvals are critical components of heavy machinery transportation.
- B. Energy Infrastructure Projects – With Taiwan's energy transition policy, there is a strong emphasis on maintaining the stability of existing energy sources while introducing new energy projects. In recent years, Sea & Land has actively participated in government-led power plant modernization projects, including those at Hsingta, Taichung, and private Sun Ba Power Plant. Additionally, we have been involved in the Datan Power Plant upgrade project in Taoyuan, which has begun commercial operation. In FY 2024, we successfully executed the transportation and hoisting of vaporization module equipment for a natural gas receiving terminal in Taoyuan. Upcoming projects include the Dalín Power Plant and Tunghsiao Power Plant, which are set for bidding. These projects will mark a peak period for large-scale equipment transportation and barge operations, and we are committed to ensuring safe and successful execution.
- C. Port-Side Heavy Equipment Hoisting & Installation – Major port machinery installations, such as coal unloading cranes and straddle carriers, are directly commissioned by equipment manufacturers. Sea & Land has accumulated substantial experience in barge and transportation operations, positioning us favorably for securing future related projects.
- D. Offshore Wind Energy Logistics & Infrastructure – As Taiwan transitions to a greener energy mix, we are actively seeking new business opportunities. We are collaborating with offshore wind energy developers, equipment manufacturers, and installation contractors to enhance our capabilities in cargo handling, transportation, onshore storage site development, and maritime vessel operations.
- E. Petrochemical Plant Upgrades – In FY 2024, our company will execute transportation operations for petrochemical plant modernization projects, which include multiple civil engineering works, such as temporary unloading platforms, underground passage construction, and road engineering. These initiatives will contribute to improving equipment efficiency and reducing carbon emissions.

(3) Imported Spirits Business

The global economy in FY 2024 continues to face challenges from inflation and weakened consumer spending, leading to a sluggish Taiwanese alcohol market.

- A. Scotch Whisky Market:
 - a. Impacted by excess inventory and declining consumer demand, both import volume and value have decreased.
 - b. According to the Scotch Whisky Association (SWA), global whisky exports in the first half of FY 2024 declined by 10.2% in volume and 18% in value compared to FY 2023.
 - c. While Taiwan was one of the few markets that maintained growth in whisky exports in FY 2023, demand has softened in FY 2024, leading to sales pressures for distributors and retailers.
 - B. Wine Market:
 - a. The market remains challenging, with a polarization in demand for low-priced and premium fine wines.
 - b. Mid-range wines face pricing pressure, while low-alcohol, organic, and natural wines are gaining traction among young female consumers and high-income groups. However, these trends are not yet strong enough to drive overall market growth.
 - c. Regulatory restrictions, including e-commerce bans and advertising limitations, make marketing and promotion efforts difficult, posing short-term challenges for market recovery.
2. Relevance of upstream, midstream and downstream industries
- (1) Inland Container Transportation
- The container transportation industry is divided into export and import logistics, with inland transportation services provided by domestic trucking companies. The major players in Taiwan's inland container transport sector include Wei Lian Transport, Sea & Land, and Evergreen Logistics.
- A. Export Process:
 - a. Domestic manufacturers/exporters coordinate with trucking companies to transport empty containers to factories for loading.
 - b. Once loaded, containers are transported to container yards designated by shipping lines for customs clearance (CY import/export operations).
 - c. From the container yard, trucking companies deliver containers to port terminals for vessel loading (transshipment operations).
 - d. Within the port, containers are transported between terminals or nearby storage areas (quay operations).
 - B. Import Process:
 - a. The process mirrors export operations in reverse, with the final step involving the return of empty containers to designated container yards.
- (2) Heavy Machinery Transportation & Hoisting
- Commissioned by domestic and international equipment manufacturers, EPC contractors, global logistics providers, and shipping companies, this business involves the inland and coastal transportation of oversized machinery and plant equipment.
- A. Import Process:
 - a. Upon port arrival, cargo is hoisted onto specialized multi-axle hydraulic trailers or self-propelled modular transporters (SPMTs).
 - b. If coastal shipping is required, cargo is secured on barges and transported to a temporary dock near the project site.
 - c. Upon arrival, heavy equipment is hoisted onto the shore and transported to the final location.
 - B. Export Process:
 - a. Typically involves short-distance transport to vessel-side loading for international shipments.

(3) Imported Spirits Business

The supply chain follows a three-tier structure, where importers procure products, distribute them through wholesalers, and ultimately supply retail stores and direct sales channels.

3. Development trends and competition of products

(1) Inland Container Transportation

A. Industry Trends – Not applicable (service-based business).

B. Competitive Landscape:

- CY Import/Export Container Transportation:

- a. Primarily regional, short-to-mid-distance transport, where small-to-medium-sized clients dominate.
- b. Low entry barriers allow for high competition, with individual truck owners participating.
- c. Small clients are highly price-sensitive, but larger corporate clients require greater transport capacity, limiting competition to established trucking firms.

- Transshipment & Quay Operations:

- a. Primarily serve shipping lines, requiring mid-to-long-haul transport capacity, limiting competition to larger trucking firms.
- b. Stable daily volumes and balanced north-south flows are key profitability factors.

(2) Heavy Machinery Transportation & Hoisting

A. Product development trends and competition (not products, but transportation services).

B. Competition:

- a. Limited competition in large-scale projects, as smaller competitors lack specialized equipment and expertise.
- b. International firms pose the primary competition in large-scale contracts.

(3) Imported Spirits Business

A. Development trend:

Customization is a key trend to cater to different distribution channels.

B. Competition:

Consumer purchasing decisions are influenced by branding, packaging, age statement, grape variety, and marketing strategies.

(III) Technology and Research & Development Overview:

1. Heavy Machinery Transportation & Hoisting

To enhance the team's competitiveness and collaborative project execution, we plan to partner with investment collaborators to evaluate the acquisition of new hydraulic modular transporters while also training new technical personnel to acquire advanced skills. This initiative aims to improve transportation efficiency and operational effectiveness.

For tugboats and barges, we will continue purchasing and upgrading equipment while investing in maritime talent development to strengthen the quality and capacity of our fleet and workforce. These ongoing efforts will maintain our long-term competitive edge in the industry.

2. Imported Spirits Business

Given the rapid growth of the global whisky market, we plan to expand our portfolio by developing partnerships with new distilleries and introducing new products.

For wine, we will increase our offerings from New World wine-producing countries to meet evolving consumer preferences.

(IV) Short- & Long-Term Business Development Plans:

1. Inland Container Transportation

To ensure cargo and driver safety, reduce fuel consumption and maintenance costs, and provide superior customer service, we will:

- (1) Continue fleet renewal by replacing outdated vehicles with the latest environmentally friendly models that meet the highest safety standards.

- (2) Recruit and train new personnel, improve employee compensation and benefits, and enhance the work environment, as talent sustainability is key to long-term corporate sustainability.
- (3) Improve operational efficiency and service quality by fully digitizing our operations, including:
 - A. Mobile-enabled dispatch system
 - B. E-system integration
 - C. Automated financial and account management systems.
 These advancements will streamline workflows, enhance quality control, and increase processing efficiency.

2. Heavy Machinery Transportation & Hoisting

- (1) Equipment Investment & Strategic Partnerships:
 - A. Continue acquiring new heavy transport equipment and form strategic alliances with international heavy machinery manufacturers.
 - B. Seek strategic partnerships with domestic large-scale hoisting companies to support each other, reduce competition, lower crane equipment costs, and increase profit margins.
- (2) Skilled Workforce & Competitive Edge:
 - A. Maintain a highly skilled workforce through continuous training and certification programs.
 - B. Expand operations with cutting-edge equipment and monitor market trends to make timely investments.
 - C. For high-cost, low-frequency equipment, explore international leasing options to optimize cost efficiency while securing the best business opportunities.
- (3) Integrated Project Execution:
 - A. Enhance expertise in power plants, petrochemical plants, steel mills, and offshore wind projects, integrating:
 - a. Business operations
 - b. Project planning
 - c. Execution efficiency
 - B. Leverage technical expertise, equipment performance, and planning capabilities to improve transportation efficiency, positioning the company to secure major domestic infrastructure projects while expanding its international business footprint.

3. Imported Spirits Business

- (1) Short-Term Development Plan

Focus on selling existing inventory, discontinuing low-margin and slow-moving products to optimize profitability and turnover rates.
- (2) Long-Term Development Plan

Strengthen brand-building efforts by hosting wine-pairing dinners and tasting events as part of our long-term promotional strategy.

II. Market Overview and Production and Sales Status:

(I) Market Analysis:

1. Key Sales & Service Regions

Sales Region	Service item
Domestic Market	Inland Container Transportation Heavy Machinery Transportation, Hoisting, and Installation Goods Sales (Imported Spirits, Gas Station) Others (Warehousing, Real Estate Leasing)

2. Market Share, Future Supply & Demand Trends, and Growth Potential

(1) Inland Container Transportation

The volume of container shipments is highly correlated with global trade activity and is influenced by macroeconomic factors, making future market conditions uncertain. However, essential goods (such as consumer necessities) consistently account for a significant portion of container shipments, which provides some stability and optimism for the sector.

Although there are numerous trucking companies engaged in container transportation, the number of financially stable mid-to-large-sized players is relatively limited, and each has a well-established market share. Therefore, short-term fluctuations in market share are unlikely.

However, during economic downturns, weaker players may exit the market, reducing competition. By continuing to attract and retain skilled personnel, expanding transport capacity, and maintaining strong customer relationships, Sea & Land is well-positioned for future growth and an increase in market share.

(2) Heavy Machinery Transportation & Hoisting Services

The government continues to drive comprehensive "Forward-Looking Infrastructure Development Programs," designed to meet Taiwan's long-term development needs for the next 30 years. These projects include (Railway infrastructure development):

A. High-Speed Rail (HSR) extension to Pingtung (144 new train sets)

B. Taipei Circular Line (Phase 2), San-ying Line, Wanda Line, Ankeng Light Rail, Kaohsiung Light Rail (Phase 2), Taoyuan Metro Green Line, and Kaohsiung Metro Gangshan-Luzhu Extension

C. Airport MRT expansion, including a new terminal station at Taoyuan Airport.

Each of these projects involves the transportation and hoisting of heavy machinery and equipment, presenting significant business opportunities. Sea & Land will closely monitor these developments and actively pursue related transportation projects.

For offshore wind power projects, the company is actively seeking partnerships with international wind turbine manufacturers and plans to expand expertise in maritime engineering technologies. Additionally, strategic alliances with domestic supply chain stakeholders—including steel structure manufacturers, shipbuilders, and specialized engineering firms—will foster mutual growth and industry synergies. Given that offshore wind power requires at least 25 years of operation and maintenance (O&M) after the construction phase, this sector holds long-term business potential.

The company is also closely monitoring projects from private and state-owned power plants and establishing early-stage collaborations with equipment manufacturers and contractors to secure competitive advantages in upcoming bids.

As Taiwan moves toward net-zero emissions by 2050, industries such as power plants, petrochemical plants, and steel mills are upgrading their facilities and adopting new equipment. These infrastructure transformations create substantial business opportunities for heavy machinery transportation and hoisting, reinforcing our role as a critical logistics provider in Taiwan's clean energy transition.

(3) Imported Spirits Business

Overall Market Performance

In 2024, Taiwan's imported Spirits market faces challenges due to global economic pressures, inflation, and shifting consumer behavior. These factors have restricted growth, leaving the market in a sluggish state.

A. Impact of Global Wine Trends on Taiwan

According to the International Organization of Vine and Wine (OIV), global wine consumption in 2023 hit a 27-year low. This trend has influenced Taiwan, where consumer preferences are shifting away from traditional wines toward cocktails, low-alcohol beverages, and non-alcoholic drinks. As a result, the mid-range wine segment is under pressure, while demand for premium wines remains stable.

B. Whisky Market Trends & Supply-Demand Dynamics

In 2023, Taiwan remained a key player in the global Scotch whisky market. However, 2024 has seen declining demand due to high inventory levels, resulting in decreasing import volumes and values.

- a. Slow inventory turnover has created challenges for distributors, as the pace of demand recovery has fallen short of expectations.
- b. The supply demand imbalance is expected to persist in the short term, affecting overall industry performance.

C. Emerging Product Demand

While organic wines, sparkling wines, and rosé wines are gaining traction, demand remains limited to niche consumer groups. These trends are not yet strong enough to drive substantial overall market growth.

3. Competitive Advantages, Market Prospects, Favorable & Unfavorable Factors, and Response Strategies

(1) Inland Container Transportation

To maintain competitiveness, we will:

- A. Continuously upgrade and maintain the best transportation equipment.
- B. Attract and train high-quality talent to enhance professional skills.
- C. Build and sustain long-term relationships with clients.
- D. Establish strong partnerships with suppliers and industry peers.
- E. Maintain a strategic proportion of outsourced trucking capacity for greater flexibility.
- F. Optimize management systems and integrate advanced information and communication technologies (ICT).
- G. Actively implement ESG initiatives and focus on sustainable development.

These competitive advantages position us favorably for future growth.

However, price competition remains a key challenge in the industry. Our strategy is to avoid price wars, as excessive price reductions can undermine profitability, hinder equipment upgrades, and make it difficult to attract top talent. Companies that rely solely on price competition may not achieve long-term sustainability.

We remain committed to continuous improvement and will not deviate from our core strategies, even if it means facing short-term business volume fluctuations. Our long-term vision is to enhance competitiveness rather than engage in unsustainable price cutting.

(2) Heavy Machinery Transportation & Hoisting Services

With exceptional expertise and extensive experience in heavy machinery transportation and hoisting, we aim to expand partnerships with international technical installation firms to capture growth opportunities in major infrastructure projects.

Furthermore, Taiwan's offshore wind power initiatives and emerging infrastructure development in Asia are expected to generate significant demand for heavy transport services, providing long-term business opportunities. To maintain our competitive edge, we will continue expanding service capabilities and improving internal operational efficiency.

A. Favorable factors:

a. Strong Execution Capability & Specialized Equipment

- Our division possesses exceptional execution capabilities in large-scale projects.
- We own specialized transport and hoisting equipment, including:
 - (a)Hydraulic modular transporters with a maximum load capacity of 2,820 tons.
 - (b)Tugboats (3,200 tons, 1,200 tons, 600 tons) and multiple barges (85m–100m), forming a comprehensive tug-and-barge fleet.
- We will continue investing in essential heavy equipment to enhance service capacity.

b. Extensive Experience in Heavy Machinery Transport & Hoisting

- Our company has long-standing partnerships with Japanese, European, and American transport companies, allowing us to adopt global best practices.
- We have a highly skilled workforce that sets us apart from competitors.
- Over the past decade, we have successfully handled large-scale petrochemical equipment, power plant machinery, MRT and high-speed rail projects, reinforcing our expertise.

c. Energy Transition & Climate Change Initiatives

- Climate change is a major economic and social challenge worldwide.
- Taiwan's government-driven energy transition includes expanding green energy investments and introducing carbon tax incentives to boost exports.
- Sea & Land actively participates in offshore wind power logistics, including onshore transportation and assembly operations.
- We have also acquired large transport barges to strengthen our maritime logistics capabilities.
- We collaborate with relevant industries to engage in major port cargo handling and installation projects.

B. Unfavorable Factors & Response Strategies

a. Industry Competition

Competitors are engaging in aggressive price competition and expanding their equipment fleets, intensifying market pressure.

Response Strategies:

- (a)Enhance business planning capabilities to minimize unnecessary labor costs.
- (b)Optimize machinery operations and utilization to reduce costs and increase profitability.
- (c)Develop specialized expertise in heavy transport, installation, and tug-barge operations to stay ahead of industry trends.
- (d)Secure turnkey contracts to expand service opportunities and improve margins.

b. Market Competition & Globalization

- Many countries—including Japan, South Korea, China, and Western nations—are actively competing in the Asian infrastructure market.
- Historically, Japanese and Korean firms dominated large-scale infrastructure projects in Southeast Asia, benefiting from technology transfers.
- In recent years, Chinese companies have aggressively entered the market, leveraging low-cost bids, concessional loans, labor exports, and turnkey project incentives, making competition more intense.

Response Strategies:

- (a)Strengthen relationships with domestic general contractors for major infrastructure projects through strategic alliances.
- (b)Actively participate in Taiwan's offshore wind power sector, which plans to develop dozens of wind farms along the western coast over the next decade.

- (c) Continuously monitor market trends to identify opportunities in transport, port logistics, and warehousing for offshore wind projects.
 - (d) Maintain strong connections with equipment suppliers and freight contractors to secure domestic government infrastructure projects.
 - (e) Expand international opportunities by collaborating with Japanese firms in Southeast Asia and supporting Taiwanese companies with overseas factory expansions, securing global equipment transportation and installation contracts.
- (3) Imported Spirits Business
- A. Favorable factors:
 - a. Resilient High-End Market
 - While overall consumer demand remains weak, premium whisky and collectible limited editions continue to attract demand from niche markets.
 - b. Rising Demand for Health-Oriented Products
 - Low-alcohol, organic, and natural wines are gaining popularity, particularly among young female consumers and high-income groups.
 - B. Unfavorable Factors & Response Strategies
 - a. Weakened Consumer Spending & Declining Demand
 - Global inflation, rising prices, and slow post-pandemic economic recovery have significantly reduced consumer willingness to purchase high-end alcoholic beverages.
 - Short-term market recovery remains uncertain.
 - b. Intensified Market Competition & Traditional Brand Challenges
 - The rise of new wine-producing regions, along with the growing popularity of low-alcohol and non-alcoholic beverages, has eroded market share for traditional whisky and wine brands.
 - The expanding cocktail culture has diverted younger consumers away from traditional spirits.
- Response Strategies:
- (a) Adapt to market shifts by adjusting procurement and inventory strategies to optimize product mix.
 - (b) Focus on high-potential categories, gradually restructuring product offerings to align with changing consumer preferences.
 - (c) Explore emerging demand trends and introduce innovative new products to maintain brand visibility and strengthen consumer engagement.

(II) Primary Product Applications & Production Processes: As a service-oriented company, this section is not applicable.

(III) Supply of Key Raw Materials: As a service-oriented company, this section is not applicable.

(IV) Names of customers who accounted for more than 10% of the total purchase (sales) in any of the past two years, and the amount and proportion of their purchases (sales)

1. Customers accounting for more than 10% of the purchases in the income statement for 2024 and 2023: The customer whose purchases accounted for more than 10% of the purchases in the income statement was CPC Corporation, Taiwan, the main customer of the sales department (Oil and Gas Department).

Information on key suppliers in the past two years

Item	2024				2023				2025 as of the previous quarter(Notes 1)		
	Name	Amount	Ratio to net annual purchases (%)	Relationship with the issuer	Name	Amount	Ratio to net annual purchases (%)	Relationship with the issuer	Name	Amount	Ratio to net purchases of the current year as of the previous quarter (%)
1	A	188,362	12.17	None.	A	179,083	11.71	None.			
	Others	1,358,771	87.83		Others	1,350,325	88.29		Others		
	Net purchase	1,547,133	100.00		Net purchase	1,529,408	100.00		Net purchase		
											Not applicable

2. Customers accounting for more than 10% of the Company's sales revenue in the income statement for 2023 and 2024:

In 2024, the customer accounting for over 10% of sales revenue was a major client of the Machinery Transportation and Lifting Department in 2024.
**Revenues in 2024 are lower than in 2023, mainly due to the impact of the wider environment in the transport sector.

Item	2024				2023				2025 as of the previous quarter (Note 1)		
	Name	Amount	Ratio to net annual sales (%)	Relationship with the issuer	Name	Amount	Ratio to net annual sales (%)	Relationship with the issuer	Name	Amount	Ratio to net sales of the current year as of the previous quarter (%)
1	甲	306,998	16.89								
	Others	1,510,797	83.11		Others	1,803,062	100.00		Others		
	Operating revenue	1,817,795	100.00		Net sales	1,803,062	100.00		Net sales		
											Not applicable

Note 1: As of the date of printing of the annual report, if there is the most recent financial information audited, certified, or reviewed by CPAs of a company that is listed on the TSWE or TPEx or whose shares have been traded at securities firms, disclose it as well.

(As of the date of printing of the annual report, The Company's financial information for the first quarter of 2025 has not yet been reviewed by CPAs)

III. Number of employees, average years of service, average age, and distribution of educational background for the past two years and up to the date of printing of the annual report:

Year		2024	2023	Current year as of April 15, 2025
Number of employees	Staff and technicians	164	166	161
	Drivers	120	121	119
	Total	284	287	280
Average age		49.27	48.91	49.56
Average years of service		12 years and 7 months	11 years and 6 months	12 years and 3 month
Distribution of educational background	PhD	0	0	0
	Master	0.70	1.05	0.71
	University and college	31.63	29.96	32.50
	Highschool	49.01	49.13	47.86
	Below high school	18.66	19.86	18.93

IV. Environmental expenditure information:

- (I) Total amount of losses and penalties due to environmental pollution in the past year and up to the date of the press: None.
- (II) Future countermeasures for losses due to environmental pollution: Not applicable.
- (III) Environmental protection expenditure and measures: The Company strictly implements various existing environmental protection and pollution prevention regulations, attaches importance to environmental cleaning and maintenance as well as vehicle maintenance and repair, and strengthens training to the staff (technicians, drivers, etc.) on environmental protection and pollution prevention to fulfill the environmental protection responsibilities. The specific measures are as follows:

1. Site maintenance:

- A. Dedicated persons are responsible for the cleaning and garbage removal of the parking lot.
- B. When entering the site, vehicles are required to slow down and not honk the horn to generate noises.
- C. Vehicle are cleaned by dedicated persons before departure.
- D. Both waste tires and waste oil are recycled via the signing of contracts with the suppliers.
- E. The office regularly promotes the concept of energy conservation and carbon reduction, and implements the energy-saving concept including turning off lights and recycling waste paper.

2. Vehicle management and maintenance:

- A. The Company's vehicles are traction vehicles imported from Europe, and all newly purchased vehicles comply with the latest environmental standards for tractor-trailers.
- B. Each vehicle needs to return to the original factory or a legitimate manufacturer needs to be entrusted for regular maintenance and replacement of spare parts according to the number of kilometers specified by the original factory, and timely maintenance and repair is required to meet environmental standards.
- C. Each business office of the Company has maintenance professionals conducting basic inspection and replacement work on vehicles' electrical appliances, wires, etc.
- D. All vehicle fuels are from the Company's designated legal manufacturers and contracted gas stations to prevent poor quality and smoke pollution.
- E. Each traction vehicle uses the R-134A refrigerant according to international environmental regulations for refrigerants.
- F. Each vehicle engine is added with high-quality catalyst reducing agent to reduce smoke emission and enhance engine horsepower to meet environmental standards.
- G. The vehicles in each business office of the Company comply with environmental standards, and are regularly managed independently each year for smoke detection application.

V. Labor Relations

- (I) Various employee welfare measures, further study, training, retirement systems and their implementation, as well as labor management agreements and various employee rights and interests protection measures:

1. Employee welfare measures:

- (1) An employee welfare committee is established in accordance with the law to handle various welfare measures, such as year-end dinner party, three-festival welfare allowances every year, and subsidies for weddings, funerals and festivities.
- (2) Labor insurance, employment insurance and national health insurance are purchased in accordance with the law, together with group accident insurance.
- (3) An employee health check is held every year.

2. Further study and training:

The Company's plans and operating procedures for employees' further study and training are handled in accordance with relevant regulations and the Company's QP-13 "Employee Training Management Procedure."

Implementation of further study and training in 2024:

	Total number of people	Total number of hours	Amount
1. New employees	0	0	0
2. Professional capability training	76	652	302,950
3. Supervisor capability training	7	36	25,381
4. General training	15	125	19,500

3. Retirement system and its implementation:

- (1) The Company has formulated a "Labor Pension Scheme" according to the Labor Standards Act and the Group Agreement.
- (2) The Company has established a labor pension reserve supervision committee.
- (3) According to the new and old retirement systems, pension reserves are allocated and deposited into the special pension account at the Bank of Taiwan or into the individual pension account at the Bureau of Labor Insurance.
- (4) Implementation status: There were one retirees in 2024, with pension expenditure of NT\$4,005,000

4. Other important agreements: None.

5. Employee rights and interests protection measures:

- (1) The Company has formulated various management rules in accordance with labor related laws and regulations as well as the Act of Gender Equality in Employment to protect the rights and interests of employees.
- (2) In order to promote driving safety, the Company's vehicles are equipped with traffic recorders, and drivers who have not caused accidents or violated regulations are given appropriate rewards in accordance with the "Driving Safety Rewards and Punishments Measures." For those who maintain a safe driving record, a safety bonus is issued every six months as a reward.

- (II) For the most recent year and up to the date of printing of the annual report, disclose the losses incurred due to labor disputes, and the estimated amounts that may occur at present and in the future and countermeasures: The Company has been established for many years with good labor relations, and no significant labor disputes have occurred, so there is no estimate of the amount.

VI. Infocomm security management:

- (I) The Company has formulated the “Management Measures for Computerized Information System and Information Security” to standardize the information security risk management framework, information security policies, specific management plans, and resources invested in infocomm security management. The outline is as follows:

1. Division of functions and responsibilities of the IT Department.
2. System development and program modification control.
3. System document preparation control.
4. Program and data access control.
5. Data output and input control.
6. Data processing control.
7. Archive and equipment safety control.
8. Hardware and system software procurement, use, and maintenance control.
9. System recovery plan system and test procedure control.
10. Control of infocomm security inspections.
11. Operational control related to public information reporting.

The Company has set up a dedicated information security supervisor and a dedicated information security officer to promote, coordinate, supervise and review information security management matters.

In addition, internal auditors and computer auditors from a third-party accounting firm shall annually audit the control of infocomm security inspections in accordance with the audit plan, prepare an audit report, and report the implementation results to the board of directors.

A. Specific management plans:

- The host system and PCs are equipped with antivirus systems to monitor and check whether there are viruses in incoming and outgoing data.
- The computer system on the external Internet is equipped with a firewall system to monitor and prevent malicious attempts, theft and destruction of information systems by unknown individuals outside.
- Computer room access control is in place to prevent illegal intrusion, bringing in dangerous goods and illegally taking out items.
- An annual system disaster drill is conducted to ensure the integrity and availability of backup data.
- From time to time, the Company conducts internal and outsourced vendor asset safety audits, develops improvement measures for identified issues, and tracks improvements.
- The Company regularly conducts host vulnerability scanning. The Company pays attention to security vulnerability announcements, promptly fixes high-risk vulnerabilities, and irregularly evaluates and handles security vulnerability fixes for devices, system components, database systems and software.
- The email system is equipped with an antivirus system and email filtering mechanism to filter messages for viruses and spam.
- Employees can log in remotely only after being configured through SSL VPN and provided with an identification IP, account number and password information by the IT Department.
- Independent logical domains (such as DMZ, internal or external networks) are partitioned in the network service area, and we will develop, test and formally partition the operating environment to appropriately establish information security control measures for different operating environments.

B. Investing resources in information security management:

- Device protection: Introduce advanced anti-virus, firewall and other security software, and update them regularly.
- Backup mechanism: Establish a comprehensive redundancy system to ensure that no data is lost.
- Risk assessment: Conduct regular CSC scans every year to detect and repair weaknesses at an early stage.
- User education: Regularly organize information security education and training to remind colleagues of common attack methods such as phishing emails.
- Password policy: Mandatory staff to regularly change complex passwords every three months and set a strong password policy.

(II) Losses arising from major infocomm security incidents in the last year up to the publication date of the annual report, possible impact and countermeasures; state the reasons if the losses cannot be reasonably estimated. : None.

