

CHUNG LIEN CO.,LTD AND SUBSUDIARIES

Consolidated Financial Statements for the Years Ended December 31,
2022 and 2021 and Independent Auditors' Report

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Declaration of Consolidated Financial Statements of Affiliates

The entities that are required to be included in the combined financial statements of CHUNG LIEN CO.,LTD. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10,“Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, CHUNG LIEN CO.,LTD. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours.

Entity: CHUNG LIEN CO.,LTD.
Person in charge: SU, NAN-CHOU
February 07, 2023

Independent Auditor's Report (Consolidated Financial Statements)

The Board of Directors and Shareholders
Chung Lien Co.,Ltd.

Audit Opinion

We have audited the accompanying consolidated balance sheets of Chung Lien Co., Ltd. and its subsidiaries (Chung Lien Group) as of December 31, 2022, and the related consolidated statements of income, changes in equity, and cash flows for the period from January 1, 2022 to December 31, 2022, and the related consolidated notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our reports. 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 the 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 judgement, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter for the consolidated financial Statements for the year ended December 31, 2022 is stated as follows:

Authenticity of Revenue Recognition from Major Customers

The primary source of revenue for Chung Lien Group is from renting out real estate and collecting rent, with a concentration on the top 2 customers. In the 2022, the operating revenue was NT\$141,436 thousand, accounting for 87.56% of the total operating revenue. The amount is significant to the consolidated financial statements. Due to the possibility of pressure on management to achieve expected financial goals, the authenticity of the recognition of revenue from major customers is considered a key audit matter. Please refer to Notes IV(IX), IX(V), and VI (X II) in the consolidated financial statements for relevant accounting policies and important disclosures.

We conducted the following auditing procedures in accordance with the above critical auditing procedures.

1. To gain an understanding of our major customers, assess the reasonableness of their revenue recognition, and analyze whether the changes in customers from the same period last year were significant.
2. To understand and evaluate the design and implementation of internal controls over revenue recognition and collection cycle that are relevant to the audit risk, and to test their effectiveness on a sample basis.
3. To review a sample of revenue from major customers, examine their lease agreements, invoices and other related documents and collection certificates, verify whether the recipients of the revenue are the same as the lease recipients, and issue letters of inquiry to these customers to confirm the authenticity of the transactions.

Other Matters

Chung Lien Co., Ltd. has already prepared its financial statements for the years 2022 and 2021, which have been audited by our auditors and other auditors and have received unmodified opinions. These statements are available for reference.

The consolidated financial statements of Chung Lien Group for the year 2021 were audited by another accountant, who issued an unmodified opinion report on January 27, 2022

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 IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the 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 members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence - 26 - 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 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 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.

Weyong International CPAs & Co.

CPA:KO,JIM-CHEN

CPA:LIN,HUI-FEN

February 7, 2023

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES
Consolidated Balance Sheets
December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

code	Assets	Note	December 31, 2022		December 31, 2021	
			Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	IV & VI(I)	\$ 12,011	-	\$ 8,185	-
1110	Financial assets at fair value through profit and loss – current	IV & VI(II)	46,102	2	34,072	1
1136	Financial assets measured at amortized cost – current	IV & VI(III)	324,500	11	274,500	8
1170	Account receivable	IV & VI(IV)	728	-	378	-
1200	Other receivables	IV	5,665	-	9,648	-
1220	Current tax assets	IV & VI (XIV)	-	-	259	-
1410	Prepayments		271	-	280	-
11XX	Total current assets		<u>389,277</u>	<u>13</u>	<u>327,322</u>	<u>9</u>
	Non-current assets					
1535	Financial assets measured at amortized cost –non -current	IV & VI(III)	900	-	601,776	18
1600	Property, plant and equipment	IV & VI(VI)	9,123	-	10,504	-
1755	Right-of-use assets	IV & VI(VII)	17,673	1	20,056	1
1760	Investment property	VI& VI(VIII)& VIII	2,428,298	85	2,435,867	71
1840	Deferred tax assets	IV & VI (XIV)	16,696	1	39,876	1
1920	Guarantee deposits paid	IV	747	-	747	-
15XX	Total non-current assets		<u>2,473,437</u>	<u>87</u>	<u>3,108,826</u>	<u>91</u>
1XXX	Total assets		<u>\$ 2,862,437</u>	<u>100</u>	<u>\$ 3,436,148</u>	<u>100</u>
Code	Liabilities and equity					
	Current liabilities					
2130	Contractual liabilities – current	IV & VI (XII)	\$ 115	-	\$ 90	-
2150	Notes payable	IV	34	-	34	-
2200	Other payables	IV & VI(IX)	7,443	-	7,021	-
2280	Lease liabilities – current	IV & VI(7)	2,579	-	2,552	-
2300	Other current liabilities		3,054	-	3,429	-
21XX	Total current liabilities		<u>13,225</u>	<u>-</u>	<u>13,126</u>	<u>-</u>
	Non-current liabilities					
2570	Deferred tax liabilities	IV & VI (XIV)	469,108	16	469,108	14
2580	Lease liabilities – non-current	IV & VI(XII)	17,955	1	20,533	1
2645	Guarantee deposits received	IV	28,359	1	28,359	1
25XX	Total non-current liabilities		<u>515,422</u>	<u>18</u>	<u>518,000</u>	<u>16</u>
2XXX	Total liabilities		<u>528,647</u>	<u>18</u>	<u>531,126</u>	<u>16</u>
	Equity attributable to owners of the Corporation					
3110	Common stock	VI (XI)	1,087,830	38	1,087,830	32
3200	Capital surplus	VI (XI)	83,846	3	83,846	2
	Retained earnings	VI (XI)				
3310	Legal reserve		718,138	25	642,576	19
3320	Special reserve		284,672	10	284,672	8
3350	Unappropriated earnings		159,581	5	806,098	23
3XXX	Total equity		<u>2,334,067</u>	<u>82</u>	<u>2,905,022</u>	<u>84</u>
	Total liabilities and equity		<u>\$ 2,862,714</u>	<u>100</u>	<u>\$ 3,436,148</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the auditor's report dated February 7, 2023, of the Weyong International CPAs & Co.)

President : SU, NAN-CHOU

General Manager : CHIANG, JUI-MING

Accounting Supervisor : HOU, KUAN-CHU

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

January 1 to December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

code		Note	2022FY		2021FY	
			Amount	%	Amount	%
4000	Net sale	IV & VI (XII)	\$ 161,535	100	\$ 149,782	100
5000	Operating Costs	IV & VI (XIII)	(29,644)	(18)	(29,239)	(20)
5900	Gross profit		<u>131,891</u>	<u>82</u>	<u>120,543</u>	<u>80</u>
	Operating expense					
6200	General and administrative expenses	IV & VI (XIII)	(22,124)	(14)	(22,775)	(15)
6450	Expected credit loss	IV & VI(IV))	<u>9</u>	<u>-</u>	<u>43</u>	<u>-</u>
6000	Total operating expense		(22,115)	(14)	(22,732)	(15)
6900	Profit from operations		<u>109,776</u>	<u>68</u>	<u>97,811</u>	<u>65</u>
	Non-operating income and expense					
7010	Other income		1,960	1	4,500	3
7020	Other gains and losses	VI (XIII)	285	-	631,600	422
7100	Interest income		4,401	3	4,728	3
7510	Finance costs	VI (XIII)	(512)	-	(466)	-
7000	Total non-operating income and expense		<u>6,134</u>	<u>4</u>	<u>640,362</u>	<u>428</u>
7900	Profit before income tax		115,910	72	738,173	493
7950	Income tax expense	IV & VI (XIV)	(23,289)	(15)	(4,104)	(3)
8200	Net income for the Year		<u>92,621</u>	<u>57</u>	<u>734,069</u>	<u>490</u>
8300	Other comprehensive income (Net after-tax)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500	Total comprehensive income for the year		<u>\$ 92,621</u>	<u>57</u>	<u>\$ 734,069</u>	<u>490</u>
	Earnings per share	Six (XV)				
9750	Basic		<u>\$ 0.85</u>		<u>\$ 6.75</u>	
9850	Diluted		<u>\$ 0.85</u>		<u>\$ 6.75</u>	

The accompanying notes are an integral part of the consolidated financial statements °

(Please refer to the auditor's report dated February 7, 2023, of the Weyong International CPAs & Co.)

