

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

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2022 and 2021**

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

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Independent Auditors' Review Report

To the Board of Directors of Eastern Media International Corporation:

Introduction

We have reviewed the accompanying consolidated balance sheets of Eastern Media International Corporation and its subsidiaries as of June 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2022 and 2021, and changes in equity and cash flows for the six months ended June 30, 2022 and 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4b, the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$85,139 thousand and \$57,664 thousand, constituting 0.54% and 0.36% of consolidated total assets as of June 30, 2022 and 2021, respectively, total liabilities amounting to \$33,262 thousand and \$947 thousand, constituting 0.34% and 0.01% of consolidated total liabilities as of June 30, 2022 and 2021, respectively, and total comprehensive income amounting to (\$3,786) thousand, (\$1,618) thousand, (\$3,404) thousand and (\$673) thousand, constituting (3.49)%, (0.75)%, (1.33)% and (0.25)% of consolidated total comprehensive income for the three months and the six months ended June 30, 2022 and 2021, respectively.

Furthermore, as stated in Note 12 the other equity accounted investments of Eastern Media International Corporation and its subsidiaries in its investee companies of \$1,943,300 thousand and \$1,910,065 thousand as of June 30, 2022 and 2021, respectively, and its equity in net profit or loss on these investee companies of (\$34,026) thousand, \$1,918 thousand, (\$50,760) thousand and \$19 thousand for the three months and the six months ended June 30, 2022 and 2021, respectively, were recognized solely on the financial statement prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews and the review reports of other auditors (please refer to Other Matter paragraph), nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Eastern Media International Corporation and its subsidiaries as of June 30, 2022 and 2021, and its consolidated cash flows for the six months ended June 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of partial companies, associates of the Group, which represented investments in other entities accounted for using the equity method. Those statements were reviewed by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for partial companies, is based solely on the reports of other auditors. The investments in partial companies accounted for using the equity method of \$487,411 thousand, constituting 3.07% of consolidated total assets at June 30, 2022, and the related share of profit of associates accounted for using the equity method of \$105,293 thousand and \$224,118 thousand for the three months and the six months ended June 30, 2022, constituting 148.12% and 127.81% of consolidated total profit before tax for the three months and the six months ended June 30, 2022, respectively.

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

KPMG

Taipei, Taiwan (Republic of China)

August 11, 2022

Notes to Readers

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

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

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2022 (Reviewed)		December 31, 2021 (Audited)		June 30, 2021 (Reviewed)		
	Amount	%	Amount	%	Amount	%	
Assets							
Current assets:							
1100	Cash and cash equivalents (Notes 6 and 15)	\$ 1,510,747	10	\$ 1,761,806	11	\$ 2,095,823	13
1110	Current financial assets at fair value through profit or loss (Notes 7 and 37)	1,215,790	8	961,420	6	374,023	2
1151	Notes receivable, net (Notes 9 and 29)	45,259	-	49,092	-	57,084	-
1160	Notes receivable due from related parties, net (Notes 9, 29 and 36)	2,100	-	76,382	1	76,564	1
1170	Accounts receivable, net (Notes 9, 15 and 29)	348,303	2	417,572	3	310,526	2
1180	Accounts receivable due from related parties, net (Notes 9, 29 and 36)	28,947	-	29,065	-	32,537	-
1200	Other receivables, net (Notes 7, 10 and 15)	102,774	1	85,626	1	167,750	1
1210	Other receivables due from related parties (Notes 10 and 36)	11,728	-	9,118	-	8,373	-
130X	Inventories (Notes 11 and 15)	411,462	3	381,297	2	319,023	2
1400	Current biological assets, net	21,330	-	21,386	-	11,553	-
1410	Prepayments (Note 36)	51,960	-	61,316	-	58,735	1
1476	Other current financial assets (Notes 6 and 37)	94,203	1	52,440	-	31,845	-
1479	Other current assets, others (Note 15)	5,385	-	333	-	788	-
		<u>3,849,988</u>	<u>25</u>	<u>3,906,853</u>	<u>24</u>	<u>3,544,624</u>	<u>22</u>
Non-current assets:							
1517	Non-current financial assets at fair value through other comprehensive income (Note 8)	7,510	-	7,510	-	7,510	-
1550	Investments accounted for using equity method, net (Notes 12 and 37)	2,430,711	15	2,409,481	15	2,410,962	15
1600	Property, plant and equipment (Notes 15, 16, 36 and 37)	1,954,621	12	1,764,631	11	1,754,297	11
1755	Right of use assets (Notes 15 and 17)	6,124,629	39	6,303,591	40	6,772,155	42
1780	Intangible assets (Notes 15, 18 and 36)	396,868	2	405,966	3	418,540	2
1840	Deferred tax assets	409,278	3	446,453	3	455,947	3
1920	Refundable deposits (Note 37)	609,083	4	582,267	4	573,393	4
1940	Long-term notes and accounts receivable due from related parties (Notes 9, 29 and 36)	76,508	-	-	-	-	-
1980	Other non-current financial assets (Note 37)	24,929	-	25,272	-	37,921	-
1990	Other non-current assets, others (Notes 15 and 38)	16,340	-	67,783	-	87,064	1
		<u>12,050,477</u>	<u>75</u>	<u>12,012,954</u>	<u>76</u>	<u>12,517,789</u>	<u>78</u>
	Total assets	<u>\$15,900,465</u>	<u>100</u>	<u>\$15,919,807</u>	<u>100</u>	<u>\$16,062,413</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets (Cotn'd)

(Expressed in Thousands of New Taiwan Dollars)

	June 30, 2022		December 31, 2021		June 30, 2021	
	(Reviewed)		(Audited)		(Reviewed)	
Liabilities and Equity	Amount	%	Amount	%	Amount	%
Current liabilities:						
2100 Short-term loans (Notes 15, 19, 35 and 37)	\$ 269,324	2	\$ 93,445	1	\$ 31,347	-
2110 Short-term notes and bills payable (Notes 20, 35 and 37)	314,276	2	79,848	1	79,916	-
2130 Current contract liabilities (Notes 29 and 36)	28,940	-	32,238	-	29,875	-
2150 Notes payable (Notes 21 and 35)	219,169	2	190,461	1	100,803	1
2160 Notes payable due from related parties (Notes 21 and 36)	2,100	-	-	-	-	-
2170 Accounts payable (Note 15)	232,209	2	274,282	2	223,499	1
2180 Accounts payable due from related parties (Note 36)	5,212	-	9,097	-	9,691	-
2200 Other payables (Notes 15 and 35)	507,895	3	662,071	4	544,159	4
2220 Other payables due from related parties (Notes 35 and 36)	44,705	-	32,124	-	305,260	2
2230 Current tax liabilities	6,891	-	2,412	-	7,907	-
2280 Current lease liabilities (Notes 15 and 24)	1,067,572	7	1,066,678	7	1,096,673	7
2310 Advance receipts (Note 36)	3,485	-	6,891	-	9,283	-
2320 Long-term liabilities, current portion (Notes 22, 23, 35 and 37)	1,112,544	7	1,066,787	7	305,998	2
2399 Other current liabilities, others (Note 15)	<u>30,326</u>	<u>-</u>	<u>29,627</u>	<u>-</u>	<u>29,995</u>	<u>-</u>
	<u>3,844,648</u>	<u>25</u>	<u>3,545,961</u>	<u>23</u>	<u>2,774,406</u>	<u>17</u>
Non-current liabilities:						
2540 Long-term loans (Notes 22, 35 and 37)	701,242	4	331,125	2	948,007	6
2570 Deferred tax liabilities	-	-	525	-	77	-
2580 Non-current lease liabilities (Notes 15 and 24)	5,098,632	32	5,320,955	33	5,710,122	36
2610 Long-term notes and accounts payable (Note 23)	104,589	1	35,843	-	53,542	-
2640 Net defined benefit liability, non-current	19,542	-	20,976	-	22,970	-
2645 Guarantee deposits received (Note 15)	<u>4,222</u>	<u>-</u>	<u>4,317</u>	<u>-</u>	<u>4,446</u>	<u>-</u>
	<u>5,928,227</u>	<u>37</u>	<u>5,713,741</u>	<u>35</u>	<u>6,739,164</u>	<u>42</u>
Total liabilities	<u>9,772,875</u>	<u>62</u>	<u>9,259,702</u>	<u>58</u>	<u>9,513,570</u>	<u>59</u>
Equity attributable to owners of parent (Note 27)						
3100 Capital stock	5,289,504	33	5,289,504	33	5,567,899	35
3200 Capital surplus	16,243	-	16,243	-	20,769	-
3300 Retained earnings	685,280	4	1,284,545	8	849,394	5
3400 Other equity interest	(222,213)	(1)	(346,609)	(2)	(335,499)	(2)
Total equity attributable to owners of parent	<u>5,768,814</u>	<u>36</u>	<u>6,243,683</u>	<u>39</u>	<u>6,102,563</u>	<u>38</u>
36XX Non-controlling interests (Note 14)	<u>358,776</u>	<u>2</u>	<u>416,422</u>	<u>3</u>	<u>446,280</u>	<u>3</u>
Total equity	<u>6,127,590</u>	<u>38</u>	<u>6,660,105</u>	<u>42</u>	<u>6,548,843</u>	<u>41</u>
Total liabilities and equity	<u>\$ 15,900,465</u>	<u>100</u>	<u>\$ 15,919,807</u>	<u>100</u>	<u>\$ 16,062,413</u>	<u>100</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)
(Reviewed, Not Audited)

	For the three months ended June 30				For the six months ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	Operating revenue (Notes 29 and 36)							
	\$ 1,451,195	100	\$ 1,343,299	100	\$ 2,878,797	100	\$ 2,586,776	100
5000	Operating costs (Notes 11, 25, 30 and 36)							
	982,981	68	923,394	69	2,026,570	70	1,858,410	72
	Gross profit from operations							
	468,214	32	419,905	31	852,227	30	728,366	28
6000	Operating expenses (Notes 25, 30 and 36)							
	380,964	26	377,590	28	760,371	26	726,795	28
6450	Impairment loss determined in accordance with IFRS9 (Note 9)							
	32	-	300	-	23	-	578	-
	Net operating gain							
	87,218	6	42,015	3	91,833	4	993	-
	Non-operating income and expenses:							
7100	Interest income (Notes 31 and 36)							
	2,009	-	1,436	-	3,850	-	2,636	-
7010	Other income (Notes 7, 8, 9, 24, 31 and 36)							
	106,358	7	120,611	9	144,479	5	137,859	5
7020	Other gains and losses, net (Notes 17, 31 and 36)							
	(137,853)	(9)	12,174	1	(124,678)	(4)	11,980	-
7050	Finance costs (Notes 24, 31 and 36)							
	(57,913)	(4)	(55,771)	(4)	(113,496)	(4)	(111,575)	(4)
7060	Share of profit of associates accounted for using equity method (Note 12)							
	71,267	5	118,575	9	173,358	6	222,621	9
7900	Profit before tax							
	71,086	5	239,040	18	175,346	7	264,514	10
7950	Less: tax expenses (income) (Note 26)							
	24,265	2	(14,882)	(1)	44,674	2	(39,829)	(2)
	Net profit							
	46,821	3	253,922	-	130,672	5	304,343	12
8300	Other comprehensive income:							
8310	Components of other comprehensive income that will not be reclassified to profit or loss							
8316	Unrealized losses from investments in equity instruments measured at fair value through other comprehensive income							
	-	-	2	-	-	-	14	-
8320	Share of other comprehensive income of associates accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss							
	(9)	-	26	-	(11)	-	26	-
8349	Less: Income tax related to components of other comprehensive that will not be reclassified subsequently							
	-	-	-	-	-	-	-	-
	Total other comprehensive income that will not be reclassified to profit or loss							
	(9)	-	28	-	(11)	-	40	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss							
8361	Exchange differences on translation of foreign financial statements							
	4,963	-	4,335	-	9,625	-	3,967	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss							
	56,774	4	(42,019)	(3)	115,091	4	(43,575)	(2)
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss							
	-	-	-	-	-	-	-	-
	Total other comprehensive income that will be reclassified to profit or loss							
	61,737	4	(37,684)	(3)	124,716	4	(39,608)	(2)
8300	Other comprehensive income, net of tax							
	61,728	4	(37,656)	(3)	124,705	4	(39,568)	(2)
	Total comprehensive income							
	<u>\$ 108,549</u>	<u>7</u>	<u>\$ 216,266</u>	<u>16</u>	<u>\$ 255,377</u>	<u>9</u>	<u>\$ 264,775</u>	<u>10</u>

(Please see accompanying notes to the consolidated financial statements)

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

	For the three months ended June 30				For the six months ended June 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Profit attributable to:								
8610 Owners of parent	\$ 48,104	3	\$ 254,952	19	\$ 139,740	5	\$ 310,922	12
8620 Non-controlling interests	(1,283)	-	(1,030)	-	(9,068)	-	(6,579)	-
	\$ 46,821	3	\$ 253,922	19	\$ 130,672	5	\$ 304,343	12
Comprehensive income attributable to:								
Owners of parent	\$ 109,598	7	\$ 217,325	16	\$ 264,136	9	\$ 271,379	6
Non-controlling interests	(1,049)	-	(1,059)	-	(8,759)	-	(6,604)	-
	\$ 108,549	7	\$ 216,266	16	\$ 255,377	9	\$ 264,775	10
Earnings per share (Unit: NT\$) (Note 28)								
9750 Basic earnings per share	\$ 0.09		\$ 0.46		\$ 0.26		\$ 0.56	
9850 Diluted earnings per share	\$ 0.09		\$ 0.46		\$ 0.26		\$ 0.56	