VII. Important Contracts:

Contract nature	Parties	Contract start and end dates	Main contents	Restrictive clauses
Equipment transportation contracts	CTCI	March 2021 – March 2025	Heavy equipment transportation, barge and temporary wharf works.	None.
Equipment transportation contracts	(Korea)Hyundai Engineering Co., Ltd. Taiwan Branch	June 2023 – June 2024	A. Transportation of heavy equipment of power plants.	None.
Equipment transportation contracts	JFE ENGINEERING CORPORATION TAIWAN BRANCH (JAPAN)	November 2023 – October 2024	A. Heavy equipment transportation projects.	None.
Equipment transportation contracts	Oriental Petrochemical(Taiwan) Co.,Ltd.	September 2024 –March 2025	Heavy equipment transportation planning project	None.

Chapter 5 Review of Financial Conditions, Operating Results, and Risk Management

I. Financial status: The main reasons for significant changes in assets, liabilities and shareholders' equity in the past two years and their impact. If the impact is significant, future countermeasures should be explained:

Item \ Year	2024	2023	Difference		Change analysis
			Amount	%	
Current assets	764,558	675,208	89,350	13.23	
Capital and investment	432,400	461,552	(29,152)	(6.32)	
Fixed assets	1,281,160	1,440,576	(159,416)	(11.07)	
Intangible assets	937	406	531	130.79	
Other assets	301,395	224,791	76,604	34.08	1
Total assets	2,780,450	2,802,533	(22,083)	(0.79)	
Current liabilities	527,498	598,370	(70,872)	(11.84)	
Long-term liabilities	193,340	232,140	(38,800)	(16.71)	
Other liabilities	60,113	62,497	(2,384)	(3.81)	
Preparations	0	0	0	0.00	
Total liabilities	780,951	893,007	(112,056)	(12.55)	
Share capital	1,048,766	1,048,766	0	0.00	
Capital surplus	148,032	87,926	60,106	68.36	2
Retained earnings	802,171	792,905	9,266	1.17	
Unrealized gains and losses on financial products	(44,940)	(61,687)	16,747	(27.15)	3
Cumulative translation adjustment	(28,387)	(29,821)	1,434	(4.81)	
Unrecognized net loss on retirement benefits	0	0	0	0.00	
Unrealized revaluation appreciation	0	0	0	0.00	
Total shareholders' equity	1,999,499	1,909,526	89,973	4.71	

Description of change in increase/decrease ratio: Only those with an increase/decrease ratio of 20% and a change amount exceeding NT\$10,000 thousand are analyzed.

1. Other assets: An increase of NT\$76,604 thousand in 2024 compared with 2023, This is mainly due to the reclassification of fixed assets of the parent company to investment real estate of NT\$115,374 thousand in 2024.
2. Capital surplus: An increase of NT\$60,106 thousand in 2024 compared with 2023, This is mainly due to the increase of NT\$60,106 thousand in the shareholding ratio of the parent company in 2024 due to the change in the shareholding ratio of affiliated enterprises.
3. Unrealized gains and losses on financial products: An increase of NT\$16,747 thousand in 2024 compared with 2023, It is mainly due to the NT\$16,747 thousand increase in the valuation of listed company stocks held by the parent company in 2024.

II. Financial performance: The main reasons for significant changes in operating revenue, operating net income, and pre-tax net income in the most recent two years, as well as the expected sales volume and its basis, the possible impact on the Company's future financial operations, and countermeasures:

(I) Financial Performance Analysis:

Item \ Year	2024	2023	Difference	
	Amount	Amount	Amount	%
Total operating revenue	1,817,795	1,803,062	14,733	0.82
Less: Sales returns and discounts	0	0	0	0
Total operating revenue	1,817,795	1,803,062	14,733	0.82
Operating costs	1,547,133	1,529,408	17,725	1.16
Gross profit from operations	270,662	273,654	(2,992)	(1.09)
Operating expenses	176,699	185,465	(8,766)	(4.73)
Net operating profit (loss)	93,963	88,189	5,774	6.55
Total non-operating income and expenses	57,612	139,103	(81,491)	(58.58)
Net operating profit (loss) before tax	151,575	227,292	(75,717)	(33.31)
Income tax expense (benefit)	21,741	19,673	2,068	10.51
Profit (loss)	129,834	207,619	(77,785)	(37.47)

Note: Excluding realized (unrealized) sales benefits with affiliated companies.

Description of change in increase/decrease ratio: Only those with an increase/decrease ratio of 20% and a change amount exceeding NT\$10,000 thousand are analyzed.

1. Reasons for the decrease in non-operating income and expenses.

Non-operating income and expenses in 2024 decreased by 58.58% due to: The main reason is that the parent company recognized a loss of NT\$34,998 thousand in 2024 and a decrease of NT\$30,096 thousand in long-term investment income in 2024 compared with 2023, resulting in a decrease of NT\$75,717 thousand in pre-tax net profit in 2024 compared with 2023, and also a decrease in net profit in the current period in 2024 compared with the same period last year.

(II) Expected sales volume and basis

The company's main business projects include: container transportation business, heavy machinery transportation and hoisting business, and foreign wine import, which are summarized as follows:

1. Inland Container Transportation:

This business item still accounts for the largest proportion of the overall turnover. Since this business is closely dependent on the overall economy, global demand will decrease due to inventory depletion and inflation in the first half of 2025, and cargo carrying capacity will be weak. It is expected that supply and demand will recover in the second half of the year. With normalization and inflation slowing down, the container shipping business still has a chance to maintain its carrying capacity.

2. Heavy Machinery Transportation & Hoisting:

In 2025, the main businesses that have been obtained by Heavy Machinery are as follows: petrochemical plant equipment renewal, power plant unit heavy equipment transportation, MRT carriage transportation..... Barge rental, etc.

3. Foreign wine import business:
After years of hard work, the company has developed a variety of products. Through sales channels across the province, the company maintains its original best-selling products, increases repurchase rates, builds consumer confidence, and continues to develop new products to expand the market.

(III) Possible impact on the Company's future financial operations and countermeasures

1. The Transportation and Warehousing Division, facing the impact of Chinese peer competition, uses vehicle dispatch computerization to improve efficiency, and adopts a business strategy of increasing revenue and reducing costs to maintain the stable operation of the container department, and strive for new routes for other shipping companies.

2. The Company has excellent experience and ability in heavy machinery transportation and hoisting, and continuously replaces the old with new tugboat fleets for business opportunities from major engineering needs.

Over the years, the Company has experienced multiple tests of global economic downturn and competition among peers, and is well aware of the importance of strategic application. The business department continues strengthening internally to enhance its competitiveness.

III. Cash flow: Analysis and explanation of changes in cash flow in the most recent year, improvement plan for liquidity deficiency, and analysis of cash liquidity for the next year

(I) Analysis of changes in liquidity in the most recent year:

Item \ Year	2024	2023	Increase (decrease) ratio
Cash flow ratio (%)	52.86	19.53	170.66%
Cash flow adequacy ratio (%)	65.58	50.57	32.79%
Cash reinvestment ratio (%)	5.06	0.15	3280.00%

Cash flow ratio: This is mainly due to the fact that the Group's net cash flow from operating activities in 2024 increased by NT\$161,991 thousand yuan compared with 2023 and current liabilities in 2024 Decreased by NT\$70,872 thousand yuan compared with 2023, resulting in a increased in the cash flow ratio in 2024 compared with 2023.

Cash reinvestment ratio: Mainly due to the Group's 2024 operating profit increased by NT\$5,774 thousand yuan compared with 2023, and the distribution of cash dividends in 2024 of NT\$125,852 thousand yuan, resulting in an increased in the cash reinvestment ratio in 2024 compared with 2023.

(II) Improvement plan for insufficient liquidity: adjust financial structure, review low-profit businesses, reduce expenditures, and actively create sources of profit.

(III) Analysis of cash liquidity for the next year

Opening cash balance (1)	Estimated annual net cash flow from operating activities (2)	Estimated annual cash inflow (outflow) excluding those from operating activities (3)	Estimated remaining (insufficient) amount of cash (1)+(2)+(3)	Remedies for estimated cash shortfall	
				Investment plan	Wealth management plan
95,030	198,867	(218,717)	79,696	None	None.

Analysis of cash flow changes in the next year:

Operating activities: In response to the 2050 net-zero carbon emissions, various industries are actively updating low-carbon emission equipment, all of which are heavy machinery transportation markets, and the Group's cash inflow from operating activities should continue to increase. In 2025, it is expected to replace the ships transported by heavy machinery and increase the cash outflow from investment activities.

Investment activities: Continue to replace old transportation equipment with new ones.

Financing activities: There is no cash shortage and no financing activities planned in the next year.

IV. The impact of major capital expenditures in recent years on financial operations:

- (I) Application of major capital expenditures and sources of funds: The company is in the transportation industry, and major capital expenditures are the replacement of old transportation equipment with new ones. Part of the funds are from applying for medium- and long-term bank financing.
- (II) Expected benefits: Replacing old transportation equipment with new ones can ensure transportation safety and improve equipment efficiency, such as reducing fuel consumption and maintenance costs. Transportation safety is the most important indicator in the transportation industry. Our company's tractor-trailer procurement complies with the latest environmental standards, reducing carbon emissions and reducing air pollution.

V. The most recent annual reinvestment policy, the main reasons for its profits or losses, improvement plans and investment plans for the next year:

The company's reinvestment policy focuses on those related to the business of the company or its subsidiaries, and investment plans will be reported in a timely manner based on actual needs. In recent years, it has invested in related enterprises, and its main business is the transportation and hoisting of heavy machinery. The main reason for making profits is: cooperating with the government's policy of developing green energy power generation - offshore wind power... and other transportation projects, which have made a lot of contributions to the company. In the coming year,

VI. Analysis and evaluation of risks:

(I) Impact of interest rate and exchange rate changes and inflation on the Company's profit or loss and countermeasures in the future:

i. Impact on the Company's profit and loss:

Item	2024 (NT\$ thousand; %)
Net interest income and expenditure	7,938
Net exchange gains and losses	-667
Ratio of net interest income and expenditure to net revenue	0.44%
Ratio of net interest income and expenditure to profit before tax	5.24%
Ratio of net exchange gains and losses to net revenue	-0.04%
Ratio of net exchange gains and losses to profit before tax	-0.44%

(1) Interest rate fluctuations

The company's cash flow risk with interest rate changes in the most recent year is medium and long-term borrowings: The balance is NT\$193,340 thousand. If the market interest rate changes, the effective interest rate will change accordingly. If the market interest rate increases by 1%, the company's annual expenses will increase by approximately NT\$1,933 thousand.

(2) Exchange rate fluctuations

The company's main source of profit is the domestic demand industry, with a small foreign currency position, and exchange rate fluctuations have little impact on profits and losses.

(3) Inflation

The company belongs to the transportation industry, and transportation equipment procurement costs and labor salaries increase with inflation.

ii. Future countermeasures:

(1) Countermeasures for fluctuations in interest rates: Adjust the financial structure, actively create sources of profit, and reduce borrowing.

(2) Countermeasures for exchange rate fluctuations: As the Company mainly relies on domestic industrial demand, there is no large foreign currency demand.

(3) Countermeasures for inflation: Moderately increase freight rates in response to the market demand and supply situation.

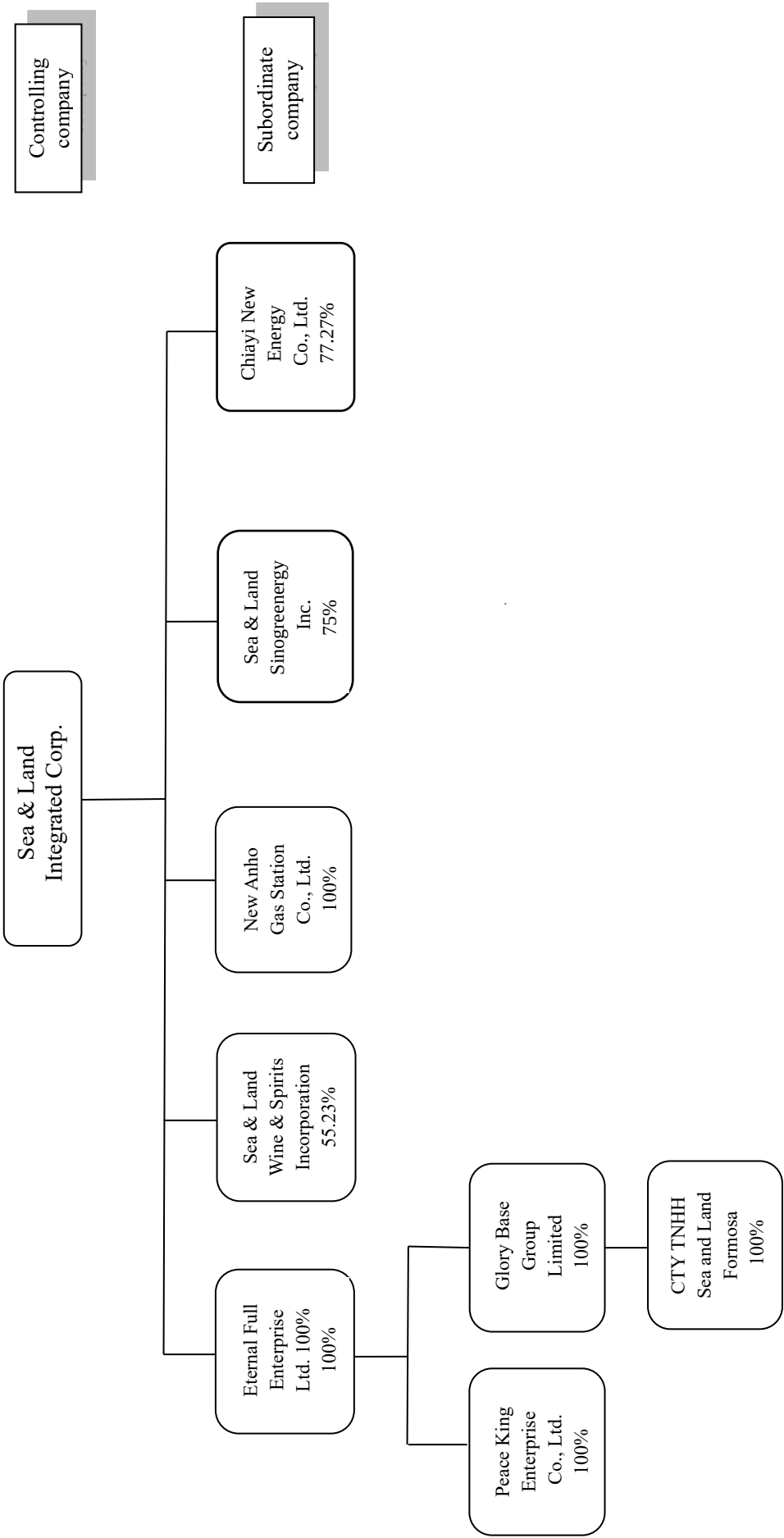
- (II) Policies for high-risk and high-leverage investment, lending to others, endorsements and guarantees and derivative transactions, main reasons for profit or loss and countermeasures in the future:
The Company adopts a conservative financial operating policy, and has not engaged in high-risk or high-leverage investments as of the end of 2024. All the loan extensions and endorsements, and guarantees are required by reinvestment businesses. Derivative financial products are all for substantive trading purposes.
- (III) Future research and development plans and expected investment in research and development costs: Currently, there are no major research and development plans.
- (IV) The impact of significant domestic and foreign policy and law changes on the Company's financial operations and countermeasures: No significant impact.
- (V) The impact of technological and industrial changes on the Company's financial operations and countermeasures: No significant impact.
- (VI) The impact of corporate image change on corporate crisis management and countermeasures: No significant impact.
- (VII) The expected benefits, possible risks, and countermeasures of mergers and acquisitions: The Company has not conducted any mergers or acquisitions.
- (VIII) Expected benefits, possible risks, and countermeasures for expanding the factory building: There is no need to expand the plant in the near future.
- (IX) Risks faced by centralized purchase or sales and countermeasures: The Company's main revenue comes from container transportation and heavy machinery hoisting and transportation services, but the customers and projects are scattered; therefore, there is no risk of centralized purchase or sales.
- (X) The impact, risks and countermeasures for significant transfer or replacement of shares by directors, supervisors or major shareholders with a shareholding ratio of more than 10%: None.
- (XI) The impact, risks, and countermeasures for the change in management rights of the Company: There has been no change in the Company's management rights.
- (XII) For litigation or non-litigation events, include the significant litigation, non-litigation, or administrative disputes that have been adjudicated or are still pending which involve the Company or its directors, supervisors, President substantive responsible persons, major shareholders with a shareholding ratio of more than 10%, and affiliated companies, and the outcome of which may have a significant impact on shareholders' equity or securities prices, disclose the facts in dispute, the amount of the subject matter, the date of commencement of the litigation, the main parties involved in the lawsuit, and the handling status as of the printing date of the annual report: None.
- (XIII) Other key risks and countermeasures: None.

VII. Other important matters: None.

Chapter 6 Special Notes

I. Information of Affiliated Enterprises:
(I) Organization chart of affiliated enterprises

As of December 31, 2024



(II) Basic information of affiliated enterprises

December 31, 2024

Unit: NT\$ thousand

Company name	Date of establishment	Address	Paid-in capital	Key businesses or products
Eternal Full Enterprise Ltd.	November 7, 2008	No.4, Franky Building, Providence Industrial Estate, Mahe, Seychelles.	225,717	Professional investment company
Sea & Land Wine & Spirits Incorporation	September 30, 1997	Floor 11-1, No. 33, Section 2, Roosevelt Road, Taipei	100,000	Import and export of foreign wine and food
New Anho Gas Station Co., Ltd.	February 20, 1998	No. 37, Section 3, Anhe Road, Xindian District, New Taipei City	78,000	Real estate leasing
Sea & Land Sinogreenenergy Inc.	June 4, 2010	13th Floor, No. 99 Fuhsing North Road, Songshan District, Taipei	30,000	Non-public power generation and energy technology services
Chiayi New Energy Co., Ltd.	February 3, 2016	Floor 13-1, No. 99 Fuhsing North Road, Songshan District, Taipei	25,300	Renewable energy power generation equipment
Peace King Enterprise Co., Ltd.	November 12, 2007	No.4, Franky Building, Providence Industrial Estate, Mahe, Seychelles.	46,649	Rental of transportation and lifting equipment
Glory Base Group Limited	January 31, 2008	No.4, Franky Building, Providence Industrial Estate, Mahe, Seychelles.	158,617	Lifting engineering contracting, planning, etc
CTY TNHH Sea and Land Formosa	July 21, 2009	Meichun A2, Xincheng County, Batitungton Province, Vietnam Industrial Zone Lot No. XI – 3	148,752	Design of transportation and lifting equipment manufacturing and installation engineering

(III) Overview of the relationship between the subordinate and the controlling company: The Company is not a subordinate of another company or has a controlling relationship.

(IV) Business scope of all affiliated enterprises: including leasing of cranes and stackers, contracting and planning of lifting projects, international trade, solar power generation and foreign wine trading.

(V) Information on directors, supervisors and presidents of affiliated enterprises:

December 31, 2024

Company name	Title	Name or representative	Shareholding	
			Number of shares	Shareholding ratio
Eternal Full Enterprise Ltd.	Principal	Ho, Ying-Chin (representative of Sea & Land)	0	100.00
Sea & Land Wine & Spirits Incorporation	Chairman	Ho, Ying-Chin (representative of Sea & Land)	5,523,079	55.23
	Director	Chien, Chung-Jung	76,923	0.77
	Director (and President)	Hung, Keng-Shu	1,515,382	15.15
	Director	Lo, Chuan-Te	1,115,384	11.15
	Director	Lin, Pei-Yu	153,847	1.54
	Supervisor	Li, Hsin-Yuan	153,847	1.54
New Anho Gas Station Co., Ltd.	Chairman	Tu, Tien-Lin (representative of Sea & Land)	7,800,000	100.00
Sea & Land Sinogreenergy Inc.	Chairman	Ho, Ying-Chin (representative of Sea & Land)	2,250,000	75.00
	Director	Chien, Chung-Jung	-	0
	Director	Wang, Hsiu-Chun (representative of Sea & Land Sinogreenergy Inc.)	750,000	25.00
	Supervisor	Li, Cheng-Hsiung	-	0
Chiayi New Energy Co., Ltd.	Chairman	Ho, Ying-Chin (representative of Sea & Land)	1,955,000	77.27
	Director	Li, Yin Hsueh (representative of Sea & Land)	1,955,000	77.27
	Director	Hu, Yu-Hui (representative of Sea & Land)	1,955,000	77.27
	Supervisor	Lien, Chin-Chih	0	0
Peace King Enterprise Co., Ltd	Chairman	Ho, Ying-Chin (representative of Eternal)	0	100.00
Glory Base Group Limited	Principal	Ho, Ying-Chin (representative of Eternal)	0	100.00
CTY TNHH Sea and Land Formosa	Principal	Ho, Ying-Chin (representative of Glory Base)	0	100.00

(VI) Overview of the operations of affiliated enterprises:

December 31, 2024 Unit: NT\$ thousand

Company name	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Profit (loss) from operations	Current profit and loss after tax	Earnings per share (NT\$) after tax
Eternal Full Enterprise Ltd.	225,717	126,262	0	126,262	0	2,350	2,693	0.12
New Anho Gas Station Co., Ltd.	78,000	91,192	161	91,031	860	232	250	0.03
Sea & Land Wine & Spirits Incorporation	100,000	242,405	107,162	135,243	86,830	1,599	1,735	0.17
Sea & Land Sinogreenenergy Inc.	30,000	28,317	108	28,209	1,345	(1,685)	(1,273)	(0.42)
Peace King Enterprise Co., Ltd.	46,649	31,219	0	31,219	0	(51)	827	0.18
Glory Base Group Limited	158,617	92,562	0	92,562	0	2,061	1,575	0.10
TY TNHH Sea and Land Formosa	148,752	133,018	40,506	92,512	27,503	7,555	2,112	0.14
Chiayi New Energy Co., Ltd.	25,300	17,100	60	17,040	752	(858)	(852)	(0.34)

(VII) Consolidated Financial Statements of Affiliated Enterprises: Please refer to page 190-273.

(VIII) Statement of Consistency between the Consolidated Financial Statements and the Consolidated Financial Statements of Affiliated Enterprises: Please refer to page 190.

(IX) Affiliated Enterprise Report: None.

II. Status of private placement of securities for the most recent year and up to the printing date of the annual report: None.

III. Other necessary supplementary notes: None.

IV. During the most recent fiscal year and up to the date of printing of the annual report, whether there have been events that have a significant impact on shareholders' equity or securities prices as prescribed in subparagraph 2, paragraph 3, Article 36 of the Securities and Exchange Act: None.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying parent company only balance sheets of Sea & Land Integrated Corp. (the “Company”) as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, 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 Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

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

Description

Refer to Note 4(24) for the accounting policy on revenue recognition and Note 6(17) for details.

The Company's operating revenue is mainly consisting of machinery transportation and hoisting revenue and transportation revenue. Machinery transportation and hoisting revenue amounted to NT\$663,533 thousand, constituting 38.98% of operating revenue for the year ended December 31, 2024. The prices and quantities for machinery transportation and hoisting services are calculated based on the terms of the contracts signed with each client and the actual quantities of the service rendered. Since the weights, quantities, types and pricing that each client commissions the Company for services are all different, partial manual operations of the handling, recording and maintaining reports and records may result in the incorrect calculation of the machinery transportation and hoisting revenue. The amount can have a significant impact on the parent company only financial statements. Therefore, we consider the correctness of the machinery transportation and hoisting revenue as a key audit matter.

How our audit addressed the matter

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

1. Obtained an understanding on the nature of the Company's business and industry, and

- assessed the consistency of the internal process applied to recognise revenue.
2. Assessed and tested the design and operating effectiveness of the internal control system used by the management regarding the revenue relevant to the machinery transportation and hoisting services.
 3. Obtained details of project revenue and performed substantive procedures, including randomly selecting the significant machinery transportation and hoisting revenue in the details of project revenue and obtaining the service list against the contracts, invoices and the acceptance reports, etc. Verified the accuracy of the revenue calculation and confirmed that the amount was in agreement with the recorded revenue.

Impairment assessment of accounts receivable

Description

The Company's net accounts receivable amounted to NT\$293,022 thousand, constituting 11.32% of total assets as at December 31, 2024. Refer to Notes 4(7) and (8) for accounting policies, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to accounts receivable, and Note 6(4) for details.

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

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

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates and the information disclosed in Note 13, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT\$103,877 thousand and NT\$104,481 thousand, constituting 4.01% and 4.00% of total assets as at December 31, 2024 and 2023, respectively, and the comprehensive income (loss) recognised from associates and joint ventures accounted for using the equity method amounted to (NT\$408) thousand and (NT\$625) thousand, constituting (0.27%) and (0.31%) of total comprehensive income for the years then ended, respectively.

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 the 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 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 Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the 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 auditors' 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.

Huang, Chin-Lien

Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023			
			AMOUNT	%	AMOUNT	%		
Current assets								
1100	Cash and cash equivalents	6(1)	\$	59,110	2	\$	79,090	3
1120	Financial assets at fair value through other comprehensive income - current	6(2)		72,000	3		17,220	1
1136	Financial assets at amortised cost - current	6(3) and 8		32,787	1		32,567	1
1140	Contract assets - current	6(17)		1,015	-		31,424	1
1150	Notes receivable, net	6(4)		23,977	1		20,340	1
1160	Notes receivable - related parties	6(4) and 7		2,151	-		2,637	-
1170	Accounts receivable, net	6(4)		292,606	11		215,930	8
1180	Accounts receivable - related parties	6(4) and 7		416	-		384	-
1200	Other receivables	9		81	-		234	-
1210	Other receivables - related parties	7		14	-		-	-
130X	Inventories			1,906	-		1,861	-
1410	Prepayments			34,271	2		37,795	2
1470	Other current assets			437	-		465	-
11XX	Total current assets			520,771	20		439,947	17
Non-current assets								
1517	Financial assets at fair value through other comprehensive income - non-current	6(2)		71,523	3		79,762	3
1550	Investments accounted for using equity method	6(5) and 7		686,868	27		698,058	27
1600	Property, plant and equipment	6(6) and 8		1,139,554	44		1,298,105	50
1755	Right-of-use assets	6(7) and 7		14,328	1		18,202	1
1760	Investment property - net	6(9) and 8		114,361	4		-	-
1780	Intangible assets			937	-		406	-
1840	Deferred income tax assets	6(25)		7,920	-		9,544	-
1900	Other non-current assets	6(13), 7 and 8		33,114	1		65,944	2
15XX	Total non-current assets			2,068,605	80		2,170,021	83
1XXX	Total assets		\$	2,589,376	100	\$	2,609,968	100

(Continued)

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023			
			Notes	AMOUNT	%	AMOUNT	%	
Current liabilities								
2100	Short-term borrowings	6(10) and 8	\$	80,000	3	\$	120,000	5
2130	Contract liabilities - current	6(17)		-	-		5,000	-
2150	Notes payable			98,913	4		107,193	4
2160	Notes payable - related parties	7		2,951	-		20,940	1
2170	Accounts payable			97,477	4		81,387	3
2180	Accounts payable - related parties	7		610	-		7,487	-
2200	Other payables	6(11)		71,799	3		79,943	3
2220	Other payables - related parties	7		251	-		385	-
2230	Current income tax liabilities			10,026	-		6,255	-
2280	Lease liabilities - current	6(7) and 7		8,820	-		9,448	1
2320	Long-term liabilities, current portion	6(12) and 8		46,840	2		43,840	2
2399	Other current liabilities, others			1,482	-		1,573	-
21XX	Total current liabilities			419,169	16		483,451	19
Non-current liabilities								
2540	Long-term borrowings	6(12) and 8		193,340	8		232,140	9
2570	Deferred income tax liabilities	6(25)		36,168	2		35,723	1
2580	Lease liabilities- non-current	6(7) and 7		5,776	-		9,152	-
2600	Other non-current liabilities	6(13) and 7		9,281	-		11,413	1
25XX	Total non-current liabilities			244,565	10		288,428	11
2XXX	Total liabilities			663,734	26		771,879	30
Equity								
	Share capital	6(14)						
3110	Common stock			1,048,766	40		1,048,766	40
	Capital surplus	6(15)						
3200	Capital surplus			148,032	6		87,926	3
	Retained earnings	6(16)						
3310	Legal reserve			259,274	10		238,556	9
3320	Special reserve			91,509	4		85,415	3
3350	Unappropriated retained earnings			451,388	17		468,934	18
	Other equity interest							
3400	Other equity interest			(73,327)	(3)		(91,508)	(3)
3XXX	Total equity			1,925,642	74		1,838,089	70
	Significant contingent liabilities and unrecognised contract commitments	9						
	Significant events after the balance sheet date	11						
3X2X	Total liabilities and equity		\$	2,589,376	100	\$	2,609,968	100

The accompanying notes are an integral part of these parent company only financial statements.