President : SU, NAN-CHOU

General Manager : CHIANG, JUI-MING

Accounting Supervisor : HOU, KUAN-CHU

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

January 1 to December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		Common Stock	Capital Surplus	Retain earnings			Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	
A1	Balance on January 1, 2021	\$ 1,087,830	\$ 83,846	\$ 545,073	\$ 306,220	\$ 1,012,809	\$ 3,035,778
	Appropriation of 2020 earnings						
B1	Legal reserve	-	-	97,503	-	(97,503)	-
B5	Cash dividends to shareholder	-	-	-	-	(864,825)	(864,825)
B17	Reversal of special reserve	-	-	-	(21,548)	21,548	-
D1	Net income in 2021	-	-	-	-	734,069	734,069
D3	Other comprehensive income (loss) in 2021 , ,net of income tax	-	-	-	-	-	-
D5	Total comprehensive income (loss) in 2021	-	-	-	-	734,069	734,069
Z1	Balance on December 31, 2021	<u>\$ 1,087,830</u>	<u>\$ 83,846</u>	<u>\$ 642,576</u>	<u>\$ 284,672</u>	<u>\$ 762,345</u>	<u>\$ 2,861,269</u>
A1	Balance on January 01, 2022	\$ 1,087,830	\$ 83,846	\$ 642,576	\$ 284,672	\$ 806,098	\$ 2,905,022
	Appropriation of 2021 earnings						
B1	Legal reserve	-	-	75,562	-	(75,562)	-
B5	Cash dividends to shareholder	-	-	-	-	(663,576)	(663,576)
D1	Net income in 2022	-	-	-	-	92,621	92,621
D3	Other comprehensive income (loss) in 2022 , ,net of income tax	-	-	-	-	-	-
D5	Total comprehensive income (loss) in 2022	-	-	-	-	69,210	92,621
Z1	Balance at December 31, 2022	<u>\$ 1,087,830</u>	<u>\$ 83,846</u>	<u>\$ 718,138</u>	<u>\$ 284,672</u>	<u>\$ 159,581</u>	<u>\$ 2,334,067</u>

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

(Please refer to the auditor's report dated February 7, 2023, of the Weyong International CPAs & Co.)

President : SU, NAN-CHOU

General Manager : CHIANG, JUI-MING

Accounting Supervisor : HOU, KUAN-CHU

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows

January 1 to December 31, 2022 and 2021

(In Thousands of New Taiwan Dollars)

Code		2022FY	2021FY
	Cash flows from operating activities		
A10000	Income before income tax	\$ 115,910	\$ 738,173
A20010	Incomes and expense items		
A20100	Depreciation expense	11,333	11,755
A20300	Expected credit loss reversed	(9)	(43)
A20400	Net gain on financial assets at fair value through profit or loss	(283)	(1,411)
A20900	Interest expense	512	466
A21200	Interest income	(4,401)	(4,728)
A22500	Loss (gain) on disposal of property, plant and equipment	(2)	249
A23000	Gain on disposal of non-current assets classified as held for sale	-	(630,458)
A30000	Changes in operating assets and liabilities		
A31150	Accounts receivable	(341)	83
A31180	Other receivables	3,860	(3,378)
A31230	Prepayments	9	111
A32125	Current contract liabilities	25	(113)
A32130	Notes payable	-	(18)
A32180	Other payables	201	(840)
A32230	Other current liabilities	(375)	(343)
A32240	Net defined benefit liability, non-current	-	(15,551)
A33000	Cash inflow (outflow) generated from operations	126,439	93,954
A33100	Interest received	4,524	4,382
A33300	Interest paid	(291)	(254)
A33500	Income taxes refund	259	-
A33500	Income taxes paid	(109)	(62)
AAAA	Net cash flows from operating activities	<u>130,822</u>	<u>98,020</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortised cost	(349,000)	(899,000)
B00050	Proceeds from disposal of financial assets at amortised cost	899,876	324,500
B00100	Acquisition of financial assets at fair value through profit or loss	(726,746)	(5,957,232)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	714,999	6,647,684
B02600	Proceeds from disposal of non-current assets classified as held for sale	-	653,323
B02800	Proceeds from disposal of property, plant and equipment	2	-
B03700	Increase in deposit guarantee	-	(17)
BBBB	Net cash flows from investing activities	<u>539,131</u>	<u>769,258</u>

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<u>Code</u>		<u>2022FY</u>	<u>2021FY</u>
CCCC	Cash flow from financing activities		
C03000	Increase in guarantee deposits received	\$ -	\$ 3,846
C04020	Payments of lease liabilities	(2,551)	(2,525)
C04500	Cash dividends paid	(<u>663,576</u>)	(<u>864,825</u>)
CCCC	Net cash outflow from financing activities	(<u>666,127</u>)	(<u>863,504</u>)
EEEE	Net increase (decrease) in cash for the year	(3,826)	3,774
E00100	Cash balance at beginning of the year	<u>8,185</u>	<u>4,411</u>
E00200	Year-end cash balance	<u>\$ 12,011</u>	<u>\$ 8,185</u>

The accompanying notes are an integral part of the consolidated financial statements

(Please refer to the auditor's report dated February 7, 2023, of the Weyong International CPAs & Co.)

President : SU, NAN-CHOU General Manager : CHIANG, JUI-MING Accounting Supervisor : HOU, KUAN-CHU

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES

Notes to Consolidated Financial Statements

January 1 to December 31, 2022 and 2021

(In thousands of New Taiwan dollars or foreign currency unless stated otherwise)

I .Company history

Chung Lien Co.,Ltd. (hereinafter referred to as “the Company”). was established on August 9, 1954 with the approval of the Ministry of Economic Affairs and its registered office is located at No.7 Gongyequ 1ST RD, Xitun District, Taichung City , Taiwan . The Company's shares were officially listed on the Taipei Stock Exchange on May 22, 1997. The Company and its controlled entities (hereinafter referred to as the "Consolidated Company") are mainly engaged in the leasing of real estate, retailing of computer information products and software, and information maintenance services.

Due to the tightening of labor and environmental protection laws, restrictions on freight rate adjustments and difficulties in hiring manpower, the Company withdrew from the freight transportation business at the Board of Directors' meeting on April 3, 2019 and the shareholders' meeting on June 5, 2019, and officially ceased the freight transportation business on July 13, 2019.

The Company was formerly known as Chung Lien Transportation Co.,Ltd. (中連汽車貨運股份有限公司). The change of the Company's name to Chung Lien Co.,Ltd.(中連誠企業股份有限公司)was approved at the shareholders' meeting on July 29, 2021, and an application for the change was submitted to the Department of Commerce, Ministry of Economic Affairs, which was approved on October 18, 2021.

The consolidated financial statements are presented in the Corporation’s functional currency, New Taiwan dollar.

II.Approval of the Financial Statements

These consolidated financial statements were approved by the Board of Directors on February 7, 2023.

III.Application of New, Amended and Revised Standards and Interpretations

- (I) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of IFRSs approved by the FSC and issued into effect will not result in significant changes in the accounting policies of the Consolidated Company .