(Please read the attached notes to the consolidated financial reports)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Changes in Equity
(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity attributable to owners of parent									
	Share capital					Total other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2021	\$ 5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 571,377	(\$ 292,290)	(\$ 3,666)	\$ 6,276,616	\$ 468,907	\$ 6,745,523
Profit (loss) for the six months ended June 30, 2021	-	-	-	-	310,922	-	-	310,922	(6,579)	304,343
Other comprehensive income, for the six months ended June 30, 2021	-	-	-	-	-	(39,576)	33	(39,543)	(25)	(39,568)
Total comprehensive income for the six months ended June 30, 2021	-	-	-	-	310,922	(39,576)	33	271,379	(6,604)	264,775
Appropriation and distribution of retained earnings:										
Cash dividends of ordinary share	-	-	-	-	(445,432)	-	-	(445,432)	-	(445,432)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	(8,623)	(8,623)
Loss of control over the subsidiary	-	-	-	-	-	-	-	-	(7,400)	(7,400)
Balance at June 30, 2021	\$ 5,567,899	\$ 20,769	\$ 184,726	\$ 227,801	\$ 436,867	(\$ 331,866)	(\$ 3,633)	\$ 6,102,563	\$ 446,280	\$ 6,548,843
Balance at January 1, 2022	\$ 5,289,504	\$ 16,243	\$ 238,768	\$ 295,956	\$ 749,821	(\$ 342,910)	(\$ 3,699)	\$ 6,243,683	\$ 416,422	\$ 6,660,105
Profit (loss) for the six months ended June 30, 2022	-	-	-	-	139,740	-	-	139,740	(9,068)	130,672
Other comprehensive income, for the six months ended June 30, 2022	-	-	-	-	-	124,407	(11)	124,396	309	124,705
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	139,740	124,407	(11)	264,136	(8,759)	255,377
Appropriation and distribution of retained earnings:										
Legal reserve appropriated	-	-	74,607	-	(74,607)	-	-	-	-	-
Special reserve appropriated	-	-	-	50,654	(50,654)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(528,950)	-	-	(528,950)	-	(528,950)
Difference between consideration and carrying-amount of subsidiaries acquired or disposed	-	-	-	-	(5,664)	-	-	(5,664)	(39,696)	(45,360)
Changes in investments accounted for using equity method	-	-	-	-	(204,391)	-	-	(204,391)	(3,264)	(207,655)
Cash dividends contributed by subsidiaries	-	-	-	-	-	-	-	-	(5,927)	(5,927)
Balance at June 30, 2022	\$ 5,289,504	\$ 16,243	\$ 313,375	\$ 346,610	\$ 25,295	(\$ 218,503)	(\$ 3,710)	\$ 5,768,814	\$ 358,776	\$ 6,127,590

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

(Expressed in Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the six months ended June 30	
	2022	2021
Cash flows (used in) from operating activities:		
Profit before tax	\$ 175,346	\$ 264,514
Adjustments:		
Adjustments to reconcile profit (loss)		
Depreciation expense	676,310	653,656
Amortization expense	15,321	18,640
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	106,386	(67,754)
Interest expense	113,496	111,575
Interest income	(3,850)	(2,636)
Dividend income	(5,814)	(3,063)
Share of profit of associates and joint ventures accounted for using equity method	(173,358)	(222,621)
(Gain) loss on disposal of property, plant and equipment	(1,696)	4,738
Loss on disposal of investments	-	4,327
Impairment loss determined in accordance with IFRS9	23	698
Impairment loss on non-financial assets	-	10,626
Rent reductions listed as other income	(76,339)	(102,097)
Amounts from modification of lease contracts	303	(215)
Total adjustments to reconcile profit	<u>650,782</u>	<u>405,874</u>
Changes in operating assets and liabilities:		
Changes in operating assets, net:		
(Increase) decrease in current financial assets at fair value through profit or loss	(360,756)	75,342
Decrease (increase) in notes receivable	78,146	(16,220)
Decrease in accounts receivable	69,432	1,396
Increase in other receivable	(24,300)	(77,352)
(Increase) decrease in inventories	(30,165)	4,000
Decrease in biological assets	56	852
Decrease in prepayments	9,394	10,183
(Increase) decrease in other current assets	(5,051)	3
Increase in other operating assets	(55,235)	(4,986)
Total changes in operating assets, net	<u>(318,479)</u>	<u>(6,782)</u>
Changes in operating liabilities, net:		
Decrease in contract liabilities	(3,298)	(4,767)
Decrease in notes payable	(37,210)	(16,542)
(Decrease) increase in accounts payable	(45,958)	16,915
Decrease in other payable	(115,672)	(72,957)
(Decrease) increase in advance receipts	(3,406)	3,109
Increase in other current liabilities	4,032	6,292
Increase in long-term notes payable	-	56,591
Decrease in net defined benefit liability, non-current	(1,434)	(2,747)
Total changes in operating liabilities	<u>(202,946)</u>	<u>(14,106)</u>
Net changes in operating assets and liabilities	<u>(521,425)</u>	<u>(20,888)</u>
Total adjustments	<u>129,357</u>	<u>384,986</u>
Cash inflow generated from operations	304,703	649,500
Tax income refunded (paid)	8,965	(7,837)
Net cash inflow from operating activities	<u>313,668</u>	<u>641,663</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows (Cotn'd)

(Expressed in Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the six months ended June 30	
	2022	2021
Cash flows from (used in) investing activities:		
Net cash flow from acquisition of subsidiaries	(\$ 45,360)	\$ -
Proceeds from disposal of subsidiaries	-	28,266
Acquisition of property, plant and equipment	(146,302)	(83,119)
Proceeds from disposal of property, plant and equipment	336	1,494
Increase in refundable deposits	(48,759)	(13,051)
Increase in long-term notes receivable due from related parties	(76,508)	-
Acquisition of intangible assets	(6,075)	(1,689)
Decrease (increase) in other financial assets	14,418	(198)
Increase in other non-current assets	(14,007)	(43,563)
Interest received	3,792	2,494
Dividends received	57,406	213,676
Net cash flows (used in) from investing activities	(261,059)	104,310
Cash flows from (used in) financing activities:		
Increase in short-term loans	704,906	151,347
Decrease in short-term loans	(529,027)	(162,295)
Increase in short-term notes and bills payable	235,000	80,000
Increase in long-term loans	452,403	418,290
Decrease in long-term loans	(75,368)	(120,200)
(Decrease) increase in notes payable	(31,215)	19,455
Decrease in guarantee deposits received	(95)	(160)
Increase in other payables due from related parties	-	300,000
Payment of lease liabilities	(568,474)	(570,308)
Decrease in long-term notes payable	158,205	(32,791)
Issuance cash dividends	(534,877)	(454,055)
Interest paid	(128,626)	(134,344)
Net cash flows used in financing activities	(317,168)	(505,061)
Effect of exchange rate changes on cash and cash equivalents	13,500	(742)
Net (decrease) increase in cash and cash equivalents	(251,059)	240,170
Cash and cash equivalents at beginning of period	1,761,806	1,855,653
Cash and cash equivalents at end of period	<u>\$ 1,510,747</u>	<u>\$ 2,095,823</u>

(Please see accompanying notes to the consolidated financial statements)

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Notes To Consolidated Financial Statements

For The Six Months Ended June 30, 2022 And 2021

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

(Reviewed, Not Audited)

1. Company history

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

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

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

2. Approval date and procedures of the consolidated financial statements

The consolidated financial statements were authorized for issuance by the Board of Directors on August 11, 2022.

3. New standards, amendments and interpretations adopted

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

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

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

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

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

- Amendments to IAS 1 “Disclosure of Accounting Policies”
 - Amendments to IAS 8 “Definition of Accounting Estimates”
 - Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”
- c. The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

4. Summary of significant accounting policies

a. Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to Note 4 of the consolidated financial statements for the year ended December 31, 2021.

b. Basis of consolidation

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

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	Far Eastern Silo & Shipping (Panama) S.A. (FESS-Panama)	Investing activities	100.00%	100.00%	100.00%	Note A
The Company	Far Eastern Silo & Shipping International (Bermuda) Ltd. (FESS-Bermuda)	Investing activities	100.00%	100.00%	100.00%	Note A (Note 1)
The Company	Far Eastern Investment Co., Ltd. (EIC)	Investing activities	97.90%	97.90%	97.90%	Note A
The Company	Grand Richness Trading (Hong Kong) Co. (Grand Richness (Hong Kong))	Investing activities	100.00%	100.00%	100.00%	Note A (Note 1 and 7)
The Company	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	53.77%	53.77%	53.77%	Note A
The Company	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	53.76%	53.76%	53.76%	Note A
The Company	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	89.20%	89.20%	89.20%	Note A

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			June 30, 2022	December 31, 2021	June 30, 2021	
The Company	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	60.40%	60.40%	60.40%	Note A
The Company	Mohist Web Technology Co., Ltd. (MWT)	Application services	- %	- %	- %	Note A (Note 1 and 4)
The Company	Eastern Asset Co., Ltd. (Eastern Asset)	Real estate leasing	55.00%	55.00%	55.00%	Note A
EIC	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	10.00%	10.00%	10.00%	Note B
EIC	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	10.00%	10.00%	10.00%	Note B
EIC	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
EIC	ET New Media (ETtoday) Holdings Co., Ltd. (ET New Media)	Advertising	1.05%	1.05%	1.05%	Note B
EILF	Tung Kai Lease Finance Co., Ltd. (TKLF)	Leasing	36.00%	36.00%	36.00%	Note B
EILF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
TKLF	Eastern International Lease Finance Co., Ltd. (EILF)	Leasing	36.00%	36.00%	36.00%	Note B
TKLF	EHR Hotels & Resorts Group Yilan (EHR)	Leisure site management, catering business	13.20%	13.20%	13.20%	Note B
ET New Media	Show Off Co., Ltd. (Show Off)	Video advertising service	- %	- %	100.00%	Note C (Note 1 and 3)
ET New Media	ET Pet Co., Ltd (ET Pet)	Pet food and supplies and providing pet beauty service	92.50%	92.50%	92.50%	Note C
ET New Media	Dung sen shin guang yun Co., Ltd. (Dung sen shin guang yun)	Audiovisual and singing, information leisure	100.00%	100.00%	100.00%	Note C (Note 1)
ET New Media	Dung sen dian jing yun Co., Ltd. (Dung sen dian jing yun)	Amusement park information leisure	100.00%	100.00%	100.00%	Note C (Note 1 and 8)
ET New Media	Dung sen shin wen yun Co., Ltd. (Dung sen shin wen yun)	Video advertising service	100.00%	100.00%	100.00%	Note C (Note 1 and 9)
ET New Media	Dung sen min diau yun Co., Ltd. (Dung sen min diau yun)	Consulting management, market research and opinion poll	100.00%	100.00%	100.00%	Note C (Note 1)
ET Pet	Oscar Pet Co., Ltd. (Oscar)	Pet food and supplies and providing pet beauty service	100.00%	88.51%	80.00%	Note C (Note 5)
ET Pet	Pet Kingdom Co., Ltd. (Pet Kingdom)	Pet food and supplies and providing pet beauty service	100.00%	100.00%	80.00%	Note C (Note 5)
ET Pet	Kaou Sin Trading Co., Ltd. (Kaou Sin)	Pet food and supplies and providing pet beauty service	100.00%	100.00%	80.00%	Note C (Note 5)
ET Pet	Care Pet Bio-Tech Company (Care Pet Bio-Tech)	Pet food and supplies and providing pet beauty service	100.00%	- %	- %	Note C (Note 1 and 6)
FESS-Panama	Grand Scene Media Corporation (GSMC-Cayman)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
FESS-Panama	Eastern Media Communication (Hong Kong) Ltd. (Eastern Media Communication Hong Kong)	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
FESS-Bermuda	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	8.77%	8.77%	8.77%	Note C (Note 1)
Eastern Media Communication (Hong Kong)	RICHNESS TRADING (SHANGHAI) CO.,LTD (RICHNESS TRADING (SHANGHAI))	Cosmetics, jewelry, and household sundries wholesaling and support services	91.23%	91.23%	91.23%	Note C (Note 1)

Name of Investing Company	Subsidiary name	Nature of business	Shareholding ratio			Explanation
			June 30, 2022	December 31, 2021	June 30, 2021	
RICHNESS TRADING (SHANGHAI)	Shanghai Rich Industry Ltd. (Shanghai Rich)	Producing and broadcasting TV programs, wholesale and retail groceries business	- %	- %	- %	Note C (Note 1 and 2)
GSMC-Cayman	GRAND SCENE TRADING (HONG KONG) LIMITED	Investing activities	100.00%	100.00%	100.00%	Note C (Note 1)
GRAND SCENE TRADING (HONG KONG)	Nanjing Yun Fu Trading Ltd. (Nanjing Yun Fu)	Wholesale trading	100.00%	100.00%	100.00%	Note C (Note 1)

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

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

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

Note 1: As an immaterial subsidiary, the financial statements have not been reviewed.

Note 2: Shanghai Rich was liquidated on March 24, 2021.

Note 3: Show off was dissolved on July 30, 2020. The processure of liquidation has not been finished on July 9, 2021.

Note 4: The Company resolved on May 6, 2021 to dispose the entire interests in the subsidiary, MWT. The share transfer resgistration procedures were finished on May 28, 2021.

Note 5: ET Pet resolved on November 4, 2021 to acquire the rest interests of 20% in subsidiaries, Oscar, Pet Kingdom and Kaou Sin at the amount of \$90,082. Additionally, the interests in Oscar were acquired partially. The company acquired 8.51% and 11.49% of the interests in December, 2021 and January, 2022, respectively.

Note 6: On March 16, 2022, the ET Pet's Board of Directors resolved to invest \$7,000 in Care Pet Bio-Tech with a 100% shareholding, which was registered on May 11, 2022. It did not participate in the cash capital increase on July 14 of the same year, thereby reducing its shareholding to 70%. All registration procedures had been completed on August 4, 2022.

Note 7: The Company approved to liquidate Grand Richness (Hong Kong) on June 8, 2022. The procedures were still in progress by the review date.

Note 8: ET New Media approved to liquidate Dung sen dian jing yun on June 22, 2022. The procedures were still in progress by the review date.

Note 9: ET New Media approved to liquidate Dung sen shin wen yun on June 24, 2022. The procedures were still in progress by the review date.