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

Items		Notes	Year ended December 31			
			2024		2023	
			AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(17) and 7	\$ 1,702,079	100	\$ 1,627,886	100
5000	Operating costs	6(18)(23)(24) and 7	(1,473,408)	(87)	(1,415,734)	(87)
5900	Gross profit		228,671	13	212,152	13
	Operating expenses	6(23)(24) and 7				
6100	Selling expenses		(56,613)	(3)	(52,619)	(3)
6200	General and administrative expenses		(85,053)	(5)	(89,093)	(6)
6450	Expected credit impairment loss		-	-	(5)	-
6000	Total operating expenses		(141,666)	(8)	(141,717)	(9)
6900	Operating profit		87,005	5	70,435	4
	Non-operating income and expenses					
7100	Interest income	6(19)	741	-	728	-
7010	Other income	6(20) and 7	17,203	1	21,880	1
7020	Other gains and losses	6(21) and 9(2)	(34,754)	(2)	(5,288)	-
7050	Finance costs	6(22) and 7	(7,711)	-	(4,457)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)				
			85,599	5	125,411	8
7000	Total non-operating income and expenses		61,078	4	148,850	9
7900	Profit before income tax		148,083	9	219,285	13
7950	Income tax expense	6(25)	(18,514)	(1)	(16,376)	(1)
8200	Profit for the year		\$ 129,569	8	\$ 202,909	12
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gain (loss) on remeasurements of defined benefit plans	6(13)	\$ 6,936	-	(\$ 285)	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(2)				
			16,747	1	2,158	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss		-	-	122	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(25)	(1,387)	-	57	-
8310	Other comprehensive income that will not be reclassified to profit or loss		22,296	1	2,052	-
	Components of other comprehensive income (loss) that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		1,434	-	(2,877)	-
8360	Other comprehensive income (loss) that will be reclassified to profit or loss		1,434	-	(2,877)	-
8300	Other comprehensive income (loss) for the year		\$ 23,730	1	(\$ 825)	-
8500	Total comprehensive income for the year		\$ 153,299	9	\$ 202,084	12
	Basic earnings per share	6(26)				
9750	Basic earnings per share		\$ 1.24		\$ 1.93	
9850	Diluted earnings per share		\$ 1.23		\$ 1.92	

The accompanying notes are an integral part of these parent company only financial statements.

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Retained earnings			Other equity interest			Total equity
			Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	
Year 2023									
Balance at January 1, 2023		\$ 1,048,766	\$ 83,363	\$ 218,155	\$ 66,693	\$ 405,755	(\$ 26,944)	(\$ 58,471)	\$ 1,737,317
Profit for the year		-	-	-	-	202,909	-	-	202,909
Other comprehensive income (loss) for the year		-	-	-	-	(228)	(2,877)	2,280	(825)
Total comprehensive income (loss)		-	-	-	-	202,681	(2,877)	2,280	202,084
Distribution of 2022 earnings:	6(16)								
Legal reserve		-	-	20,401	-	(20,401)	-	-	-
Special reserve		-	-	-	18,722	(18,722)	-	-	-
Cash dividends		-	-	-	-	(104,877)	-	-	(104,877)
Disposal of equity investments at fair value through other comprehensive income	6(2)	-	-	-	-	4,498	-	(4,498)	-
Changes in ownership interests in subsidiaries, associates and joint ventures accounted for using the equity method	6(15)								
Balance at December 31, 2023		\$ 1,048,766	\$ 87,926	\$ 238,556	\$ 85,415	\$ 468,934	(\$ 29,821)	(\$ 61,687)	\$ 1,838,089
Year 2024									
Balance at January 1, 2024		\$ 1,048,766	\$ 87,926	\$ 238,556	\$ 85,415	\$ 468,934	(\$ 29,821)	(\$ 61,687)	\$ 1,838,089
Profit for the year		-	-	-	-	129,569	-	-	129,569
Other comprehensive income for the year		-	-	-	-	5,549	1,434	16,747	23,730
Total comprehensive income		-	-	-	-	135,118	1,434	16,747	153,299
Distribution of 2023 earnings:	6(16)								
Legal reserve		-	-	20,718	-	(20,718)	-	-	-
Special reserve		-	-	-	6,094	(6,094)	-	-	-
Cash dividends		-	-	-	-	(125,852)	-	-	(125,852)
Changes in ownership interests in subsidiaries, associates and joint ventures accounted for using the equity method	6(15)								
Balance at December 31, 2024		\$ 1,048,766	\$ 148,032	\$ 259,274	\$ 91,509	\$ 451,388	(\$ 28,387)	(\$ 44,940)	\$ 1,925,642

The accompanying notes are an integral part of these parent company only financial statements.

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 148,083	\$ 219,285
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(9)(23)	103,491	100,219
Amortisation expense	6(23)	1,396	417
Expected credit impairment loss	6(23)	-	5
Interest expense	6(22)	7,711	4,457
Interest income	6(19)	(741)	(728)
Dividend income	6(20)	(9,915)	(16,973)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(85,599)	(125,411)
Gains on disposals of property, plant and equipment	6(21)	(412)	(6,699)
Impairment losses on other receivables	6(21)	34,998	-
Gains arising from lease modification	6(21)	(58)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		30,409	(8,455)
Notes receivable, net	(	(3,637)	(852)
Notes receivable - related parties		486	-
Accounts receivable	(	(76,676)	40,640
Accounts receivable - related parties	(	(32)	3,065
Other receivables		153	773
Other receivables - related parties	(	(14)	-
Inventories	(	(45)	407
Prepayments		3,524	3,083
Other current assets		52	294
Other non-current assets		1,779	480
Changes in operating liabilities			
Contract liabilities - current	(	(5,000)	5,000
Notes payable	(	(8,749)	(700)
Notes payable - related parties	(	(17,989)	14
Accounts payable		16,090	(12,174)
Accounts payable - related parties	(	(6,877)	(7,323)
Other payables	(	(7,780)	317
Other payables - related parties	(	(134)	(15)
Other current liabilities	(	(91)	259
Other non-current liabilities	(	(515)	(553)
Net defined benefit liabilities	(	(3,735)	(2,193)
Cash inflow generated from operations		120,173	196,639
Interest received		717	669
Dividends received		174,848	61,473
Interest paid	(	(7,747)	(4,350)
Income taxes paid	(	(14,061)	(22,299)
Net cash flows from operating activities		273,930	232,132

(Continued)

SEA & LAND INTEGRATED CORP.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income - non-current	6(2)	(\$ 38,033)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(2)	-	10,498
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(2)	8,239	-
Acquisition of financial assets at amortised cost - current		(220)	(38)
Acquisition of investments accounted for using equity method	6(5)	(6,466)	(52,172)
Acquisition of property, plant and equipment	6(27)	(48,164)	(141,143)
Proceeds from disposal of property, plant and equipment		361	6,689
Acquisition of intangible assets		(1,927)	(689)
Increase in refundable deposits		(3,897)	(1,192)
Decrease in refundable deposits		4,414	2,461
Decrease in other non-current assets		2,151	2,582
Increase in prepayments for business facilities		(700)	(34,288)
Net cash flows used in investing activities		(84,242)	(207,292)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(28)	1,160,000	730,000
Decrease in short-term borrowings	6(28)	(1,200,000)	(660,000)
Proceeds from long-term borrowings	6(28)	90,000	152,000
Repayments of long-term borrowings	6(28)	(125,800)	(135,478)
Increase in guarantee deposits received	6(28)	2,118	100
Lease principal repayment	6(28)	(10,134)	(10,887)
Cash dividends paid	6(16)	(125,852)	(104,877)
Net cash flows used in financing activities		(209,668)	(29,142)
Net decrease in cash and cash equivalents		(19,980)	(4,302)
Cash and cash equivalents at beginning of year		79,090	83,392
Cash and cash equivalents at end of year		\$ 59,110	\$ 79,090

The accompanying notes are an integral part of these parent company only financial statements.

SEA & LAND INTEGRATED CORP.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Sea & Land Integrated Corp. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in the container transportation, ship transportation, warehousing business, hoist and forklift installation, crane and hoist services, petrol and liquefied petroleum gas (LPG) station business, etc.

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

These parent company only financial statements were authorised for issuance by the Board of Directors on March 12, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, ‘Lack of exchangeability’	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 9 and IFRS 7, 'Contracts referencing nature-dependent electricity'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, 'Presentation and disclosure in financial statements'

IFRS 18, 'Presentation and disclosure in financial statements' replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

- A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:
 - (a) Financial assets at fair value through other comprehensive income measured at fair value.
 - (b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC[®] Interpretations, and SIC[®] Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

B. Translation of foreign operations

- (a) The operating results and financial position of all the entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:
- The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
- (a) The objective of the Company's business model is achieved by collecting contractual cash flows.
- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

(10) Leasing arrangements (lessor) - operating leases

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

(11) Inventories

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

(12) Investments accounted for using equity method - subsidiaries, associates and joint ventures

- A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between the Company and subsidiaries are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise the losses in proportion to the ownership.
- D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.

- E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.
- F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- H. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
- I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

- K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
- L. The Company accounts for its interest in a joint venture using equity method. Unrealised profits and losses arising from the transactions between the Company and its joint venture are eliminated to the extent of the Company's interest in the joint venture. However, when the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, all such losses shall be recognised immediately. When the Company's share of losses in a joint venture equals or exceeds its interest in the joint venture together with any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture.
- M. Pursuant to the Rules Governing the Preparation of Financial Statements by Securities Issuers, profit (loss) and other comprehensive income of the current period in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements.

(13) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Buildings and structures	10 ~ 60 years
Machinery and equipment	4 ~ 11 years
Transportation equipment	2 ~ 16 years
Office equipment	4 ~ 9 years
Renatl assets	9 ~ 16 years
Other equipment	4 ~ 8 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
- The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.
- The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.
- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(15) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(16) Intangible assets

Intangible assets, mainly computer software, are stated at cost and amortised on a straight-line basis over its estimated useful life of 2 to 3 years.

(17) Impairment of non-financial assets

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

(18) Borrowings

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

(19) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

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

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

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

(22) Income tax

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

- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(23) Dividends

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

(24) Revenue recognition

A. Sales of goods

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

B. Sales of services

The Company transfers its control over service revenue over time and recognises revenue when performance obligation is satisfied over time:

- (a) The Company provides machinery transportation and hoisting services. Service revenue is charged at a fixed rate. The Company recognises revenue and accounts receivable to the amount that it has a right to bill each period. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.
- (b) The Company provides container transportation services. If the outcome of a service transaction can be estimated reliably, revenue shall be recognised based on the stage of completion of the transaction at the balance sheet date. Service revenue is recognised based on the proportion of the services performed to the total services to be performed according to the project nature. At the end of the year, the accumulated service revenue is calculated based on the proportion of the actual services performed, and the service revenue to be recognised for the current period is the accumulated service revenue after deducting the accumulated service revenue from the previous period.

(25) Government grants

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of accounts receivable

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and revolving funds	\$ 4,543	\$ 4,538
Checking accounts	141	229
Demand deposits	54,426	74,323
	<u>\$ 59,110</u>	<u>\$ 79,090</u>

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

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

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

Items	December 31, 2024	December 31, 2023
Current items:		
Equity instruments		
Listed stocks	\$ 76,323	\$ 38,290
Valuation adjustment	(4,323)	(21,070)
	<u>72,000</u>	<u>17,220</u>
Non-current items:		
Equity instruments		
Unlisted stocks	112,148	120,387
Valuation adjustment	(40,625)	(40,625)
	<u>71,523</u>	<u>79,762</u>
	<u>\$ 143,523</u>	<u>\$ 96,982</u>

A. The Company has elected to classify listed stocks that are considered to be steady dividend income and unlisted stocks investments that belong to the strategic alliance as financial assets at fair value through other comprehensive income. The fair value of current and non-current investments amounted to \$143,523 and \$96,982 as at December 31, 2024 and 2023, respectively.

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

	Years ended December 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognized in other comprehensive income	\$ 16,747	\$ 2,158
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,498
Dividend income recognised in profit or loss		
Held at end of period	\$ 9,915	\$ 15,173
Derecognised during the period	-	1,800
	<u>\$ 9,915</u>	<u>\$ 16,973</u>

- C. In August 2023, the Company disposed of 600 thousand shares of Century Heavy Industry International Co., Ltd. for \$10,498
- D. On March 11, 2024, the shareholders of Elite Transport Co., Ltd. during their meeting resolved to reduce its capital with a par value of \$10 (in dollars) per share. The capital reduction was effective on March 15, 2024. The Company received proceeds from the capital reduction totaling \$7,500 and the Company's shareholding ratio remained at 15% after the capital reduction.
- E. On May 30, 2024, the shareholders of Tiantai Optoelectronics Co., Ltd. during their meeting resolved to reduce its capital with a par value of \$10 (in dollars) per share, with the effective date set on September 27, 2024. The Company received proceeds from the capital reduction totaling \$739 and the Company's shareholding ratio remained at 10.55% after the capital reduction.
- F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(3) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Pledged time deposits maturing in excess of three months	\$ 32,787	\$ 32,567

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

	Years ended December 31,	
	2024	2023
Interest income	\$ 269	\$ 160

- B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$32,787 and \$32,567, respectively.

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 23,977	\$ 20,340
Notes receivable due from related parties	2,151	2,637
	<u>\$ 26,128</u>	<u>\$ 22,977</u>
Accounts receivable	\$ 292,606	\$ 215,930
Less: Allowance for uncollectible accounts	-	-
	292,606	215,930
Accounts receivable due from related parties	416	384
	<u>\$ 293,022</u>	<u>\$ 216,314</u>

A. As of December 31, 2024 and 2023, the ageing analysis of accounts receivable and notes receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 292,886	\$ 26,128	\$ 216,085	\$ 22,977
Up to 30 days	13	-	229	-
31 to ~ 90 days	63	-	-	-
91 to ~ 180 days	3	-	-	-
Over 180 days	57	-	-	-
	<u>\$ 293,022</u>	<u>\$ 26,128</u>	<u>\$ 216,314</u>	<u>\$ 22,977</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, and January 1, 2023, the balances of receivables (including notes receivable and related parties) from contracts with customers amounted to \$318,449, \$238,411, and \$281,588, respectively.

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

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(5) Investments accounted for using the equity method

A. Details of the Company's investment in subsidiaries, associates and joint ventures are as follows:

Investees	December 31, 2024		December 31, 2023	
	Ownership	Book value	Ownership	Book value
<u>Subsidiaries</u>				
Eternal Full Enterprise Ltd. (Eternal Full)	100.00%	\$ 126,262	100.00%	\$ 122,135
New An-Ho Gas Co., Ltd. (New An-Ho)	100.00%	90,560	100.00%	90,506
Sea & Land Wine & Spirits Incorporation (Sea & Land Wine)	55.23%	74,694	55.23%	74,006
Sea & Land Sinogreenenergy Inc. (Sea & Land Sino)	75.00%	21,158	75.00%	15,646
Chiayi New Energy Co., Ltd. (Chiayi)	77.27%	13,317	77.27%	13,975
Subtotal		<u>325,991</u>		<u>316,268</u>
<u>Associates</u>				
Giant Heavy Machinery Service Corp. (Giant Heavy Machinery)	25.33%	<u>360,877</u>	28.92%	<u>381,790</u>
<u>Joint ventures</u>				
Denzai Sea & Land Corporation (Denzai Sea & Land) (Note)	50.00%	-	50.00%	-
Total		<u>\$ 686,868</u>		<u>\$ 698,058</u>

Note: On January 17, 2024, Denzai Sea & Land was liquidated and dissolved. Investment income (loss) was accounted for using equity method until the date of dissolution. As of December 31, 2024, the liquidation has not yet been completed.

B. For the years ended December 31, 2024 and 2023, share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method is as follows:

Investees	Years ended December 31,	
	2024	2023
<u>Subsidiaries</u>		
Eternal Full	\$ 2,693	\$ 7,275
New An-Ho	250	219
Sea & Land Wine	958	6,675
Sea & Land Sino	(954)	(1,622)
Chiayi	(658)	(542)
	<u>2,289</u>	<u>12,005</u>

Investees	Years ended December 31,	
	2024	2023
<u>Associates</u>		
Giant Heavy Machinery	\$ 83,310	\$ 113,708
<u>Joint ventures</u>		
Denzai Sea & Land	-	(302)
	<u>\$ 85,599</u>	<u>\$ 125,411</u>

C. Subsidiaries:

- (a) Details of the Company's subsidiaries are provided in Note 4(3) in the consolidated financial statements as of and for the year ended December 31, 2024.
- (b) In March 2024, the Board of Directors of Sea & Land Sino resolved to conduct a capital increase amounting to \$8,621. The Company subscribed \$6,466 in proportion to its shareholding.

D. Associates

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

Company name	Principal place of business	Ownership (%)		Nature of relationship	Methods of measurement
		December 31, 2024	December 31, 2023		
Giant Heavy Machinery	Taiwan	25.33%	28.92%	Strategy investments	Equity method

- i. On July 11, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to capitalize retained earnings for the year ended December 31, 2022 to issue 8,270 thousand new shares, with the effective date set on July 17, 2023, as approved by the competent authority. The registration for the change was completed on August 11, 2023.
- ii. On August 8, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to issue employee stock warrants to issue 2,000 thousand new shares, with the effective date set on August 14, 2023, as approved by the competent authority. The registration for the change was completed on September 14, 2023. After the capital increase, the Company's shareholding ratio declined from 31.92% to 30.24%.
- iii. On June 9, 2023, the Board of Directors of Giant Heavy Machinery adopted a resolution to distribute employees' compensation by issuing 728 thousand new shares, as approved by the competent authority. Furthermore, on December 6, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to increase its capital by issuing 7,000 thousand new shares with a par value of \$10 (in dollars) per share and a stock issue price of \$30 (in dollars) per share. 15% of the new shares were reserved for subscription by employees of Giant Heavy Machinery. The Company acquired 1,739

thousand shares, amounting to \$52,172. The effective date for the abovementioned employees' compensation and capital increase was both set on December 26, 2023. The registration for the change was completed on January 10, 2024. After the capital increase, the Company's shareholding ratio declined from 30.24% to 28.92%.

iv. On April 22, 2024, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to distribute employees' compensation by issuing 1,770 thousand new shares, with the effective date set on July 7, 2024, as approved by the competent authority. The registration for the change was completed on September 3, 2024. After the capital increase, the Company's shareholding ratio declined from 28.92% to 28.02%.

v. On May 28, 2024, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to increase its capital by issuing 6,000 thousand new shares with a par value of \$10 (in dollars) per share and an issue price of \$50 (in dollars) per share. In accordance with applicable regulations, 15% of the new shares were reserved for employee subscription. The capital increase was duly approved by the competent authority. The record date for the new share issuance was set as July 26, 2024, and the registration of the change was completed on September 13, 2024. Following the capital increase, the Group's shareholding decreased from 28.02% to 25.33%.

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

Balance sheet

	Giant Heavy Machinery	
	December 31, 2024	December 31, 2023
Current assets	\$ 1,191,934	\$ 1,199,829
Non-current assets	959,693	821,598
Current liabilities	(442,096)	(436,126)
Non-current liabilities	(258,376)	(247,467)
Total net assets (Note)	\$ 1,451,155	\$ 1,337,834
Share in associate's net assets	\$ 360,877	\$ 381,790

Note: The difference between the total net assets and the carrying amount was due to the difference of the deferred gains on disposal of property, plant and equipment as well as non-controlling interest.

Statement of comprehensive income

	Giant Heavy Machinery	
	Years ended December 31,	
	2024	2023
Revenue	\$ 1,330,871	\$ 1,263,625
Profit for the year from continuing operations	295,256	367,892
Other comprehensive income, net of tax	-	402
Total comprehensive income	\$ 295,256	\$ 368,294
Dividends received from associates	\$ 164,735	\$ 35,199

(c) The abovementioned investment accounted for using equity method was measured based on the financial reports audited by the associates' auditors.

(d) The Company is the single largest shareholder of Giant Heavy Machinery with a 25.33% equity interest. Considering the historical attendance of the shareholders' meeting, it shows that other shareholders actively participate in the operation decision-making of Giant Heavy Machinery. Additionally, there are nine seats in the Board of Directors of Giant Heavy Machinery, but the Company only holds one board seat, which indicates that the Company has no current ability to direct the relevant activities of Giant Heavy Machinery. Therefore, Company has no control, but only has significant influence, over the investee.

E. Joint venture

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

As of December 31, 2024 and 2023, the carrying amount of the Company's immaterial joint ventures amounted to both \$0.

	Denzai Sea & Land	
	Years ended December 31,	
	2024	2023
Revenue	\$ -	\$ -
Loss for the year from continuing operations	- (	697)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	\$ -	(\$ 697)

- F. As of December 31, 2024 and 2023, investments accounted for using equity method of certain investees-New An-Ho and Chiayi are recognised based on investees' financial statements audited by other auditors.

For the years ended December 31, 2024 and 2023, share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method amounted to losses of \$408 and losses of \$625, respectively. As of December 31, 2024 and 2023, the investments balance of certain investees accounted for using equity method amounted to \$103,877 and \$104,481, respectively.

- G. For the years ended December 31, 2024 and 2023, none of investees accounted for using equity method had public market quotations.

(6) Property, plant and equipment

	2024								
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Rental assets	Office equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	\$ 363,510	\$ 266,576	\$ 14,954	\$ 948,677	\$ 137,142	\$ 16,514	\$ 9,206	\$ 176,592	\$ 1,933,171
Accumulated depreciation	-	(130,189)	(9,496)	(438,977)	(37,828)	(12,995)	(5,581)	-	(635,066)
	<u>\$ 363,510</u>	<u>\$ 136,387</u>	<u>\$ 5,458</u>	<u>\$ 509,700</u>	<u>\$ 99,314</u>	<u>\$ 3,519</u>	<u>\$ 3,625</u>	<u>\$ 176,592</u>	<u>\$ 1,298,105</u>
Opening net book amount as at January 1	\$ 363,510	\$ 136,387	\$ 5,458	\$ 509,700	\$ 99,314	\$ 3,519	\$ 3,625	\$ 176,592	\$ 1,298,105
Additions	-	5,110	-	6,231	-	3,085	726	33,153	48,305
Disposal - cost	-	-	-	(2,426)	-	(1,492)	(413)	-	(4,331)
Disposal - accumulated depreciation	-	-	-	2,070	-	1,492	413	-	3,975
Reclassification (Note)	(19,835)	(95,540)	-	-	-	-	-	-	(115,375)
Transfers (Note)	-	200,002	-	1,290	-	7,958	1,785	209,745)	1,290
Depreciation charge	-	(9,106)	(550)	(70,071)	(8,602)	(2,741)	(1,345)	-	(92,415)
Closing net book amount as at December 31	<u>\$ 343,675</u>	<u>\$ 236,853</u>	<u>\$ 4,908</u>	<u>\$ 446,794</u>	<u>\$ 90,712</u>	<u>\$ 11,821</u>	<u>\$ 4,791</u>	<u>\$ -</u>	<u>\$ 1,139,554</u>
At December 31									
Cost	\$ 343,675	\$ 376,148	\$ 14,954	\$ 953,772	\$ 137,142	\$ 26,065	\$ 11,304	\$ -	\$ 1,863,060
Accumulated depreciation	-	(139,295)	(10,046)	(506,978)	(46,430)	(14,244)	(6,513)	-	(723,506)
	<u>\$ 343,675</u>	<u>\$ 236,853</u>	<u>\$ 4,908</u>	<u>\$ 446,794</u>	<u>\$ 90,712</u>	<u>\$ 11,821</u>	<u>\$ 4,791</u>	<u>\$ -</u>	<u>\$ 1,139,554</u>

Note: Please refer to Note 6(27) for detailed explanations.

2023

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Rental assets	Office equipment	Others	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	\$ 363,510	\$ 266,576	\$ 9,450	\$ 938,259	\$ 137,142	\$ 15,101	\$ 8,306	\$ 90,234	1,828,578
Accumulated depreciation	-	(123,583)	(9,450)	(401,590)	(29,227)	(11,909)	(4,947)	-	(580,706)
	<u>\$ 363,510</u>	<u>\$ 142,993</u>	<u>\$ -</u>	<u>\$ 536,669</u>	<u>\$ 107,915</u>	<u>\$ 3,192</u>	<u>\$ 3,359</u>	<u>\$ 90,234</u>	<u>\$ 1,247,872</u>
Opening net book amount as at January 1	\$ 363,510	\$ 142,993	\$ -	\$ 536,669	\$ 107,915	\$ 3,192	\$ 3,359	\$ 90,234	1,247,872
Additions	-	-	1,654	45,217	-	1,537	1,357	90,208	139,973
Disposal - cost	-	-	-	(34,799)	-	(124)	(457)	-	(35,380)
Disposal - accumulated depreciation	-	-	-	34,403	-	124	457	-	34,984
Transfers	-	-	3,850	-	-	-	-	(3,850)	-
Depreciation charge	-	(6,606)	(46)	(71,790)	(8,601)	(1,210)	(1,091)	-	(89,344)
Closing net book amount as at December 31	<u>\$ 363,510</u>	<u>\$ 136,387</u>	<u>\$ 5,458</u>	<u>\$ 509,700</u>	<u>\$ 99,314</u>	<u>\$ 3,519</u>	<u>\$ 3,625</u>	<u>\$ 176,592</u>	<u>\$ 1,298,105</u>
At December 31									
Cost	\$ 363,510	\$ 266,576	\$ 14,954	\$ 948,677	\$ 137,142	\$ 16,514	\$ 9,206	\$ 176,592	\$ 1,933,171
Accumulated depreciation	-	(130,189)	(9,496)	(438,977)	(37,828)	(12,995)	(5,581)	-	(635,066)
	<u>\$ 363,510</u>	<u>\$ 136,387</u>	<u>\$ 5,458</u>	<u>\$ 509,700</u>	<u>\$ 99,314</u>	<u>\$ 3,519</u>	<u>\$ 3,625</u>	<u>\$ 176,592</u>	<u>\$ 1,298,105</u>

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

B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2024	2023
Amount capitalised	\$ 885	\$ 2,839
Range of the interest rates for capitalisation	1.99%	1.95%~2.13%

(7) Leasing arrangements - lessee

- A. The Company leases various assets including land, buildings and business vehicles. The rental contract periods are between 2011 and 2027. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	2024			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	\$ 30,820	\$ 5,254	\$ 8,054	\$ 44,128
Accumulated depreciation	(19,233)	(2,117)	(4,576)	(25,926)
	<u>\$ 11,587</u>	<u>\$ 3,137</u>	<u>\$ 3,478</u>	<u>\$ 18,202</u>
Opening net book amount as at January 1	\$ 11,587	\$ 3,137	\$ 3,478	\$ 18,202
Additions	6,751	-	1,838	8,589
Modification	(2,401)	-	-	(2,401)
Disposal - cost	(9,295)	-	(4,376)	(13,671)
Disposal - accumulated depreciation	9,295	-	4,376	13,671
Depreciation charge	(6,653)	(876)	(2,533)	(10,062)
Closing net book amount as at December 31	<u>\$ 9,284</u>	<u>\$ 2,261</u>	<u>\$ 2,783</u>	<u>\$ 14,328</u>
At December 31				
Cost	\$ 23,473	\$ 5,254	\$ 5,516	\$ 34,243
Accumulated depreciation	(14,189)	(2,993)	(2,733)	(19,915)
	<u>\$ 9,284</u>	<u>\$ 2,261</u>	<u>\$ 2,783</u>	<u>\$ 14,328</u>

	2023			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	\$ 30,833	\$ 5,254	\$ 7,080	\$ 43,167
Accumulated depreciation	(14,036)	(1,241)	(2,134)	(17,411)
	<u>\$ 16,797</u>	<u>\$ 4,013</u>	<u>\$ 4,946</u>	<u>\$ 25,756</u>
Opening net book amount as at January 1	\$ 16,797	\$ 4,013	\$ 4,946	\$ 25,756
Additions	2,347	-	974	3,321
Disposal-cost	(2,360)	-	-	(2,360)
Disposal-accumulated depreciation	2,360	-	-	2,360
Depreciation charge	(7,557)	(876)	(2,442)	(10,875)
Closing net book amount as at December 31	<u>\$ 11,587</u>	<u>\$ 3,137</u>	<u>\$ 3,478</u>	<u>\$ 18,202</u>
At December 31				
Cost	\$ 30,820	\$ 5,254	\$ 8,054	\$ 44,128
Accumulated depreciation	(19,233)	(2,117)	(4,576)	(25,926)
	<u>\$ 11,587</u>	<u>\$ 3,137</u>	<u>\$ 3,478</u>	<u>\$ 18,202</u>

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

	December 31, 2024	December 31, 2023
Total lease liability	\$ 14,596	\$ 18,600
Less: Current portion (shown as 'lease liabilities - current')	(8,820)	(9,448)
	<u>\$ 5,776</u>	<u>\$ 9,152</u>

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

	Years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 280	\$ 362
Expense on short-term lease contracts	2,454	1,720
Expense on leases of low-value assets	98	98
Gains arising from lease modification	(58)	-

E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were \$12,966 and \$13,067, respectively.