(II) The IFRSs endorsed by the FSC for application starting from 2023

New Releases / Amendments / Revised Criteria and Interpretations	Effective Date Announced by IASB (Note 1)
Amendment to IAS 1 "Disclosure of Accounting policies"	January 1, 2023 (Note 1)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendment to IAS 12 "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: This amendment applies to annual reporting periods beginning after January 1, 2023.

Note 2: This amendment applies to changes in accounting estimates and changes in accounting policies for annual reporting periods beginning after January 1, 2023.

Note 3: The amendment applies to transactions occurring after January 1, 2022, except for the recognition of deferred income taxes on temporary differences for lease and ex-service obligations as of January 1, 2022.

As of the date of adoption of this consolidated financial report, the amendments to other standards and interpretations of the Consolidated Company's assessment will not have a material impact on the consolidated financial position and consolidated financial results.

(III) New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
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 IASB
IFRS 16 amendment "Lease liabilities in sale-and-leasebacks"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1, "Non-current liabilities with contractual provisions"	January 1, 2024

Note1 : Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note2: Sellers and lessees should apply the amendments to IFRS 16 retroactively to sale-and-leaseback transactions entered into after the date of initial application of IFRS 16.

As of the date of adoption of this consolidated financial report, the Consolidated Company is still evaluating the impact of the above-mentioned amendments to standards and interpretations on the consolidated financial position and consolidated financial performance, and the related impact will be disclosed when the evaluation is completed.

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(II) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- 2 Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
3. Level 3 inputs are unobservable inputs for an asset or liability.

(III) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The financial statements of the subsidiaries have been adjusted to conform to the accounting policies of the Consolidated Company. In preparing the consolidated financial statements, all inter-entity transactions, account balances, gains and losses have been eliminated. The total consolidated income or loss of the subsidiaries is attributed to the owners of the Company.

When a change in the ownership interest of a subsidiary does not result in a loss of control, it is treated as an equity transaction. The carrying amounts of the consolidated and noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the noncontrolling interest and the fair value of the consideration paid or received is

recognized directly in equity and attributed to the owners of the Company.

For details of subsidiaries, shareholding ratio and operating items, please refer to Note VI (V) and Table 3 (attached).

(IV) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

- 1.Assets held primarily for trading purposes
- 2.Assets that are expected to be realized within 12 months of the balance sheet date; and
- 3.Cash (excluding those restricted for exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

- 1.Liabilities held primarily for trading purposes;
- 2.Liabilities that are due for settlement within 12 months of the balance sheet date, and
- 3.Liabilities for which the maturity date cannot be unconditionally extended beyond at least 12 months after the balance sheet date.

Liabilities that are not current assets or current liabilities are classified as noncurrent assets or noncurrent liabilities.

(V) Property, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately for each significant portion over their useful lives on a straight-line basis. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

Upon derecognition of property, plant and equipment, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(VI) Investment Property

Investment real estate is real estate held to earn rentals or for capital appreciation or both. Investment real estate also includes land held for future use that is currently undetermined.

Owned investment property is measured initially at cost (including transaction costs) and subsequently at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal price and the carrying amount of the asset is recognized in profit or loss.

(VII) Impairment of property, plant and equipment, right-of-use assets and investment property

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and investment property may be impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to individual cash-generating units on a reasonably consistent basis.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of depreciation) that would have been determined had the impairment loss not been recognized in prior years. Reversal of impairment loss is recognized in profit or loss.

(VIII) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Consolidated Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities when the financial assets or financial liabilities are recognized initially. Transaction costs directly

attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Types of measurement

The types of financial assets held by the Consolidated Company are financial assets measured at fair value through profit or loss and financial assets measured at amortized cost.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets measured at fair value through profit or loss on a mandatory basis, and the remeasurement gain or loss is recognized in other gains and losses. Please refer to Note VI (XVIII) for the determination of fair value.

B. Financial assets carried at amortized cost

The Consolidated Company's investment financial assets are classified as financial assets carried at amortized cost if both of the following conditions are met

- a. They are held under an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
- b. The contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortized cost (including cash, financial assets carried at amortized cost, accounts receivable, other receivables and refundable deposits) are measured at amortized cost using the effective interest method to determine the total carrying amount, less any impairment loss, after initial recognition. Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets.

(2) Impairment of Financial Assets

The Consolidated Company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

An allowance for impairment is recognized for accounts receivable based on the expected credit loss over the period of the receivable. If there is no significant increase in credit risk, an allowance for loss is recognized on the basis of expected credit losses over 12 months; if there is a significant increase, an allowance for loss is recognized on the basis of expected credit losses over the period of time.

Expected credit losses are the weighted-average credit losses weighted by the risk of default. 12-month expected credit losses represent expected credit losses arising from possible defaults within 12 months after the reporting date of the financial instrument, and expected credit losses over the life of the financial instrument represent expected credit losses arising from all possible defaults during the expected life of the financial instrument.

The carrying amount of all financial assets is reduced through an allowance account.

(3) Derecognition of financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

The difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss when the financial asset is derecognized as a whole at amortized cost.

2. Equity instruments

Equity instruments issued by the Consolidated Company are recognized at the acquisition price less direct issue costs.

3. Financial liabilities

(1) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liabilities

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

(IX) Revenue recognition

After the Consolidated Company recognizes performance obligations under customer contracts, the transaction price is apportioned to each performance obligation and revenue is recognized when each performance obligation is satisfied.

(X) Leases

The Consolidated Company assesses whether the contract is (or contains) a lease at the contract inception date.

1. The Consolidated Company is the lessor

A lease is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

Lease payments under operating leases are recognized as income on a straight-line basis over the term of the relevant lease.

2. The Consolidated company is the lessees

Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of low-value subject assets and short-term leases where an exemption from recognition applies, in which lease payments are recognized as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (including the original measurement of the lease liability, lease payments made before the lease commencement date, original direct cost and estimated cost of reinstatement of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life or the end of the lease term.

Lease liabilities are measured initially at the present value of the fixed payments under the lease. If the interest rate implied by the lease is readily determinable, the lease payments are discounted using that rate. If the interest rate is not readily determinable, the lessee's capital borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is allocated over the lease term. If changes in lease terms result in changes in future lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly, except that if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(XI) Employee Benefits

1. Short-term employee benefits

The liability related to short-term employee benefits is measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Postemployment benefits

The defined contribution pension plan is a defined benefit plan in which the amount of pension benefits to be contributed is recognized as an expense over the period of service rendered by the employees.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially calculated using the projected unit benefit method. Service cost (including current service cost and gain or loss on settlement) and net interest on the net defined benefit obligation (asset) are recognized as employee benefit expense when incurred and when settled. Remeasurements, including actuarial gains and losses and compensation on plan assets, net of interest, are recognized in other comprehensive income as incurred and included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan's contribution. The net defined benefit asset may not exceed the present value of contributions to be refunded from the plan or the present value of future contributions to be reduced.

(X II) Income Taxes

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The Consolidated Company determines its income for the current year in accordance with the regulations of each jurisdiction in which it files income tax returns and calculates the income tax payable.

Income tax on undistributed earnings is recognized in the year when the shareholders resolve to retain the earnings.

Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

Deferred income tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that it is probable that taxable temporary differences and loss carryforwards will be available against which income tax credits can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. Deferred income tax assets are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is more likely than not that sufficient tax assets will be available to allow recovery of all or part of the assets.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been

enacted or substantively enacted at the balance sheet date. Deferred income tax liabilities and assets are measured to reflect the tax consequences of the manner in which the Consolidated Company expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

3. Current and deferred income taxes for the year

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to transactions or events recognized in other comprehensive income.