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

c. Income taxes

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

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

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

d. Employee benefits

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

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

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC)

requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2021.

6. Cash and cash equivalents

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Cash on hand	\$ 11,793	\$ 15,410	\$ 12,166
Cash in banks	1,178,938	979,918	1,053,720
Cash equivalents	<u>320,016</u>	<u>766,478</u>	<u>1,029,937</u>
	<u>\$ 1,510,747</u>	<u>\$ 1,761,806</u>	<u>\$ 2,095,823</u>

- a. Bank time deposits whose original maturity date exceeds three months are classified as other current financial assets. The deposit accounts of \$3,900, \$17,715, and \$2,425 which did not meet the definition of cash and cash equivalents, were classified as other current financial assets for June 30, 2022, December 31, 2021, and June 30, 2021, respectively.
- b. Please refer to Note 32 for the fair value sensitivity analysis and interest rate risk of the financial assets and liabilities.

7. Financial assets at fair value through profit or loss

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Financial assets designated as at fair value through profit or loss:			
Non-derivative financial assets			
Stocks listed on domestic markets	<u>\$ 1,215,790</u>	<u>\$ 961,420</u>	<u>\$ 374,023</u>

- a. Please refer to Note 31 for the remeasurement of fair value.
- b. For the three months and six months ended June 30, 2022 and 2021, the dividends from financial assets designated as at fair value through profit or loss were \$1,719, \$300, \$3,006 and \$1,550, respectively.
- c. As of June 30, 2022 and December 31, 2021, the amount of \$1,576 and \$440 outstanding (recorded as other receivables) for the dividends from financial assets at fair value through profit or loss had been fully received respectively by the Group as of the review date.
- d. Please refer to Note 37 for the details of the financial assets at fair value through profit or loss pledged as collateral.

8. Financial assets at fair value through other comprehensive income

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Equity investments at fair value through other comprehensive income:			
Unlisted common shares domestic Company	<u>\$ 7,510</u>	<u>\$ 7,510</u>	<u>\$ 7,510</u>

a. Equity investments at fair value through other comprehensive income

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

Because the Group has designated the above as investments in equity instruments measured at fair value through other comprehensive income. For the three months and the six months ended June 30, 2022 and 2021, the dividends from equity instruments measured at fair value through other comprehensive income were \$2,808, \$1,513, \$2,808 and \$1,513, respectively.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of June 30, 2022 and 2021.

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

c. No financial assets were pledged as collateral on June 30, 2022, December 31, 2021, and June 30, 2022, respectively.

9. Notes and accounts receivable (including related parties)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes receivable	\$ 4,033	\$ 5,785	\$ 3,679
Installment notes receivable	48,983	131,397	140,604
Accounts receivable	426,608	497,999	381,573
Long-term installment notes receivable	87,063	-	-
Less: Allowance for doubtful accounts	(50,038)	(52,019)	(39,213)
Unrealized interest revenue	(15,532)	(11,051)	(9,932)
	<u>\$ 501,117</u>	<u>\$ 572,111</u>	<u>\$ 476,711</u>

The Group applies the simplified approach to provide for its expected credit losses, i.e., the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

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

	<u>June 30, 2022</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 31,778</u>	-%	<u>\$ -</u>
	<u>December 31, 2021</u>		
	<u>Gross carrying amount</u>	<u>Weighted average loss rate</u>	<u>Loss allowance provision</u>
Current	<u>\$ 16,065</u>	-%	<u>\$ -</u>

	June 30, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ <u>25,862</u>	-	\$ <u>-</u>

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

	June 30, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 25,787	-	\$ -
More than 91 days past due	<u>799</u>	100.00 %	<u>799</u>
	\$ <u>26,586</u>		\$ <u>799</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 20,328	-	\$ -
More than 91 days past due	<u>782</u>	100.00 %	<u>782</u>
	\$ <u>21,110</u>		\$ <u>782</u>

	June 30, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 7,431	-	\$ -
More than 91 days past due	<u>2,294</u>	100.00 %	<u>2,294</u>
	\$ <u>9,725</u>		\$ <u>2,294</u>

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

	June 30, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 301,370	0.00~0.25 %	\$ 757
1 to 30 days past due	15,351	0.00~12.12 %	1,860
31 to 60 days past due	7,665	0.00~29.31 %	2,246
61 to 90 days past due	245	0.00~86.24 %	212
More than 91 days past due	<u>2,527</u>	100.00 %	<u>2,527</u>
	\$ <u>327,158</u>		\$ <u>7,602</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 408,469	0.00~0.21 %	\$ 855
1 to 30 days past due	10,071	0.00~11.39 %	1,145
31 to 60 days past due	374	0.00~26.54 %	99
61 to 90 days past due	36	0.00~78.62 %	28
More than 91 days past due	<u>1,745</u>	100.00 %	<u>1,745</u>
	\$ <u>420,695</u>		\$ <u>3,872</u>

	June 30, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision
Current	\$ 279,045	0.00~0.24%	\$ 660
1 to 30 days past due	14,597	0.00~11.30%	1,641
31 to 60 days past due	6,806	0.00~30.75%	2,093
61 to 90 days past due	423	0.00~80.56%	222
More than 91 days past due	2,280	100.00%	2,280
	<u>\$ 303,151</u>		<u>\$ 6,896</u>

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

	June 30, 2022		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 120,759	0.00~1.25 %	\$ 1,441
1 to 30 days past due	-	0.00~26.67 %	-
31 to 60 days past due	-	0.00~28.33 %	-
61 to 90 days past due	-	5.00~30.00%	-
More than 91 days past due	4	100.00 %	4
	<u>\$ 120,763</u>		<u>\$ 1,445</u>

	December 31, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 120,537	0.00~1.25%	\$ 537
1 to 30 days past due	-	5.00~26.27%	-
31 to 60 days past due	-	5.00~28.33%	-
61 to 90 days past due	-	5.00~30.00%	-
More than 91 days past due	3	100.00%	3
	<u>\$ 120,540</u>		<u>\$ 540</u>

	June 30, 2021		
	Gross carrying amount	Weighted average loss rate	Loss allowance provision (Note)
Current	\$ 144,339	0.07~1.14 %	\$ 733
1 to 30 days past due	-	4.55~24.24%	-
31 to 60 days past due	-	4.55~25.76%	-
61 to 90 days past due	-	4.55~42.42%	-
More than 91 days past due	3	100.00%	3
	<u>\$ 144,342</u>		<u>\$ 736</u>

Note: As of June 30, 2022, December 31, 2021, and June 30, 2021, the receivables amounted to \$44,870, \$45,720, and \$32,844 were unrecoverable due to the financial difficulty of the customers. Therefore, the Group had recognized the allowance for doubtful accounts for all of its receivables.

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

	For the six months ended June 30	
	2022	2021
Balance on January 1	\$ 52,019	\$ 39,803
Recognition of impairment losses	23	578
Impairment losses reversed	(850)	-
Amounts written off	(1,154)	-
Loss of control of the subsidiary	-	(1,168)
Balance on June 30	<u>\$ 50,038</u>	<u>\$ 39,213</u>

No financial assets mentioned above were pledged as collateral.

10. Other receivables (including related parties)

	June 30, 2022	December 31, 2021	June 30, 2021
Other accounts receivable—loans to associates	\$ 55,000	\$ 30,000	\$ 30,000
Other accounts receivable—others	61,319	66,561	147,940
Less: Loss allowance	(1,817)	(1,817)	(1,817)
	<u>\$ 114,502</u>	<u>\$ 94,744</u>	<u>\$ 176,123</u>

As of June 30, 2022, December 31, 2021, and June 30, 2021, the aging analysis of other receivables, which were past due but not impaired, was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Past due more than 365 days	<u>\$ 61</u>	<u>\$ -</u>	<u>\$ 33</u>

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

11. Inventories

	June 30, 2022	December 31, 2021	June 30, 2021
Goods held for sale	\$ 368,252	\$ 329,335	\$ 287,580
Spare programs	9,783	15,264	1,737
Programs in progress	1,957	7,632	-
Raw materials and others (including fuel)	31,470	29,066	29,706
	<u>\$ 411,462</u>	<u>\$ 381,297</u>	<u>\$ 319,023</u>

- a. For the three months and six months ended June 30, 2022 and 2021, the loss on inventory valuation loss the Group recognized was \$0, \$0, \$0, and \$471, respectively.
- b. No inventories were pledged as collateral on June 30, 2022, December 31, 2021, and June 30, 2021, respectively.

12. Investments accounted for using equity method

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Natural Beauty bio-technology Limited (Natural Beauty)	\$ 1,943,300	\$ 1,905,459	\$ 1,910,065
Eastern Home Shopping & Leisure Co., Ltd (EHS)	487,411	504,022	500,897
Jiangsu Sen Fu Da Media Technology Co., Ltd.	-	-	-
	<u>\$ 2,430,711</u>	<u>\$ 2,409,481</u>	<u>\$ 2,410,962</u>

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

<u>Affiliate Name</u>	<u>Within the Group Nature of Relationship</u>	<u>Main operating location</u>	<u>Proportion of shareholding and voting rights</u>		
			<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Natural Beauty	Sales of beauty and cosmetic products and providing beauty service	Taiwan and China	30.00%	30.00%	30.00%
EHS	Wholesale and retail of various commodities, materials and equipment	Taiwan, Hong Kong and China	25.87%	25.87%	25.87%

- (a) Natural Beauty Bio-Technology Limited

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Fair value	<u>\$ 1,228,606</u>	<u>\$ 1,215,030</u>	<u>\$ 1,508,130</u>

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Current assets	\$ 1,581,720	\$ 1,598,223	\$ 1,595,318
Non-current assets	1,704,563	1,703,915	1,598,276
Liabilities	(1,058,257)	(967,194)	(933,424)
Net assets	<u>\$ 2,228,026</u>	<u>\$ 2,334,944</u>	<u>\$ 2,260,170</u>
Net assets attributable to investee	<u>\$ 2,228,026</u>	<u>\$ 2,334,944</u>	<u>\$ 2,260,170</u>

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating revenue	<u>\$ 352,349</u>	<u>\$ 466,395</u>	<u>\$ 600,348</u>	<u>\$ 839,012</u>
Net income (loss)	(\$ 82,334)	\$ 37,364	(\$ 111,008)	\$ 62,314
Other comprehensive income (loss)	(96,787)	18,271	(123,064)	27,960
Total comprehensive income (loss)	<u>(\$ 179,121)</u>	<u>\$ 55,635</u>	<u>(\$ 234,072)</u>	<u>\$ 90,274</u>
Comprehensive income (loss) attributable to investee	<u>(\$ 179,121)</u>	<u>\$ 55,635</u>	<u>(\$ 234,072)</u>	<u>\$ 90,274</u>
Share of net assets attributable to the Group of beginning balance	\$ 704,852	\$ 677,558	\$ 700,483	\$ 673,513
Comprehensive income (loss) attributable to the Group	(53,737)	16,690	(70,222)	27,082
Dividends received from associates	(6,826)	(6,471)	(6,826)	(6,471)
Effect of exchange rate fluctuations	24,118	(9,726)	44,972	(16,073)
Subtotal	668,407	678,051	668,407	678,051
Add: Goodwill	327,736	307,225	327,736	307,225
Trademark	296,196	277,659	296,196	277,659
Property, plant and equipment	491,676	475,434	491,676	475,434
Other intangible assets in useful life (e.g., memberships and patents, etc.)	169,910	181,757	169,910	181,757
Effect of exchange rate fluctuations	93	(14)	93	(14)
Less: adjustment for inventories	(10,718)	(10,047)	(10,718)	(10,047)
Book value of net assets attributable to the Group on June 30	<u>\$ 1,943,300</u>	<u>\$ 1,910,065</u>	<u>\$ 1,943,300</u>	<u>\$ 1,910,065</u>

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

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

	June 30, 2022	December 31, 2021	June 30, 2021	
Current assets	\$ 4,791,089	\$ 4,572,514	\$ 4,709,681	
Non-current assets	7,367,487	7,635,401	6,907,893	
Liabilities	(10,254,387)	(9,944,589)	(9,370,128)	
Net assets	<u>\$ 1,904,189</u>	<u>\$ 2,263,326</u>	<u>\$ 2,247,446</u>	
Non-controlling interests, attributable to investee	<u>\$ 19,998</u>	<u>\$ 314,919</u>	<u>\$ 311,121</u>	
Net assets attributable to investee	<u>\$ 1,884,191</u>	<u>\$ 1,948,407</u>	<u>\$ 1,936,325</u>	
	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating revenue	<u>\$ 6,395,446</u>	<u>\$ 6,629,904</u>	<u>\$ 13,333,342</u>	<u>\$ 13,250,122</u>
Net income	\$ 404,759	\$ 461,269	\$ 861,887	\$ 880,669
Other comprehensive loss	57,485	(9,752)	75,975	(10,304)
Total comprehensive income	<u>\$ 462,244</u>	<u>\$ 451,517</u>	<u>\$ 937,862</u>	<u>\$ 870,365</u>
Comprehensive income (loss), attributable to non-controlling interests	<u>(\$ 2,275)</u>	<u>\$ 7,943</u>	<u>(\$ 4,489)</u>	<u>\$ 17,660</u>
Comprehensive income attributable to investee	<u>\$ 464,519</u>	<u>\$ 443,574</u>	<u>\$ 942,351</u>	<u>\$ 852,705</u>
Share of net assets attributable to the Group of beginning balance	\$ 420,023	\$ 597,065	\$ 504,022	\$ 491,228
Comprehensive income attributable to the Group	120,164	114,745	243,772	220,582
Dividends received from associates	(52,728)	(210,913)	(52,728)	(210,913)
Changes in investments accounted for using equity method	(48)	-	(207,655)	-
Share of net assets attributable to the Group on June 30	<u>\$ 487,411</u>	<u>\$ 500,897</u>	<u>\$ 487,411</u>	<u>\$ 500,897</u>

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

d. The unreviewed financial statements of investments for using equity method

Except for EHS as of June 30, 2022 and 2021, investments were accounted for by the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

13. Acquire a subsidiary

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

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

There was no change of the shareholdings in the subsidiary as of June 30, 2021. The influence on equity attributable to owners of parent was as follow:

	For the Six Months Ended June 31, 2022
Non-controlling interests carrying amount	\$ 38,574
Investment amount	(45,360)
Subtotal	(6,786)
Less: Changes in non-controlling interests	(1,122)
	<u>(\$ 5,664)</u>

Please refer to Note 27 for the details.