(8) Leasing arrangements – lessor

- A. The Company leases various assets including land, buildings and machinery and equipment. The rental contract periods are between 2019 and 2035. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. For the years ended December 31, 2024 and 2023, the Company recognised rent income is as follows:

	December 31, 2024	December 31, 2023
Rent income	\$ 32,129	\$ 32,479
Rent income arising from variable lease payments	68	-
	<u>\$ 32,197</u>	<u>\$ 32,479</u>

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

	December 31, 2024	December 31, 2023
Within 1 year	\$ 29,668	\$ 26,379
1-2 years	17,047	19,473
2-3 years	1,354	13,433
3-4 years	24	1,640
4-5 years	58	310
Over 5 years	-	1,891
	<u>\$ 48,151</u>	<u>\$ 63,126</u>

(9) Investment property

	2024		
	Land	Buildings	Total
At January 1			
Cost	\$ -	\$ -	\$ -
Accumulated depreciation	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Opening net book amount as at January 1	\$ -	\$ -	\$ -
Reclassifications (Note)	19,835	95,540	115,375
Depreciation charge	-	(1,014)	(1,014)
Closing net book amount as at December 31	<u>\$ 19,835</u>	<u>\$ 94,526</u>	<u>\$ 114,361</u>
At December 31			
Cost	\$ 19,835	\$ 95,540	\$ 115,375
Accumulated depreciation	-	(1,014)	(1,014)
	<u>\$ 19,835</u>	<u>\$ 94,526</u>	<u>\$ 114,361</u>

Note: Please refer to Note 6(27) for detailed explanations.

2023: None.

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

	Years ended December 31,	
	2024	2023
Rental income from investment property	\$ 1,950	\$ -
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 1,233	\$ -

B. The fair value of the investment property held by the Company as at December 31, 2024 and 2023 was \$282,384 and \$0, respectively, which was determined based on the transaction price of similar properties in the neighboring areas. Valuations are categorised within Level 3 in the fair value hierarchy.

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

(10) Short-term borrowing

Type of borrowings	Collateral	December 31, 2024	December 31, 2023
Bank borrowings			
Unsecured borrowings	-	\$ -	\$ 60,000
Secured borrowings	Property, plant and equipment and investment property	80,000	60,000
		\$ 80,000	\$ 120,000
Interest rate range		1.983%~2.028%	1.85%~1.903%

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

(11) Other payables

	December 31, 2024	December 31, 2023
Wages and salaries payable	\$ 56,120	\$ 66,269
Accrued expenses	11,037	11,154
Other payables	4,587	2,136
Payable on machinery and equipment	55	384
	\$ 71,799	\$ 79,943

(12) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 3, 2024 to June 3, 2026; interest is repayable monthly; principal is repayable at maturity.	2.16%	Property, plant and equipment	\$ 30,000
Installment borrowings				
Secured borrowings	Borrowing period is from April 12, 2021 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from July 12, 2021.	2.115%~ 2.31%	Property, plant and equipment	210,180
Less: Current portion (shown as ‘other current liabilities’)				(46,840)
				<u>\$ 193,340</u>

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2, 2023 to December 20, 2025; interest is repayable monthly; principal is repayable at maturity.	2.04%	Property, plant and equipment	\$ 80,000
Installment borrowings				
Secured borrowings	Borrowing period is from August 8, 2019 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from July 28, 2019.	1.99%~ 2.19%	Property, plant and equipment	195,980
Less: Current portion (shown as ‘other current liabilities’)				(43,840)
				<u>\$ 232,140</u>

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

(13) Pensions (shown as ‘other non-current assets (liabilities)’)

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

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	(\$ 66,623)	(\$ 70,201)
Fair value of plan assets	<u>72,049</u>	<u>66,466</u>
Net defined benefit asset (liability)	<u>\$ 5,426</u>	<u>(\$ 3,735)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
<u>2024</u>			
At January 1	(\$ 70,201)	\$ 66,466	(\$ 3,735)
Current service cost	(463)	-	(463)
Interest (expense) income	(828)	<u>785</u>	(43)
	<u>(71,492)</u>	<u>67,251</u>	<u>(4,241)</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit asset</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,072	6,072
Change in financial assumptions	678	-	678
Experience adjustments	186	-	186
	<u>864</u>	<u>6,072</u>	<u>6,936</u>
Pension fund contribution	-	2,731	2,731
Paid pension	<u>4,005</u>	<u>(4,005)</u>	<u>-</u>
At December 31	<u>(\$ 66,623)</u>	<u>\$ 72,049</u>	<u>\$ 5,426</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2023</u>			
At January 1	(\$ 76,174)	\$ 70,531	(\$ 5,643)
Current service cost	(590)	-	(590)
Interest (expense) income	(952)	881	(71)
	<u>(77,716)</u>	<u>71,412</u>	<u>(6,304)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	558	558
Change in financial assumptions	(172)	-	(172)
Experience adjustments	(671)	-	(671)
	<u>(843)</u>	<u>558</u>	<u>(285)</u>
Pension fund contribution	-	2,854	2,854
Paid pension	<u>8,358</u>	<u>(8,358)</u>	<u>-</u>
At December 31	<u>(\$ 70,201)</u>	<u>\$ 66,466</u>	<u>(\$ 3,735)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings

in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2024	2023
Discount rate	1.500%	1.180%
Future salary increases	1.125%	1.125%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023, respectively.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1.00%	Decrease 1.00%
<u>December 31, 2024</u>				
Effect on present value of defined benefit obligation	(\$ 515)	\$ 528	\$ 2,188	(\$ 2,029)
<u>December 31, 2023</u>				
Effect on present value of defined benefit obligation	(\$ 607)	\$ 623	\$ 2,584	(\$ 2,386)

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

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

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to \$0.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 6.9 years.

The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	65,095
2-5 years		1,678
6-10 years		55
	\$	<u>66,828</u>

(h) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$506 and \$661, respectively.

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

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were \$10,086 and \$10,061, respectively.

(14) Share capital

As of December 31, 2024, the Company’s authorised capital was \$1,230,000, consisting of 123,000 thousand shares of ordinary stock, and the paid-in capital was \$1,048,766 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2024	2023
At January 1 and December 31	\$ <u>104,877</u>	\$ <u>104,877</u>

(15) Capital surplus

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

2024					
	Share premium	Treasury share transactions	Changes in equity of associates and joint venture accounted for using equity method	Others	Total
At January 1	\$ 62,214	\$ 15,659	\$ 4,563	\$ 5,490	\$ 87,926
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	60,106	-	60,106
At December 31	<u>\$ 62,214</u>	<u>\$ 15,659</u>	<u>\$ 64,669</u>	<u>\$ 5,490</u>	<u>\$ 148,032</u>
2023					
	Share premium	Treasury share transactions	Changes in equity of associates and joint venture accounted for using equity method	Others	Total
At January 1	\$ 62,214	\$ 15,659	\$ -	\$ 5,490	\$ 83,363
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	4,563	-	4,563
At December 31	<u>\$ 62,214</u>	<u>\$ 15,659</u>	<u>\$ 4,563</u>	<u>\$ 5,490</u>	<u>\$ 87,926</u>

(16) Retained earnings

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

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The distribution of 2022 earnings had been approved by the shareholders during their meeting on June 9, 2023 as follows:

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

- E. The distribution of 2023 earnings had been approved by the shareholders during their meeting on June 12, 2024 as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 20,718	
Special reserve	6,094	
Cash dividends	125,852	\$ 1.2
	<u>\$ 152,664</u>	

F. The distribution of 2024 earnings had been proposed by the Board of Directors on March 12, 2025. Details are summarised below:

	Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 13,512	
Reversal of special reserve	(18,182)	
Cash dividends	104,877	\$ 1
	<u>\$ 100,207</u>	

The aforementioned distribution of 2024 earnings has not yet been resolved at the stockholders' meeting.

(17) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	\$ 1,663,609	\$ 1,591,344
Rental revenue	32,197	32,479
Warehousing revenue	6,273	4,063
	<u>\$ 1,702,079</u>	<u>\$ 1,627,886</u>

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31, 2024	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Total
Total segment revenue	<u>\$ 798,340</u>	<u>\$ 663,533</u>	<u>\$ 201,736</u>	<u>\$ 1,663,609</u>
Timing of revenue				
At a point in time	\$ -	\$ -	\$ 201,736	\$ 201,736
Over time	<u>798,340</u>	<u>663,533</u>	<u>-</u>	<u>1,461,873</u>
	<u>\$ 798,340</u>	<u>\$ 663,533</u>	<u>\$ 201,736</u>	<u>\$ 1,663,609</u>
Year ended December 31, 2023	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Total
Total segment revenue	<u>\$ 832,305</u>	<u>\$ 565,705</u>	<u>\$ 193,334</u>	<u>\$ 1,591,344</u>
Timing of revenue				
At a point in time	\$ -	\$ -	\$ 193,334	\$ 193,334
Over time	<u>832,305</u>	<u>565,705</u>	<u>-</u>	<u>1,398,010</u>
	<u>\$ 832,305</u>	<u>\$ 565,705</u>	<u>\$ 193,334</u>	<u>\$ 1,591,344</u>

B. Contract assets and liabilities

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract assets:			
Heavy machinery contracts	<u>\$ 1,015</u>	<u>\$ 31,424</u>	<u>\$ 22,969</u>
Contract liabilities:			
Construction advance receipts	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ -</u>

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

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 5,000</u>	<u>\$ -</u>

(18) Operating cost

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Cost of transportation sales	\$ 728,992	\$ 745,166
Cost of machinery transportation and hoisting sales	542,449	482,433
Cost of goods sold	179,759	172,126
Cost of rental sales	12,006	10,962
Cost of warehousing sales	10,202	5,047
	<u>\$ 1,473,408</u>	<u>\$ 1,415,734</u>

(19) Interest income

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Interest income from bank deposits	\$ 412	\$ 473
Interest income from financial assets measured at amortised cost	269	160
Other interest income	60	95
	<u>\$ 741</u>	<u>\$ 728</u>

(20) Other income

	Years ended December 31,	
	2024	2023
Dividend income	\$ 9,915	\$ 16,973
Other income	7,288	4,907
	<u>\$ 17,203</u>	<u>\$ 21,880</u>

(21) Other gains and losses

	Years ended December 31,	
	2024	2023
Gains on disposals of property, plant and equipment (Note 1)	\$ 412	\$ 6,699
Compensation losses	(11)	-
Net foreign exchange gains (losses)	415	(1,371)
Gains arising from lease modification	58	-
Other losses	(630)	-
Impairment losses on other receivables (Note 2)	(34,998)	(40)
	<u>(\$ 34,754)</u>	<u>\$ 5,288</u>

Note 1: Included realised gains on disposal of property, plant and equipment amounting to \$407 and \$406, respectively.

Note 2: Refer to Note 9(2) for detailed explanations.

(22) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense - bank borrowings	\$ 8,316	\$ 6,934
Interest expense - lease liabilities	280	362
Less: Capitalized borrowing costs	(885)	(2,839)
	<u>\$ 7,711</u>	<u>\$ 4,457</u>

(23) Expenses by nature

	Years ended December 31,	
	2024	2023
Freight	\$ 370,252	\$ 432,112
Employee benefit expense	275,426	279,026
Other cost of machinery transportation and hoisting sales	275,058	227,390
Cost of merchandise sold	179,759	172,126
Diesel fee	132,808	135,642
Depreciation expense	103,491	100,219
Repairs and maintenance expense	50,223	48,418
Stevedorage & cargo charges	82,209	27,770
Tire charges	14,572	12,441
Amortization expense	1,396	417
Expected credit loss	-	5
Others	129,880	121,885
Operating costs and expenses	<u>\$ 1,615,074</u>	<u>\$ 1,557,451</u>

(24) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 226,644	\$ 226,079
Labour and health insurance fees	22,054	21,985
Pension costs	10,592	10,722
Directors' remuneration	8,772	12,757
Other personnel expenses	7,364	7,483
	<u>\$ 275,426</u>	<u>\$ 279,026</u>

- A. Information on the provisions of distribution of earnings in the Company's Articles of Incorporation is provided in Note 6(16). A ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 5% for directors' remuneration.
- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$8,227 and \$12,182, respectively; while directors' remuneration was accrued at \$8,227 and \$12,182, respectively. The aforementioned amounts were recognised in salary expenses. For the year ended December 31, 2024, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 5% of distributable profit of current year as of the end of reporting period. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$8,227 and \$8,227, and the employees' compensation will be distributed in the form of cash.

C. Employees' compensation of \$12,182 and directors' remuneration of \$12,182 for 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

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

(25) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 17,178	\$ 15,491
Tax on undistributed surplus earnings	645	553
Prior year income tax underestimation	9	19
Total current tax	17,832	16,063
Deferred tax:		
Origination and reversal of temporary differences	682	313
Total deferred tax	682	313
Income tax expense	\$ 18,514	\$ 16,376

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

	Years ended December 31,	
	2024	2023
Remeasurement of defined benefit obligations	\$ 1,387	(\$ 57)

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate	\$ 29,616	\$ 43,857
Expenses disallowed by tax regulation	7,346	304
Tax exempt income by tax regulation	(18,564)	(27,022)
Temporary difference not recognised as deferred tax assets	(538)	(1,455)
Prior year income tax underestimation	9	19
Change in assessment of realisation of deferred tax assets	-	120
Tax on undistributed earnings	645	553
Income tax expense	<u>\$ 18,514</u>	<u>\$ 16,376</u>

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

	2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Deferred gains	\$ 142	(\$ 82)	\$ -	\$ 60
Actuarial losses (gains) on defined benefit plan	9,087	-	(1,387)	7,700
Unrealized exchange losses	<u>315</u>	<u>(155)</u>	<u>-</u>	<u>160</u>
	<u>\$ 9,544</u>	<u>(\$ 237)</u>	<u>(\$ 1,387)</u>	<u>\$ 7,920</u>
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(5,586)	(445)	-	(6,031)
Provision for land increment tax	<u>(30,137)</u>	<u>-</u>	<u>-</u>	<u>(30,137)</u>
	<u>(35,723)</u>	<u>(445)</u>	<u>-</u>	<u>(36,168)</u>
	<u>(\$ 26,179)</u>	<u>(\$ 682)</u>	<u>(\$ 1,387)</u>	<u>(\$ 28,248)</u>

2023				
			Recognised in other comprehensive income	
Deferred income tax assets:	January 1	Recognised in profit or loss		December 31
- Temporary differences:				
Deferred gains	\$ 223	(\$ 81)	\$ -	\$ 142
Actuarial losses (gains) on defined benefit plan	9,030	-	57	9,087
Unrealized exchange losses	109	206	-	315
	<u>\$ 9,362</u>	<u>\$ 125</u>	<u>\$ 57</u>	<u>\$ 9,544</u>
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(5,148)	(438)	-	(5,586)
Provision for land increment tax	(30,137)	-	-	(30,137)
	<u>(35,285)</u>	<u>(438)</u>	<u>-</u>	<u>(35,723)</u>
	<u>(\$ 25,923)</u>	<u>(\$ 313)</u>	<u>\$ 57</u>	<u>(\$ 26,179)</u>

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

	December 31, 2024	December 31, 2023
Share of profit or loss of subsidiaries accounted for using equity method	\$ 106,556	\$ 109,249
Exchange differences on translation of foreign financial statements	28,387	29,821
	<u>\$ 134,943</u>	<u>\$ 139,070</u>

E. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(26) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 129,569	104,877	\$ 1.24
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 129,569	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	322	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 129,569	105,199	\$ 1.23
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 202,909	104,877	\$ 1.93
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders	\$ 202,909	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	554	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 202,909	105,431	\$ 1.92

(27) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment	\$ 48,305	\$ 139,973
Add: Opening balance of payable on equipment	384	675
Add: Opening balance of notes payable on equipment	252	1,131
Less: Ending balance of payable on equipment	(55)	(384)
Less: Ending balance of notes payable on equipment	(722)	(252)
Cash paid during the year	<u>\$ 48,164</u>	<u>\$ 141,143</u>

B. Investing activities with no cash flow effects

	Years ended December 31,	
	2024	2023
Other non-current assets transferred to property, plant and equipment	<u>\$ 1,290</u>	<u>\$ -</u>
	Years ended December 31,	
	2024	2023
Property, plant and equipment transferred to investment property	<u>\$ 115,375</u>	<u>\$ -</u>
	Years ended December 31,	
	2024	2023
Prepayments for business facilities being converted to other receivables	<u>\$ 34,998</u>	<u>\$ -</u>

(28) Changes in liabilities from financing activities

	2024				
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities (including current portion)	Guarantee deposits received	Liabilities from financing activities gross
At January 1	\$ 120,000	\$ 275,980	\$ 18,600	\$ 3,830	\$ 418,410
Changes in cash flow from financing activities	(40,000)	(35,800)	(10,134)	2,118	(83,816)
Changes in other non-cash items	-	-	8,589	-	8,589
Early termination	-	-	(2,459)	-	(2,459)
At December 31	<u>\$ 80,000</u>	<u>\$ 240,180</u>	<u>\$ 17,055</u>	<u>\$ 5,948</u>	<u>\$ 340,724</u>
	2023				
	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities (including current portion)	Guarantee deposits received	Liabilities from financing activities gross
At January 1	\$ 50,000	\$ 259,458	\$ 26,166	\$ 3,730	\$ 339,354
Changes in cash flow from financing activities	70,000	16,522	(10,887)	100	75,735
Changes in other non-cash items	-	-	3,321	-	3,321
At December 31	<u>\$ 120,000</u>	<u>\$ 275,980</u>	<u>\$ 18,600</u>	<u>\$ 3,830</u>	<u>\$ 418,410</u>

7. Related Party Transactions

(1) Names of related parties and relationship

<u>Names of related parties</u>	<u>Relationship with the Company</u>
Ever Glory Transportation Inc. (Ever Glory)	Other related party (this company's major shareholder was the Company's chairman)
Champion Shipping Agency Co., Ltd. (Champion)	Other related party (this company's chairman was the same as the Company's chairman)
Li Fung Transportation Enterprise Co., Ltd. (Li Fung)	Other related party (this company's major shareholder was the Company's director)
Deluxe Wine & Spirits Inc. (Deluxe Wine)	Other related party (this company's chairman was the same as the Company's chairman)
Eternal Full Enterprise Ltd. (Eternal Full)	Subsidiary
New An-Ho Gas Co., Ltd. (New An-Ho)	"
Chiayi New Energy Co., Ltd. (Chiayi)	"
Sea & Land Sinogreenergy Inc. (Sea & Land Sino)	"
Sea & Land Wine & Spirits Incorporation (Sea & Land Wine)	"
Giant Heavy Machinery Service Corp. (Giant Heavy Machinery)	Associate (investee accounted for using equity method by the Company)
Giant Heavy Machinery Transportation Service Corp. (Giant Heavy Machinery Transportation)	Associate (subsidiary of the investee accounted for using equity method by the Company)
Mammoet Giant (Taiwan) Limited (Mammoet Giant)	Associate (joint venture of the investee accounted for using equity method by the Company)
Ying-Jin Ho	Key management personnel

(2) Significant related party transactions

A. Sales of services and goods

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Sales of services:		
Subsidiaries	\$ 43	\$ 129
Associates		
Giant Heavy Machinery	139	285
Mammoet Giant	-	11,447
Other related parties	2,052	2,115

	Years ended December 31,	
	2024	2023
Rental revenue:		
Subsidiaries	148	48
Associates		
Giant Heavy Machinery	13,661	13,600
Giant Heavy Machinery		
Transportation	1,984	2,003
Other related parties	39	72
	<u>\$ 18,066</u>	<u>\$ 29,699</u>

- (a) The Company leases land, offices, inspection centres, parking lots, transportation and machinery equipment to associates and other related parties. Prices are determined based on the negotiated price and payment was collected according to the contract timeline signed by both parties. The lease terms are between July 2020 and June 2026. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2024	December 31, 2023
Within 1 year	\$ 14,083	\$ 11,394
1-5 years	3,906	5,807
	<u>\$ 17,989</u>	<u>\$ 17,201</u>

Before the Company entered into the contract for lease of buildings with the lessee on July 1, 2024, the lessee paid the performance guarantee amounting to \$2,048 (shown as “other non-current liabilities”), which would be refunded without bearing interest to the lessee within 30 days after the lease period expired and there were no pending matters. If the lessee does not fulfill its obligation or violates any terms specified in the contract or defaults on expenses such as rents and administrative expenses, the Company can deduct the amount from the performance guarantee and the lessee cannot declare any objection.

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

B. Purchase of services and other operating costs

	Years ended December 31,	
	2024	2023
Purchases of services:		
Associates		
Giant Heavy Machinery	\$ 74,730	\$ 144,389
Giant Heavy Machinery		
Transportation	-	2,601
Other related parties	1,111	3,740
	<u>\$ 75,841</u>	<u>\$ 150,730</u>

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

C. Receivables from related parties:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes receivable:		
Associates		
Giant Heavy Machinery		
Transportation	\$ 2,151	\$ 2,581
Other related parties	<u>-</u>	<u>56</u>
	<u>2,151</u>	<u>2,637</u>
Accounts receivable:		
Subsidiaries	32	26
Associates		
Giant Heavy Machinery	-	24
Giant Heavy Machinery		
Transportation	-	19
Other related parties	<u>384</u>	<u>315</u>
	<u>416</u>	<u>384</u>
Other receivable:		
Associates		
Giant Heavy Machinery	<u>14</u>	<u>-</u>
Long-term notes receivable (shown as ‘other non-current assets’)		
Associates		
Giant Heavy Machinery		
Transportation	<u>-</u>	<u>2,151</u>
Total	<u>\$ 2,581</u>	<u>\$ 5,172</u>

Other receivable due from associates of the Company is receivable for utilities.

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

D. Payables to related parties:

	December 31, 2024	December 31, 2023
Notes payable:		
Subsidiaries	\$ 36	\$ 82
Associates		
Giant Heavy Machinery	2,372	18,765
Giant Heavy Machinery		
Transportation	-	231
Other related parties	<u>543</u>	<u>1,862</u>
	<u>2,951</u>	<u>20,940</u>
Accounts payable:		
Associates		
Giant Heavy Machinery	\$ 315	\$ 6,757
Giant Heavy Machinery		
Transportation	-	231
Other related parties	<u>295</u>	<u>499</u>
	<u>610</u>	<u>7,487</u>
Other payables:		
Subsidiaries	251	197
Other related parties	<u>-</u>	<u>188</u>
	<u>251</u>	<u>385</u>
	<u>\$ 3,812</u>	<u>\$ 28,812</u>

Other payables due from subsidiaries of the Company is payable for wine purchases.

E. Property transactions:

Acquisition of financial assets:

				Year ended December 31, 2024
	Accounts	No. of shares	Objects	Consideration
Sea & Land Sino	Investments accounted for using equity method	646 thousand shares	Stock	<u>\$ 6,466</u>
				Year ended December 31, 2023
	Accounts	No. of shares	Objects	Consideration
Giant Heavy Machinery	Investments accounted for using equity method	1,739 thousand shares	Stock	<u>\$ 52,172</u>

F. Lease transactions — lessee

- (a) The Company leased land from related parties. The rental contract periods are between 2021 and 2026. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Leased assets may not be used as security for borrowing purposes and may not be transferred to others in the form of business transfer, merger and other ways.

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

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Deluxe Wine	<u>\$ 1,567</u>	<u>\$ -</u>

- (c) Disposal of right-of-use assets:

	<u>Year ended December 31, 2024</u>	<u>Year ended December 31, 2023</u>
Deluxe Wine - Decrease in lease liabilities	<u>\$ 2,459</u>	<u>\$ -</u>
Deluxe Wine - Profit from lease modification	<u>\$ 58</u>	<u>\$ -</u>

- (d) Lease liabilities

- i. Outstanding balance

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total lease liabilities	<u>\$ 1,056</u>	<u>\$ 2,459</u>
Less: Current portion (shown as 'current lease liabilities')	<u>(522)</u>	<u>(807)</u>
	<u>\$ 534</u>	<u>\$ 1,652</u>

- ii. Interest expense

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Other related parties	<u>\$ 29</u>	<u>\$ 46</u>

G. Other income

	<u>Years ended December 31,</u>	
	<u>2024</u>	<u>2023</u>
Service income:		
Subsidiaries	<u>\$ 200</u>	<u>\$ 533</u>
Associates		
Giant Heavy Machinery	<u>105</u>	<u>-</u>
Other related parties	<u>140</u>	<u>690</u>
	<u>\$ 445</u>	<u>\$ 1,223</u>

Service income is mainly revenue arising from system support and translation services.

H. Other expenses

	Years ended December 31,	
	2024	2023
Services expense:		
Subsidiaries	\$ 1,382	\$ 1,683
Other related parties		
Li Fung	145	2,633
Deluxe Wine	1,800	1,800
	<u>\$ 3,327</u>	<u>\$ 6,116</u>

Service expense is mainly expenditure arising from shipside transportation and security expense.

I. Dividends income

	Years ended December 31,	
	2024	2023
Giant Heavy Machinery	<u>\$ 164,735</u>	<u>\$ 35,199</u>

The abovementioned dividend received is recorded as a deduction to investments accounted for under equity method.

J. Endorsements and guarantees provided to related parties

The Company's certain short-term borrowings are jointly guaranteed by key management.

(3) Key management compensation

	Years ended December 31,	
	2024	2023
Salaries and other short-term employee benefits	<u>\$ 14,199</u>	<u>\$ 17,578</u>

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

Items	Nature	Book value	
		December 31, 2024	December 31, 2023
Other current assets			
Financial assets at amortised cost - current	Performance bond and deposits	\$ 32,787	\$ 32,567
Other non-current assets			
Time deposits	Business guarantee	1,094	1,077
Refundable deposits	Performance bond and deposits	<u>11,916</u>	<u>12,450</u>
		13,010	13,527

Items	Nature	Book value	
		December 31, 2024	December 31, 2023
Property, plant and equipment			
Land, buildings and structures and transportation equipment	Long-term and short-term borrowings and business guarantee	721,306	775,247
Investment property			
Land	Short-term borrowings	19,835	-
		<u>\$ 786,938</u>	<u>\$ 821,341</u>

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Commitments

A. Operating lease commitments

Please refer to Notes 6(7) and (8) for details.