V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates and Assumptions

In adopting accounting policies, the Consolidated Company's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors, where such information is not readily available from other sources. Actual results may differ from those estimates.

The Consolidated Company considers the recent development of the novel coronavirus pneumonia outbreak and its possible impact on the economic environment as significant accounting estimates, and management reviews the estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current year, the estimate is recognized in the year of revision; if a revision of an accounting estimate affects both the current year and future periods, the estimate is recognized in the year of revision and future periods.

The management of the Consolidated Company has assessed the accounting policies, estimates and assumptions used and there are no significant accounting judgments, estimates and assumptions that are uncertain.

VI、Note to Significant Accounting Items

(I) Cash and Cash Equivalents

	12. 31. 2022	12. 31. 2021
Petty cash and cash on hand	\$ 89	\$ 89
Checking accounts and demand deposits		
	<u>11,922</u>	<u>8,096</u>
	<u>\$ 12,011</u>	<u>\$ 8,185</u>

The market interest rate range for bank deposits as of the balance sheet date was as follows :

	12. 31. 2022	12.31.2021
Bank Deposit	0.46%	0.02%

(II) Financial assets at fair value through profit or loss - current

	12. 31. 2022	12. 31. 2021
Financial assets mandatory measurement at FVTPL		
Non derivative financial assets		
— Fund Beneficiary Certificate	<u>\$ 46,102</u>	<u>\$ 34,072</u>

(III) Financial assets measured at amortized cost

	12. 31. 2022	12. 31. 2021
Deposits accounts with original maturities over 3 months	<u>\$ 325,400</u>	<u>\$ 876,276</u>
Current	\$ 324,500	\$ 274,500
Non-current	<u>900</u>	<u>601,776</u>
	<u>\$ 325,400</u>	<u>\$ 876,276</u>
	12. 31. 2022	12. 31. 2021
Total carrying amount	\$ 325,400	\$ 876,276
Allowance for loss	-	-
Amortized cost	<u>\$ 325,400</u>	<u>\$ 876,276</u>

1. As of December 31, 2022 and 2021, the market interest rates on financial assets measured at amortized cost ranged from 0.60% to 1.45% and 0.16% to 0.83%, respectively.
2. The credit risk of financial instruments, such as bank deposits, is measured and monitored by the finance and accounting department, and the Consolidated Company uses banks with good

credit ratings in selecting counter-parties and performing counter-parties.

(IV) Accounts receivable

	<u>12. 31. 2022</u>	<u>12. 31. 2021</u>
Measured by post-amortized cost		
Total carrying amount	\$ 1,069	\$ 728
Less: Allowance for losses	(<u>341</u>)	(<u>350</u>)
	<u>\$ 728</u>	<u>\$ 378</u>

The Consolidated Company uses a simplified approach to estimate expected credit losses for all accounts receivable, which is measured using expected credit losses over the life of the accounts receivable. For this measurement purpose, these accounts receivable are grouped by common credit risk characteristics that represent the customer's ability to pay all amounts due under the terms of the contracts and incorporate forward-looking information, including general economic and related industry information.

The allowance for losses of the Consolidated Company's accounts receivable was as follows:

	<u>Not overdue</u>	<u>More than 31days</u>	<u>Total</u>
Expected credit loss ratio	-	100%	
<u>12. 31. 2022</u>			
Total carrying amount	\$ 728	\$ 341	\$ 1,069
Allowance for losses (expected credit losses during the period of survival)	<u>-</u>	(<u>341</u>)	(<u>341</u>)
Cost after amortization	<u>\$ 502</u>	<u>\$ -</u>	<u>\$ 502</u>
<u>12. 31. 2021</u>			
Total carrying amount	\$ 378	\$ 350	\$ 728
Allowance for losses (expected credit losses during the period of survival)	<u>-</u>	(<u>350</u>)	(<u>350</u>)
Cost after amortization	<u>\$ 378</u>	<u>\$ -</u>	<u>\$ 378</u>

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2022FY	2021FY
Beginning balance of the year	\$ 350	\$ 393
Less: Reversal of impairment loss for the period	(<u>9</u>)	(<u>43</u>)
Ending balance of the year	<u>\$ 341</u>	<u>\$ 350</u>

(V) Subsidiary Company

The consolidated financial statements have been prepared as follows and there are no other subsidiaries not included in the consolidated financial statements.

Investee	Subsidiary	Nature of Activities	Percentage of shareholding (%)	
			12.31.2022	12.31.2021
The Company	Chung Lien Gas-Station Co.,LTD	Leasehold real estate, information software services and information processing services	100	100

For the subsidiaries' principal place of business and the company's registered country information, please refer to Table 3 attached.

The financial statements of the subsidiaries included in the consolidated financial statements have been prepared on the basis of the subsidiaries' financial statements audited by the accountants for the same period.

(VI) Property, plant and equipment

	12.31.2022	12.31.2021
Building and Construction	\$ 9,113	\$ 10,485
Office and other equipment	<u>10</u>	<u>19</u>
	<u>\$ 9,123</u>	<u>\$ 10,504</u>

Costs	1.1.2022	Additions	Disposals	12.31.2022
Building and Construction	\$ 28,707	\$ -	\$ -	\$ 28,707
Office and other equipment	<u>3,705</u>	<u>-</u>	(<u>68</u>)	<u>3,637</u>
	<u>\$ 32,412</u>	<u>\$ -</u>	(<u>\$ 68</u>)	<u>\$ 32,344</u>

Accumulated depreciation	1.1.2022	Depreciation	Disposals	12.31.2022
Building and Construction	\$ 18,222	\$ 1,372	\$ -	\$ 19,594
Office and other equipment	<u>3,686</u>	<u>9</u>	(<u>68</u>)	<u>3,627</u>
	<u>\$ 21,908</u>	<u>\$ 1,381</u>	(<u>\$ 68</u>)	<u>\$ 23,221</u>

Costs	1.1.2021	Additions	Disposals	12.31.2021
Building and Construction	\$ 28,707	\$ -	\$ -	\$ 28,707
Office and other equipment	<u>17,201</u>	<u>-</u>	(<u>13,496</u>)	<u>3,705</u>
	<u>\$ 45,908</u>	<u>\$ -</u>	(<u>\$ 13,496</u>)	<u>\$ 32,412</u>

Accumulated depreciation	1.1.2021	Depreciation	Disposals	12.31.2021
Building and Construction	\$ 16,851	\$ 1,371	\$ -	\$ 18,222
Office and other equipment	<u>17,074</u>	<u>108</u>	(<u>13,496</u>)	<u>3,686</u>
	<u>\$ 33,925</u>	<u>\$ 1,479</u>	(<u>\$ 13,496</u>)	<u>\$ 21,908</u>

Depreciation expense is provided on a straight-line basis over the following useful lives:

Building and Construction	2 to 35 years
Office and other equipment	2 to 5 years

The Consolidated Company's property, plant and equipment are not pledged as collateral.

(VII) Lease agreements

1. Right-of-use assets

	<u>12.31.2022</u>	<u>12.31.2021</u>
Carrying amount of right-of-use assets		
Land and improvements	<u>\$ 17,673</u>	<u>\$ 20,056</u>
	<u>2022FY</u>	<u>2021FY</u>
Depreciation expense of right-of-use assets		
Land and improvements	<u>\$ 2,383</u>	<u>\$ 2,382</u>

2. Lease liabilities

	<u>12.31.2022</u>	<u>12.31.2021</u>
Carrying amount of lease liabilities		
Current	<u>\$ 2,579</u>	<u>\$ 2,552</u>
Non-current	<u>\$ 17,955</u>	<u>\$ 20,533</u>

The discount rates of lease liabilities were as follows :

	<u>12.31.2022</u>	<u>12.31.2021</u>
Land and improvements	1.05%	1.05%

3. Significant Leasehold Activities and Terms

The Consolidated Company leases land and improvements for a term of 15 years. The lease includes a right of first refusal and an option to extend the lease at the end of the lease term, and in the event that it is not reasonably certain that the optional extension of the lease term will be exercised, the payments related to the period covered by the option are not included in the lease liability.