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

14. Material non-controlling interests of subsidiaries

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

Subsidiary name	Main operating location	Percentage of non-controlling interests		
		June 30, 2022	December 31, 2021	June 30, 2021
Eastern Asset	Taiwan	45.00%	45.00%	45.00%

The following information of the aforementioned subsidiaries had been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information were the fair value adjustment and accounting policies adjustment made during the acquisition and relevant difference in

accounting principles between the Group as at the acquisition date. Intragroup transactions were not eliminated in this information.

The financial information of Eastern Asset was as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Current assets	\$ 156,471	\$ 253,631	\$ 275,560
Non-current assets	1,675,953	1,542,669	1,508,653
Current liabilities	(66,897)	(5,390)	(4,526)
Non-current liabilities	(871,463)	(892,705)	(880,759)
Net assets	<u>\$ 894,064</u>	<u>\$ 898,205</u>	<u>\$ 898,928</u>

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Income	(\$ 3,940)	\$ 24	(\$ 4,141)	(\$ 642)
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>(\$ 3,940)</u>	<u>\$ 24</u>	<u>(\$ 4,141)</u>	<u>(\$ 642)</u>

	For the six months ended June 30	
	2022	2021
Net cash flows used in operating activities	(\$ 7,020)	(\$ 12,949)
Net cash flows used in investing activities	(66,127)	(2,346)
Net cash flows used in financing activities	(28,441)	(33,062)
Net decrease in cash and cash equivalents	<u>(\$ 101,588)</u>	<u>(\$ 48,357)</u>

15. Loss of control of subsidiaries

- a. The Group liquidated its subsidiary, Shanghai Rich on March 24, 2021, and lost control over Shanghai Rich due to the disposal.
- b. The Company resolved on May 6, 2021 to dispose of the entire equity in the subsidiary, MWT with the price \$35,400. After deducting relevant fees \$106, the net price was fully received on May 10, 2021. The share transfer registration procedures were finished on May 28, 2021, and lost control over MWT since then.

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

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

c. The Group liquidated its subsidiary, Show off on July 9, 2021, and lost control over it due to the liquidation.

16. Property, plant and equipment

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

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Construction in progress	Other equipment	Total
Cost or deemed cost:								
Balance on January 1, 2022	\$ 596,742	\$ 1,024,259	\$ -	\$ 24,969	\$ 724,603	\$ 235,243	\$ 372,189	\$ 2,978,005
Additions	-	88	-	1,086	30,162	153,459	8,039	192,834
Transfers	-	-	-	-	63,266	18,191	3,436	84,893
Disposals / Written-off	-	-	-	(6,565)	(7,674)	-	(4,198)	(18,437)
Balance on June 30, 2022	<u>\$ 596,742</u>	<u>\$ 1,025,347</u>	<u>\$ -</u>	<u>\$ 19,490</u>	<u>\$ 810,357</u>	<u>\$ 406,893</u>	<u>\$ 379,466</u>	<u>\$ 3,237,295</u>
Balance on January 1, 2021	\$ 596,742	\$ 1,024,477	\$ 3,674	\$ 41,326	\$ 502,263	\$ 163,714	\$ 347,381	\$ 2,679,577
Loss of control of the subsidiary	-	-	-	(450)	-	-	(5,084)	(5,534)
Additions	-	678	-	400	32,199	34,464	32,877	100,618
Transfers	-	-	-	-	91,898	(2,064)	840	90,674
Disposals	-	-	-	(1,067)	(6,700)	-	(3,496)	(11,263)
Balance on June 30, 2021	<u>\$ 596,742</u>	<u>\$ 1,025,155</u>	<u>\$ 3,674</u>	<u>\$ 40,209</u>	<u>\$ 619,660</u>	<u>\$ 196,114</u>	<u>\$ 372,518</u>	<u>\$ 2,854,072</u>
Depreciation and impairment loss:								
Balance on January 1, 2022	\$ -	\$ 801,196	\$ -	\$ 14,618	\$ 171,867	\$ -	\$ 225,693	\$ 1,213,374
Depreciation	-	4,170	-	1,984	53,673	-	25,836	85,763
Disposals / Written-off	-	-	-	(6,245)	(6,020)	-	(4,198)	(16,463)
Balance on June 30, 2022	<u>\$ -</u>	<u>\$ 805,366</u>	<u>\$ -</u>	<u>\$ 10,357</u>	<u>\$ 219,520</u>	<u>\$ -</u>	<u>\$ 247,431</u>	<u>\$ 1,282,674</u>
Balance on January 1, 2021	\$ 5,740	\$ 654,298	\$ 3,674	\$ 27,380	\$ 105,579	\$ -	\$ 213,222	\$ 1,009,893
Loss of control of the subsidiary	-	-	-	(450)	-	-	(4,002)	(4,452)
Depreciation	-	28,519	-	2,405	40,159	-	28,295	99,378
Transfers	-	-	-	-	-	-	(13)	(13)
Disposals	-	-	-	(1,067)	(1,754)	-	(2,210)	(5,031)
Balance on June 30, 2021	<u>\$ 5,740</u>	<u>\$ 682,817</u>	<u>\$ 3,674</u>	<u>\$ 28,268</u>	<u>\$ 143,984</u>	<u>\$ -</u>	<u>\$ 235,292</u>	<u>\$ 1,099,775</u>
Carrying amounts:								
January 1, 2022	<u>\$ 596,742</u>	<u>\$ 223,063</u>	<u>\$ -</u>	<u>\$ 10,351</u>	<u>\$ 552,736</u>	<u>\$ 235,243</u>	<u>\$ 146,496</u>	<u>\$ 1,764,631</u>
June 30, 2022	<u>\$ 596,742</u>	<u>\$ 218,981</u>	<u>\$ -</u>	<u>\$ 9,133</u>	<u>\$ 590,837</u>	<u>\$ 406,893</u>	<u>\$ 132,035</u>	<u>\$ 1,954,621</u>
January 1, 2021	<u>\$ 591,002</u>	<u>\$ 370,179</u>	<u>\$ -</u>	<u>\$ 13,946</u>	<u>\$ 396,684</u>	<u>\$ 163,714</u>	<u>\$ 134,159</u>	<u>\$ 1,669,684</u>
June 30, 2021	<u>\$ 591,002</u>	<u>\$ 342,338</u>	<u>\$ -</u>	<u>\$ 11,941</u>	<u>\$ 475,676</u>	<u>\$ 196,114</u>	<u>\$ 137,226</u>	<u>\$ 1,754,297</u>

b. For the year ended December 31, 2021, the decrease in the Group's property, plant and equipment due to the loss of control over the subsidiary is described in Note 15.

c. Please refer to Note 37 for the details of the property, plant and equipment pledged as collateral.

17. Right-of-use assets

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

	Land and equipment	Buildings	Outdoor advertising boards	Transportation equipment	Total
Right of use asset costs:					
Balance on January 1, 2022	\$ 5,233,448	\$ 1,244,454	\$ 2,800,267	\$ 5,632	\$ 9,283,801
Additions	97,027	154,407	233,346	1,049	485,829
Write off - lease modification	-	2,562	(85,175)	-	(82,613)
Write off - lease ending	-	(17,642)	(24,486)	-	(42,128)
Balance on June 30, 2022	<u>\$ 5,330,475</u>	<u>\$ 1,383,781</u>	<u>\$ 2,923,952</u>	<u>\$ 6,681</u>	<u>\$ 9,644,889</u>
Balance on January 1, 2021	\$ 5,233,445	\$ 1,085,759	\$ 2,763,333	\$ 4,732	\$ 9,087,269
Loss of control of the subsidiary	-	(992)	-	(1,492)	(2,484)
Additions	-	142,376	10,842	2,393	155,611
Write off - lease modification	3	(19,364)	(616)	-	(19,977)
Write off - lease ending	-	(13,592)	-	-	(13,592)
Balance on June 30, 2021	<u>\$ 5,233,448</u>	<u>\$ 1,194,187</u>	<u>\$ 2,773,559</u>	<u>\$ 5,633</u>	<u>\$ 9,206,827</u>
Accumulated depreciation and impairment losses:					
Balance on January 1, 2022	\$ 668,692	\$ 462,664	\$ 1,847,056	\$ 1,798	\$ 2,980,210
Depreciation	113,920	107,903	379,178	1,042	602,043
Write off - lease modification	-	-	(19,865)	-	(19,865)
Write off - lease ending	-	(17,642)	(24,486)	-	(42,128)
Balance on June 30, 2022	<u>\$ 782,612</u>	<u>\$ 552,925</u>	<u>\$ 2,181,883</u>	<u>\$ 2,840</u>	<u>\$ 3,520,260</u>
Balance on January 1, 2021	\$ 441,315	\$ 297,986	\$ 1,136,693	\$ 598	\$ 1,876,592
Loss of control of the subsidiary	-	(83)	-	(508)	(591)
Depreciation	113,689	102,382	348,690	783	565,544
Impairment loss	-	-	10,595	-	10,595
Write off - lease modification	-	(3,876)	-	-	(3,876)
Write off - lease ending	-	(13,592)	-	-	(13,592)
Balance on June 30, 2021	<u>\$ 555,004</u>	<u>\$ 382,817</u>	<u>\$ 1,495,978</u>	<u>\$ 873</u>	<u>\$ 2,434,672</u>
Carrying amounts:					
January 1, 2022	<u>\$ 4,564,756</u>	<u>\$ 781,790</u>	<u>\$ 953,211</u>	<u>\$ 3,834</u>	<u>\$ 6,303,591</u>
June 30, 2022	<u>\$ 4,547,863</u>	<u>\$ 830,856</u>	<u>\$ 742,069</u>	<u>\$ 3,841</u>	<u>\$ 6,124,629</u>
January 1, 2021	<u>\$ 4,792,130</u>	<u>\$ 787,773</u>	<u>\$ 1,626,640</u>	<u>\$ 4,134</u>	<u>\$ 7,210,677</u>
June 30, 2021	<u>\$ 4,678,444</u>	<u>\$ 811,370</u>	<u>\$ 1,277,581</u>	<u>\$ 4,760</u>	<u>\$ 6,772,155</u>

b. In May 2022, the Company signed a contract with the North District Office of the State-owned Property Administration to establish land usage rights. The duration of the land usage rights is 70 years from the date of registration, and the land usage was set up on May 3, 2022. In the duration of the contract, the Company shall pay rent to the North Branch of the State-owned Property Administration of the Ministry of Finance each year at a certain rate of the announced land price. While constructing the areas, the cost would be listed under property, plant and equipment. Please refer to Note 16 for the details.

c. The land rights obtained by Eastern Asset and the Company respectively are expected to be used to build the headquarters of the Eastern Media Group and nearby areas, and the depreciation expenses of the right-of-use assets and the interest expenses of lease liabilities during the planning and construction period will be capitalized. The interest rates were at 2.75%~3.25%. Details are as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Right-of-use assets depreciation expense	<u>\$ 5,863</u>	<u>\$ 5,633</u>	<u>\$ 11,496</u>	<u>\$ 11,266</u>
Interest expense on lease liabilities	<u>\$ 6,368</u>	<u>\$ 5,969</u>	<u>\$ 12,341</u>	<u>\$ 12,004</u>

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

d. Impairment losses

The media segment was affected by the Covid-19 pandemic, which caused a decline in advertising business. The Group expects that the future cash inflow generated by outdoor advertising boards will decrease, causing its recoverable amount to be less than the book value of the right-of-use assets. Therefore, for the three months and the six months ended June 30, 2021, the impairment losses recognized were both \$10,595. The impairment loss has been included in the other gains and losses net of the consolidated comprehensive income statement; please refer to Note 31.

The recoverable amount of outdoor advertising boards is calculated based on the value in use, and the value in use in turn is calculated based on the pre-tax cash flow forecast of the financial forecast for the remaining lease period of the outdoor advertising boards. The discount rates used to estimate the value in use are 8.41%. The discount rate is a pre-tax rate measured on the basis of the estimated industry weighted average cost of capital, and the risk premium is adjusted to reflect the increased risk of general investment in equity and the specific systemic risk of cash-generating units.

The cash flow estimation is based on the financial budget of the remaining lease period of the outdoor advertising boards estimated by the management. The estimation of EBITDA during the financial budget period is based on past experience, actual operating results and future lease expiry dates. Considering the nature of the outdoor media business, the management believes that the aforementioned forecast period is reasonable. The relevant operating income is estimated based on past experience and actual operating conditions, taking into account the market environment and the growth of the industry market. It also estimates operating costs and expenses based on past experience and changes in various costs and expenses, and calculates the recoverable amount using the pre-tax discount rate. The values of these key assumptions represent the management's assessment of the future trend of the outdoor media space operation business, while taking external and internal information (historical information) into account.