B. As of December 31, 2024 and 2023, the Company entered into a significant construction contract with related suppliers for machine transportation and hoisting business at a price of \$221,685 and \$152,000, and the Company had paid \$207,552 and \$126,077, respectively. The remaining would be paid gradually according to the construction progress.

C. As of December 31, 2024 and 2023, the Company entered into a purchase contract with CPC Corporation, Taiwan for oil products and liquefied petroleum gas. According to the contract, the amount of guaranteed notes payable issued by the Company was \$25,000 and \$30,000, respectively. The guarantee amount which was provided by banks for purchasing oil products and liquefied petroleum gas on accounts were \$16,000 and \$17,627, respectively. Additionally, the Company issued guaranteed notes payable to guarantee banks amounting to \$16,000 and \$17,627, respectively.

D. As of December 31, 2024 and 2023, the Company entered into a significant construction contract with related suppliers for operational needs at a price of \$0 and \$398,747, and the Company had paid \$0 and \$338,956, respectively.

(2) Contingencies

On January 5, 2023, the Company entered into an agreement for sale and purchase of a ship from a Japanese shipping company. In accordance with the contract terms, the Company paid JPY 150,000 thousand (approximately NT\$ 34,998 thousand) in advance for the prepayments for business facilities. Subsequently, the transaction was not completed during the contract period since the delivery of the ship was delayed due to the seller's negligence and defects were found during the inspection after the ship arrived at the port. As a result, the agreement for sale and purchase of the ship was cancelled based on mutual agreement on June 5, 2024. However, the Company still could not recover the above prepayments for business facilities after taking action in demanding collection of the amount. On August 2, 2024, the Company filed a civil complaint against the Japanese shipping company, requesting a return of the payment, and the prepayments for business facilities had been fully transferred to other receivables.

On December 20, 2024, a judgment had been rendered in the first instance that the seller should return the payment to the Company. However, the Company had not received the payment as of December 31, 2024. Other receivables were all provisioned as an impairment loss amounting to \$34,998 (shown as "other gains and losses") based on the Company's assessment.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The distribution of earnings was approved by the Company's Board of Directors on March 12, 2025. Please refer to Note 6(16) for more details in relation to the distribution of earnings.

12. Others

(1) Capital risk management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial asset measured at fair value through other comprehensive income - current		
Designation of equity instrument	\$ 72,000	\$ 17,220
Financial asset measured at fair value through other comprehensive income - non-current		
Designation of equity instrument	71,523	79,762
Financial assets at amortised cost		
Cash and cash equivalents	59,110	79,090
Financial assets at amortised cost - current	32,787	32,567
Notes receivable (including related parties)	26,128	22,977
Accounts receivable (including related parties)	293,022	216,314
Other receivables (including related parties)	95	234
Guarantee deposits paid	13,010	13,527
Long-term notes receivable (shown as other non-current assets)	-	2,151
Other financial assets (shown as other non-current assets)	1,440	1,440
	<u>\$ 569,115</u>	<u>\$ 465,282</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost		
Short-term borrowings	\$ 80,000	\$ 120,000
Notes payable (including related parties)	101,864	128,133
Accounts payable (including related parties)	98,087	88,874
Other accounts payable (including related parties)	72,050	80,328
Long-term borrowings (including current portion)	240,180	275,980
Guarantee deposits received	5,948	3,830
	<u>\$ 598,129</u>	<u>\$ 697,145</u>
Lease liabilities (including current portion)	<u>\$ 14,596</u>	<u>\$ 18,600</u>

B. Financial risk management policies

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

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

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

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount		Book value
	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,000	32.79	\$ 32,790

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency amount		Book value
	<u>(In thousands)</u>	<u>Exchange rate</u>	<u>(NTD)</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,000	30.71	\$ 30,710

- ii. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to \$415 and (\$1,371), respectively.

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

(Foreign currency: functional currency)	Year ended December 31, 2024	
	Sensitivity analysis	
	Degree of variation	Effect on profit or loss (NTD)
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD	1%	\$ 328

(Foreign currency: functional currency)	Year ended December 31, 2023	
	Sensitivity analysis	
	Degree of variation	Effect on profit or loss (NTD)
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD	1%	\$ 307

Price risk

- i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.
- ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased all were \$0, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,435 and \$970, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

- i. The Company's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During 2024 and 2023, the Company's borrowings at variable rate were mainly denominated in New Taiwan dollars.

- ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$640 and \$792, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable and other receivables based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through profit or loss.
- ii. The Company manages their credit risk taking into consideration the entire company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.
- iii. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- vi. The Company classifies customer's accounts receivable in accordance with credit risk on trade. The Company applies the modified approach using a provision matrix to estimate the expected credit loss.
- vii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Company's written-off financial assets that are still under recourse procedures amounted to \$0 and \$5, respectively.

- viii. The Company used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable and contract assets. On December 31, 2024 and 2023, the loss rate methodology is as follows:

	Individual	Group	Total
<u>December 31, 2024</u>			
Expected loss rate	100%	0.03%~100%	
Total book value	\$ -	\$ 317,598	\$ 317,598
Loss allowance	\$ -	\$ -	\$ -
	Individual	Group	Total
<u>December 31, 2023</u>			
Expected loss rate	100%	0.05%~6.17%	
Total book value	\$ -	\$ 267,694	\$ 267,694
Loss allowance	\$ -	\$ -	\$ -

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

	2024
	Accounts receivable
At January 1	\$ -
Provision for impairment loss	-
Amounts written off due to irrecoverability	-
At December 31	\$ -
	2023
	Accounts receivable
At January 1	\$ -
Provision for impairment loss	5
Amounts written off due to irrecoverability	(5)
At December 31	\$ -

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

- x. As of December 31, 2024 and 2023, the balance of the Company's other receivables amounted to \$81 and \$234, respectively. The Company assessed the impairment of these receivables individually. Based on the Company's assessment, impairment loss of \$34,988 and \$0 was provided for the years ended December 31, 2024 and 2023, respectively.
- xi. The Company's pledged time deposits were shown as financial assets at amortised cost. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(c) Liquidity risk

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

- ii. The Company has the following undrawn borrowing facilities:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expiring within one year	<u>\$ 464,000</u>	<u>\$ 342,373</u>

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

<u>December 31, 2024</u>	<u>Less than one year</u>	<u>Over one year</u>	<u>Total</u>
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 80,000	\$ -	\$ 80,000
Notes and accounts payable (including related parties)	199,951	-	199,951
Other payables (including related parties)	72,050	-	72,050
Lease liabilities (including current portion) (Note)	9,028	5,846	14,874
Long-term borrowings (including current portion) (Note)	51,361	203,426	254,787
Guarantee deposits received	5,948	-	5,948

December 31, 2023	Less than one year	Over one year	Total
<u>Non-derivative financial liabilities:</u>			
Short-term borrowings	\$ 120,000	\$ -	\$ 120,000
Notes and accounts payable (including related parties)	217,007	-	217,007
Other payables (including related parties)	80,328	-	80,328
Lease liabilities (including current portion) (Note)	9,689	9,293	18,982
Long-term borrowings (including current portion) (Note)	49,031	243,448	292,479
Guarantee deposits received	3,830	-	3,830

Note: Amounts included interest expected to be paid in the future.

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

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

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

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

C. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2024 and 2023 are as follows:

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

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 72,000	\$ -	\$ 71,523	\$ 143,523
	<u>\$ 72,000</u>	<u>\$ -</u>	<u>\$ 71,523</u>	<u>\$ 143,523</u>

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 17,220	\$ -	\$ 79,762	\$ 96,982
	<u>\$ 17,220</u>	<u>\$ -</u>	<u>\$ 79,762</u>	<u>\$ 96,982</u>

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

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

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

- iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions.
 - v. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - vi. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vii. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.
- D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- E. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	2024
	Equity instruments at fair value through other comprehensive income
At January 1	\$ 79,762
Proceeds from capital reduction in the year	(8,239)
At December 31	\$ 71,523
	2023
	Equity instruments at fair value through other comprehensive income
At January 1	\$ 85,762
Sold in the year	(6,000)
At December 31	\$ 79,762

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

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 71,523	Discounted cash flow	Weighted average cost of capital	5.47%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 79,762	Discounted cash flow	Weighted average cost of capital	4.16%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value

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

		December 31, 2024	
		Recognised in other comprehensive income	
	Input	Change	
			Favourable change Unfavourable change
Financial assets			
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	\$ 715 (\$ 715)
		December 31, 2023	
		Recognised in other comprehensive income	
	Input	Change	
			Favourable change Unfavourable change
Financial assets			
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	\$ 798 (\$ 798)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods:
As of December 31, 2024, the balance of Sea & Land Wine's financial assets held for trading amounted to \$0. For the year ended December 31, 2024, Sea & Land Wine had recognised net profit in the amount of \$25. Sea & Land Wine entered into forward foreign exchange contracts to buy foreign currency (sell NTD buy EUR) to hedge exchange rate risk of import proceeds. However, these forward foreign exchange contracts are not accounted for under hedge accounting.
- J. Significant inter-company transactions during the reporting periods: Not significant.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 2.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information: Please refer to table 3.

14. Operating Segment Information

Not applicable.

SEA & LAND INTEGRATED CORP.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash on hand		\$ 1,663
Revolving funds		2,880
Bank deposits		
— Checking deposits		141
— Demand deposit	Included USD 43 thousand, exchange rate 32.79 EUR 2 thousand, exchange rate 34.14	54,426
		<u>\$ 59,110</u>

SEA & LAND INTEGRATED CORP.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Client name	Description	Amount	Note
GE Vernova International LLC - Taiwan Branch(USA)		\$ 47,385	
JFE Engineering Corporation Taiwan Branch (Japan)		45,542	
Jing Ming Transportation Co., Ltd.		29,962	
China Cosco Shipping Co., Ltd. (Taiwan)		12,700	
Hapag-Lloyd (Taiwan) Ltd		11,268	
			The balance of each customer has not exceeded 5% of accounts receivable.
Others		145,749	
Subtotal		292,606	
Less: Allowance for doubtful accounts		-	
Accounts receivable, net		\$ 292,606	

SEA & LAND INTEGRATED CORP.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Name	Beginning balance		Addition		Decrease		Ending balance		Market value or net assets value				
	Number of thousand shares	Amount	Number of thousand shares	Amount (Note)	Number of thousand shares	Amount (Note)	Number of thousand shares	Percentage of ownership	Amount	Price (in dollar)	Total price	Evaluation basis	Collateral
Eternal Full Enterprise Ltd.	-	\$ 122,135	-	\$ 4,127	-	\$ -	-	100.00	\$ 126,262	\$ -	\$ 126,262	Equity method	None
New An-Ho Gas Co., Ltd.	7,800	90,506	-	250	-	(196)	7,800	100.00	90,560	11.61	90,560	"	"
Jui Shan Co., Ltd.	-	-	-	-	-	-	-	0.00	-	-	-	"	"
Sea & Land Wine & Spirits	5,523	74,006	-	958	-	(270)	5,523	55.23	74,694	13.52	74,694	"	"
Sea & Land Sinogreenenergy Inc.	1,604	15,646	646	6,466	-	(954)	2,250	75.00	21,158	9.40	21,158	"	"
Chiai New Energy Co., Ltd.	1,955	13,975	-	-	-	(658)	1,955	77.27	13,317	6.81	13,317	"	"
Giant Heavy Machinery Service	13,179	381,790	2,636	143,822	-	(164,735)	15,815	25.33	360,877	22.82	360,877	"	"
Denzai Sea & Land Corporation	100	-	-	-	-	-	100	50.00	-	-	-	"	"
		<u>\$ 698,058</u>		<u>\$ 155,623</u>		<u>(\$ 166,813)</u>			<u>\$ 686,868</u>		<u>\$ 686,868</u>		

Note: The amount includes the shares of profits and losses of subsidiaries, associates and joint ventures accounted for using equity method, exchange differences on translation of foreign financial statements, increase or decrease in investment costs, dividends received, changes in the proportion of long-term equity investment, etc.

SEA & LAND INTEGRATED CORP.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Beginning balance	Addition	Decrease	Reclassification	Ending balance	Collateral	Note
Land	\$ 363,510	\$ -	-	(\$ 19,835)	\$ 343,675	Details are provided in Note 8	
Buildings and structures	266,576	205,112	-	(95,540)	376,148	"	
Machinery and equipment	14,954	-	-	-	14,954	"	
Transportation equipment	948,677	7,521	(2,426)	-	953,772	"	
Rental assets	137,142	-	-	-	137,142	"	
Office equipment	16,514	11,043	(1,492)	-	26,065	"	
Others	9,206	2,511	(413)	-	11,304	"	
Unfinished construction and equipment under acceptance	176,592	-	(176,592)	-	-	"	
	<u>\$ 1,933,171</u>	<u>\$ 226,187</u>	<u>(\$ 180,923)</u>	<u>(\$ 115,375)</u>	<u>\$ 1,863,060</u>		

SEA & LAND INTEGRATED CORP.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars)

Item	Beginning balance	Addition	Decrease	Ending balance	Collateral	Note
Buildings and structures	\$ 130,189	\$ 9,106	\$ -	\$ 139,295	Details are provided in Note 8	
Machinery and equipment	9,496	550	-	10,046	"	
Transportation equipment	438,977	70,071	(2,070)	506,978	"	
Rental assets	37,828	8,602	-	46,430	"	
Office equipment	12,995	2,741	(1,492)	14,244	"	
Others	5,581	1,345	(413)	6,513	"	
	<u>\$ 635,066</u>	<u>\$ 92,415</u>	<u>(\$ 3,975)</u>	<u>\$ 723,506</u>		

SEA & LAND INTEGRATED CORP.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2024
 (Expressed in thousands of New Taiwan dollars)

Nature	Description	Ending balance	Contract period	Interest rate	Credit line	Collateral	Note
Secured borrowings	Taiwan Cooperative Bank Keelung Branch	\$ 20,000	2024/12/30-2025/02/28	2.028%	\$ 140,000	Property, plant and equipment and investment property	
Secured borrowings	Hua Nan Commercial Bank, Ltd. Xizhi Branch	60,000	2024/12/06-2025/02/06	1.983%	154,000	Property, plant and equipment	
		<u>\$ 80,000</u>					

SEA & LAND INTEGRATED CORP.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Creditor	Description	Ending balance		Total	Contract period	Interest rate	Collateral	Note
		Current portion	Non-current portion					
Long-term bank borrowings								
Hua Nan Commercial Bank, Ltd.	Secured borrowings	\$ -	\$ 30,000	\$ 30,000	2024/06/03-2026/06/03	2.160%	Property, plant and equipment	
Installment borrowings								
Bank of Taiwan	Secured borrowings	7,800	3,900	11,700	2021/04/12-2026/04/12	2.1670%	Property, plant and equipment	
Bank of Taiwan	Secured borrowings	14,400	32,400	46,800	2023/02/24-2028/02/24	2.1670%	"	
Bank of Taiwan	Secured borrowings	12,000	48,000	60,000	2024/12/20-2029/12/20	2.1247%	"	
First Commercial Bank Xizhi Branch	Secured borrowings	4,800	51,600	56,400	2021/07/27-2036/07/27	2.1150%	"	
Hua Nan Commercial Bank, Ltd.	Secured borrowings	7,840	27,440	35,280	2022/07/05-2029/07/05	2.3100%	"	
		<u>\$ 46,840</u>	<u>\$ 193,340</u>	<u>\$ 240,180</u>				

SEA & LAND INTEGRATED CORP.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Net sales revenue	7,938,137.12 liters	\$ 201,736	
Net rental revenue		32,197	
Warehousing revenue		6,273	
Less: Discount and allowance on warehousing revenue		-	
Net warehousing revenue		6,273	
Transportation revenue		802,823	
Less: Discount and allowance on transportation revenue		(4,483)	
Net transportation revenue		798,340	
Machinery transportation and hoisting revenue		664,422	
Less: Discount and allowance on machinery transportation and hoisting revenue		(889)	
Net machinery transportation and hoisting revenue		663,533	
		\$ 1,702,079	

SEA & LAND INTEGRATED CORP.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Note
Cost of goods sold			
Beginning inventories		\$ 1,861	
Add: inventories purchased for the year		179,804	
Less: Ending inventories		(1,906)	
Cost of goods sold		<u>179,759</u>	
Cost of rental sales			
Depreciation expense		10,957	
Others		<u>1,049</u>	
		<u>12,006</u>	
Cost of warehousing sales			
Wages and salaries		2,089	
Depreciation expense		6,323	
Others		<u>1,790</u>	
		<u>10,202</u>	
Cost of transportation sales			
Freight		325,714	
Wages and salaries		115,475	
Diesel fee		132,808	
Depreciation expense		58,451	
Others		<u>96,544</u>	
		<u>728,992</u>	
Cost of machinery transportation and hoisting sales			
Cost of engineering sales		275,058	
Stevedorage & cargo charges		81,715	
Freight		44,506	
Wages and salaries		46,067	
Depreciation expense		19,510	
Customs clearance fee		987	
Others		<u>74,606</u>	
		<u>542,449</u>	
Total operating cost		<u>\$ 1,473,408</u>	

SEA & LAND INTEGRATED CORP.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars)

Item	Selling expenses	General and administrative expenses	Total
Wages and salaries	\$ 24,292	\$ 38,721	\$ 63,013
Directors' remuneration	-	8,772	8,772
Service expense	-	7,323	7,323
Depreciation expense	4,009	4,241	8,250
Entertainment expense	985	6,576	7,561
Insurance expense	2,684	3,841	6,525
Other expenses	24,643	15,579	40,222
Total	<u>\$ 56,613</u>	<u>\$ 85,053</u>	<u>\$ 141,666</u>

SEA & LAND INTEGRATED CORP.
SUMMARY STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
 (Expressed in thousands of New Taiwan dollars)

Nature	Function	2024			2023		
		Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense							
Wages and salaries		\$ 163,631	\$ 63,013	\$ 226,644	\$ 164,322	\$ 61,757	\$ 226,079
Labour and health insurance fees		15,856	6,198	22,054	15,806	6,179	21,985
Pension costs		8,430	2,162	10,592	8,433	2,289	10,722
Directors' remuneration		-	8,772	8,772	-	12,757	12,757
Other personnel expenses		4,112	3,252	7,364	4,257	3,226	7,483
Depreciation expense		95,241	8,250	103,491	92,033	8,186	100,219
Amortisation expense		-	1,396	1,396	-	417	417

Note:

1. As at December 31, 2024 and 2023, the number of the Company's employees were 268 and 278, including 7 and 7 non-employee directors, respectively.

2. For the entity that its shares are listed on the Taiwan Stock Exchange or traded in the Taipei Exchange, the following additional disclosures are required:

(1) The average employee benefit expense for the current year was \$1,022 thousand ('total employee benefit expense for the current year – total directors' remuneration / 'the number of employees in the current year – the number of non-employee directors').

The average employee benefit expense for the previous year was \$983 thousand ('total employee benefit expense for the previous year – total directors' remuneration' / 'the number of employees in the previous year – the number of non-employee directors').

(2) The average employee salaries and wages for the current year was \$868 thousand (total salaries and wages for the current year / 'the number of employees in the current year - the number of non-employee directors').

The average employee salaries and wages for the previous year was \$834 thousand (total salaries and wages for the previous year / 'the number of employees in the previous year - the number of non-employee directors).

(3) The variation in the adjustments of the average employee salaries and wages was 4.08%. ('the average employee salaries and wages for the current year - the average employee salaries and wages for the previous year' / 'the average employee salaries and wages for the previous year').

SEA & LAND INTEGRATED CORP.
SUMMARY STATEMENT OF EMPLOYEE BENEFITS, DEPRECIATION, AMORTIZATION EXPENSES BY FUNCTION(COUNTINUE)
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

3. Please disclose the company's remuneration policy (including directors, managers and employees)

(1) Directors' remuneration

In accordance with the Article 31 of Incorporation of the Company, if the Company has any profit for the current year, the Company shall distribute no higher than 5% as directors' remuneration.

(2) The general manager's, vice general manager's and manager's emoluments

In accordance with the Company's salary assignment, the salary is determined based on the duties and responsibilities for the employees and would be reviewed and adjusted in time by taking into consideration the employees' contribution to the Company and the Company's operating results.

(3) General employees' compensation

For tractor drivers, as the salary was paid mainly based on the "pay by trips", the calculation of drivers' allowance is based on the relevant standards and would be reviewed and adjusted in time by taking into consideration the impacts of changes in the working environment, the Company's operating results and the benchmark of the industry.

In accordance with the Company's salary assignment, the salary is determined based on the duties and workload for the employees and would be reviewed and adjusted in time by taking into consideration the employees' contribution to the Company and the Company's operating results.

(4) Year-end bonus and employees' compensation

Year-end bonus: Monthly contributed 30% for year-end bonus, then reviewed whether the bonus should be adjusted based on the operating performance and financial situation quarterly or at the end of the year. Year-end bonus is paid in accordance with the segments' performance and the employees' performance assessment.

Employees' compensation (bonus): In accordance with the Company's Article of Incorporation, if the Company has any profit for the current year, the Company shall distribute 5% as employees' compensation and the target are the general manager, vice general manager and managers. For the general employees, the compensation is paid in accordance with the method of employee compensation approved by the Remuneration Committee.

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sea & Land Integrated Corp. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2024 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Sea & Land Integrated Corp. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sea & Land Integrated Corp. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

Sea & Land Integrated Corp.

By

Ying-Jin Ho, Chairman

March 12, 2025

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

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

Opinion

We have audited the accompanying consolidated balance sheets of Sea & Land Integrated Corp. and its subsidiaries (the “Group”) as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2024 consolidated financial statements are stated as follows:

Accuracy of machinery transportation and hoisting revenue recognition

Description

Refer to Note 4(29) for the accounting policy on revenue recognition and Note 6(19) for details.

The Group's operating revenue is mainly consisting of machinery transportation and hoisting revenue and transportation revenue. Machinery transportation and hoisting revenue amounted to NT\$663,533 thousand, constituting 36.50% of operating revenue for the year ended December 31, 2024. The prices and quantities for machinery transportation and hoisting services are calculated based on the terms of contracts signed with each client and the actual quantities of the service rendered. Since the weights, quantities, types and pricing that each client commissions the Group for services are all different, partial manual operations of the handling, recording and maintaining reports and records may result in the incorrect calculation of the machinery transportation and hoisting revenue. The amount can have a significant impact on the consolidated financial statements. Therefore, we consider the accuracy of the machinery transportation and hoisting revenue recognition as a key audit matter.

How our audit addressed the matter

1. Obtained an understanding on the nature of the Group's business and industry, and assessed the consistency of the internal process applied to recognise revenue.

2. Assessed and tested the design and operating effectiveness of the internal control system used by the management regarding the revenue relevant to the machinery transportation and hoisting services.
3. Obtained details of project revenue and performed substantive procedures, including randomly selecting the significant machinery transportation and hoisting revenue in the details of project revenue and obtaining the service list against the contracts, invoices and the acceptance reports, etc. Verified the accuracy of the revenue calculation and confirmed that the amount was in agreement with the recorded revenue.

Impairment assessment of accounts receivable

Description

The Group's net accounts receivable amounted (including related parties) to NT\$ 301,602 thousand, constituting 10.85 % of total assets as at December 31, 2024. Refer to Notes 4(8) and (9) for accounting policies, Note 5(2) for the uncertainty of accounting estimates and assumptions in relation to accounts receivable, Note 6(5) for details.