4. Other Leasing Information

	<u>2022FY</u>	<u>2021FY</u>
Low value and short-term lease payments	<u>\$ 152</u>	<u>\$ 269</u>
Total cash outflow from leases	<u>\$ 2,931</u>	<u>\$ 3,048</u>

The Consolidated Company elected to apply the recognition exemption to office equipment leases that qualify as short-term leases and leases of low-value assets and not to recognize the related right-of-use assets and lease liabilities for these leases.

(VIII) Investment property

	12.31.2022	12.31.2021
Land and improvements	\$ 2,387,566	\$ 2,387,566
Buildings and ancillary equipment	<u>40,732</u>	<u>48,301</u>
	<u>\$ 2,428,298</u>	<u>\$ 2,435,867</u>

Costs	1.1.2022	Additions	Disposals	12.31.2022
Land and improvements	\$ 2,387,566	\$ -	\$ -	\$ 2,387,566
Buildings and ancillary equipment	<u>479,230</u>	<u>-</u>	<u>-</u>	<u>479,230</u>
	<u>\$ 2,866,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,866,796</u>

Accumulated depreciation	1.1.2022	Depreciation	Disposals	12.31.2022
Buildings and ancillary equipment	<u>\$ 430,929</u>	<u>\$ 7,569</u>	<u>\$ -</u>	<u>\$ 438,498</u>

Costs	1.1.2021	Additions	Disposals	12.31.2021
Land and improvements	\$ 2,387,566	\$ -	\$ -	\$ 2,387,566
Buildings and ancillary equipment	<u>478,937</u>	<u>3,639</u>	<u>(3,346)</u>	<u>479,230</u>
	<u>\$ 2,866,503</u>	<u>\$ 3,639</u>	<u>(\$ 3,346)</u>	<u>\$ 2,866,796</u>

Accumulated depreciation	1.1.2021	Depreciation	Disposals	12.31.2021
Buildings and ancillary equipment	<u>\$ 426,132</u>	<u>\$ 7,894</u>	<u>(\$ 3,097)</u>	<u>\$ 430,929</u>

Investment property is depreciated on a straight-line basis over 1 to 55 years.

The total future lease payments to be received for investment property leased under operating leases are as follows :

	12.31.2022	12.31.2021
Year 1	\$ 148,876	\$ 154,554
Year 2	148,618	160,274
Year 3	150,461	160,748
Year 4	152,085	162,712
Year 5	152,031	164,459
Over 5 years	<u>313,879</u>	<u>498,449</u>
	<u>\$ 1,065,950</u>	<u>\$ 1,301,196</u>

The fair value of investment properties was not evaluated by independent appraisers and was only measured by the management of the Consolidated Company based on the present value of land announcements, and its fair value was as follows :

	12.31.2022	12.31.2021
Fair Value	<u>\$ 3,876,006</u>	<u>\$ 3,820,191</u>

Please refer to Note VIII for the amount of investment property pledged as collaterals for bank loans.

(IX) Other payables

	12.31.2022	12.31.2021
Salaries and bonuses payable	\$ 3,866	\$ 3,592
Taxes payable	2,551	2,507
Other expenses payable	<u>1,026</u>	<u>922</u>
	<u>\$ 7,443</u>	<u>\$ 7,021</u>

(X) Post-employment benefit plans

1. Defined contribution plan

The pension plan under the Labor Pension Act of the Consolidated Company is a government-administered defined contribution plan that contributes 6% of an employee's monthly salary to the individual account of the Bureau of Labor Insurance.

2. Defined benefit plan

The Consolidated Company's pension plan under the Labor Standards Law of R.O.C. is a defined benefit pension plan administered by the government. Employees' pension payments are calculated based on the length of service and the average salary for the six months prior to the approved retirement date.

The amounts included in the consolidated balance sheet for defined benefit plans are shown below:

	12.31.2022	12.31.2021
Present value of defined benefit obligation	\$ -	\$ 3,388
Fair value of planned assets	<u>-</u>	(<u>3,388</u>)
Net defined benefit obligation	<u>\$ -</u>	<u>\$ -</u>

The changes in the net defined benefit liability (asset) were as follows

	Present Value of Defined Benefit Obligation	Planned assets Fair value	Net defined benefit liabilities (assets)
Balance on January 1, 2022	\$ <u>3,388</u>	(\$ <u>3,388</u>)	\$ <u>-</u>
Interest income	<u>-</u>	(<u>520</u>)	(<u>520</u>)
Recognized in profit or loss	<u>-</u>	(<u>520</u>)	(<u>520</u>)
Employer Contribution	-	(1)	(1)
Knot Clear	(<u>3,388</u>)	<u>3,909</u>	<u>521</u>
Balance on December 31, 2022	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Balance on January 1, 2021	\$ 24,650	(\$ 9,099)	\$ 15,551
Service Costs			
Current Service Costs	325	-	325
Liquidation loss benefit)	2,442	-	2,442
Interest income	<u>-</u>	(<u>100</u>)	(<u>100</u>)
Recognized in profit or loss	<u>2,767</u>	(<u>100</u>)	<u>2,667</u>
Employer Contribution	-	(95)	(95)
Benefit Payments	(5,906)	5,906	-
Clear Compensation	(<u>18,123</u>)	<u>-</u>	(<u>18,123</u>)
Balance on December 31, 2021	\$ <u>3,388</u>	(\$ <u>3,388</u>)	\$ <u>-</u>

In August 2021, the Consolidated Company reached a retirement settlement agreement with its employees and settled the balance of the employees' pension account totaling \$3,909 thousand in accordance with the relevant regulations; therefore, no actuarial assumptions and sensitivity analysis were performed.

(XI) Equity

1. Common stock

	12.31.2022	12.31.2021
Shares authorized	<u>\$ 2,610,000</u>	<u>\$ 2,610,000</u>
Capital issued	<u>\$ 1,087,830</u>	<u>\$ 1,087,830</u>
Number of shares issued (in thousands)	<u>261,000</u>	<u>261,000</u>
Number of shares issued (in thousands)	<u>108,783</u>	<u>108,783</u>

The issued common stock has a par value of \$10 per share and each share is entitled to one vote and the right to receive dividends.

2. Capital surplus

	<u>12.31.2022</u>	<u>12.31.2021</u>
May be used to make up losses, to make cash payments or to capitalize (Note)		
Stock issuance premium	\$ 72,816	\$ 72,816
Treasury stock trading	<u>11,030</u>	<u>11,030</u>
	<u>\$ 83,846</u>	<u>\$ 83,846</u>

Note : The capital surplus can be used to make up for losses, and can also be used for cash distribution or share capital appropriation when the Corporation has no loss. For share capital appropriation, it is limited to a certain ratio of paid-in capital every year.

3. Retained earnings and dividend policy

The Company's shareholders' meeting on June 6, 2022 resolved to amend the Articles of Incorporation. In accordance with the Company's amended Articles of Incorporation, the Company shall first estimate and retain taxable contributions and make up losses in accordance with the law, then set aside legal reserve and set aside or reverse special reserve as required by law, and if there is any surplus, the Board of Directors shall prepare a proposal for the distribution of the surplus. If the distribution is made in the form of cash, the Board of Directors is authorized to make the distribution with the presence of at least two-thirds of the directors and a resolution approved by a majority of the directors present, in accordance with Article 240, Paragraph 5 of the Company Law, and report the distribution to the shareholders' meeting.