18. Intangible assets

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

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
Cost:						
Balance on January 1, 2022	\$ 79,165	\$ 271,950	\$ 73,169	\$ 62,609	\$ 19,589	\$ 506,482
Additions	-	-	-	6,001	222	6,223
Disposal	-	(27,933)	-	(410)	-	(28,343)
Balance on June 30, 2022	<u>\$ 79,165</u>	<u>\$ 244,017</u>	<u>\$ 73,169</u>	<u>\$ 68,200</u>	<u>\$ 19,811</u>	<u>\$ 484,362</u>

	Goodwill	Trademark	Client rights	Computer software	Other intangible assets	Total
Balance on January 1, 2021	\$ 111,084	\$ 271,695	\$ 73,169	\$ 53,856	\$ 19,290	\$ 529,094
Additions	-	255	-	791	750	1,796
Loss of control of the subsidiary	(31,919)	-	-	-	-	(31,919)
Balance on June 30, 2021	<u>\$ 79,165</u>	<u>\$ 271,950</u>	<u>\$ 73,169</u>	<u>\$ 54,647</u>	<u>\$ 20,040</u>	<u>\$ 498,971</u>
Amortization and impairment loss:						
Balance on January 1, 2022	\$ -	\$ 31,695	\$ 16,463	\$ 38,996	\$ 13,362	\$ 100,516
Amortization for the period	-	1,166	3,658	7,849	2,648	15,321
Disposal	-	(27,933)	-	(410)	-	(28,343)
Balance on June 30, 2022	<u>\$ -</u>	<u>\$ 4,928</u>	<u>\$ 20,121</u>	<u>\$ 46,435</u>	<u>\$ 16,010</u>	<u>\$ 87,494</u>
Balance on January 1, 2021	\$ -	\$ 16,518	\$ 9,146	\$ 27,551	\$ 8,545	\$ 61,760
Amortization for the period	-	6,547	3,658	5,618	2,907	18,640
Impairment loss	-	-	-	31	-	31
Balance on June 30, 2021	<u>\$ -</u>	<u>\$ 22,975</u>	<u>\$ 12,804</u>	<u>\$ 33,200</u>	<u>\$ 11,452</u>	<u>\$ 80,431</u>
Carrying amounts:						
January 1, 2022	<u>\$ 79,165</u>	<u>\$ 240,255</u>	<u>\$ 56,706</u>	<u>\$ 23,613</u>	<u>\$ 6,227</u>	<u>\$ 405,966</u>
June 30, 2022	<u>\$ 79,165</u>	<u>\$ 239,089</u>	<u>\$ 53,048</u>	<u>\$ 21,765</u>	<u>\$ 3,801</u>	<u>\$ 396,868</u>
January 1, 2021	<u>\$ 111,084</u>	<u>\$ 255,177</u>	<u>\$ 64,023</u>	<u>\$ 26,305</u>	<u>\$ 10,745</u>	<u>\$ 467,334</u>
June 30, 2021	<u>\$ 79,165</u>	<u>\$ 248,975</u>	<u>\$ 60,365</u>	<u>\$ 21,447</u>	<u>\$ 8,588</u>	<u>\$ 418,540</u>

b. For the six months ended June 30, 2021, due to the loss of control of the subsidiary, the goodwill decreased of \$31,919. Please refer to Note 15 for the details.

19. Short-term loans

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

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured bank loans	\$ 79,626	\$ 49,500	\$ 11,347
Secured bank loans	189,698	43,945	20,000
Total	<u>\$ 269,324</u>	<u>\$ 93,445</u>	<u>\$ 31,347</u>
Unused credit lines	<u>\$ 1,557,693</u>	<u>\$ 1,666,607</u>	<u>\$ 1,747,799</u>

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

20. Short-term notes and bills

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

	June 30, 2022	December 31, 2021	June 30, 2021
No guarantees to pay commercial promissory notes	\$ 235,000	\$ 80,000	\$ 80,000
Guarantees to pay commercial promissory notes	80,000	-	-
Less: discount amount	(724)	(152)	(84)
Carrying amount	<u>\$ 314,276</u>	<u>\$ 79,848</u>	<u>\$ 79,916</u>
Unused credit lines	<u>\$ 235,000</u>	<u>\$ 330,000</u>	<u>\$ 330,000</u>

- Please refer to Note 21 for the details of the interest rates.
- Please refer to Note 37 for the details of the related assets pledged as collateral.

21. Notes payable (including related parties)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Generated from operation	\$ 66,562	\$ 4,539	\$ 16,621
Non-generated from operation	154,707	185,922	84,182
	<u>\$ 221,269</u>	<u>\$ 190,461</u>	<u>\$ 100,803</u>

- a. Notes payable which were not generated from operation were 12 periods of repayment checks issued to the leasing company. Since there were demands for short-term working capital of the Group, the Group signed loan contracts with leasing companies. The loaning duration was lasting for one year.
- b. The interest rates in short-term loans, short-term notes and bills and notes payable are 1.438%~3.00%, 2.00%~3.00% and 1.955%~3.04% on June 30, 2022, December 31, 2021, and June 30, 2021, respectively.

22. Long-term loans

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Unsecured loans	\$ 49,250	\$ 99,948	\$ 76,500
Secured bank loans	1,570,310	1,148,385	1,037,890
Less: Current portion	(912,607)	(910,549)	(158,850)
Fees	(5,711)	(6,659)	(7,533)
Total	<u>\$ 701,242</u>	<u>\$ 331,125</u>	<u>\$ 948,007</u>
Duration year	<u>111~119</u>	<u>111~118</u>	<u>110~118</u>
Unused credit lines	<u>\$ 5,534,707</u>	<u>\$ 4,453,609</u>	<u>\$ 4,859,210</u>

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

23. Long term notes and accounts payable

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Generated from operation	\$ 53,542	\$ 99,302	\$ 144,562
Non-generated from operation	250,984	92,779	56,128
Less: Current portion	(199,937)	(156,238)	(147,148)
	<u>\$ 104,589</u>	<u>\$ 35,843</u>	<u>\$ 53,542</u>

- a. Long term notes payable were 18~24 periods of repayment checks. Since there were demands for working capital of the Group, the Group signed installment purchase contracts.
- b. The interest rates in long-term loans and long-term notes and accounts payable are 1.90%~4.32%, 1.80%~3.94% and 1.80%~3.94% on June 30, 2022, December 31, 2021, and June 30, 2021, respectively.

24. Lease liabilities

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

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Current	<u>\$ 1,067,572</u>	<u>\$ 1,066,678</u>	<u>\$ 1,096,673</u>
Non-current	<u>\$ 5,098,632</u>	<u>\$ 5,320,955</u>	<u>\$ 5,710,122</u>

For the maturity analysis, please refer to Note 32.

Lease amounts recognized as profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest on lease liabilities	<u>\$ 40,139</u>	<u>\$ 45,398</u>	<u>\$ 80,561</u>	<u>\$ 92,985</u>
Variable lease payments not included in the measurement of lease liabilities	<u>\$ 1,208</u>	<u>(\$ 300)</u>	<u>\$ 1,874</u>	<u>\$ 4,040</u>
Expenses relating to short term leases	<u>\$ 67,405</u>	<u>\$ 78,643</u>	<u>\$ 175,261</u>	<u>\$ 149,873</u>
Expenses relating to leases of low value assets, excluding short term leases of low value assets	<u>\$ 264</u>	<u>\$ 490</u>	<u>\$ 526</u>	<u>\$ 1,228</u>
Covid-19 related rent concessions recognized as other income	<u>(\$ 76,339)</u>	<u>(\$ 102,097)</u>	<u>(\$ 76,339)</u>	<u>(\$ 102,097)</u>

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

	For the six months ended June 30	
	2022	2021
Total cash outflow for leases	<u>\$ 828,696</u>	<u>\$ 818,434</u>

- a. For the year ended December 31, 2021, the reduction of lease liabilities was due to the loss of control of the subsidiary. The information please refer to Note 15.
- b. For the six months ended June 30, 2022 and 2021, newly added lease liabilities were amounted to \$485,829 and \$155,611 respectively, and the interest rates were 2.75%~3.25%. Lease period ending dates extend from July 2022 to May 2092. However, for the six months ended June 30, 2022 and 2021, the group negotiated modifications to its contracts in consideration of its operating conditions, thereby reducing lease liabilities by \$62,445 and \$16,316 respectively. The information on modifications of the Group's lease contracts, please refer to Notes 17 and 31.
- c. Leases of land and equipment, and buildings

As of June 30, 2022, the Group leased land and buildings for its warehousing operations, office space and retail stores, and the land rights of the group headquarters. The leases of office space typically run for a period of 20 years, retail stores for 3 to 10 years, and land usage rights for 50 to 70 years. Some leases included an option to renew the lease for an additional period of the same duration after the end of the contract term.

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

- d. Other leases

The Group leases outdoor advertising boards and transportation equipment with lease

terms of two to five years. In some cases, the Group has options to extend lease terms at the end of the contract term.

The Group also leases IT equipment and machinery with contract terms of one to three years. These leases are short-term or leases of low value items. The Group has elected not to recognize right of use assets and lease liabilities for these leases.

25. Employee benefits

a. Defined benefit plans

The Group used actuarially determined pension costs as of December 31, 2021 and 2020 to measure and disclose pension costs for the interim period as there were no significant market fluctuations, and significant curtailments, settlements or other significant one-time events subsequent to the prior reporting date.

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating cost	\$ 279	\$ 253	\$ 539	\$ 504
Operating expense	112	136	244	276
	<u>\$ 391</u>	<u>\$ 389</u>	<u>\$ 783</u>	<u>\$ 780</u>

b. Defined contribution plans

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Operating cost	\$ 6,892	\$ 6,387	\$ 14,034	\$ 12,797
Operating expense	6,914	7,166	13,650	14,402
	<u>\$ 13,806</u>	<u>\$ 13,553</u>	<u>\$ 27,684</u>	<u>\$ 27,199</u>

26. Income taxes

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Current income tax expense				
Current period	\$ 19,706	(\$ 15,070)	\$ 40,115	(\$ 40,017)
Undistributed earnings additional tax	4,593	-	4,593	-
Adjustment for prior periods	(34)	188	(34)	188
Income taxes (profit)	<u>\$ 24,265</u>	<u>(\$ 14,882)</u>	<u>\$ 44,674</u>	<u>(\$ 39,829)</u>

For the three months and the six months ended June 30, 2021, previously unrecognized tax losses of \$15,792 and \$42,113 were recognized as deferred tax assets, as management determined that it was probable that there would be sufficient taxable gains in the future.

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

27. Capital and other equity

Except for the following disclosure, there were no significant changes in capital and other equity of the Group for the six months ended June 30, 2022 and 2021. For the related

information, please refer to Note 28 of the consolidated financial statements for the year ended December 31, 2021.

a. Ordinary shares

For increasing the return on equity, on March 23, 2022 and March 25, 2021, resolutions were passed in the Boardmeeting for the capital reduction with \$1(NT\$) and \$0.5(NT\$) per share, amounting to \$528,950 and \$278,395, cancelling 52,895 and 27,840 ordinary thousand shares. The resolutions were passed in the shareholders' meeting on June 13, 2022 and July 7, 2021, respectively. The capital reduction in 2022 was approved by the Taiwan Stock Exchange on June 30, 2022. The Company's board of directors approved the reference date for capital reduction would be on July 5, 2022. The registration procedures were finished on July 14, 2022. The capital reduction in 2021 was approved by the Taiwan Stock Exchange on July 23, 2021. The Company's board of directors approved the reference date for capital reduction would be on July 28, 2021. The registration procedures were finished on August 6, 2021.

b. Retained earnings

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

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

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

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

As for the appropriations of 2021 earnings, please visit the Market Observation Post System for more information.

(b) For the six months ended June 30, 2022, the Group acquired shares from non-controlling interests, leading changes in shareholdings. This transaction reduced retained earnings of \$5,664. Meanwhile, due to the changes in investments accounted for using equity method, the Group recognized a reduction in retained earnings of \$204,391.

c. Other equity (net of tax)

	Foreign currency translation differences for foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	(\$ 342,910)	(\$ 3,699)	(\$ 346,609)
Exchange differences on foreign operation	9,625	-	9,625
Change in other comprehensive (loss) income of associates accounted for using equity method	<u>114,782</u>	<u>(11)</u>	<u>114,771</u>
Balance on June 30, 2022	<u>(\$ 218,503)</u>	<u>(\$ 3,710)</u>	<u>(\$ 222,213)</u>
Balance on January 1, 2021	(\$ 292,290)	(\$ 3,666)	(\$ 295,956)
Exchange differences on foreign operation	3,967	-	3,967
Change in other comprehensive (loss) income of associates accounted for using equity method	(43,543)	26	(43,517)
Unrealized losses from financial assets measured at fair value through other comprehensive income	<u>-</u>	<u>7</u>	<u>7</u>
Balance on June 30, 2021	<u>(\$ 331,866)</u>	<u>(\$ 3,633)</u>	<u>(\$ 335,499)</u>

28. **Earnings per share**

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

	For the three months ended June 30, 2022		
	Net of tax	The weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	<u>\$ 48,104</u>	528,950	<u>\$ 0.09</u>
Diluted earnings per share			
Profit from continuing operations of the Company for the period	\$ 48,104	528,950	
Effect of dilutive potential ordinary shares: Employee stock bonus	<u>-</u>	<u>660</u>	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) on June 30)	<u>\$ 48,104</u>	<u>529,610</u>	<u>\$ 0.09</u>

	For the three months ended June 30, 2021		
	Net of tax	The weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	<u>\$ 254,952</u>	556,790	<u>\$ 0.46</u>
Diluted earnings per share			
Profit from continuing operations of the Company for the period	\$ 254,952	556,790	
Effect of dilutive potential ordinary shares:			
Employee stock bonus	-	540	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) on June 30)	<u>\$ 254,952</u>	557,330	<u>\$ 0.46</u>
	For the six months ended June 30, 2022		
	Net of tax	The weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	<u>\$ 139,740</u>	528,950	<u>\$ 0.26</u>
Diluted earnings per share			
Profit from continuing operations of the Company for the period	\$ 139,740	528,950	
Effect of dilutive potential ordinary shares:			
Employee stock bonus	-	660	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) on June 30)	<u>\$ 139,740</u>	529,610	<u>\$ 0.26</u>
	For the six months ended June 30, 2021		
	Net of tax	The weighted average number of ordinary shares outstanding (thousand shares)	Earnings per share (NT\$)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	<u>\$ 310,922</u>	556,790	<u>\$ 0.56</u>
Diluted earnings per share			
Profit from continuing operations of the Company for the period	\$ 310,922	556,790	
Effect of dilutive potential ordinary shares:			
Employee stock bonus	-	540	
Profit attributable to ordinary shareholders of the Company (Weighted average number of ordinary shares(diluted) on June 30)	<u>\$ 310,922</u>	557,330	<u>\$ 0.56</u>