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

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

How our audit addressed the matter

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

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

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain consolidated subsidiaries and investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and an associate and the information disclosed in Note 13, is based solely on the reports of the other auditors. Total assets, including the investments accounted for using the equity method, of those consolidated subsidiaries and an associate amounted to NT\$107,956 thousand and NT\$108,828 thousand, constituting 3.88% and 3.88% of the consolidated total assets as of December 31, 2024 and 2023, respectively, total operating revenues amounted to NT\$1,612 thousand and NT\$1,859 thousand, constituting 0.09% and 0.10% of the consolidated total operating revenues for the years then ended, respectively, and the comprehensive income (loss) recognised from investments accounted for using the equity method amounted to NT\$0 thousand and NT(\$302) thousand, constituting 0% and (0.15%) of the consolidated total comprehensive income for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unmodified opinion with other matter section on the parent company only financial statements of Sea & Land Integrated Corp. as at and for the years ended December 31, 2024 and 2023.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

Huang, Chin-Lien

Yu, Chih-Fan

For and on behalf of PricewaterhouseCoopers, Taiwan

March 12, 2025

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 95,030	3	\$ 113,504	4
1120	Financial assets at fair value through other comprehensive income - current	6(3)	72,120	3	17,340	1
1136	Financial assets at amortised cost - current	6(4) and 8	36,221	1	32,567	1
1140	Contract assets - current	6(19)	1,015	-	31,424	1
1150	Notes receivable, net	6(5)	25,128	1	21,705	1
1160	Notes receivable - related parties	6(5) and 7	2,151	-	2,637	-
1170	Accounts receivable, net	6(5)	301,218	11	223,461	8
1180	Accounts receivable - related parties	6(5) and 7	384	-	358	-
1200	Other receivables	9	1,120	-	1,619	-
1210	Other receivables - related parties	7	14	-	-	-
1220	Current income tax assets		717	-	-	-
130X	Inventories	6(6)	180,223	6	178,911	6
1410	Prepayments		48,945	2	51,361	2
1470	Other current assets		272	-	321	-
11XX	Total current assets		764,558	27	675,208	24
Non-current assets						
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	71,523	3	79,762	3
1535	Financial assets at amortised cost - non-current	6(4)	1,082	-	4,445	-
1550	Investments accounted for using equity method	6(7) and 7	360,877	13	381,790	14
1600	Property, plant and equipment	6(8) and 8	1,281,160	46	1,440,576	51
1755	Right-of-use assets	6(9) and 7	46,808	2	48,993	2
1760	Investment property - net	6(11) and 8	201,042	7	84,787	3
1780	Intangible assets		937	-	406	-
1840	Deferred income tax assets	6(27)	11,485	-	12,868	-
1900	Other non-current assets	6(15), 7 and 8	40,978	2	73,698	3
15XX	Total non-current assets		2,015,892	73	2,127,325	76
1XXX	Total assets		\$ 2,780,450	100	\$ 2,802,533	100

(Continued)

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2024		December 31, 2023	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(12) and 8	\$ 164,737	6	\$ 203,350	7
2120	Financial liabilities at fair value through profit or loss - current	6(2)	-	-	25	-
2130	Contract liabilities - current	6(19)	9,714	-	7,451	-
2150	Notes payable		98,913	4	107,193	4
2160	Notes payable - related parties	7	2,915	-	20,858	1
2170	Accounts payable		99,824	4	90,564	3
2180	Accounts payable - related parties	7	610	-	7,487	-
2200	Other payables	6(13)	79,524	3	94,679	3
2220	Other payables - related parties	7	-	-	188	-
2230	Current income tax liabilities		12,467	-	9,734	-
2280	Lease liabilities - current	6(9) and 7	10,323	-	11,259	1
2320	Long-term liabilities, current portion	6(14) and 8	46,840	2	43,840	2
2399	Other current liabilities, others		1,631	-	1,742	-
21XX	Total current liabilities		527,498	19	598,370	21
Non-current liabilities						
2540	Long-term borrowings	6(14) and 8	193,340	7	232,140	8
2570	Deferred income tax liabilities	6(27)	36,168	1	35,723	1
2580	Lease liabilities - non-current	6(9) and 7	9,366	-	10,169	1
2600	Other non-current liabilities	6(15) and 7	14,579	1	16,605	1
25XX	Total non-current liabilities		253,453	9	294,637	11
2XXX	Total liabilities		780,951	28	893,007	32
Equity attributable to owners of parent						
	Share capital	6(16)				
3110	Common stock		1,048,766	38	1,048,766	37
	Capital surplus	6(17)				
3200	Capital surplus		148,032	5	87,926	3
	Retained earnings	6(18)				
3310	Legal reserve		259,274	9	238,556	9
3320	Special reserve		91,509	3	85,415	3
3350	Unappropriated retained earnings		451,388	16	468,934	17
	Other equity interest					
3400	Other equity interest		(73,327)	(2)	(91,508)	(3)
31XX	Total equity attributable to owners of the parent		1,925,642	69	1,838,089	66
36XX	Non-controlling interest	4(3)	73,857	3	71,437	2
3XXX	Total equity		1,999,499	72	1,909,526	68
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 2,780,450	100	\$ 2,802,533	100

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

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for earnings per share amounts)

			Year ended December 31			
			2024		2023	
Items	Notes		AMOUNT	%	AMOUNT	%
4000 Operating revenue	6(19) and 7	\$	1,817,795	100	\$ 1,803,062	100
5000 Operating costs	6(6)(20)(25)(26) and 7	(	1,547,133)	(85)	(1,529,408)	(85)
5900 Gross profit			270,662	15	273,654	15
Operating expenses	6(25)(26) and 7					
6100 Selling expenses		(	67,214)	(4)	(66,166)	(4)
6200 General and administrative expenses		(	109,485)	(6)	(119,294)	(6)
6450 Expected credit impairment loss	12(2)		-	-	(5)	-
6000 Total operating expenses		(	176,699)	(10)	(185,465)	(10)
6900 Operating profit			93,963	5	88,189	5
Non-operating income and expenses						
7100 Interest income	6(21)		1,357	-	1,287	-
7010 Other income	6(22) and 7		20,407	1	24,842	1
7020 Other gains and losses	6(23)	(	38,167)	(2)	4,989	-
7050 Finance costs	6(24) and 7	(	9,295)	(1)	(5,421)	-
7060 Share of profit of associates and joint ventures accounted for using equity method	6(7)		83,310	5	113,406	6
7000 Total non-operating revenue and expenses			57,612	3	139,103	7
7900 Profit before income tax			151,575	8	227,292	12
7950 Income tax expense	6(27)	(	21,741)	(1)	(19,673)	(1)
8200 Profit for the year		\$	129,834	7	\$ 207,619	11
Other comprehensive income (loss)						
Components of other comprehensive income (loss)						
8311 Gain (loss) on remeasurements of defined benefit plans	6(15)	\$	6,936	-	(\$ 285)	-
8316 Unrealised gains (losses) from investments in equity instruments measured at fair value through other	6(3)		16,747	1	2,158	-
8320 Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss			-	-	122	-
8349 Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(27)	(	1,387)	-	57	-
8310 Components of other comprehensive income that will not be reclassified to profit or loss			22,296	1	2,052	-
Components of other comprehensive income (loss) that will be reclassified to profit or loss						
8361 Financial statements translation differences of foreign operations			1,434	-	(2,877)	-
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss			1,434	-	(2,877)	-
8300 Other comprehensive income (loss) for the year		\$	23,730	1	(\$ 825)	-
8500 Total comprehensive income for the year		\$	153,564	8	\$ 206,794	11
Profit attributable to:						
8610 Owners of the parent		\$	129,569	7	\$ 202,909	10
8620 Non-controlling interest			265	-	4,710	1
		\$	129,834	7	\$ 207,619	11
Comprehensive income attributable to:						
8710 Owners of the parent		\$	153,299	8	\$ 202,084	11
8720 Non-controlling interest			265	-	4,710	-
		\$	153,564	8	\$ 206,794	11
Basic earnings per share	6(28)					
9750 Basic earnings per share		\$	1.24		\$ 1.93	
9850 Diluted earnings per share		\$	1.23		\$ 1.92	

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

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

Equity attributable to owners of the parent											
Notes	Share capital - common stock	Retained earnings			Other equity interest					Non-controlling interest	Total equity
		Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements differences of translation foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income				
Year 2023											
	Balance at January 1, 2023	\$ 1,048,766	\$ 83,363	\$ 218,155	\$ 66,693	\$ 405,755	(\$ 26,944)	(\$ 58,471)	\$ 1,737,317	\$ 74,230	\$ 1,811,547
	Profit for the year	-	-	-	-	202,909	-	-	202,909	4,710	207,619
	Other comprehensive income (loss) for the year	-	-	-	-	(228)	(2,877)	2,280	(825)	-	(825)
	Total comprehensive income (loss) for the year	-	-	-	-	202,681	(2,877)	2,280	202,084	4,710	206,794
6(18)	Distribution of 2022 earnings:										
	Legal reserve	-	-	20,401	-	(20,401)	-	-	-	-	-
	Special reserve	-	-	-	18,722	(18,722)	-	-	-	-	-
	Cash dividend	-	-	-	-	(104,877)	-	-	(104,877)	-	(104,877)
6(3)	Disposal of equity investments at fair value through other comprehensive income	-	-	-	-	4,498	-	(4,498)	-	-	-
6(7)(17)	Changes in ownership interests in associates and joint venture for using equity method	-	4,563	-	-	-	-	(998)	3,565	-	3,565
	Cash dividend paid to non-controlling interest by subsidiaries	-	-	-	-	-	-	-	(7,503)	-	(7,503)
	Balance at December 31, 2023	\$ 1,048,766	\$ 87,926	\$ 238,556	\$ 85,415	\$ 468,934	(\$ 29,821)	(\$ 61,687)	\$ 1,838,089	\$ 71,437	\$ 1,909,526
Year 2024											
	Balance at January 1, 2024	\$ 1,048,766	\$ 87,926	\$ 238,556	\$ 85,415	\$ 468,934	(\$ 29,821)	(\$ 61,687)	\$ 1,838,089	\$ 71,437	\$ 1,909,526
	Profit for the year	-	-	-	-	129,569	-	-	129,569	265	129,834
	Other comprehensive income for the year	-	-	-	-	5,549	1,434	16,747	23,730	-	23,730
	Total comprehensive income for the year	-	-	-	-	135,118	1,434	16,747	153,299	265	153,564
6(18)	Distribution of 2023 earnings:										
	Legal reserve	-	-	20,718	-	(20,718)	-	-	-	-	-
	Special reserve	-	-	-	6,094	(6,094)	-	-	-	-	-
	Cash dividend	-	-	-	-	(125,852)	-	-	(125,852)	-	(125,852)
6(7)(17)	Changes in ownership interests in associates and joint venture for using equity method	-	-	-	-	-	-	-	-	-	-
	Cash contributions from non-controlling interests due to subsidiary capital increase	-	60,106	-	-	-	-	-	60,106	-	60,106
	Balance at December 31, 2024	\$ 1,048,766	\$ 148,032	\$ 259,274	\$ 91,509	\$ 451,388	(\$ 28,387)	(\$ 44,940)	\$ 1,925,642	2,155	\$ 1,999,499

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

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 151,575	\$ 227,292
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and miscellaneous disbursements	6(8)(9)(11)(23)(25)	115,876	112,756
Amortization expense	6(25)	1,396	417
Expected credit impairment loss	6(25)	-	5
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	6(2)(23)	(25)	27
Interest expense	6(24)	9,295	5,421
Interest income	6(21)	(1,357)	(1,287)
Dividend income	6(22)	(9,981)	(16,973)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	(83,310)	(113,406)
Gains on disposal of property, plant and equipment	6(23)	1,529	6,699
Impairment losses on other receivables	6(23)	34,998	-
Gains arising from lease modification	6(23)	(58)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets - current		30,409	(8,455)
Notes receivable	(	(3,423)	5,907
Notes receivable - related parties		486	-
Accounts receivable	(	(77,757)	43,371
Accounts receivable - related parties	(	(26)	3,070
Other receivables		499	(519)
Other receivables - related parties	(	(14)	-
Inventories	(	(1,312)	(94,592)
Prepayments		2,416	1,702
Other current assets		74	356
Other non-current assets		1,510	480
Changes in operating liabilities			
Contract liabilities - current		2,263	(13,929)
Notes payable	(	(8,749)	(700)
Notes payable - related parties	(	(17,943)	18
Accounts payable		9,260	(17,152)
Accounts payable - related parties	(	(6,877)	(7,323)
Other payables	(	(14,790)	(16,951)
Other payables - related parties	(	(188)	(185)
Other current liabilities	(	(111)	83
Other non-current liabilities	(	(514)	(553)
Net defined benefit liabilities	(	(3,735)	(2,193)
Cash inflow generated from operations		131,416	99,988
Interest received		1,331	1,228
Dividend received		174,716	52,172
Interest paid	(	(9,331)	(5,314)
Income taxes paid	(	(19,285)	(31,218)
Net cash flows from operating activities		278,847	116,856

(Continued)

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of financial assets at fair value through other comprehensive income	6(3)	(\$ 38,033)	\$ -
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	10,498
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	6(3)	8,239	-
Acquisition of financial assets at amortised cost - current		(3,654)	(38)
Acquisition of financial assets at amortised cost - non-current		-	(4,445)
Proceeds from disposal of financial assets at amortised cost - non-current		3,363	-
Acquisition of investments accounted for using equity method	6(7)	-	(52,172)
Acquisition of property, plant and equipment	6(29)	(61,228)	(145,342)
Proceeds from disposal of property, plant and equipment		2,860	6,689
Acquisition of investment property	6(11)	(633)	(6,274)
Acquisition of intangible assets		(1,927)	(689)
Increase in refundable deposits		(3,897)	(1,192)
Decrease in refundable deposits		4,728	3,292
Decrease in other non-current assets		1,458	1,874
Increase in prepayments for business facilities		(700)	(34,288)
Net cash flows used in investing activities		(89,424)	(222,087)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(30)	1,296,754	876,293
Decrease in short-term borrowings	6(30)	(1,335,367)	(723,443)
Proceeds from long-term borrowings	6(30)	90,000	152,000
Repayments of long-term borrowings	6(30)	(125,800)	(135,478)
Increase in guarantee deposits received	6(30)	2,223	296
Lease principal repayment	6(30)	(12,169)	(12,932)
Cash dividends paid	6(18)	(125,852)	(104,877)
Cash contributions from non-controlling interests due to subsidiary capital increase		2,155	-
Cash dividend paid to non-controlling interest by subsidiary		-	(7,503)
Net cash flows (used in) from financing activities		(208,056)	44,356
Net effect of changes in foreign currency exchange rates		159	(901)
Net decrease in cash and cash equivalents		(18,474)	(61,776)
Cash and cash equivalents at beginning of year		113,504	175,280
Cash and cash equivalents at end of year		\$ 95,030	\$ 113,504

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

SEA & LAND INTEGRATED CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1. History and Organisation

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

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2025.

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS[®]”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, ‘Lease liability in a sale and leaseback’	January 1, 2024
Amendments to IAS 1, ‘Classification of liabilities as current or non-current’	January 1, 2024
Amendments to IAS 1, ‘Non-current liabilities with covenants’	January 1, 2024
Amendments to IAS 7 and IFRS 7, ‘Supplier finance arrangements’	January 1, 2024

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

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

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2025 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'	January 1, 2026
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
IFRS 18, 'Presentation and disclosure in financial statements'	January 1, 2027
IFRS 19, 'Subsidiaries without public accountability: disclosures'	January 1, 2027
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026

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

A. Amendments to IFRS 9 and IFRS 7, 'Amendments to the classification and measurement of financial instruments'

The IASB issued the amendments to:

Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI). The entity shall disclose the fair value of each class of investment and is no longer required to disclose the fair value of each investment. In addition, the amendments require the entity to disclose the fair value gain or loss presented in other comprehensive income during the period, showing separately the fair value gain or loss related to investments derecognised during the reporting period and the fair value gain or loss related to investments held at the end of the reporting period; and any transfers of the cumulative gain or loss within equity during the reporting period related to the investments derecognised during that reporting period.

B. IFRS 18, ‘Presentation and disclosure in financial statements’

IFRS 18, ‘Presentation and disclosure in financial statements’ replaces IAS 1. The standard introduces a defined structure of the statement of profit or loss, disclosure requirements related to management-defined performance measures, and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:
- (a) Financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.
- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group’s consolidated financial statements. Subsidiaries are all entities controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

- (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
- (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
- (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Sea & Land Integrated Corp.	Eternal Full Enterprise Ltd. (Eternal Full)	Investment holding company	100.00	100.00	-
Sea & Land Integrated Corp.	New An-Ho Gas Co., Ltd. (New An-Ho)	Real estate leases	100.00	100.00	Note 1
Sea & Land Integrated Corp.	Sea & Land Wine & Spirits Incorporation (Sea & Land Wine)	Imports and exports of foreign wine and spirits	55.23	55.23	-
Sea & Land Integrated Corp.	Sea & Land Sinogreenenergy Inc. (Sea & Land Sino)	Non-utility electricity generation and energy technical services	75.00	75.00	Note 2

Name of investor	Name of subsidiary	Main business activities	Ownership (%)		Description
			December 31, 2024	December 31, 2023	
Sea & Land Integrated Corp.	Chiayi New Energy Co.,Ltd. (Chiayi)	Renewable-energy-based electricity generation	77.27	77.27	Note 1
Eternal Full Enterprise Ltd. (Eternal Full)	Peace King Enterprise Co., Ltd. (Peace King)	Transportation and hoist equipment leasing	100.00	100.00	-
Eternal Full Enterprise Ltd. (Eternal Full)	Glory Base Group Ltd. (Glory Base)	Crane and hoist services and planning, etc	100.00	100.00	-
Glory Base Group Ltd. (Glory Base)	CTY TNHH Sea And Land Formosa (Formosa)	Transportation and hoist equipment design, manufacturing and installments, etc.	100.00	100.00	-

Note 1: Certain subsidiaries included in the consolidated financial statements for the years ended December 31, 2024 and 2023 were audited by other auditors.

Note 2: In March 2024, the Board of Directors of Sea & Land Sino resolved to conduct a capital increase amounting to \$8,621. The Company subscribed \$6,466 in proportion to its shareholding.

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

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

E. Significant restrictions: None.

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

As of December 31, 2024 and 2023, the non-controlling interest amounted to \$73,857 and \$71,437, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

Name of subsidiary	Principal place of business	Non-controlling interest			
		December 31, 2024		December 31, 2023	
		Amount	Ownership (%)	Amount	Ownership (%)
Sea & Land Wine	Taiwan	\$ 62,946	44.77%	\$ 62,169	44.77%

Summarised financial information of the subsidiaries:

Balance sheets

	Sea & Land Wine	
	December 31, 2024	December 31, 2023
Current assets	\$ 196,695	\$ 203,165
Non-current assets	45,710	44,230
Current liabilities	(103,422)	(112,719)
Non-current liabilities	(3,740)	(1,167)
Total net assets	<u>\$ 135,243</u>	<u>\$ 133,509</u>

Statements of comprehensive income

	Sea & Land Wine	
	Years ended December 31,	
	2024	2023
Revenue	\$ 86,830	\$ 149,511
Profit before income tax	2,845	15,126
Income tax expense	(1,110)	(3,041)
Profit for the year	1,735	12,085
Total comprehensive income for the year	<u>\$ 1,735</u>	<u>\$ 12,085</u>
Dividends paid to non-controlling interest	<u>\$ -</u>	<u>\$ 7,503</u>

Statements of cash flows

	Sea & Land Wine	
	Years ended December 31,	
	2024	2023
Net cash used in operating activities	(\$ 12,109)	(\$ 122,077)
Net cash provided by investing activities	314	831
Net cash provided by financing activities	1,386	64,046
Decrease in cash and cash equivalents	(10,409)	(57,200)
Cash and cash equivalents, beginning of year	13,883	71,083
Cash and cash equivalents, end of year	<u>\$ 3,474</u>	<u>\$ 13,883</u>

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are

recognised in profit or loss in the period in which they arise.

- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

- (a) The operating results and financial position of all the entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.
- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities that are expected to be settled within the normal operating cycle;
- (b) Liabilities arising mainly from trading activities;
- (c) Liabilities that are to be settled within twelve months from the balance sheet date;
- (d) It does not have the right at the end of the reporting period to defer settlement of the liability at least twelve months after the reporting period.

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

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:
The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Group's business model is achieved by collecting contractual cash flows.
 - (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

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

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Leasing arrangements (lessor) - operating leases

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

(12) Inventories

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

(13) Investments accounted for using equity method - associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

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

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

(15) Property, plant and equipment

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

- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

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

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.
- The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.
- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.
- The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognise the difference in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Investment property is depreciated on a straight-line basis over its estimated useful life of 50 years.

(18) Intangible assets

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

(19) Impairment of non-financial assets

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

(20) Borrowings

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

(21) Notes and accounts payable

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

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

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

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

(24) Non-hedging derivatives

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

(25) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

C. Termination benefits

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

D. Employees' compensation and directors' remuneration

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

(26) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

(27) Share capital

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

(28) Dividends

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

(29) Revenue recognition

A. Sales of goods

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

B. Sales of services

The Group transfers its control over service revenue over time and recognises revenue when performance obligation is satisfied over time.

(a) The Group provides machinery transportation and hoisting services. Service revenue is charged at a fixed rate. The Group recognises revenue and accounts receivable to the amount that it has a right to bill each period. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

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

(30) Government grants

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

(31) Operating segments

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

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

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

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

None.

(2) Critical accounting estimates and assumptions

A. Impairment assessment of accounts receivable

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

6. Details of Significant Accounts

(1) Cash and cash equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash on hand and revolving funds	\$ 4,958	\$ 5,231
Checking accounts	145	233
Demand deposits	<u>89,927</u>	<u>108,040</u>
	<u>\$ 95,030</u>	<u>\$ 113,504</u>

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

B. The Group has no cash pledged to others.

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	<u>\$ -</u>	<u>\$ 25</u>

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

	Years ended December 31,	
	2024	2023
Financial liabilities mandatorily measured at fair value through profit or loss		
Derivatives	\$ 25	(\$ 27)

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

	December 31, 2024		December 31, 2023	
	Contract amount		Contract amount	
Derivative financial instruments	(Nominal principal in thousands)	Contract period	(Nominal principal in thousands)	Contract period
Forward foreign exchange contracts	—	—	EUR 140	2024.01.12

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

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

Items	December 31, 2024	December 31, 2023
Current items:		
Equity instruments		
Listed stocks	\$ 76,323	\$ 38,290
Unlisted stocks	120	120
Valuation adjustment	(4,323)	(21,070)
	\$ 72,120	\$ 17,340
Non-current items:		
Equity instruments		
Unlisted stocks	\$ 112,148	\$ 120,387
Valuation adjustment	(40,625)	(40,625)
	71,523	79,762
	\$ 143,643	\$ 97,102

A. The Group has elected to classify listed stocks that are considered to be steady dividend income and unlisted stocks investments that belong to the strategic alliance as financial assets at fair value through other comprehensive income. The fair value of current and non-current investments amounted to \$143,643 and \$97,102 as at December 31, 2024 and 2023, respectively.

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

	Years ended December 31,	
	2024	2023
<u>Equity instruments at fair value through other comprehensive income</u>		
Fair value change recognised in other comprehensive income	\$ 16,747	\$ 2,158
Cumulative gains reclassified to retained earnings due to derecognition	\$ -	\$ 4,498
Dividend income recognised in profit or loss		
Held at end of period	\$ 9,981	\$ 15,173
Derecognised during the period	-	1,800
	<u>\$ 9,981</u>	<u>\$ 16,973</u>

C. In August 2023, the Group disposed of 600 thousand shares of Century Heavy Industry International Co., Ltd. for \$10,498.

D. On March 11, 2024, the shareholders of Elite Transport Co., Ltd. during their meeting resolved to reduce its capital with a par value of \$10 (in dollars) per share. The capital reduction was effective on March 15, 2024. The Group received proceeds from the capital reduction totaling \$7,500 and the Group's shareholding ratio remained at 15% after the capital reduction.

E. On May 30, 2024, the shareholders of Tiantai Optoelectronics Co., Ltd. during their meeting resolved to reduce its capital with a par value of \$10 (in dollars) per share, with the effective date set on September 27, 2024. The Group received proceeds from the capital reduction totaling \$739 and the Group's shareholding ratio remained at 10.55% after the capital reduction.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2).

(4) Financial assets at amortised cost

Items	December 31, 2024	December 31, 2023
Current items:		
Pledged time deposits maturing in excess of three months	\$ 32,787	\$ 32,567
Time deposits maturing in excess of three months	3,434	-
	<u>\$ 36,221</u>	<u>\$ 32,567</u>
Non-current items:		
Time deposits with a maturity of more than one year	<u>\$ 1,082</u>	<u>\$ 4,445</u>

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

	Years ended December 31	
	2024	2023
Interest income	\$ 692	\$ 496

B. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was \$37,303 and \$37,012, respectively.

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

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	\$ 25,128	\$ 21,705
Notes receivable - related parties	2,151	2,637
	<u>\$ 27,279</u>	<u>\$ 24,342</u>
Accounts receivable	\$ 301,536	\$ 223,779
Less: Allowance for uncollectible accounts	(318)	(318)
	301,218	223,461
Accounts receivable - related parties	384	358
	<u>\$ 301,602</u>	<u>\$ 223,819</u>

A. As of December 31, 2024 and 2023, the ageing analysis of accounts receivable and notes receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	\$ 301,466	\$ 27,279	\$ 223,590	\$ 24,342
Up to 30 days	13	-	229	-
31 to ~ 90 days	63	-	-	-
91 to ~ 180 days	3	-	-	-
Over 180 days	375	-	318	-
	<u>\$ 301,920</u>	<u>\$ 27,279</u>	<u>\$ 224,137</u>	<u>\$ 24,342</u>

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023 and January 1, 2023, the balances of receivables (including notes receivable and related parties) from contracts with customers amounted to \$328,180, \$247,282, and \$299,953, respectively.

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

D. Information relating to credit risk of accounts receivable and notes receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2024	December 31, 2023
Merchandise inventory	\$ 191,727	\$ 190,424
Less: Allowance for inventory valuation losses	(11,504)	(11,513)
	<u>\$ 180,223</u>	<u>\$ 178,911</u>

The cost of inventories recognised as expense for the year:

	Years ended December 31	
	2024	2023
Cost of goods sold	\$ 235,120	\$ 268,224
Gain on reversal of decline in market value	(9)	-
Loss on decline in market value	-	2,209
	<u>\$ 235,111</u>	<u>\$ 270,433</u>

The Group reversed a previous inventory write-down and accounted for as reduction of cost of goods sold because the inventories were sold during the year ended December 31, 2024. The Group wrote down inventories from cost to net realisable value and were accounted for as increase of cost of goods sold for the year ended December 31, 2023.

(7) Investments accounted for using equity method

	2024	2023
At January 1	\$ 381,790	\$ 247,319
Addition of investments accounted for using equity method	-	52,172
Share of profit or loss of investments accounted for using equity method	83,310	113,406
Earnings distribution of investments accounted for using equity method	(164,735)	(35,199)
Changes in capital surplus	60,106	4,563
Deferred benefits	406	406
Changes in other equity items	-	(877)
At December 31	<u>\$ 360,877</u>	<u>\$ 381,790</u>

Investment details are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Associates:		
Giant Heavy Machinery Service Corp. (Giant Heavy Machinery)	<u>\$ 360,877</u>	<u>\$ 381,790</u>
Joint ventures:		
Denzai Sea & Land Corporation (Denzai Sea & Land) (Note)	<u>\$ -</u>	<u>\$ -</u>

Note: On January 17, 2024, Denzai Sea & Land was liquidated and dissolved. Investment income (loss) was accounted for using equity method until the date of dissolution. As of December 31, 2024, the liquidation has not yet been completed.

A. Associates

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

<u>Company name</u>	<u>Principal place of business</u>	<u>Ownership (%)</u>		<u>Nature of relationship</u>	<u>Methods of measurement</u>
		<u>December 31, 2024</u>	<u>December 31, 2023</u>		
Giant Heavy Machinery	Taiwan	25.33%	28.92%	Strategy investments	Equity method

- i. On July 11, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to capitalize retained earnings for the year ended December 31, 2022 to issue 8,270 thousand new shares, with the effective date set on July 17, 2023, as approved by the competent authority. The registration for the change was completed on August 11, 2023.
- ii. On August 8, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to issue employee stock warrants to issue 2,000 thousand new shares, with the effective date set on August 14, 2023, as approved by the competent authority. The registration for the change was completed on September 14, 2023. After the capital increase, the Group's shareholding ratio declined from 31.91% to 30.24%.
- iii. On June 9, 2023, the Board of Directors of Giant Heavy Machinery adopted a resolution to distribute employees' compensation by issuing 728 thousand new shares, as approved by the competent authority. Furthermore, on December 6, 2023, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to increase its capital by issuing 7,000 thousand new shares with a par value of \$10 (in dollars) per share and a stock issue price of \$30 (in dollars) per share. 15% of the new shares were reserved for subscription by employees of Giant Heavy Machinery. The Group acquired 1,739 thousand shares, amounting to \$52,172. The effective date for the abovementioned

employees' compensation and capital increase was both set on December 26, 2023. The registration for the change was completed on January 10, 2024. After the capital increase, the Group's shareholding ratio declined from 30.24% to 28.92%.

- iv. On April 22, 2024, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to distribute employees' compensation by issuing 1,770 thousand new shares, with the effective date set on July 7, 2024, as approved by the competent authority. The registration for the change was completed on September 3, 2024. After the capital increase, the Group's shareholding ratio declined from 28.92% to 28.02%.
- v. On May 28, 2024, the Board of Directors of Giant Heavy Machinery during its meeting adopted a resolution to increase its capital by issuing 6,000 thousand new shares with a par value of \$10 (in dollars) per share and an issue price of \$50 (in dollars) per share. In accordance with applicable regulations, 15% of the new shares were reserved for employee subscription. The capital increase was duly approved by the competent authority. The record date for the new share issuance was set as July 26, 2024, and the registration of the change was completed on September 13, 2024. Following the capital increase, the Group's shareholding decreased from 28.02% to 25.33%.

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

Balance sheet

	Giant Heavy Machinery	
	December 31, 2024	December 31, 2023
Current assets	\$ 1,191,934	\$ 1,199,829
Non-current assets	959,693	821,598
Current liabilities	(442,096)	(436,126)
Non-current liabilities	(258,376)	(247,467)
Total net assets (Note)	<u>\$ 1,451,155</u>	<u>\$ 1,337,834</u>
Share in associate's net assets	<u>\$ 360,877</u>	<u>\$ 381,790</u>

Note: The difference between the total net assets and the carrying amount was due to the difference of the deferred gains on disposal of property, plant and equipment as well as non-controlling interest.

Statement of comprehensive income

	Giant Heavy Machinery	
	Years ended December 31,	
	2024	2023
Revenue	\$ 1,330,871	\$ 1,263,625
Profit for the year from continuing operations	295,256	367,892
Other comprehensive income, net of tax	-	402
Total comprehensive income	\$ 295,256	\$ 368,294
Dividends received from associates	\$ 164,735	\$ 35,199

(c) The Group is the single largest shareholder of Giant Heavy Machinery with a 25.33% equity interest. Considering the historical attendance of the shareholders' meeting, it shows that other shareholders actively participate in the operation decision-making of Giant Heavy Machinery. Additionally, there are nine seats in the Board of Directors of Giant Heavy Machinery, but the Group only holds one board seat, which indicates that the Group has no current ability to direct the relevant activities of Giant Heavy Machinery. Therefore, Company has no control, but only has significant influence, over the investee.