In accordance with the Company's Articles of Incorporation prior to the amendment, the Company shall first estimate and retain taxable contributions and make up for losses in accordance with the law, then set aside legal reserve, and then set aside or reverse special reserve as required by law, and the remainder shall be distributed by the Board of Directors through a resolution of the shareholders' meeting.

In accordance with the Company's Articles of Incorporation, the Company adopts a residual dividend policy for necessary expansion, major investments, stable profitability and capital adequacy.

In principle, if the Company does not have significant capital budget planning or investment, cash dividends should not be less than 90% of the amount available for

distribution after the current year's final accounts, and the remainder should be distributed as stock dividends in order to reserve funds for capital expenditures.

Legal reserve should be set aside until the remaining balance reaches the Company's total paid-in capital. The legal reserve may be used to offset a deficit. If the Company has no deficit, the portion of the legal reserve in excess of 25% of the paid-in capital may be appropriated to capital, and the Board of Directors may authorize the Board of Directors, with at least two-thirds of the directors present and a majority of the directors present, to approve the distribution in cash and report to the shareholders' meeting.

The Company provides and reverses the special reserve in accordance with the "Financial Supervisory Commission Letter No. 1090150022" and the "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve".

At the shareholders' meetings held on June 6, 2022 and July 29, 2021, the Company resolved to distribute the earnings for fiscal years 2021 and 2020, respectively, as follows :

	2021FY	2020FY
The legal reserve is mentioned	\$ <u>75,562</u>	\$ <u>97,503</u>
Cash dividends	\$ <u>663,576</u>	\$ <u>864,825</u>
Cash dividends per share (NT\$)	\$ <u>6.10</u>	\$ <u>7.95</u>

The distribution of the Company's FY2022 earnings is as follows:

	2022FY
The legal reserve is mentioned	\$ <u>9,262</u>
Cash dividends	\$ <u>108,783</u>
Cash dividends per share (NT\$)	\$ <u>1</u>

The above cash dividends have been approved by the board of directors, and the remainder is subject to the resolution of the shareholders' meeting scheduled for June 2, 2023.

On February 7, 2023, the Board of Directors resolved to distribute cash from the legal reserve of \$108,783 thousand, with an allotment of \$1 per share.

(XII) Operating income

1. Revenue from customer contracts

	<u>2022FY</u>	<u>2021FY</u>
Lease income	<u>\$ 161,535</u>	<u>\$ 149,782</u>

2. Contractual balance

	<u>12.31.2022</u>	<u>12.31.2021</u>	<u>1.1.2021</u>
Accounts receivable	<u>\$ 728</u>	<u>\$ 378</u>	<u>\$ 418</u>
Contractual liabilities			
Lease income	<u>\$ 115</u>	<u>\$ 90</u>	<u>\$ 203</u>

The change in contract liabilities is mainly due to the difference between the point at which performance obligations are satisfied and the point at which customers pay.

The amount of contract liabilities from the beginning of the year and the amount of performance obligations satisfied in prior years recognized as income in the current year are as follows:

	<u>2022FY</u>	<u>2021FY</u>
<u>From beginning of year</u>		
<u>contract liabilities</u>		
Real Estate Leasing	<u>\$ 90</u>	<u>\$ 203</u>

(XIII) Net income for the year

1. Other gains and losses

	<u>2022FY</u>	<u>2021FY</u>
Net gain on financial assets at fair value through profit or loss	\$ 283	\$ 1,411
Gain on disposal of property, plant and equipment	2	(249)
Gain on disposal of non-current assets held for sale	-	630,458
Other losses	<u>-</u>	<u>(20)</u>
	<u>\$ 285</u>	<u>\$ 631,600</u>

2. Interest expense

	<u>2022FY</u>	<u>2021FY</u>
Interest on lease liabilities	\$ 228	\$ 254
Accrued interest on security deposits	221	212
Other	<u>63</u>	<u>-</u>
	<u>\$ 512</u>	<u>\$ 466</u>

3. Employee benefit expense and depreciation

Nature	Classified as operating costs	Classified as operating expenses	Total
January 1, 2022 to December 31, 2022			
Short-term employee benefits			
Salary expense	\$ 639	\$ 14,547	\$ 15,186
Labor and health insurance expenses	77	850	926
Postemployment benefits			
Defined contribution plans	36	384	420
Other employee benefits	29	288	317
Total employee benefit expense	<u>\$ 735</u>	<u>\$ 17,289</u>	<u>\$ 18,124</u>
Depreciation expense	<u>\$ 11,087</u>	<u>\$ 246</u>	<u>\$ 11,333</u>
January 1, 2021 to December 31, 2021			
Short-term employee benefits			
Salary expense	639	14,547	15,186
Labor and health insurance expenses	76	850	926
Post-employment benefits			
Defined contribution plans	35	203	238
Defined benefit plans (Note VI(x))	-	2,667	2,667
Other employee benefits	29	294	323
Total employee benefit expense	<u>\$ 779</u>	<u>\$ 18,561</u>	<u>\$ 19,340</u>
Depreciation expense	<u>\$ 11,411</u>	<u>\$ 344</u>	<u>\$ 11,755</u>

4. Direct operating expenses of investment properties

	2022FY	2021FY
Direct operating expenses of investment properties that generate rental income	<u>\$ 25,219</u>	<u>\$ 24,746</u>

5. Employee compensation

In accordance with the Company's Articles of Incorporation, employee compensation is allocated at 0.01% of the pre-tax benefit before the distribution of employee compensation, including the employees of the Company's subsidiaries who hold all voting rights. The Board of Directors resolved on February 7, 2023 and January 27, 2022,

respectively, to allocate employee compensation at 0.01% of the pre-tax benefit for the year:

	<u>2022FY</u>	<u>2021FY</u>
Compensation to employees	<u>\$ 12</u>	<u>\$ 74</u>

If there is any change in the amount after the adoption of the annual consolidated financial statements, the change in accounting estimate will be adjusted in the following year.

There is no difference between the actual amount of employee compensation and the amount recognized in the consolidated financial statements for 2021 and 2020.

Information on employee compensation resolved by the Board of Directors is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(XIV) Income tax

1. Income taxes recognized in profit or loss

The major components of income tax expense are as follows.

	<u>2022FY</u>	<u>2021FY</u>
Current income tax		
Adjustments to prior years	<u>\$ 109</u>	<u>\$ 48</u>
Deferred income tax		
In respect of the current year	23,116	4,056
Adjustments to prior years	<u>64</u>	<u>-</u>
	<u>23,180</u>	<u>4,056</u>
Income tax expense recognized in profit or loss	<u>\$ 23,289</u>	<u>\$ 4,104</u>

The reconciliation of accounting income to income tax expense is as follows.