29. Revenue from contracts with customers

a. Details of revenue

	For the three months ended June 30, 2022				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 514,932	\$ -	\$ -	\$ 514,932
Media revenue	-	-	471,655	-	471,655
Loading and storage revenue	387,078	-	-	-	387,078
Other revenue	-	54,380	20,822	2,328	77,530
	<u>\$ 387,078</u>	<u>\$ 569,312</u>	<u>\$ 492,477</u>	<u>\$ 2,328</u>	<u>\$ 1,451,195</u>
	For the three months ended June 30, 2021				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 457,704	\$ 11,615	\$ 2,291	\$ 471,610
Media revenue	-	-	419,208	-	419,208
Loading and storage revenue	373,505	-	-	-	373,505
Other revenue	-	46,466	27,056	5,454	78,976
	<u>\$ 373,505</u>	<u>\$ 504,170</u>	<u>\$ 457,879</u>	<u>\$ 7,745</u>	<u>\$ 1,343,299</u>
	For the six months ended June 30, 2022				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 1,048,945	\$ -	\$ -	\$ 1,048,945
Media revenue	-	-	972,790	-	972,790
Loading and storage revenue	700,141	-	-	-	700,141
Others revenue	-	108,407	43,995	4,519	156,921
	<u>\$ 700,141</u>	<u>\$ 1,157,352</u>	<u>\$ 1,016,785</u>	<u>\$ 4,519</u>	<u>\$ 2,878,797</u>
	For the six months ended June 30, 2021				
	Warehousing	Trading	Media	Others	Total
Main services:					
Sales revenue	\$ -	\$ 932,875	\$ 21,277	\$ 18,162	\$ 972,314
Media revenue	-	-	842,908	-	842,908
Loading and storage revenue	608,510	-	-	-	608,510
Others revenue	-	97,295	44,423	21,326	163,044
	<u>\$ 608,510</u>	<u>\$ 1,030,170</u>	<u>\$ 908,608</u>	<u>\$ 39,488</u>	<u>\$ 2,586,776</u>

b. Contract balances

	June 30, 2022	December 31, 2021	June 30, 2021
Notes receivable	\$ 4,033	\$ 5,785	\$ 3,679
Installment notes receivable	48,983	131,397	140,604
Accounts receivable	426,608	497,999	381,573
Long-term installment notes receivable	87,063	-	-
Less: Allowance for doubtful accounts	(50,038)	(52,019)	(39,213)
Unrealized interest revenue	(15,532)	(11,051)	(9,932)
Total	<u>\$ 501,117</u>	<u>\$ 572,111</u>	<u>\$ 476,711</u>

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Contract liability-advertising services	\$ 18,287	\$ 26,134	\$ 28,793
Contract liability-others	<u>10,653</u>	<u>6,104</u>	<u>1,082</u>
Total	<u>\$ 28,940</u>	<u>\$ 32,238</u>	<u>\$ 29,875</u>

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

30. Remuneration of employees

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

The company's employee compensation for the three months and the six months ended June 30, 2022 and 2021 are respectively \$2,583, \$8,678, \$6,564, and \$9,693. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees, multiplied by the percentage of remuneration to employees. These remunerations were expensed under operating costs or expenses during those periods. The differences between the actual distributed amounts, as determined by the board of directors, and those recognized in the financial statements, if any, shall be accounted for as changes in accounting estimates and recognized in profit or loss in the following year. The numbers of shares to be distributed were calculated based on the closing price of the Company's ordinary shares, one day before the date of the meeting of Board of Directors.

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

31. Non-operating income and expenses

a. Interest income

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

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Interest income from bank deposits	\$ 1,926	\$ 1,381	\$ 3,718	\$ 2,525
Interest income from financial assets measured at amortized cost	64	48	107	98
Other interest income	<u>19</u>	<u>7</u>	<u>25</u>	<u>13</u>
	<u>\$ 2,009</u>	<u>\$ 1,436</u>	<u>\$ 3,850</u>	<u>\$ 2,636</u>

b. Other income

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Dividend income	\$ 4,527	\$ 1,813	\$ 5,814	\$ 3,063
Rental income	14,011	7,455	25,912	15,501
Other revenue	87,820	111,343	112,753	119,295
	<u>\$ 106,358</u>	<u>\$ 120,611</u>	<u>\$ 144,479</u>	<u>\$ 137,859</u>

Note: Other income includes rent reductions of the Group due to the Covid-19 pandemic. For the three months and the six months ended June 30, 2022 and 2021, the amount was \$76,339, \$102,097, \$76,339 and \$102,097. Please refer to Note 24 for details.

c. Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Gain (loss) on disposal of property, plant, and equipment	\$ 1,679	(\$ 3,945)	\$ 1,696	(\$ 4,738)
Lease modification benefits (loss)	344	205	(303)	215
Foreign exchange (loss) gain	(7,070)	3,138	(11,964)	(960)
Net (loss) gain on evaluation of financial assets at fair value through profit or loss	(142,479)	42,517	(106,386)	67,754
Impairment loss on non-financial assets	-	-	-	(31)
Impairment loss on right-of-use assets	-	(10,595)	-	(10,595)
Loss on disposal of investments	-	(4,327)	-	(4,327)
Expected credit loss	-	-	-	(120)
Other income (loss)	9,673	(14,819)	(7,721)	(35,218)
	<u>(\$ 137,853)</u>	<u>\$ 12,174</u>	<u>(\$ 124,678)</u>	<u>\$ 11,980</u>

d. Finance costs

The Group's finance costs were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Interest expenses – lease liabilities	\$ 40,139	\$ 45,398	\$ 80,561	\$ 92,985
Interest expenses – bank loans	15,494	9,218	28,529	16,750
Finance expense	2,280	1,155	4,406	1,840
	<u>\$ 57,913</u>	<u>\$ 55,771</u>	<u>\$ 113,496</u>	<u>\$ 111,575</u>

32. Financial instruments

a. Credit risk

(a) Credit risk exposure

As of June 30, 2022, December 31, 2021 and June 30, 2021, the maximum credit exposure for the Group originates from possible non-fulfillment of obligations by counterparties and from financial losses arising from financial guarantees provided by the Company, mainly from:

- The carrying amount of financial assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Group providing financial guarantees to its customers was \$2,384,150, \$1,674,569, and \$1,812,454.

(b) Concentration of credit risk

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

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

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. (Regarding how the financial instruments are considered to have low credit risk, please refer to Note 4g the consolidated financial statements for the year ended December 31, 2021.)

The loss allowance provision for the six months ended June 30, 2022 and 2021 were determined as follows:

	<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>
<u>Other receivables</u>		
Balance on January 1	\$ 1,817	\$ 1,697
Impairment losses recognized	<u>-</u>	<u>120</u>
Balance on June 30	<u>\$ 1,817</u>	<u>\$ 1,817</u>

b. Liquidity risk

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
June 30, 2022						
Non derivative financial liabilities						
Loans	\$ 1,883,173	\$ 1,983,786	\$ 1,208,888	\$ 228,537	\$ 152,134	\$ 394,227
Short term notes and bills payable	314,276	315,000	315,000	-	-	-
Payables (current and non-current)	1,315,816	1,325,102	1,219,543	105,559	-	-
Guarantee deposits received	4,222	4,222	-	4,222	-	-
Lease liabilities (current and non-current)	<u>6,166,204</u>	<u>7,920,305</u>	<u>1,233,485</u>	<u>1,127,830</u>	<u>796,300</u>	<u>4,762,690</u>
	<u>\$ 9,683,691</u>	<u>\$ 11,548,415</u>	<u>\$ 3,976,916</u>	<u>\$ 1,466,148</u>	<u>\$ 948,434</u>	<u>\$ 5,156,917</u>

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
December 31, 2021						
Non-derivative financial liabilities						
Loans	\$ 1,335,119	\$ 1,364,399	\$ 1,025,959	\$ 216,386	\$ 96,151	\$ 25,903
Short term notes and bills payable	79,848	80,000	80,000	-	-	-
Payables (current and non-current)	1,360,116	1,366,346	1,330,226	36,120	-	-
Guarantee deposits received	4,317	4,317	-	4,317	-	-
Lease liabilities (current and non-current)	<u>6,387,633</u>	<u>8,183,871</u>	<u>1,239,320</u>	<u>1,298,719</u>	<u>780,626</u>	<u>4,865,206</u>
	<u>\$ 9,167,033</u>	<u>\$10,998,933</u>	<u>\$ 3,675,505</u>	<u>\$ 1,555,542</u>	<u>\$ 876,777</u>	<u>\$ 4,891,109</u>
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-3 years</u>	<u>3-5 years</u>	<u>More than 5 years</u>
June 30, 2021						
Non-derivative financial liabilities						
Loans	\$ 1,138,204	\$ 1,188,543	\$ 222,475	\$ 953,024	\$ 3,337	\$ 9,707
Short term notes and bills payable	79,916	80,000	80,000	-	-	-
Payables (current and non-current)	1,384,102	1,390,010	1,335,812	54,198	-	-
Guarantee deposits received	4,446	4,446	-	4,446	-	-
Lease liabilities (current and non-current)	<u>6,806,795</u>	<u>8,690,321</u>	<u>1,283,378</u>	<u>1,622,607</u>	<u>780,411</u>	<u>5,003,925</u>
	<u>\$ 9,413,463</u>	<u>\$11,353,320</u>	<u>\$ 2,921,665</u>	<u>\$ 2,634,275</u>	<u>\$ 783,748</u>	<u>\$ 5,013,632</u>

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

c. Exchange rate risk

(a) Exposure to exchange rate risk

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

	<u>June 30, 2022</u>			<u>December 31, 2021</u>			<u>June 30, 2021</u>		
	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>	<u>Foreign Currency</u>	<u>Exchange Rate</u>	<u>TWD</u>
<u>Financial assets</u>									
<u>Moneytary items</u>									
USD:TWD	\$ 196	29.72	\$ 5,839	\$ 293	27.68	\$ 8,105	\$ 154	27.86	\$ 4,302
USD:HKD	5,450	7.846	161,984	5,419	7.799	149,998	5,455	7.767	151,962
EUR:TWD	43	31.05	1,332	234	31.32	7,333	1,525	33.15	50,547
CNY:TWD	218	4.439	969	224	4.344	972	2,363	4.309	10,181
CNY:HKD	4,151	1.172	18,429	4,107	1.224	17,843	4,067	1.201	17,523
USD:CNY	42	6.695	1,187	42	6.372	1,187	42	6.466	1,178
EUR:HKD	1	8.197	46	117	8.825	3,674	117	9.242	3,888
<u>Non-moneytary items</u>									
USD:TWD	68,747	29.72	2,043,160	72,523	27.68	2,007,438	69,859	27.86	1,946,281
HKD:TWD	15,501	3.788	58,719	15,832	3.549	56,187	16,522	3.587	59,265
CNY:HKD	1,639	1.172	7,278	1,787	1.224	7,765	1,874	1.201	8,078
HKD:USD	544,104	0.127	2,072,200	570,485	0.128	2,027,261	567,072	0.129	2,032,339
<u>Financial liabilities</u>									
<u>Moneytary items</u>									
USD:TWD	\$ 5,870	29.72	\$ 174,455	\$ 6,395	27.68	\$ 177,015	\$ 6,519	27.86	\$ 181,622

(b) Sensitivity analysis

The Group's exposure to exchange rate risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, other financial assets, loans, accounts payable, and other payables that are denominated in foreign currency. If the TWD, when compared with each major foreign currency, had appreciated or depreciated 1% (with other factors remaining constant on the reporting date), net profit before tax would have respectively increased or decreased by \$13, \$455, \$153 and \$580 for the three months and the six months ended June 30, 2022 and 2021, respectively. The analysis is performed on the same basis for both periods.