B. Joint venture

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

As of December 31, 2024 and 2023, the carrying amount of the Group's immaterial joint ventures amounted to \$0 and \$0, respectively.

	Denzai Sea & Land	
	Years ended December 31,	
	2024	2023
Revenue	\$ -	\$ -
Loss for the year from continuing operations	-	(697)
Other comprehensive income, net of tax	-	-
Total comprehensive loss	\$ -	(\$ 697)

- C. For the years ended December 31, 2024 and 2023, none of investees accounted for using equity method had quoted market prices.
- D. The investment accounted for using equity method, Giant Heavy Machinery, for the years ended December 31, 2024 and 2023 was measured based on the financial reports audited by independent auditors. The investment accounted for using equity method, Denzai Sea & Land, for the year ended December 31, 2023 was measured based on the financial reports audited by other auditors.

(8) Property, plant and equipment

2024

	Machinery						Unfinished construction and equipment under acceptance		Total
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Rental assets	Others		
At January 1									
Cost	\$ 435,301	\$ 310,054	\$ 86,778	\$ 973,701	\$ 16,570	\$ 137,142	\$ 9,624	\$ 179,222	\$ 2,148,392
Accumulated depreciation	-	(145,058)	(46,814)	(459,283)	(13,051)	(37,828)	(5,782)	-	(707,816)
	<u>\$ 435,301</u>	<u>\$ 164,996</u>	<u>\$ 39,964</u>	<u>\$ 514,418</u>	<u>\$ 3,519</u>	<u>\$ 99,314</u>	<u>\$ 3,842</u>	<u>\$ 179,222</u>	<u>\$ 1,440,576</u>
Opening net book amount as at January 1	\$ 435,301	\$ 164,996	\$ 39,964	\$ 514,418	\$ 3,519	\$ 99,314	\$ 3,842	\$ 179,222	\$ 1,440,576
Additions		5,268	-	6,231	3,085	-	726	45,173	60,483
Capitalization of interest	-	-	-	-	-	-	-	885	885
Disposal - cost	-	-	-	(28,951)	(1,492)	-	(413)	-	(30,856)
Disposal - accumulated depreciation	-	-	-	24,157	1,492	-	413	-	26,062
Reclassifications (Note)	(19,835)	(95,540)	-	-	-	-	-	(4,405)	(119,780)
Transfers (Note)	-	201,104	9,400	1,290	7,958	-	1,785	(220,247)	1,290
Depreciation charge	-	(10,538)	(4,142)	(70,438)	(2,741)	(8,602)	(1,362)	-	(97,823)
Net exchange differences	-	195	-	87	-	-	-	41	323
Closing net book amount as at December 31	<u>\$ 415,466</u>	<u>\$ 265,485</u>	<u>\$ 45,222</u>	<u>\$ 446,794</u>	<u>\$ 11,821</u>	<u>\$ 90,712</u>	<u>\$ 4,991</u>	<u>\$ 669</u>	<u>\$ 1,281,160</u>
At December 31									
Cost	\$ 415,466	\$ 421,123	\$ 96,178	\$ 953,770	\$ 26,121	\$ 137,142	\$ 11,722	\$ 669	\$ 2,062,191
Accumulated depreciation	-	(155,638)	(50,956)	(506,976)	(14,300)	(46,430)	(6,731)	-	(781,031)
	<u>\$ 415,466</u>	<u>\$ 265,485</u>	<u>\$ 45,222</u>	<u>\$ 446,794</u>	<u>\$ 11,821</u>	<u>\$ 90,712</u>	<u>\$ 4,991</u>	<u>\$ 669</u>	<u>\$ 1,281,160</u>

Note: Please refer to Note 6(29) for detailed explanations.

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Rental assets	Others	Unfinished construction and equipment under acceptance	Total
At January 1									
Cost	\$ 435,301	\$ 308,908	\$ 81,273	\$ 963,851	\$ 15,157	\$ 137,142	\$ 9,418	\$ 90,234	\$ 2,041,284
Accumulated depreciation	-	(137,280)	(43,357)	(420,787)	(11,965)	(29,227)	(5,770)	-	(648,386)
	<u>\$ 435,301</u>	<u>\$ 171,628</u>	<u>\$ 37,916</u>	<u>\$ 543,064</u>	<u>\$ 3,192</u>	<u>\$ 107,915</u>	<u>\$ 3,648</u>	<u>\$ 90,234</u>	<u>\$ 1,392,898</u>
Opening net book amount as at January 1	\$ 435,301	\$ 171,628	\$ 37,916	\$ 543,064	\$ 3,192	\$ 107,915	\$ 3,648	\$ 90,234	\$ 1,392,898
Additions	-	1,568	1,655	45,217	1,537	-	1,357	90,000	141,334
Capitalization of interest	-	-	-	-	-	-	-	2,839	2,839
Disposal - cost	-	-	-	(34,799)	(124)	-	(1,151)	-	(36,074)
Disposal - accumulated depreciation	-	-	-	34,403	124	-	1,151	-	35,678
Transfers	-	-	-	-	-	-	-	(3,850)	-
Depreciation charge	-	(7,860)	(3,457)	(73,295)	(1,210)	(8,601)	(1,163)	-	(95,586)
Net exchange differences	-	(340)	-	(172)	-	-	-	(1)	(513)
Closing net book amount as at December 31	<u>\$ 435,301</u>	<u>\$ 164,996</u>	<u>\$ 39,964</u>	<u>\$ 514,418</u>	<u>\$ 3,519</u>	<u>\$ 99,314</u>	<u>\$ 3,842</u>	<u>\$ 179,222</u>	<u>\$ 1,440,576</u>
At December 31									
Cost	\$ 435,301	\$ 310,054	\$ 86,778	\$ 973,701	\$ 16,570	\$ 137,142	\$ 9,624	\$ 179,222	\$ 2,148,392
Accumulated depreciation	-	(145,058)	(46,814)	(459,283)	(13,051)	(37,828)	(5,782)	-	(707,816)
	<u>\$ 435,301</u>	<u>\$ 164,996</u>	<u>\$ 39,964</u>	<u>\$ 514,418</u>	<u>\$ 3,519</u>	<u>\$ 99,314</u>	<u>\$ 3,842</u>	<u>\$ 179,222</u>	<u>\$ 1,440,576</u>

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

B. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Years ended December 31,	
	2024	2023
Amount capitalised	\$ 885	\$ 2,839
Range of the interest rates for capitalisation	1.99%	1.95%~2.13%

(9) Leasing arrangements — lessee

- A. The Group leases various assets including land, buildings and business vehicles. The rental contract periods are between 2011 and 2027. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.
- B. In December 2010, the Group signed a land use right contract for the use of the land in Vietnam with a term of 40 years. All rentals had been paid on the contract date.
- C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	2024			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	\$ 63,923	\$ 12,205	\$ 8,054	\$ 84,182
Accumulated depreciation	(24,338)	(6,275)	(4,576)	(35,189)
	<u>\$ 39,585</u>	<u>\$ 5,930</u>	<u>\$ 3,478</u>	<u>\$ 48,993</u>
Opening net book amount as at January 1	\$ 39,585	\$ 5,930	\$ 3,478	\$ 48,993
Additions	6,751	4,300	1,838	12,889
Modification	(2,401)	-	-	(2,401)
Disposal - cost	(9,295)	(3,661)	(4,376)	(17,332)
Disposal - accumulated depreciation	9,295	3,661	4,376	17,332
Depreciation charge	(7,688)	(2,899)	(2,533)	(13,120)
Net exchange differences	447	-	-	447
Closing net book amount as at December 31	<u>\$ 36,694</u>	<u>\$ 7,331</u>	<u>\$ 2,783</u>	<u>\$ 46,808</u>
At December 31				
Cost	\$ 57,109	\$ 12,844	\$ 5,516	\$ 75,469
Accumulated depreciation	(20,415)	(5,513)	(2,733)	(28,661)
	<u>\$ 36,694</u>	<u>\$ 7,331</u>	<u>\$ 2,783</u>	<u>\$ 46,808</u>

	2023			
	Land	Buildings and structures	Transportation equipment	Total
At January 1				
Cost	\$ 65,001	\$ 12,216	\$ 7,080	\$ 84,297
Accumulated depreciation	(18,252)	(4,528)	(2,134)	(24,914)
	<u>\$ 46,749</u>	<u>\$ 7,688</u>	<u>\$ 4,946</u>	<u>\$ 59,383</u>
Opening net book amount as at January 1	\$ 46,749	\$ 7,688	\$ 4,946	\$ 59,383
Additions	2,347	1,148	974	4,469
Disposal - cost	(2,360)	(1,159)	-	(3,519)
Disposal - accumulated depreciation	2,360	1,159	-	3,519
Depreciation charge	(8,613)	(2,906)	(2,442)	(13,961)
Net exchange differences	(898)	-	-	(898)
Closing net book amount as at December 31	<u>\$ 39,585</u>	<u>\$ 5,930</u>	<u>\$ 3,478</u>	<u>\$ 48,993</u>
At December 31				
Cost	\$ 63,923	\$ 12,205	\$ 8,054	\$ 84,182
Accumulated depreciation	(24,338)	(6,275)	(4,576)	(35,189)
	<u>\$ 39,585</u>	<u>\$ 5,930</u>	<u>\$ 3,478</u>	<u>\$ 48,993</u>

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

	December 31, 2024	December 31, 2023
Total lease liability	\$ 19,689	\$ 21,428
Less: Current portion		
(shown as 'lease liabilities - current')	(10,323)	(11,259)
	<u>\$ 9,366</u>	<u>\$ 10,169</u>

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

	Years ended December 31,	
	2024	2023
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	\$ 340	\$ 411
Expense on short-term lease contracts	6,380	6,603
Expense on leases of low-value assets	158	158
Gains arising from lease modification	(58)	-

F. For the years ended December 31, 2024 and 2023, the Group's total cash outflow for leases were \$19,047 and \$20,595, respectively.

(10) Leasing arrangements – lessor

- A. The Group leases various assets including land, offices, inspection centers parking lots, transportation and machinery equipment. The rental contract periods are between 2019 and 2035. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To protect the lessor's ownership rights on the leased assets, leased assets may not be used as security for borrowing purposes.
- B. Rent income arising from operating lease agreements for the years ended December 31, 2024 and 2023 are as follows:

	Years ended December 31,	
	2024	2023
Operating revenue	\$ 60,376	\$ 58,929
Rent income arising from variable lease payments	68	-
	60,444	58,929
Other income	887	881
	<u>\$ 61,331</u>	<u>\$ 59,810</u>

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

	December 31, 2024	December 31, 2023
Within 1 year	\$ 48,242	\$ 46,234
1-2 years	25,489	33,888
2-3 years	4,354	17,877
3-4 years	874	2,766
4-5 years	583	-
	<u>\$ 79,542</u>	<u>\$ 100,765</u>

(11) Investment property

	2024		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 31,110	\$ 68,507	\$ 99,617
Accumulated depreciation	-	(14,830)	(14,830)
	<u>\$ 31,110</u>	<u>\$ 53,677</u>	<u>\$ 84,787</u>

	2024		
	Land	Buildings and structures	Total
At January 1	\$ 31,110	\$ 53,677	\$ 84,787
Additions	-	633	633
Disposals	-	-	-
Depreciation charge	-	(4,933)	(4,933)
Impairment loss	-	-	-
Reversal of impairment loss	-	-	-
Reclassifications (Note)	19,835	99,945	119,780
Net exchange differences	-	775	775
At December 31	<u>\$ 50,945</u>	<u>\$ 150,097</u>	<u>\$ 201,042</u>
At December 31			
Cost	\$ 50,945	\$ 170,029	\$ 220,974
Accumulated depreciation	<u>-</u>	<u>(19,932)</u>	<u>(19,932)</u>
	<u>\$ 50,945</u>	<u>\$ 150,097</u>	<u>\$ 201,042</u>

Note: Reclassifications please refer to Note 6(29) for detailed explanations.

	2023		
	Land	Buildings and structures	Total
At January 1			
Cost	\$ 31,110	\$ 63,921	\$ 95,031
Accumulated depreciation	<u>-</u>	<u>(11,947)</u>	<u>(11,947)</u>
	<u>\$ 31,110</u>	<u>\$ 51,974</u>	<u>\$ 83,084</u>
At January 1	\$ 31,110	\$ 51,974	\$ 83,084
Additions	-	6,274	6,274
Depreciation charge	-	(3,209)	(3,209)
Net exchange differences	-	(1,362)	(1,362)
At December 31	<u>\$ 31,110</u>	<u>\$ 53,677</u>	<u>\$ 84,787</u>
At December 31			
Cost	\$ 31,110	\$ 68,507	\$ 99,617
Accumulated depreciation	<u>-</u>	<u>(14,830)</u>	<u>(14,830)</u>
	<u>\$ 31,110</u>	<u>\$ 53,677</u>	<u>\$ 84,787</u>

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

	Years ended December 31,	
	2024	2023
Rental income from investment property	\$ 30,316	\$ 26,524
Direct operating expenses arising from the investment property that generated rental income during the year	\$ 5,223	\$ 3,278

B. The fair value of the investment property held by the Group as at December 31, 2024 and 2023 was \$388,220 and \$111,128, respectively, which was determined based on the transaction price of similar properties in the neighboring areas. Valuations are categorised within Level 3 in the fair value hierarchy.

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

(12) Short-term borrowings

Type of borrowings	Collateral	December 31, 2024	December 31, 2023
Bank borrowings			
Unsecured borrowings	-	\$ 39,000	\$ 88,000
Purchase borrowings	-	6,737	16,350
Secured borrowings	Property, plant and equipment and Investment property	119,000	99,000
		\$ 164,737	\$ 203,350
Interest rate range		1.95%~2.378%	1.825%~2.253%

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

(13) Other payables

	December 31, 2024	December 31, 2023
Wages and salaries payable	\$ 58,465	\$ 72,916
Accrued expenses	16,410	19,124
Other payables	4,594	2,255
Payable on machinery and equipment	55	384
	\$ 79,524	\$ 94,679

(14) Long-term borrowings

<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 3, 2024 to June 3, 2026; interest is repayable monthly; principal is repayable at maturity.	2.16%	Property, plant and equipment	\$ 30,000
Installment borrowings				
Secured borrowings	Borrowing period is from April 12, 2021 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from July 12, 2021.	2.115%~ 2.31%	Property, plant and equipment	210,180
Less: Current portion				(46,840)
				<u>\$ 193,340</u>
<u>Type of borrowings</u>	<u>Borrowing period and repayment term</u>	<u>Interest rate range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term bank borrowings				
Secured borrowings	Borrowing period is from June 2, 2023 to December 20, 2025; interest is repayable monthly; principal is repayable at maturity.	2.04%	Property, plant and equipment	\$ 80,000
Installment borrowings				
Secured borrowings	Borrowing period is from August 8, 2019 to July 27, 2036; interest is repayable monthly; principal is repayable in installments from November 8, 2019.	1.99%~ 2.19%	Property, plant and equipment	195,980
Less: Current portion				(43,840)
				<u>\$ 232,140</u>

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

(15) Pensions (shown as ‘other non-current assets (liabilities)’)

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

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

	<u>December 31, 2023</u>	<u>December 31, 2023</u>
Present value of defined benefit obligations	(\$ 66,623)	(\$ 70,201)
Fair value of plan assets	<u>72,049</u>	<u>66,466</u>
Net defined benefit assets (liabilities)	<u>\$ 5,426</u>	<u>(\$ 3,735)</u>

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

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2024</u>			
At January 1	(\$ 70,201)	\$ 66,466	(\$ 3,735)
Current service cost	(463)	-	(463)
Interest (expense) income	(828)	<u>785</u>	(43)
	<u>(71,492)</u>	<u>67,251</u>	<u>(4,241)</u>

	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,072	6,072
Change in financial assumptions	678	-	678
Experience adjustments	186	-	186
	<u>864</u>	<u>6,072</u>	<u>6,936</u>
Pension fund contribution	-	2,731	2,731
Paid pension	4,005	(4,005)	-
At December 31	<u>(\$ 66,623)</u>	<u>\$ 72,049</u>	<u>\$ 5,426</u>
	<u>Present value of defined benefit obligations</u>	<u>Fair value of plan assets</u>	<u>Net defined benefit liability</u>
<u>2023</u>			
At January 1	(\$ 76,174)	\$ 70,531	(\$ 5,643)
Current service cost	(590)	-	(590)
Interest (expense) income	(952)	881	(71)
	<u>(77,716)</u>	<u>71,412</u>	<u>(6,304)</u>
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	558	558
Change in financial assumptions	(172)	-	(172)
Experience adjustments	(671)	-	(671)
	<u>(843)</u>	<u>558</u>	<u>(285)</u>
Pension fund contribution	-	2,854	2,854
Paid pension	8,358	(8,358)	-
At December 31	<u>(\$ 70,201)</u>	<u>\$ 66,466</u>	<u>(\$ 3,735)</u>

- (d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual

distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Years ended December 31,	
	2024	2023
Discount rate	1.500%	1.180%
Future salary increases	1.125%	1.125%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2024 and 2023, respectively.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1.00%	Decrease 1.00%
December 31, 2024				
Effect on present value of defined benefit obligation	<u>(\$ 515)</u>	<u>\$ 528</u>	<u>\$ 2,188</u>	<u>(\$ 2,029)</u>
December 31, 2023				
Effect on present value of defined benefit obligation	<u>(\$ 607)</u>	<u>\$ 623</u>	<u>\$ 2,584</u>	<u>(\$ 2,386)</u>

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

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

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2025 amount to \$0.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 6.9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	\$	65,095
2-5 years		1,678
6-10 years		55
	\$	<u>66,828</u>

(h) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023, were \$506 and \$661, respectively.

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

(b) The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2024 and 2023, were \$11,148 and \$11,214, respectively.

(c) The second-tier subsidiary located in Vietnam has not established a pension plan or related policies.

(16) Share capital

A. As of December 31, 2024, the Company’s authorised capital was \$1,230,000, consisting of 123,000 thousand shares of ordinary stock, and the paid-in capital was \$1,048,766 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

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

	2024	2023
At January 1 and December 31	<u>104,877</u>	<u>104,877</u>

(17) Capital surplus

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

2024					
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures accounted for using equity method	Others	Total
At January 1	\$ 62,214	\$ 15,659	\$ 4,563	\$ 5,490	\$ 87,926
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	60,106	-	60,106
At December 31	<u>\$ 62,214</u>	<u>\$ 15,659</u>	<u>\$ 64,669</u>	<u>\$ 5,490</u>	<u>\$ 148,032</u>
2023					
	Share premium	Treasury share transactions	Changes in equity of associates and joint ventures accounted for using equity method	Others	Total
At January 1	\$ 62,214	\$ 15,659	\$ -	\$ 5,490	\$ 83,363
Recognition of change in equity of associates in proportion to the Company's ownership	-	-	4,563	-	4,563
At December 31	<u>\$ 62,214</u>	<u>\$ 15,659</u>	<u>\$ 4,563</u>	<u>\$ 5,490</u>	<u>\$ 87,926</u>

(18) Retained earnings

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

- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
- (b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.
- D. The distribution of 2022 earnings had been approved by the shareholders during their meeting on June 9, 2023 is as follows:

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

- E. The distribution of 2023 earnings had been approved by the shareholders during their meeting on June 12, 2024 is as follows:

	Year ended December 31, 2023	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 20,718	
Special reserve	6,094	
Cash dividends	125,852	\$ 1.2
	<u>\$ 152,664</u>	

- F. The distribution of 2024 earnings had been proposed by the Board of Directors on March 12, 2025. Details are summarised below:

	Year ended December 31, 2024	
	Amount	Dividends per share (in dollars)
Legal reserve	\$ 13,512	
Reversal of special reserve	(18,182)	
Cash dividends	104,877	\$ 1
	<u>\$ 100,207</u>	

The aforementioned distribution of 2024 earnings has not yet been resolved at the stockholders' meeting.

(19) Operating revenue

	Years ended December 31,	
	2024	2023
Revenue from contracts with customers	\$ 1,751,078	\$ 1,740,070
Rental revenue	60,444	58,929
Warehousing revenue	6,273	4,063
	<u>\$ 1,817,795</u>	<u>\$ 1,803,062</u>

A. Disaggregation of revenue from contracts with customers

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

Year ended December 31,	Transportation	Machinery transportation and hoisting	LPG station	Imports of foreign wine	Other	Total
2024	segment	segment	segment	segment		
Total segment revenue	\$ 798,340	\$ 663,533	\$ 201,736	\$ 86,828	\$ 2,099	\$ 1,752,536
Intra-sector transaction revenue	(76)	-	-	(1,382)	-	(1,458)
Revenue from contracts with external customers	<u>\$ 798,264</u>	<u>\$ 663,533</u>	<u>\$ 201,736</u>	<u>\$ 85,446</u>	<u>\$ 2,099</u>	<u>\$ 1,751,078</u>
Timing of revenue						
At a point in time	\$ -	\$ -	\$ 201,736	\$ 85,446	\$ 2,099	\$ 289,281
Over time	798,264	663,533	-	-	-	1,461,797
	<u>\$ 798,264</u>	<u>\$ 663,533</u>	<u>\$ 201,736</u>	<u>\$ 85,446</u>	<u>\$ 2,099</u>	<u>\$ 1,751,078</u>

Year ended December 31, 2023	Transportation segment	Machinery transportation and hoisting segment	LPG station segment	Imports of foreign wine segment	Other	Total
Total segment revenue	\$ 832,304	\$ 565,705	\$ 193,334	\$ 149,511	\$ 1,028	\$ 1,741,882
Intra-sector transaction revenue	(129)	-	-	(1,683)	-	(1,812)
Revenue from contracts with external customers	<u>\$ 832,175</u>	<u>\$ 565,705</u>	<u>\$ 193,334</u>	<u>\$ 147,828</u>	<u>\$ 1,028</u>	<u>\$ 1,740,070</u>
Timing of revenue						
At a point in time	\$ -	\$ -	\$ 193,334	\$ 147,828	\$ 1,028	\$ 342,190
Over time	<u>832,175</u>	<u>565,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,397,880</u>
	<u>\$ 832,175</u>	<u>\$ 565,705</u>	<u>\$ 193,334</u>	<u>\$ 147,828</u>	<u>\$ 1,028</u>	<u>\$ 1,740,070</u>

B. Contract assets and liabilities

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

	December 31, 2024	December 31, 2023	January 1, 2023
Contract assets:			
Heavy machinery contracts	<u>\$ 1,015</u>	<u>\$ 31,424</u>	<u>\$ 22,969</u>
Contract liabilities:			
Sale contracts	\$ 9,714	\$ 2,451	\$ 21,380
Construction advance receipts	<u>-</u>	<u>5,000</u>	<u>-</u>
	<u>\$ 9,714</u>	<u>\$ 7,451</u>	<u>\$ 21,380</u>

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

	2024	2023
Revenue recognised that was included in the contract liability balance at the beginning of the year	<u>\$ 7,389</u>	<u>\$ 21,254</u>

(20) Operating cost

	Years ended December 31,	
	2024	2023
Cost of transportation sales	\$ 728,842	\$ 745,135
Cost of machinery transportation and hoisting sales	541,949	482,179
Cost of goods	235,111	270,433
Cost of rental sales	26,610	22,365
Cost of warehousing sales	10,202	5,047
Other operating costs	<u>4,419</u>	<u>4,249</u>
	<u>\$ 1,547,133</u>	<u>\$ 1,529,408</u>

(21) Interest income

	Years ended December 31,	
	2024	2023
Interest income from bank deposits	\$ 605	\$ 696
Interest income from financial assets measured at amortised cost	692	496
Other interest income	60	95
	<u>\$ 1,357</u>	<u>\$ 1,287</u>

(22) Other income

	Years ended December 31,	
	2024	2023
Dividend income	\$ 9,981	\$ 16,973
Rental income	887	881
Other income - others	9,539	6,988
	<u>\$ 20,407</u>	<u>\$ 24,842</u>

(23) Other gains and losses

	Years ended December 31,	
	2024	2023
(Losses) gains on disposals of property and equipment (Note 1)	(\$ 1,529)	\$ 6,699
Gains arising from lease modification	58	-
Gains (losses) on financial assets at fair value through profit or loss	25 (	27)
Net foreign exchange losses	(667) (	1,180)
Compensation losses	(11)	-
Depreciation charges on investment property	(404) (	405)
Other losses	(641) (	98)
Impairment losses on Other receivables (Note 2)	(34,998)	-
	<u>(\$ 38,167)</u>	<u>\$ 4,989</u>

Note 1: Included realised gains on disposal of property, plant and equipment amounting to \$405 and \$406, respectively.

Note 2: Please refer to Note 9(2) for detailed explanations.

(24) Finance costs

	Years ended December 31,	
	2024	2023
Interest expense - bank borrowings	\$ 9,840	\$ 7,849
Interest expense - lease liabilities	340	411
Less: Capitalized borrowing costs	(885)	(2,839)
	<u>\$ 9,295</u>	<u>\$ 5,421</u>

(25) Expenses by nature

	Years ended December 31,	
	2024	2023
Freight	\$ 371,725	\$ 434,331
Employee benefit expense	293,296	302,897
Cost of merchandise sold	235,111	270,433
Other cost of machinery transportation and hoisting sales	275,176	227,482
Diesel fee	132,808	135,642
Depreciation expense	115,472	112,351
Stevedorage & cargo charges	82,209	27,770
Repairs and maintenance expense	50,442	49,245
Tire charges	14,572	12,441
Amortization expense	1,396	417
Expected credit impairment loss	-	5
Others	151,625	141,859
Operating costs and expenses	<u>\$ 1,723,832</u>	<u>\$ 1,714,873</u>

(26) Employee benefit expense

	Years ended December 31,	
	2024	2023
Wages and salaries	\$ 241,840	\$ 246,884
Labour and health insurance fees	23,561	23,701
Pension costs	11,654	11,875
Directors' remuneration	8,772	12,757
Other personnel expenses	7,469	7,680
	<u>\$ 293,296</u>	<u>\$ 302,897</u>

- A. Information on the provisions of distribution of earnings in the Company's Articles of Incorporation is provided in Note 6(18). A ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 5% for directors'.
- B. For the years ended December 31, 2024 and 2023, employees' compensation was accrued at \$8,227 and \$12,182, respectively; while directors' remuneration was accrued at \$8,227 and \$12,182, respectively. The aforementioned amounts were recognised in salary expenses. For the year ended December 31, 2024, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 5% of distributable profit of current year as of the end of reporting period. The employees' compensation and directors' remuneration resolved by the Board of Directors were \$8,227 and \$8,227, and the employees' compensation will be distributed in the form of cash.