	<u>2022FY</u>	<u>2021FY</u>
Income tax expense on net income before income tax at statutory tax rate	\$ 23,198	\$ 147,635
Tax-free income	(71)	(125,370)
Not yet reached the levy point	(20)	-
Unrecognized deductible temporary differences	9	(130)
Temporary Variance Change	-	(18,079)
Adjustments to prior years	<u>173</u>	<u>48</u>
Income tax expense recognized in profit or loss	<u>\$ 23,289</u>	<u>\$ 4,104</u>

2. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2022FY	Balance at the beginning of the year	Recognition of gains and losses	Recognized in other comprehensive income	Year-end balance
<u>Deferred income tax assets</u>				
Temporary differences				
Leave payables	\$ 77	\$ 8	\$ -	\$ 85
Loss Deduction Credit	39,799	(23,188)	-	16,611
	<u>\$ 39,876</u>	<u>(\$ 23,180)</u>	<u>\$ -</u>	<u>\$ 16,696</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Provision for land appreciation tax	\$ 469,108	\$ -	\$ -	\$ 469,108
2021FY	Balance at the beginning of the year	Recognition of gains and losses	Recognized in other comprehensi ve income	Year-end balance
<u>Deferred income tax assets</u>				
Temporary differences				
Leave payables	\$ 77	\$ -	\$ -	\$ 77
Loss Deduction Credit	61,934	(22,135)	-	39,799
	<u>\$ 62,011</u>	<u>(\$ 22,135)</u>	<u>\$ -</u>	<u>\$ 39,876</u>
<u>Deferred income tax liabilities</u>				
Temporary differences				
Defined benefit plans	\$ 18,079	(\$ 18,079)	\$ -	\$ -
Provision for land appreciation tax	502,083	(32,975)	-	469,108
	<u>\$ 520,162</u>	<u>(\$ 51,054)</u>	<u>\$ -</u>	<u>\$ 469,108</u>

3. Information about unused loss carryforwards

Information related to loss carryforwards for the year ended December 31, 2022 is as follows:

Balance not yet deducted	last year for tax deductions
<u>\$ 83,054</u>	<u>2029</u>

4. Income tax verification

The profit-seeking enterprise income tax return for the Company and Chung Lien Gas-Station Co., Ltd. have been assessed and approved by the tax authorities up to the end of the fiscal year 2020.

(XV) Earnings per share

	<u>2022FY</u>	<u>2021FY</u>
<u>Basic earnings per share (NT\$)</u>		
Net income attributable to owners of the Company	<u>\$ 92,621</u>	<u>\$ 734,069</u>
Weighted-average number of common shares for basic earnings per share calculation (in thousands)	<u>108,783</u> <u>\$ 0.85</u>	<u>108,783</u> <u>\$ 6.75</u>
<u>Diluted earnings per share (NT\$)</u>		
Net income attributable to owners of the Company	<u>\$ 92,621</u>	<u>\$ 734,069</u>
Weighted-average number of common shares for the purpose of diluted earnings per share (in thousands)	108,783	108,783
Effect of dilutive potential common shares (in thousands)		
Employee Compensation	<u>-</u>	<u>1</u>
Weighted-average number of common shares for the purpose of diluted earnings per share (in thousands)	<u>108,783</u> <u>\$ 0.85</u>	<u>108,784</u> <u>\$ 6.75</u>

If the Consolidated Company has the option to pay employee compensation in stock or cash, the calculation of diluted earnings per share assumes that employee compensation will be paid in stock and is included in the weighted-average number of common shares outstanding for the purpose of calculating diluted earnings per share when the potential common shares have a dilutive effect. The dilutive effect of these potential common shares will continue to be considered in the calculation of diluted earnings per share prior to the issuance of employee compensation shares in the following year.

(XVI) Cash flow information - changes in liabilities from financing activities :

2022FY	Jan. 1, 2022	Cash flow	Non-cash movement	Dec. 31, 2022
			Lease changes	
Guarantee deposits received	\$ 28,359	\$ -		\$ 28,359
Lease liabilities	<u>23,085</u>	<u>(2,551)</u>	-	<u>20,534</u>
	<u>\$ 51,444</u>	<u>(\$ 2,551)</u>	<u>\$ -</u>	<u>\$ 48,893</u>

2021FY	Jan. 1, 2021	Cash flow	Non-cash movement	Dec. 31, 2021
			Lease changes	
Guarantee deposits received	\$ 24,514	\$ 3,845	\$ -	\$ 28,359
Lease liabilities	<u>25,610</u>	<u>(2,525)</u>	-	<u>23,085</u>
	<u>\$ 50,124</u>	<u>\$ 1,320</u>	<u>\$ -</u>	<u>\$ 51,444</u>

(X VII) Capital risk management

The Consolidated Company's capital management objectives are to safeguard the ability to continue as a going concern in order to continue to provide shareholder compensation and other stakeholder benefits, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Consolidated Company may adjust the dividends paid to shareholders, reduce capital to refund shareholders, issue new shares or sell assets to settle liabilities.

The Consolidated Company manages capital based on a debt-to-capital ratio. The ratio is calculated by dividing net debt by total capital. Net debt is calculated as total liabilities less cash as shown in the balance sheet. Total capital is all components of equity (i.e., capital stock, capital surplus and retained earnings) plus net liabilities.

The debt-to-capital ratios for the years ended December 31, 2022 and 2021 are as follows:

	12.31.2022	12.31.2021
Total liabilities	\$ 528,647	\$ 531,126
Less: Cash	<u>(12,011)</u>	<u>(8,185)</u>
Net liabilities	516,636	522,941
Total equity	<u>2,334,067</u>	<u>2,905,022</u>
Total Capital	<u>\$ 2,850,703</u>	<u>\$ 3,427,963</u>
Debt-to-Capital Ratio	18%	15%

(X VIII) Financial instruments

1. Fair value Information - financial instruments not measured at fair value

Financial instruments not measured at fair value, with a maturity date approaching or future cash flows that are close to the carrying amount, are estimated at their carrying amount as of the company balance sheet date for fair value purposes.

2. Fair value information - financial instruments measured at fair value on a recurring basis

Fair Value Levels

<u>Dec. 31, 2022</u>	<u>1st level</u>	<u>2nd level</u>	<u>3rd level</u>	<u>Total</u>
<u>Financial assets at fair value through profit or loss</u>				
Fund Beneficiary Certificate	\$ 46,102	\$ -	\$ -	\$ 46,102
<u>Dec. 31, 2021</u>				
<u>Financial assets at fair value through profit or loss</u>				
Fund Beneficiary Certificate	\$ 34,072	\$ -	\$ -	\$ 34,072

There were no transfers between 1st level and 2nd level fair value measurements in 2022 and 2021

3. Types of financial instruments

	<u>Dec.31.2022</u>	<u>Dec.31.2021</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit and loss	\$ 46,102	\$ 34,072
Measured by post-amortized cost (1)	344,551	895,234
<u>Financial liabilities</u>		
Measured by post-amortized cost (2)	35,836	35,414

(1) The balance consists of cash, financial assets carried at amortized cost, accounts receivable, other receivables and refundable deposits, and other financial assets carried at amortized cost.

(2) The balance includes financial liabilities measured at amortized cost, such as notes payable, other payables and guarantee deposits.

4. Financial risk management objectives and policies

The Consolidated company's main financial instruments include fixed-term deposits, mutual fund certificates, and lease liabilities. The finance department of the Consolidated company provides services to various business units, coordinates and manages the Consolidated company's financial risks related to operations by analyzing internal risk reports based on the degree and breadth of risk. These risks include market risk, credit risk, and liquidity risk.

(1) Market risk

Market risk refers to the risk that changes in market prices, such as exchange rates, interest rates and other price changes, may affect the Consolidated Company's earnings or the value of financial instruments held. The objective of market risk management is to manage market risk within a tolerable level and to optimize investment returns.

The Consolidated Company has no exposure to changes in exchange rates and interest rates arising from foreign currency-denominated transactions or from borrowing funds at fixed or floating rates.

(2) Credit risk

Credit risk refers to the risk of financial loss resulting from the default of contractual obligations by the counter-parties. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk of financial loss due to non-performance of counter-parties' obligations mainly arises from the carrying amount of financial assets recognized in the Consolidated Balance Sheet.

The Consolidated Company's policy is to enter into transactions with creditworthy counterparties.