As the Group deals in diverse foreign currencies, gains or losses on foreign exchange are summarized as a single amount. For the three months and the six months ended June 30, 2022 and 2021, foreign currency exchange (losses) gains (including realized and unrealized) amounted to (\$7,070), \$3,138, (\$11,964), and (\$960), respectively.

d. Interest rate analysis

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

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

If the interest rate had increased or decreased by 1% and assuming all other variable factors remained constant, the Group's net profit after tax would have respectively increased or decreased by (\$11,437), (\$4,147), (\$6,365), and (\$1,946) for the three months and the six months ended June 30, 2022 and 2021. This is mainly due to the Group's variable rate deposit and borrowing.

e. Other market price risk

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

Price of securities at reporting date	For the six months ended June 30, 2022		For the six months ended June 30, 2021	
	Other comprehensive income after tax	Net income	Other comprehensive income after tax	Net income
Increasing 3%	<u>\$ 225</u>	<u>\$ 36,474</u>	<u>\$ 225</u>	<u>\$ 11,221</u>
Decreasing 3%	<u>(\$ 225)</u>	<u>(\$ 36,474)</u>	<u>(\$ 225)</u>	<u>(\$ 11,221)</u>

f. Fair value of financial instruments

(a) Fair value hierarchy

The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair

value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required:

June 30, 2022	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 1,215,790	\$ 1,215,790	\$ -	\$ -	\$ 1,215,790
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510	7,510
Financial assets measured at amortised cost					
Cash and cash equivalents	1,510,747				
Notes and accounts receivable (including related parties)	424,609				
Other receivables (including related parties)	114,502				
Other current financial assets	94,203				
Refundable deposits	609,083				
Long-term notes and accounts payable (including related parties)	76,508				
Other non-current financial assets	24,929				
Financial liabilities measured at amortised cost					
Short-term loans	269,324				
Short term notes and bills payable	314,276				
Notes and accounts payable (including related parties)	458,690				
Other payables (including related parties)	552,660				
Long-term loans (including current portion of long-term loans)	1,613,849				
Lease liabilities (current and non-current)	6,166,204				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	304,526				
Guarantee deposits received	4,222				
December 31, 2021	Book Value	Fair value			Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 961,420	\$ 961,420	\$ -	\$ -	\$ 961,420
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510	7,510
Financial assets measured at amortised cost					
Cash and cash equivalents	1,761,806				
Notes and accounts receivable (including related parties)	572,111				
Other receivables (including related parties)	94,744				
Other current financial assets	52,440				
Refundable deposits	582,267				
Other non-current financial assets	25,272				
Financial liabilities measured at amortised cost					
Short-term loans	93,445				
Short term notes and bills payable	79,848				

December 31, 2021	Book Value	Fair value			Total
		Level 1	Level 2	Level 3	
Notes and accounts payable (including related parties)	\$ 473,840				
Other payables (including related parties)	694,195				
Long-term loans (including current portion of long-term loans)	1,241,674				
Lease liabilities (current and non-current)	6,387,633				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	192,081				
Guarantee deposits received	4,317				
June 30, 2021	Book Value	Fair value			Total
Financial assets at fair value through profit or loss					
Non-derivative financial assets mandatorily measured at fair value through profit or loss	\$ 374,023	\$ 374,023	\$ -	\$ -	\$ 374,023
Financial assets at fair value through other comprehensive income	7,510	-	-	7,510	7,510
Financial assets measured at amortised cost					
Cash and cash equivalents	2,095,823				
Notes and accounts receivable (including related parties)	476,711				
Other receivables (including related parties)	176,123				
Other current financial assets	31,845				
Refundable deposits	573,393				
Other non-current financial assets	37,921				
Financial liabilities measured at amortised cost					
Short-term loans	31,347				
Short term notes and bills payable	79,916				
Notes and accounts payable (including related parties)	333,993				
Other payables (including related parties)	849,419				
Long-term loans (including current portion of long-term loans)	106,857				
Lease liabilities (current and non-current)	6,806,795				
Long-term notes and accounts payable (including current portion of long-term notes and accounts payable)	200,690				
Guarantee deposits received	4,446				

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

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

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

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted. If there is quoted price generated by transactions, the recent

transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted price are available, estimates shall be used. The estimates and assumptions used in the evaluation method shall be the discounted value of cash flows to estimate the fair value.

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

(c-1) Non-derivative financial instruments

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

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

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

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

(c-2) Derivative financial instruments

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

(d) Transfers between Level 1 and Level 2

There was no transfer between Level 1 and Level 2 for the six months ended June 30, 2022 and 2021.

(e) Reconciliation of Level 3 fair values

There was no fair value through other comprehensive income recognized for the six months ended June 30, 2022 and 2021.

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

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

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income equity investments without an active market	Market comparable companies	<ul style="list-style-type: none"> • Price to book ratio multiple (1.31, 1.97 and 3.73 as of June 30, 2022, December 31, 2021 and June 30, 2021, respectively) • Discount for lack of marketability (20%) • Net Asset Value 	<ul style="list-style-type: none"> • The higher the multiple, the higher the fair value • The higher the discount, the lower the fair value • Not applicable
Financial assets at fair value through other comprehensive income equity investments without an active market	Net Asset Value Method	• Net Asset Value	• Not applicable

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

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

	Inputs	Rate increasing or decreasing	Other comprehensive income	
			Favourable	Unfavourable
June 30, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 120	(\$ 120)
Equity investments without an active market	Discount for lack of marketability	1%	120	(120)
December 31, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 191	(\$ 191)
Equity investments without an active market	Discount for lack of marketability	1%	191	(191)
June 30, 2021				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	Price to book ratio multiple	1%	\$ 339	(\$ 339)
Equity investments without an active market	Discount for lack of marketability	1%	339	(339)

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a

single input, and it does not include the interrelationships with another input.

33. Financial risk management

There were no significant changes in the Group's financial risk management objectives and policies as disclosed in Note 34 of the consolidated financial statements for the year ended December 31, 2021.

34. Capital management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2021. Please refer to Note 35 of the consolidated financial statements for the year ended December 31, 2021 for further details.

35. Investing and financing activities not affecting current cash flow

The Group's investing activities which did not affect the current cash flow for the six months ended June 30, 2022 and 2021, were as follows:

	<u>For the six months ended June 31</u>	
	<u>2022</u>	<u>2021</u>
Acquisition of property, plant and equipment	\$ 192,834	\$ 100,618
Add: Notes payable January 1	706	2,752
Other payables January 1	38,584	36,489
Less: Interest and depreciation capitalization	(23,837)	(23,270)
Notes payable June 30	(54,179)	(5,917)
Other payables (including related parties)	(7,806)	(27,553)
June 30	(7,806)	(27,553)
Cash paid in this period	<u>\$ 146,302</u>	<u>\$ 83,119</u>
Acquisition of intangible assets	\$ 6,223	\$ 1,796
Add: Notes payable January 1	-	178
Other payables January 1	149	14
Less: Notes payable June 30	-	(299)
Other payables June 30	(297)	-
Cash paid in this period	<u>\$ 6,075</u>	<u>\$ 1,689</u>

The Group's financing activities which did not affect the current cash flow for the six months ended June 30, 2022 and 2021, were as follows:

	<u>Non cash changes</u>				
	<u>January 1,</u>	<u>Cash flows</u>	<u>Discount</u>	<u>Amortization of</u>	<u>June 30,</u>
<u>2022</u>	<u>financing use</u>			<u>fees</u>	<u>2022</u>
Long-term loans	\$1,241,674	\$ 377,035	\$ -	(\$ 4,860)	\$1,613,849
Short term notes and bills payable	79,848	235,000	(572)	-	314,276
Total	<u>\$1,321,522</u>	<u>\$ 612,035</u>	<u>(\$ 572)</u>	<u>(\$ 4,860)</u>	<u>\$1,928,125</u>

	<u>Non cash changes</u>					<u>Amortization of financing use commitment fees</u>	<u>June 30, 2021</u>
	<u>January 1, 2021</u>	<u>Cash flows</u>	<u>Loss of control</u>	<u>Discount</u>			
Long-term loans	\$ 812,511	\$ 298,090	\$ -	\$ -	(\$ 3,744)	\$1,106,857	
Short term loans	62,295	(10,948)	(20,000)	-	-	31,347	
Short term notes and bills payable	-	80,000	-	(84)	-	79,916	
Total	<u>\$ 874,806</u>	<u>\$ 367,142</u>	<u>(\$ 20,000)</u>	<u>(\$ 84)</u>	<u>(\$ 3,744)</u>	<u>\$1,218,120</u>	

36. Related party transactions

(a) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Group</u>
Eastern Home Shopping & Leisure Co., Ltd. (EHS)	An associate
Natural Beauty Bio-Technology Co., Ltd. (Natural Beauty)	An associate
Natural Beauty Bio-Technology Limited	An associate
Eastern New Retail Department Co., Ltd. (ET New Retail Department)	An associate
Happy Shopping CO., LTD.	An associate
Strawberry Cosmetics Holding Limited	An associate
Dongsen Personal Insurance Agent Co., Ltd.	Other related parties
Taiwan Gift Card Co. Ltd.	Other related parties
Enlighten Innovative Transformation Co., Ltd	Other related parties
Dongsen Non-life Insurance Agent Co. Ltd. (Dongsen Non-life Insurance)	Other related parties
Eastern Realty Co., Ltd.	Other related parties
Good pay Web Financial Technology Co., Ltd. (Good pay)	Other related parties (Note 1)
Eastern E-Commerce Co., Ltd. (Eastern E-Commerce)	Other related parties
Quantum Entertainment Production Co., Ltd. (Quantum Entertainment)	Other related parties
Chinese Non-Store Retailer Association (Non-Store)	Other related parties
Xing Kai Media Co., Ltd. (Xing Kai Media)	Other related parties
EIP TV Co., Ltd. (EIP)	Other related parties
Taiwan Information and Communication Association	Other related parties
Inforcharge Co., Ltd. (Inforcharge)	Other related parties
Dongsen Culture Foundation (Dongsen Culture)	Other related parties
Taiwan Huangjue Trading Co., Ltd. (Huangjue)	Other related parties
Xu Bon Development Co., Ltd. (Xu Bon)	Other related parties
Dongsen wang hong Co., Ltd. (Dongsen wang hong)	Other related parties
Dongsen Social Welfare Foundation (Dongsen Social Welfare)	Other related parties
FAR RICH INTERNATIONAL CORPORATION (FAR RICH)	Key management
All Directors, Supervisors, general manager and vice personnel general of the Group	Key management personnel

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

b. Significant transactions with related parties

(a) Sales of goods and services

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Associates	\$ 23,784	\$ 10,741	\$ 46,361	\$ 23,075
Key management	1,715	-	3,429	-
Other related parties	7,616	15,162	25,887	33,344
	<u>\$ 33,115</u>	<u>\$ 25,903</u>	<u>\$ 75,677</u>	<u>\$ 56,419</u>

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

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

(b) Purchase of goods

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Associates	\$ 96	\$ 10,757	\$ 622	\$ 19,247
Other related parties	27,576	16,718	52,251	33,622
	<u>\$ 27,672</u>	<u>\$ 27,475</u>	<u>\$ 52,873</u>	<u>\$ 52,869</u>

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

	For the three months ended June 30		For the six months ended June 30	
	2022	2021	2022	2021
Associates	\$ 2,146	\$ 504	\$ 5,689	\$ 1,090
Key management	2,000	-	4,000	-
Other related parties	24,216	16,967	79,902	40,133
	<u>\$ 28,362</u>	<u>\$ 17,471</u>	<u>\$ 89,591</u>	<u>\$ 41,223</u>

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

(c) Receivables

<u>Accounts</u>	<u>Related parties</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes receivable	EIP	\$ -	\$ 76,382	\$ 76,564
Notes receivable	FAR RICH	2,100	-	-
Long-term accounts receivable	EIP	76,508	-	-
Accounts receivable	Associates	1,404	57	-
Accounts receivable	EHS	23,596	13,669	5,810
Accounts receivable	Natural Beauty	2,546	3,449	2,434
Accounts receivable	Other related parties	970	2,333	5,190
Accounts receivable	Eastern E-Commerce	412	7,157	19,103
Accounts receivable	Key management	-	2,400	-
Accounts receivable	Key management personnel	19	-	-
Other receivables	Natural Beauty	483	1,804	701
Other receivables	Natural Beauty Bio-Technology Limited	6,826	-	6,471
Other receivables	EHS	1,138	6,339	1,136
Other receivables	Other related parties	50	575	65
Other receivables	Quantum Entertainment	3,231	-	-
Other receivables	Key management	-	400	-
		<u>\$ 119,283</u>	<u>\$ 114,565</u>	<u>\$ 117,474</u>

The Group took installment sale with EIP and collecting installment notes receivable at an annual interest rate of 4.5% plus interest. In addition, the interest received by the Group was \$853, \$845, \$1,711 and \$1417 for the three months and the six months ended June 30, 2022 and 2021, respectively.

(d) Payables

<u>Accounts</u>	<u>Related parties</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Notes payable	FAR RICH	\$ 2,100	\$ -	\$ -
Accounts payable	EHS	142	613	5,279
Accounts payable	Other related parties	460	338	-
Accounts payable	Huangjue	4,586	5,275	1,270
Accounts payable	Inforcharge	24	71	3,142
Accounts payable	FAR RICH	-	2,800	-
Other payables	Associates	3,684	2,544	1,426
Other payables	Other related parties	3,865	2,627	1,073
Other payables	Quantum Entertainment	9,038	1,327	24
Other payables	EIP	27,074	269	2,612
Other payables	Xu Bon	638	25,174	-
		<u>\$ 51,611</u>	<u>\$ 41,038</u>	<u>\$ 14,826</u>

(e) Prepayments, advance receipts and contract liabilities

Details of prepayments, advance receipts and contract liabilities from related parties to the Group were as follows:

<u>Accounts</u>	<u>Related parties</u>	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
Prepayments	Associates ties	\$ 7	\$ 255	\$ 186
Prepayments	Other related par	<u>16</u>	<u>180</u>	<u>4,767</u>
		<u>\$ 23</u>	<u>\$ 435</u>	<u>\$ 4,953</u>
Advance receipts	Quantum Entertainment	\$ -	\$ 4,114	\$ 4,114
Contract liabilities	Other related parties	-	2,401	1,500
Contract liabilities	Associates	<u>51</u>	<u>-</u>	<u>-</u>
		<u>\$ 51</u>	<u>\$ 6,515</u>	<u>\$ 5,614</u>

(f) Loans from related parties

The amount of loans from related parties by the Group were as follows:

	<u>June 30, 2022</u>	<u>December 31, 2021</u>	<u>June 30, 2021</u>
EHS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 300,000</u>

Interest expenses:

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
EHS	<u>\$ -</u>	<u>\$ 1,545</u>	<u>\$ -</u>	<u>\$ 2,044</u>

Interest which results from the unsecured loans by the Group from related parties would be calculated based on the average rates in the current year obtained from financial institutions. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group's interest payable amounted to \$0, \$0 and \$22, respectively.

(g) Endorsement / Guarantee provided

For the three months and the six months ended June 30, 2022 and 2021, the remuneration paid to related parties for providing guarantees on the loans taken out by the Group was amounted to \$227, \$141, \$429 and \$203, respectively. As of June 30, 2022, December 31, 2021 and June 30, 2021, the Group's remuneration payable was amounted to \$227, \$183 and \$103, respectively.

(h) Leases

(h-1) The Group rents out part of its office space and equipment to fulfill related parties' business requirements. The rental revenues for the three months and the six months ended June 30, 2022 and 2021 were amounted to \$357, \$89, \$714 and \$183, respectively.

(h-2) As the Group applied on the remission of short-term lease contract of IFRS 16, the rental expenses for the three months and the six months ended June 30, 2022 and 2021 were amounted to \$642, \$517, \$1,094 and \$1,027, respectively.

(h-3) Transaction terms for the above are the same as those for ordinary transactions.