C. Employees' compensation of \$12,182 and directors' remuneration of \$12,182 for 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

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

(27) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31,	
	2024	2023
Current tax:		
Current tax on profits for the year	\$ 20,097	\$ 19,769
Tax on undistributed surplus earnings	1,188	553
Prior year income tax underestimation	15	19
Total current tax	<u>21,300</u>	<u>20,341</u>
Deferred tax:		
Origination and reversal of temporary differences	441	(668)
Total deferred tax	<u>441</u>	<u>(668)</u>
Income tax expense	<u>\$ 21,741</u>	<u>\$ 19,673</u>

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

	Years ended December 31,	
	2024	2023
Remeasurement of defined benefit obligations	<u>\$ 1,387</u>	<u>(\$ 57)</u>

B. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2024	2023
Tax calculated based on profit before tax and statutory tax rate (Note)	\$ 32,180	\$ 47,039
Expenses disallowed by tax regulation	7,346	322
Tax exempt income by tax regulation	(18,620)	(27,065)
Temporary difference not recognised as deferred tax assets	(538)	(1,455)
Taxable loss not recognised as deferred tax assets	170	140
Tax on undistributed surplus earnings	1,188	553
Prior year income tax underestimation	15	19
Change in assessment of realisation of deferred tax assets	-	120
Income tax expense	<u>\$ 21,741</u>	<u>\$ 19,673</u>

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	2024			
		Recognised in	other	
	January 1	profit or loss	comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Deferred gains	\$ 142	(\$ 82)	\$ -	\$ 60
Actuarial losses (gains) on defined benefit plan	9,087	-	(1,387)	7,700
Loss on inventory valuation	2,303	(1)	-	2,302
Unused compensated absences	76	(76)	-	-
Unrealised exchange losses	315	(156)	-	159
Tax loss	<u>945</u>	<u>319</u>	<u>-</u>	<u>1,264</u>
	<u>\$ 12,868</u>	<u>\$ 4</u>	<u>(\$ 1,387)</u>	<u>\$ 11,485</u>

2024				
		Recognised in	other	
	January 1	profit or loss	comprehensive income	December 31
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(5,586)	(445)	-	(6,031)
Provision for land increment tax	(30,137)	-	-	(30,137)
	(35,723)	(445)	-	(36,168)
	<u>(\$ 22,855)</u>	<u>(\$ 441)</u>	<u>(\$ 1,387)</u>	<u>(\$ 24,683)</u>
2023				
		Recognised in	other	
	January 1	profit or loss	comprehensive income	December 31
Deferred income tax assets:				
- Temporary differences:				
Deferred gains	\$ 224	(\$ 82)	\$ -	\$ 142
Actuarial losses (gains) on defined benefit plan	9,030	-	57	9,087
Loss on inventory valuation	1,861	442	-	2,303
Unused compensated absences	76	-	-	76
Unrealised exchange losses	109	206	-	315
Tax loss	<u>405</u>	<u>540</u>	<u>-</u>	<u>945</u>
	<u>\$ 11,705</u>	<u>\$ 1,106</u>	<u>\$ 57</u>	<u>\$ 12,868</u>
- Deferred tax liabilities:				
Excess of pension contributions over pension expenses	(5,148)	(438)	-	(5,586)
Provision for land increment tax	(30,137)	-	-	(30,137)
	(35,285)	(438)	-	(35,723)
	<u>(\$ 23,580)</u>	<u>\$ 668</u>	<u>\$ 57</u>	<u>(\$ 22,855)</u>

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

December 31, 2024				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	\$ 431	\$ 431	\$ 431	2025
2016	2,051	2,051	2,051	2026
2017	1,332	1,332	1,332	2027
2018	3,731	3,731	3,731	2028
2019	3,840	3,840	3,840	2029
2020	1,447	1,447	1,447	2030
2021	663	663	663	2031
2022	2,630	2,630	604	2032
2023	3,404	3,404	701	2033
2024	2,443	2,443	852	2034
	<u>\$ 21,972</u>	<u>\$ 21,972</u>	<u>\$ 15,652</u>	

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	\$ 431	\$ 431	\$ 431	2025
2016	2,051	2,051	2,051	2026
2017	1,332	1,332	1,332	2027
2018	3,731	3,731	3,731	2028
2019	3,840	3,840	3,840	2029
2020	1,447	1,447	1,447	2030
2021	663	663	663	2031
2022	2,630	2,630	604	2032
2023	3,404	3,404	701	2033
	<u>\$ 19,529</u>	<u>\$ 19,529</u>	<u>\$ 14,800</u>	

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

	December 31, 2024	December 31, 2023
Share of profit or loss of subsidiaries accounted for using equity method	\$ 106,556	\$ 109,249
Exchange differences on translation of foreign financial statements	<u>28,387</u>	<u>29,821</u>
	<u>\$ 134,943</u>	<u>\$ 139,070</u>

F. The Company's income tax returns through 2022 have been assessed and approved by the Tax Authority.

(28) Earnings per share

Year ended December 31, 2024			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 129,569	104,877	\$ 1.24
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 129,569	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	322	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 129,569	105,199	\$ 1.23
Year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 202,909	104,877	\$ 1.93
<u>Diluted earnings per share</u>			
Profit attributable to ordinary shareholders of the parent	\$ 202,909	104,877	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	554	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	\$ 202,909	105,431	\$ 1.92

(29) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31,	
	2024	2023
Purchase of property, plant and equipment (Including capitalization of interest)	\$ 61,368	\$ 144,173
Add: Opening balance of payable on equipment	384	675
Add: Opening balance of notes payable on equipment	253	1,131
Less: Ending balance of payable on equipment	(55)	(384)
Less: Ending balance of notes payable on equipment	(722)	(253)
Cash paid during the year	<u>\$ 61,228</u>	<u>\$ 145,342</u>

B. Investment activities with no cash flow effects:

	Years ended December 31,	
	2024	2023
Other non-current assets transferred to property, plant and equipment	<u>\$ 1,290</u>	<u>\$ -</u>
	Years ended December 31,	
	2024	2023
Property, plant and equipment transferred to investment property	<u>\$ 119,780</u>	<u>\$ -</u>

(30) Changes in liabilities from financing activities

	2024				
	Short-term borrowings	Lease liabilities (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities gross
At January 1	\$ 203,350	\$ 21,428	\$ 275,980	\$ 9,023	\$ 509,781
Changes in cash flow from financing activities	(38,613)	(12,169)	(35,800)	2,223	(84,359)
Changes in other non-cash items	-	12,889	-	-	12,889
Early termination	-	(2,459)	-	-	(2,459)
At December 31	<u>\$ 164,737</u>	<u>\$ 19,689</u>	<u>\$ 240,180</u>	<u>\$ 11,246</u>	<u>\$ 435,852</u>

	2023				
	Short-term borrowings	Lease liabilities (including current portion)	Long-term borrowings (including current portion)	Guarantee deposits received	Liabilities from financing activities gross
At January 1	\$ 50,500	\$ 29,893	\$ 259,458	\$ 8,727	\$ 348,578
Changes in cash flow from financing activities	152,850	(12,932)	16,522	296	156,736
Changes in other non-cash items	-	4,467	-	-	4,467
At December 31	<u>\$ 203,350</u>	<u>\$ 21,428</u>	<u>\$ 275,980</u>	<u>\$ 9,023</u>	<u>\$ 509,781</u>

7. Related Party Transactions

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Ever Glory Transportation Inc. (Ever Glory)	Other related party (this company's major shareholder was the Company's chairman)
Champion Shipping Agency Co., Ltd. (Champion)	Other related party (this company's chairman was the same as the Company's chairman)
Li Fung Transportation Enterprise Co., Ltd. (Li Fung)	Other related party (this company's major shareholder was the Company's director)
Deluxe Wine & Spirits Inc. (Deluxe Wine)	Other related party (this company's chairman was the same as the Company's chairman)
Giant Heavy Machinery Service Corp. (Giant Heavy Machinery)	Associate (investee accounted for using equity method by the Company)
Giant Heavy Machinery Transportation Service Corp. (Giant Heavy Machinery Transportation)	Associate (subsidiary of the investee accounted for using equity method by the Company)
Mammoet Giant (Taiwan) Limited (Mammoet Giant)	Associate (joint venture of the investee accounted for using equity method by the Company)
Ying-Jin Ho	Key management personnel

(2) Significant related party transactions

A. Sales of services and goods

		Years ended December 31,	
		2024	2023
Sales of services:			
Associates			
Giant Heavy Machinery	\$	139	\$ 285
Mammoet Giant		-	11,447
Other related parties		2,052	2,115
Rental revenue:			
Associates			
Giant Heavy Machinery		13,661	13,600
Giant Heavy Machinery Transportation		1,984	2,003
Other related parties		39	72
	\$	<u>17,875</u>	\$ <u>29,522</u>

- (a) The Group leases land, offices, inspection centres, parking lots, transportation and machinery equipment to associates and other related parties. Prices are determined based on the negotiated price and payment was collected according to the contract timeline signed by both parties. The lease terms are between July 2020 and June 2026. The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

	December 31, 2024	December 31, 2023
Within 1 year	\$ 14,083	\$ 11,394
1-5 years	3,906	5,807
	<u>\$ 17,989</u>	<u>\$ 17,201</u>

Before the Group entered into the contract for lease of buildings with the lessee on July 1, 2024, the lessee paid the performance guarantee amounting to \$2,048 (shown as “other non-current liabilities”), which would be refunded without bearing interest to the lessee within 30 days after the lease period expired and there were no pending matters. If the lessee does not fulfill its obligation or violates any terms specified in the contract or defaults on expenses such as rents and administrative expenses, the Group can deduct the amount from the performance guarantee and the lessee cannot declare any objection.

- (b) Transaction prices and collection terms of sales of services to associates and other related parties are comparable to those provided to non-related parties. The collection terms are monthly billings by issuing 2~3-month notes.

B. Purchase of services and other operating costs

	Years ended December 31,	
	2024	2023
Purchases of services:		
Associates		
Giant Heavy Machinery	\$ 74,730	\$ 144,389
Giant Heavy Machinery Transportation	-	2,601
Other related parties	<u>1,111</u>	<u>3,740</u>
	<u>\$ 75,841</u>	<u>\$ 150,730</u>

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

C. Receivables from related parties

	December 31, 2024	December 31, 2023
Notes receivable:		
Associates		
Giant Heavy Machinery Transportation	\$ 2,151	\$ 2,581
Other related parties	<u>-</u>	<u>56</u>
	<u>2,151</u>	<u>2,637</u>
Accounts receivable:		
Associates		
Giant Heavy Machinery	-	24
Giant Heavy Machinery Transportation	-	19
Other related parties	<u>384</u>	<u>315</u>
	<u>384</u>	<u>358</u>
Other receivables:		
Associates		
Giant Heavy Machinery	<u>14</u>	<u>-</u>
Long-term notes receivable (shown as “other non-current assets”)		
Associates		
Giant Heavy Machinery Transportation	<u>-</u>	<u>2,151</u>
	<u>\$ 2,549</u>	<u>\$ 5,146</u>

Other receivable due from associates of the Group is receivable for utilities.

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

D. Payables to related parties

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Notes payable:		
Associates		
Giant Heavy Machinery	\$ 2,372	\$ 18,765
Giant Heavy Machinery Transportation	-	231
Other related parties	<u>543</u>	<u>1,862</u>
	<u>2,915</u>	<u>20,858</u>
Accounts payable:		
Associates		
Giant Heavy Machinery	315	6,757
Giant Heavy Machinery Transportation	-	231
Other related parties	<u>295</u>	<u>499</u>
	<u>610</u>	<u>7,487</u>
Other payables:		
Other related parties	<u>-</u>	<u>188</u>
	<u>-</u>	<u>188</u>
	<u>\$ 3,525</u>	<u>\$ 28,533</u>

E. Property transactions

Acquisition of financial assets:

				<u>Year ended December 31, 2023</u>
	<u>Accounts</u>	<u>No. of shares</u>	<u>Objects</u>	<u>Consideration</u>
Giant Heavy Machinery	Investments accounted for using equity method	1,739 thousand shares	Stock	<u>\$ 52,172</u>

F. Lease transactions - lessee

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

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

	<u>2024</u>	<u>2023</u>
Deluxe Wine	\$ 1,567	\$ -

(c) Disposal of right-of-use assets:

	<u>2024</u>	<u>2023</u>
Deluxe Wine-Decrease in lease liabilities	\$ 2,459	\$ -
Profit from lease modification	<u>\$ 58</u>	<u>\$ -</u>

(d) Lease liabilities

i. Outstanding balance

	December 31, 2024	December 31, 2023
Total lease liabilities	\$ 1,056	\$ 2,459
Less: Current portion (shown “current lease liabilities”)	(522)	(807)
	<u>\$ 534</u>	<u>\$ 1,652</u>

ii. Interest expense

	Years ended December 31,	
	2024	2023
Other related parties	<u>\$ 29</u>	<u>\$ 46</u>

G. Other income

	Years ended December 31,	
	2024	2023
Service income:		
Associates		
Giant Heavy Machinery	\$ 105	\$ -
Other related parties	<u>140</u>	<u>690</u>
	<u>\$ 245</u>	<u>\$ 690</u>

Service income is mainly revenue arising from system support and translation services.

H. Other expense

	Years ended December 31,	
	2024	2023
Service expenses:		
Li Fung	\$ 145	\$ 2,633
Deluxe Wine	<u>1,800</u>	<u>1,800</u>
	<u>\$ 1,945</u>	<u>\$ 4,433</u>

Service expense is mainly expenditure arising from alongside transportation and security expense.

I. Dividends income

	Years ended December 31,	
	2024	2023
Giant Heavy Machinery	<u>\$ 164,735</u>	<u>\$ 35,199</u>

The abovementioned dividend received is recorded as a deduction to investments accounted under equity method.

J. Endorsements and guarantees provided to related parties

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

(3) Key management compensation

	Years ended December 31,	
	2024	2023
Short-term employee benefits	\$ 15,999	\$ 19,378

8. Pledged Assets

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

Pledged asset	Purpose	Book value	Book value
		December 31, 2024	December 31, 2023
Financial assets at amortised cost - current	Performance bond and deposits	\$ 32,787	\$ 32,567
Other non-current assets			
Time deposits	Business guarantee	1,094	1,077
Refundable deposits	Performance bond and deposits	14,747	15,595
		15,841	16,672
Property, plant and equipment			
Land, buildings and structures and transportation equipment	Long-term and short-term borrowings and business guarantee	721,306	775,247
Investment property	Long-term and short-term borrowings	55,344	35,914
		\$ 825,278	\$ 860,400

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Commitments

A. Operating lease commitments

Please refer to Notes 6(9), 6(10) and 7 for details.

B. As of December 31, 2024 and 2023, the Group entered into a significant construction contract with related suppliers for machine transportation and hoisting business at a price of \$221,685 and \$152,000, and the Group had paid \$207,552 and \$126,077, respectively. The remaining would be paid gradually according to the construction progress.

C. As of December 31, 2024 and 2023, the Group entered into a purchase contract with CPC Corporation, Taiwan for oil products and liquefied petroleum gas. According to the contract, the amount of guaranteed notes payable issued by the Group was \$25,000 and \$30,000, respectively. The guarantee amount which was provided by banks for purchasing oil products, liquefied petroleum gas and transportation was \$16,000 and \$17,627, respectively. Additionally, the Group issued guaranteed notes payable to guarantee banks in the amounts of \$16,000 and \$17,627, respectively.

D. As of December 31, 2024 and 2023, the Group entered into a significant construction contract with related suppliers for operation at a price of \$0 and \$408,147, and the Group had paid \$0 and \$338,956, respectively.

(2) Contingencies

On January 5, 2023, the Group entered into an agreement for sale and purchase of a ship from a Japanese shipping group. In accordance with the contract terms, the Group paid JPY 150,000 thousand (approximately NT\$34,998 thousand) in advance for the prepayments for business facilities. Subsequently, the transaction was not completed during the contract period since the delivery of the ship was delayed due to the seller's negligence and defects were found during the inspection after the ship arrived at the port. As a result, the agreement for sale and purchase of the ship was cancelled based on mutual agreement on June 5, 2024. However, the Group still could not recover the above prepayments for business facilities after taking action in demanding collection of the amount. On August 2, 2024, the Group filed a civil complaint against the Japanese shipping group, requesting a return of the payment, and the prepayments for business facilities had been fully transferred to other receivables.

On December 20, 2024, a judgment had been rendered in the first instance that the seller should return the payment to the Group. However, the Group had not received the payment as of December 31, 2024. Other receivables were all provisioned as an impairment loss amounting to \$34,998 (shown as "other gains and losses") based on the Group's assessment.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

The distribution of earnings was approved by the Company's Board of Directors on March 12, 2025. Please refer to Note 6(18) for more details in relation to the distribution of earnings.

12. Others

(1) Capital management

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

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial assets</u>		
Financial asset measured at fair value through other comprehensive income - current		
Designation of equity instrument	\$ 72,120	\$ 17,340
Financial asset measured at fair value through other comprehensive income - non-current		
Designation of equity instrument	71,523	79,762
Financial assets at amortised cost		
Cash and cash equivalents	95,030	113,504
Financial assets at amortised cost - current	36,221	32,567
Financial assets at amortised cost - non-current	1,082	4,445
Notes receivable (including related parties)	27,279	24,342
Accounts receivable (including related parties)	301,602	223,819
Other receivables (including related parties)	1,134	1,619
Guarantee deposits paid	15,841	16,672
Long term notes receivable (shown as other non-current assets)	1,440	3,591
	<u>\$ 623,272</u>	<u>\$ 517,661</u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ -	\$ 25
Financial liabilities at amortised cost		
Short-term borrowings	164,737	203,350
Notes payable (including related parties)	101,828	128,051
Accounts payable (including related parties)	100,434	98,051
Other accounts payable (including related parties)	79,524	94,867
Long-term borrowings (including current portion)	240,180	275,980
Guarantee deposits received	11,246	9,023
	<u>\$ 697,949</u>	<u>\$ 809,347</u>
Lease liabilities (including current portion)	<u>\$ 19,689</u>	<u>\$ 21,428</u>

B. Financial risk management policies

- (a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts, are used to hedge certain exchange rate risk, and interest rate swaps are used to fix variable future cash flows. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.
- (b) The Group's significant financial activities are reviewed by the Board of Directors in accordance with related regulations and internal control system. In the period of executing financial plan, the Group should follow related financial operational procedures in relation to whole financial risk management and separation of rights and responsibilities.
- (c) For the information on the derivative financial instruments that the Group enters into, refer to Note 6(2).

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

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

(Foreign currency: functional currency)	December 31, 2024		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,000	32.79	\$ 32,790
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : VND	\$ 1,000	25,921	\$ 32,790

(Foreign currency: functional currency)	December 31, 2023		
	Foreign currency		Book value
	amount (In thousands)	Exchange rate	
<u>Financial assets</u>			
<u>Monetary items</u>			
USD : NTD	\$ 1,000	30.71	\$ 30,710
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD : VND	\$ 1,000	24,667	\$ 30,710
EUR : NTD	140	33.98	4,743

- ii. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2024 and 2023, amounted to (\$667) and (\$1,180), respectively.
- iii. Analysis of foreign currency market risk arising from significant foreign exchange variation:

(Foreign currency: functional currency)	Year ended December 31, 2024	
	Sensitivity analysis	
	Degree of variation	Effect on profit or loss (NTD)
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD	1%	\$ 328
<u>Financial liabilities</u>		
<u>Monetary items</u>		
USD:VND	1%	\$ 328

(Foreign currency: functional currency)	Year ended December 31, 2023	
	Sensitivity analysis	
	Degree of variation	Effect on profit or loss (NTD)
<u>Financial assets</u>		
<u>Monetary items</u>		
USD:NTD	1%	\$ 307
<u>Financial liabilities</u>		
<u>Monetary items</u>		
USD:VND	1%	\$ 307

Price risk

- i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.
- ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2024 and 2023 would have increased/decreased by \$1,436 and \$971, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income

Cash flow and fair value interest rate risk

- i. The Group's interest rate risk arises from short-term and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2024 and 2023, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars, Euro, Great Britain Pound and United States dollar.
- ii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2024 and 2023 would have increased/decreased by \$810 and \$959, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost, at fair value through profit or loss and at fair value through other comprehensive income.
- ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group's credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

- iii. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.
- iv. If the credit rating grade of an investment target degrades two scales, there has been a significant increase in credit risk on that instrument since initial recognition.
- v. The Group adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.
- vi. The Group classifies customers' accounts receivable in accordance with credit risk on trade. The Group applies the modified approach using a provision matrix to estimate the expected credit loss.
- vii. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights. On December 31, 2024 and 2023, the Group's written-off financial assets that are still under recourse procedures amounted to \$0 and \$5, respectively.
- viii. The Group used the forecastability of Taiwan Institute of Economic Research boom observation report to adjust historical and timely information to assess the default possibility of notes receivable (including related parties), accounts receivable (including related parties) and contract assets. On December 31, 2024 and 2023, the loss rate methodology is as follows:

	Individual	Group	Total
<u>December 31, 2024</u>			
Expected loss rate	100%	0.03%~100%	
Total book value	\$ 318	\$ 329,896	\$ 330,214
Loss allowance	\$ 318	\$ -	\$ 318
	Individual	Group	Total
<u>December 31, 2023</u>			
Expected loss rate	100%	0.06%~96.89%	
Total book value	\$ 318	\$ 276,590	\$ 276,908
Loss allowance	\$ 318	\$ -	\$ 318

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

	2024
	<u>Accounts receivable</u>
At January 1 and December 31	<u>\$ 318</u>
	2023
	<u>Accounts receivable</u>
At January 1	\$ 318
Provision for impairment loss	5
Amounts written off due to irrecoverability	(5)
December 31	<u>\$ 318</u>

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

- x. As of December 31, 2024 and 2023, the balance of the Group's other receivables amounted to \$1,120 and \$1,619, respectively. The Group assessed the impairment of these receivables individually. Based on the Group's assessment, impairment loss of \$34,988 and \$0 was provided for the years ended December 31, 2024 and 2023, respectively.
- xi. The Group's time deposits and pledged time deposits were shown as financial assets at amortised cost. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

(c) Liquidity risk

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

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Expiring within one year	<u>\$ 590,327</u>	<u>\$ 443,237</u>

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

December 31, 2024	Less than one year	Over one year	Total
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 164,737	\$ -	\$ 164,737
Notes and accounts payable (including related parties)	202,262	-	202,262
Other payables (including related parties)	79,524	-	79,524
Lease liabilities (including current portion) (Note)	10,633	9,616	20,249
Long-term borrowings (including current portion) (Note)	51,361	203,426	254,787
Guarantee deposits received	11,246	-	11,246
December 31, 2023	Less than one year	Over one year	Total
<u>Non-derivative financial liabilities</u>			
Short-term borrowings	\$ 203,350	\$ -	\$ 203,350
Notes and accounts payable (including related parties)	226,102	-	226,102
Other payables (including related parties)	94,867	-	94,867
Lease liabilities (including current portion)	11,538	10,330	21,868
Long-term borrowings (including current portion)	49,031	243,448	292,479
Guarantee deposits received	9,023	-	9,023
<u>Derivative financial liabilities</u>			
Forward foreign exchange contracts	25	-	25

Note: The amount includes interest that is expected to be paid in the future.

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

(3) Fair value information

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

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

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

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

- B. Fair value information of investment property at cost is provided in Note 6(11).
- C. The carrying amounts of the Group's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivable (including related parties), long-term notes receivable (including related parties), guarantee deposits paid, other financial assets (shown as other non-current financial assets), short-term borrowings, notes payable (including related parties), accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion) and guarantee deposits received) approximate to their fair values.
- D. The related information of financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets at December 31, 2024 and 2023 are as follows:
- (a) The related information of natures of the assets is as follows:

<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value</u>				
<u>measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 72,000	\$ -	\$ 71,643	\$ 143,643
	<u>\$ 72,000</u>	<u>\$ -</u>	<u>\$ 71,643</u>	<u>\$ 143,643</u>

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Equity securities	\$ 17,220	\$ -	\$ 79,882	\$ 97,102
	<u>\$ 17,220</u>	<u>\$ -</u>	<u>\$ 79,882</u>	<u>\$ 97,102</u>
Liabilities:				
<u>Recurring fair value measurements</u>				
Financial liabilities at fair value through other comprehensive income				
Derivatives	\$ -	\$ 25	\$ -	\$ 25
	<u>\$ -</u>	<u>\$ 25</u>	<u>\$ -</u>	<u>\$ 25</u>

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

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

	<u>Listed shares</u>
Market quoted price	Closing price

- ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.
- iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.
- iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions.

- v. The valuation of derivative financial instruments is based on valuation model widely accepted by market participants, such as present value techniques and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate.
 - vi. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.
 - vii. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.
- E. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.
- F. The following chart is the movement of Level 3 for the years ended December 31, 2024 and 2023:

	2024	2023
	Equity instruments at fair value through other comprehensive income	Equity instruments at fair value through other comprehensive income
At January 1	\$ 79,882	\$ 85,882
Proceeds from capital reduction in the year	(8,239)	-
Sold in the year	-	(6,000)
At December 31	<u>\$ 71,643</u>	<u>\$ 79,882</u>

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

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

	Fair value at December 31, 2024	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 71,643	Discounted cash flow	Weighted average cost of capital	5.47%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value
	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	\$ 79,882	Discounted cash flow	Weighted average cost of capital	4.16%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	30.00%	The higher the discount for lack of marketability, the lower the fair value

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

		December 31, 2024	
		Recognised in other comprehensive income	
	Input	Change	
Financial assets			
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	\$ 716 (\$ 716)
		December 31, 2023	
		Recognised in other comprehensive income	
	Input	Change	
Financial assets			
Equity instruments	Discount for lack of marketability, weighted average cost of capital	±1	\$ 799 (\$ 799)

13. Supplementary Disclosures

(1) Significant transactions information

- A. Loans to others: None.
- B. Provision of endorsements and guarantees to others: None.
- C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.
- D. Acquisition or sale of the same security with the accumulated cost exceeding \$300 million or 20% of the Company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: None.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: None.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: The amount was not significant.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 2.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Please refer to table 3.

14. Operating Segment Information

(1) General information

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

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

(2) Measurement of segment information

- A. The Group's chief operating decision-maker evaluates the performance of the operating segments based on the segments revenue and segments net operating profit or loss. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as goodwill impairments (when the impairment is the result of an isolated, non-recurring event), gains and losses on disposal of fixed assets, gains and losses on disposals of investments, the effects of unrealised valuation gain or loss of financial assets, interest income and interest expenses are also not classified to operating segments, as this type of activity is managed by the Group's treasury segment.
- B. The accounting policies of operating segments are consistent with the accounting policies stated in Note 4 in the consolidated financial statements for the year ended December 31, 2024.

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

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

Year ended December 31, 2024	Machinery					
	Transportation segment	transportation and hoisting segment	LPG station segment	Imports of foreign wine segment	Other segments	Amount of write-offs
Revenue from external customers	\$ 798,390	\$ 674,594	\$ 201,736	\$ 85,446	\$ 57,629	\$ -
Inter-segment revenue	76	-	-	1,382	116	(1,574)
Total segment revenue	\$ 798,466	\$ 674,594	\$ 201,736	\$ 86,828	\$ 57,745	\$ (1,574)
Segment income (loss)	\$ 32,174	\$ 123,497	\$ 2,710	\$ 1,739	\$ (66,157)	\$ -
Segment income, including depreciation and amortisation	\$ 58,719	\$ 28,112	\$ 3,741	\$ 2,023	\$ 24,273	\$ -
						\$ 116,868
						\$ 1,817,795
						\$ 1,817,795
						\$ 93,963
						\$ 116,868
Year ended December 31, 2023	Machinery					
	Transportation segment	transportation and hoisting segment	LPG station segment	Imports of foreign wine segment	Other segments	Amount of write-offs
Revenue from external customers	\$ 832,781	\$ 580,967	\$ 193,334	\$ 147,828	\$ 48,152	\$ -
Inter-segment revenue	129	-	-	1,683	48	(1,860)
Total segment revenue	\$ 832,910	\$ 580,967	\$ 193,334	\$ 149,511	\$ 48,200	\$ (1,860)
Segment income (loss)	\$ 53,804	\$ 89,977	\$ 2,479	\$ 12,547	\$ (70,618)	\$ -
Segment income, including depreciation and amortisation	\$ 61,416	\$ 27,536	\$ 3,736	\$ 2,086	\$ 17,994	\$ -
						\$ 112,768
						\$ 1,803,062
						\$ 1,803,062
						\$ 88,189
						\$ 112,768

(4) Reconciliation for segment income (loss)

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

(5) Information on products and services

Please refer to Note 14(3).

(6) Geographical information

None.

(7) Major customer information

Major customer information of the Group for the year ended December 31, 2024 is as follows:

	December 31, 2024	
	Revenue	Reconciliation
Client A	\$ 306,998	Machinery transportation and hoisting segment

The Group's operating income from a single customer does not exceed 10% of the consolidated operating income for the year ended December 31, 2023.

SEA & LAND INTEGRATED CORP.

Chairman: Ho, Ying-Jin

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