To mitigate credit risk, the Consolidated Company has taken appropriate actions for credit limit determination, credit approval and other monitoring procedures to ensure the collection of overdue receivables. In addition, the Consolidated Company periodically reviews the recoverable amounts of receivables to ensure that appropriate impairment losses are recorded for uncollectible receivables. Accordingly, the Consolidated Company believes that credit risk has been significantly reduced.

(3) Liquidity risk

The Consolidated Company manages and maintains a sufficient amount of cash to support the Group's operations and mitigate the impact of cash flow fluctuations. The Consolidated Company monitors the use of bank financing lines and ensures compliance with the terms of borrowing contracts.

Liquidity and Interest Rate Risk of Non-Derivative Financial Liabilities

The analysis of the remaining contractual maturities of non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of the financial liabilities based on the earliest possible date on which the Consolidated Company could be required to make repayment.

Dec.31.2022	Less than 1 year	1 to 5 years	More than 5 years
No interest-bearing liabilities	\$ 35,836	\$ -	\$ -
Leasing Liabilities	<u>2,779</u>	<u>11,401</u>	<u>7,165</u>
	<u>\$ 38,615</u>	<u>\$ 11,401</u>	<u>\$ 7,165</u>

Dec.31.2021	Less than 1 year	1 to 5 years	More than 5 years
No interest-bearing liabilities	\$ 35,414	\$ -	\$ -
Leasing Liabilities	<u>2,779</u>	<u>11,292</u>	<u>10,054</u>
	<u>\$ 38,193</u>	<u>\$ 11,292</u>	<u>\$ 10,054</u>

VII. Transactions with Related Parties

Transactions, account balances, revenues and expenses between the Company and its subsidiaries, which are related parties of the Company, were eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the Consolidated Company and other related parties were as follows

Key management compensation

	2022FY	2021FY
Short-term employee benefits	\$ 10,094	\$ 9,191
Post-employment benefits	<u>87</u>	<u>122</u>
	<u>\$ 10,181</u>	<u>\$ 9,313</u>

The remunerations of directors and other key management personnel are determined on the basis of individual performance

and market trends and with reference to the recommendations of the Remuneration Committee.

VIII. Assets Pledged as Collateral or for Security

The following assets have been provided as collateral for bank loans:

	<u>Dec.31.2022</u>	<u>Dec.31.2021</u>
Investment property	<u>\$ 117,726</u>	<u>\$ 117,735</u>

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments : None.

X. Major Loss from Disasters : None.

X I . Significant Matters After the Reporting

- (1) On February 7, 2023, the board of directors of the Consolidated Company resolved that, in consideration of the levelness of the border between a portion of the land in Dingkan Section of Sanchong District, New Taipei City and the neighboring land, the Consolidated Company intends to divide and exchange the land with the neighboring landowner, and the area of the land exchanged in and out is 43.1 square meters, and the announcement of the present value of the land is NT\$3,176 thousand.
- (2) The Consolidated Company's land located in Xiehe Section, Xitun District, Taichung City, Taiwan, will have a reduction in rental area due to the construction of the extension of municipal road from Anhe Road to Gongyequ 1ST Road, which will commence on February 1, 2023. The Consolidated Company has reached an agreement with the lessee of the land to reduce the monthly rent by NT\$562 thousand effective January 31, 2023.

X II 、 Other Matters : None

X III 、 Separately Disclosed Items

(I) Information on Major Transactions:

- 1.Loaning funds to others: None.
- 2.Endorsement and guarantee for others: None.
- 3.Marketable securities held at the end of the year (excluding investments in subsidiaries, affiliates and joint ventures) : Table 1.
- 4.Accumulated purchases or sales of marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: Table 2 (attached).
- 5.Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital : None.
- 6.Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- 7.Purchase from or sale to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

8.Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.

9.Derivative transactions: None.

10.Other:Business relationships and significant transactions between parents and subsidiaries and between subsidiaries: None.

(II) Information of Investees: Table 3 (attached).

(III) Information on Investment in Mainland China: None.

(IV) Information on Major Shareholders: Name, amount and percentage of shares held by shareholders with at least 5% ownership: Table 4 (attached).

XIV. Departmental Information

Operating department information is information provided to the chief operating decision maker for the purpose of resource allocation and performance evaluation of the department. The Consolidated Company's chief operating decision maker treats the Company as a whole as a single operating division and uses information about the Company as a whole for resource allocation and performance evaluation. The segment information provided to the chief operating decision maker for review is measured on the same basis as the consolidated financial statements, so that the segment revenue and operating results and asset and liability information reported are consistent with the consolidated balance sheet and the consolidated statement of income.

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES
Marketable securities held at the end of the period
December 31, 2022

Table 1

Companies held	Type and Name of Marketable Securities	Relationship with Marketable Securities Relationship with the issuer	Billing Subjects	End of term				Remark
				Number of units	Book Value	Shareholding ratio	Fair Value (Note)	
The Company	<u>Open Benefit Certificates</u> Taishin 1699 Money Market Fund.	—	Financial assets at fair value through profit and loss – current	3,206,331	\$ 44,136	-	\$ 44,136	
Chung Lien Gas- Station Co., Ltd.	Taishin 1699 Money Market Fund.	—	Financial assets at fair value through profit and loss – current	142,815	1,966	-	1,966	

Note: Please refer to Note VI(XVIII) for fair value information.

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES

The cumulative amount of purchase or sale of the same marketable securities reaches at least NT\$300 million or 20% of the paid-in capital.

January 1 to December 31, 2022

Table 2

Buying and selling companies	Type and Name of Marketable Securities	Billing Subjects	Trading Pairs	Relationships	Beginning of the period		Buy		Sell				End of term	
					Number of units	Amount	Number of units	Amount	Number of units	Selling Price	Book Value	Disposal of benefits	Number of units	Amount
The Company	First Gold Taiwan Money Market Fund	Financial assets at fair value through profit and loss – current	First Gold Investment Securities Trust Co.	—	2,134,086	\$ 33,017	16,034,867	\$ 248,298	18,168,953	\$ 281,384	\$ 281,315	\$ 69	-	\$ -
	Taishin 1699 Money Market Fund	Financial assets at fair value through profit and loss – current	Taishin Securities Investment Trust Co.	—	-	-	29,778,621	408,413	26,572,290	364,485	364,295	190	3,206,331	44,136

(In Thousands of New Taiwan Dollars)

CHUNG LIEN CO.,LTD. AND SUBSIDIARIES
Information about the investee company, location, etc.
January 1 to December 31, 2022

Table 3

(In Thousands of New Taiwan Dollars)

Name of Investment Company	Name of investee company (Note)	Location	Main Business Items	Original investment amount		Held at the end of the period			Investee companies (Gain) loss for the period	Recognized in the current period (Gain) loss on investments (Note)	Remark
				End of the period	Late last year	Number of shares	Ratio	Book Value (Note)			
The Company	Chung Lien Gas-Station Co., Ltd.	Taichung City	Leasehold real estate, information software services and information processing services	\$ 59,000	\$ 59,000	2,500	100%	\$ 39,934	\$ 76	\$ 76 (Note)	Subsidiary Company

Note: Eliminated in the preparation of the consolidated financial statements.

CHUNG LIEN CO.,LTD.
Major Shareholder Information
December 31, 2022

Table 4

Name of Major Shareholders	Shares	
	Number of shares held (shares)	Shareholding ratio
Hsinchu Logistics Co.	9,403,000	8.64%
Standard Chartered International Commercial Bank (SCBI) in custody for Liechtenstein Bank(LGT Bank)	8,254,000	7.58%
Chen, Chih-Hung	6,250,219	5.74%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Corporation as of the last business day for the current quarter. The share capital in the Consolidated Company financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.