(i) Acquisition of property, plant and equipment

<u>Related parties</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Other related parties	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 179</u>	<u>\$ -</u>

As of June 30, 2022, December 31, 2021 and September 30, 2021, the Group's other payables were amounted to \$179, \$0 and \$0, respectively.

(j) Acquisition of intangible assets

<u>Related parties</u>	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates	<u>\$ -</u>	<u>\$ 222</u>	<u>\$ 222</u>	<u>\$ 502</u>

(k) Other

(k-1) For the three months and the six months ended June 30, 2022 and 2021, the Group paid operating fees to associates, key management (juridical person director), and other related parties to fulfill its business requirements were amounted to \$1,689, \$955, \$7,493 and \$2,373, respectively.

(k-2) In order to follow its operating plan, the Group donated \$1,500, \$0, \$2,500 and \$2,000 to related parties in related industries for the three months and the six months ended June 30, 2022 and 2021, respectively.

(k-3) For the three months and the six months ended June 30, 2022 and 2021, the Group received non-operating revenue from related parties amounted to \$4,262, \$3,063, \$4,748 and \$3,212, respectively.

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

(k-5) In January 2022, the Group acquired the shares of Oscar from key management personnel at the price \$45,360. The transaction price has been fully paid.

c. Key management personnel compensation

	<u>For the three months ended June 30</u>		<u>For the six months ended June 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	<u>\$ 19,067</u>	<u>\$ 16,574</u>	<u>\$ 33,921</u>	<u>\$ 30,920</u>

37. Pledged assets

Pledged assets of the Group were as follows:

Assets	Purpose of pledge	June 30, 2022	December 31, 2021	June 30, 2021
Property, plant and equipment	Short-term and long-term loans	\$ 960,176	\$ 968,538	\$ 909,235
Investments accounted for using equity method	Long-term loans	2,093,926	155,809	154,843
Other current financial assets-demand deposits	Reserve and its interest	90,303	31,285	11,234
"	Letter of credit	-	1,198	13,807
"	Security for issuance of travel vouchers at travel fair	-	2,242	4,379
Refundable deposits	Bid bonds, performance bonds and security deposits	550,082	530,026	500,193
Other non-current financial assets—reserve account	Deposit in long-term loans	24,929	25,272	37,921
Investments accounted for using equity method for subsidiary's stocks (Note)	Long-term loans	32,694	45,053	-
Current financial assets at fair value through profit or loss	Short-term loans and short-term notes and bills payable	198,356	-	-
		<u>\$ 3,950,466</u>	<u>\$ 1,759,423</u>	<u>\$ 1,631,612</u>

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

38. Significant commitments and contingencies

a. Major commitments were as follows:

(a) Unused standby letters of credit:

	June 30, 2022	December 31, 2021	June 30, 2021
Unused standby letters of credit	<u>\$ 1,922</u>	<u>\$ 8,954</u>	<u>\$ 52,629</u>

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

(c) Unrecognized contractual commitments:

	June 30 2022	December 31, 2021	June 30 2021
Total contract price	<u>\$547,275</u>	<u>\$616,332</u>	<u>\$617,867</u>
Accounted amount	<u>\$265,575</u>	<u>\$340,053</u>	<u>\$211,900</u>

- b. Contingent liabilities were as follows:
- (a) On October 27, 2008, the Securities and Futures Investors Protection Center (the SFIPC) filed a lawsuit to the Taipei District Court against the ex-chairman and the general manager of the Company, together with all the previous directors and supervisors, alleging the offense of gaining an illegal benefit for Chia Hsin and Synthetic Fiber Co., Ltd. as well as for the family members of the ex-chairman. The prosecution is based on the alleged ill-gotten assets from the Company by means of false commodity transactions and capital increment in the name of Eastern International Lease Finance Co., Ltd. and Tung Kai Lease Finance Co., Ltd. (both are subsidiaries of the Company). The SFIPC also demanded the compensation of \$41,038. The Taipei District Court ruled that the Company violated the Commercial Company Act. However, both the ex-chairman and the general manager were acquitted, and not only did the Company did not bear any losses from the said transaction above, but on the contrary, it gained a profit amounting to \$6,894, plus an additional 5% interest arising from the delayed payment amounting to \$6,884 with a total amount around \$13,000. In other words, the transaction did not do any damage to the Company and its shareholders. As a result, the appeal filed against the Company was denied by the Taipei District Court on December 5, 2012. However, the SFIPC was not satisfied with the decision made by the court. Therefore, it filed another appeal, this time with the Taiwan High Court, demanding compensation amounting to \$22,664. The appeal was denied on December 3, 2013. Nevertheless, the SFIPC filed an appeal once more with the Taiwan High Court on December 24, 2013. The case was transferred from the Supreme Court to the High Court on April 23, 2015, for further investigation. On May 10, 2017, the Taiwan High Court ruled against SFIPC. Therefore, SFIPC filed an appeal to the Supreme Court on June 6, 2017. On February 23, 2021, the Taiwan High Court still ruled against SFIPC. However, SFIPC filed an appeal and the Supreme Court retimed to the High Court for a third trial. Currently, the arbitration process is still in progress and the results have yet to be determined.
 - (b) The Company and its subsidiary, FESS Panama, jointly chartered and returned the ship to South Korea's Sammok Shipping Co., Ltd. (hereinafter referred to as Sammok) at Kaohsiung Port in accordance with the contract signed on August 10, 2018. Sammok believed that the ship still has many defects due to its usual operation and negligence of maintenance; hence, submitted arbitration to the London Maritime Arbitration Association. The Company also filed a statement of defense to the arbitral tribunal in July 2019. Currently, the arbitration process is still in progress and the results have yet to be determined.
 - (c) The Company established a legal affair department and hired external counselors to handle its legal affairs. As of June 30, 2022, December 31, 2021 and June 30, 2021, all unsettled lawsuits had no impact on its financial and business operation.

39. Losses Due to Major Disasters: None.

40. Subsequent Events: None.

41. Other

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

By function	For the three months ended June 30					
	2022			2021		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 155,623	\$ 186,439	\$ 342,062	\$ 149,875	\$ 183,816	\$ 333,691
Health and labor insurance	14,563	14,251	28,814	13,304	14,847	28,151
Pension	7,171	7,026	14,197	6,640	7,302	13,942
Others	2,670	2,990	5,660	2,212	2,830	5,042
Depreciation expense	274,912	77,593	352,505	243,976	84,098	328,074
Amortization expense	3,602	3,451	7,053	3,717	5,867	9,584

By function	For the six months ended June 30					
	2022			2021		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	\$ 308,104	\$ 381,472	\$ 689,576	\$ 296,829	\$ 355,101	\$ 651,930
Health and labor insurance	30,876	29,391	60,267	28,801	31,385	60,186
Pension	14,573	13,894	28,467	13,301	14,678	27,979
Others	6,311	6,124	12,435	3,989	5,431	9,420
Depreciation expense	523,625	152,685	676,310	486,657	166,999	653,656
Amortization expense	7,378	7,943	15,321	7,419	11,221	18,640

- b. Seasonality of operation:

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

42. Other disclosures

- a. Information on significant transactions:

The following is the information on significant transactions required by the Regulations Governing the Preparation of Financial Reports by Securities Issuers for the Group for the six months ended June 30, 2022.

- Please refer to Table 1 for the loans to other parties.
- Please refer to Table 2 for the guarantees and endorsements for other parties.
- Please refer to Table 3 for the securities held as of June 30, 2022 (excluding investment in subsidiaries, associates and joint ventures).
- The individual securities acquired or disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: None.
- Acquisition of individual real estate at costs of at least \$300 million or 20% of the paid-in capital: None.
- Disposal of individual real estate at prices of at least \$300 million or 20% of the paid-in capital: None.
- Total purchases from or sales to related parties of at least \$100 million or 20% of the paid-in capital: None.
- Please refer to Table 4 for the receivables from related parties of at least \$100 million or 20% of the paid-in capital.
- Trading in derivative instruments: None.
- Please refer to Table 5 for the business relationships and significant intercompany

- transactions.
- b. Information on investees
Please refer to Table 6 for the information on investees for the six months ended June 30, 2022.
- c. Information on investment in Mainland China
(a) Please refer to Table 7 for the relevant information such as the name and main business items of the investee company in Mainland China.
(b) Please refer to Table 7 for the limitation on investment in Mainland China
(c) Please refer to Table 7 for the significant transactions with investee companies in Mainland China.
- d. Major shareholders
Please refer to Table 8 for the major shareholders for the six months ended June 30, 2022.

43. Segment information

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

	<u>Warehousing</u>	<u>Trading</u>	<u>Media</u>	<u>Tourism</u>	<u>Others</u>	<u>Total</u>
For the three months ended June 30, 2022						
Revenue:						
Revenue from external customers	<u>\$ 387,078</u>	<u>\$ 569,312</u>	<u>\$ 492,477</u>	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ 1,451,195</u>
Reportable segment profit or loss before tax	<u>\$ 152,013</u>	<u>\$ 93,851</u>	<u>\$ 14,016</u>	<u>(\$ 13,021)</u>	<u>(\$ 175,773)</u>	<u>\$ 71,086</u>
For the three months ended June 30, 2021						
Revenue:						
Revenue from external customers	<u>\$ 373,505</u>	<u>\$ 504,170</u>	<u>\$ 457,879</u>	<u>\$ -</u>	<u>\$ 7,745</u>	<u>\$ 1,343,299</u>
Reportable segment profit or loss before tax	<u>\$ 129,311</u>	<u>\$ 100,828</u>	<u>\$ 8,285</u>	<u>(\$ 22,937)</u>	<u>\$ 23,553</u>	<u>\$ 239,040</u>
For the six months ended June 30, 2022						
Revenue:						
Revenue from external customers	<u>\$ 700,141</u>	<u>\$ 1,157,352</u>	<u>\$ 1,016,785</u>	<u>\$ -</u>	<u>\$ 4,519</u>	<u>\$ 2,878,797</u>
Reportable segment profit or loss before tax	<u>\$ 234,221</u>	<u>\$ 214,219</u>	<u>(\$ 80,687)</u>	<u>(\$ 26,562)</u>	<u>(\$ 165,845)</u>	<u>\$ 175,346</u>
For the six months ended June 30, 2021						
Revenue:						
Revenue from external customers	<u>\$ 608,510</u>	<u>\$ 1,030,170</u>	<u>\$ 908,608</u>	<u>\$ -</u>	<u>\$ 39,488</u>	<u>\$ 2,586,776</u>
Reportable segment profit or loss before tax	<u>\$ 153,654</u>	<u>\$ 200,810</u>	<u>(\$ 74,034)</u>	<u>(\$ 45,848)</u>	<u>\$ 29,932</u>	<u>\$ 264,514</u>

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Loans to other parties

For the six months ended June 30, 2022

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

Table 1

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period %	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits	Maximum limit of fund financing
													Item	Value		
0	The Company	ET New Media	Other receivables - related parties	Yes	\$ 600,000	\$ 600,000	\$ 300,000	3~3.25	2	-	Operation requirements	-		\$ -	\$2,307,525 (Note 2)	\$3,461,288 (Note 2)
0	"	Care Pet Bio-Tech	"	Yes	100,000	100,000	-	3	2	-	"	-		-	2,307,525 (Note 2)	3,461,288 (Note 2)
0	"	ET Pet	"	Yes	100,000	100,000	-	3~3.25	2	-	"	-		-	2,307,525 (Note 2)	3,461,288 (Note 2)
1	EIC	ET New Media	"	Yes	300,000	270,000	220,000	3~3.25	2	-	"	-		-	312,152 (Note 3)	468,229 (Note 3)
1	"	EHR	"	Yes	50,000	50,000	-	3~3.25	2	-	"	-		-	312,152 (Note 3)	468,229 (Note 3)
1	"	Dung sen min diau yun	"	Yes	10,000	10,000	2,000	3.25	2	-	"	-		-	312,152 (Note 3)	468,229 (Note 3)
2	TKLF	ET New Media	"	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-		-	263,770 (Note 4)	395,655 (Note 4)
2	"	Sunflower leisure	Other receivables	No	30,000	30,000	30,000	8	2	-	"	-	Zhongli land mortgage	52,323	32,971 (Note 4)	395,655 (Note 4)
2	"	A li shan dong fang ming shu	"	No	25,000	25,000	25,000	8	2	-	"	-	Longtan land mortgage	25,729	32,971 (Note 4)	395,655 (Note 4)
3	EILF	ET New Media	Other receivables - related parties	Yes	150,000	150,000	150,000	3~3.25	2	-	"	-		-	237,689 (Note 5)	356,533 (Note 5)
4	Grand Richness (Hong Kong)	The Company	"	Yes	61,223	61,223	53,936	1	2	-	"	-		-	56,188 (Note 6)	112,376 (Note 6)
5	GRAND SCENE TRADING (HONG KONG)	The Company	"	Yes	57,062	57,062	57,062	1	2	-	"	-		-	75,966 (Note 7)	151,932 (Note 7)
6	Eastern Media Communication (Hong Kong)	The Company	"	Yes	44,283	44,283	44,283	1	2	-	"	-		-	45,836 (Note 8)	91,672 (Note 8)
7	FESS- Panama	The Company	"	Yes	47,552	47,552	19,174	1	2	-	"	-		-	2,042,548 (Note 9)	4,085,096 (Note 9)

Note 1: Lending of capital has the following two types:

(1) Those with business dealings.

(2) The necessity for short-term financing.

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

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

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

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

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

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

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

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

Note 10: The aforementioned intercompany transactions have been eliminated in the consolidated financial statements.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Guarantees and endorsements for other parties

For the six months ended June 30, 2022

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

Table 2

No.	Name of guarantor	Counter party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements / guarantees to third parties on behalf of subsidiary	Subsidiary endorsements / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	ET New Media	2	\$ 23,075,253 (Note 2)	\$ 483,552	\$ 483,552	\$ 355,148	\$ -	8.38%	\$ 23,075,253 (Note 2)	Y	N	N
0	The Company	EHR	2	23,075,253 (Note 2)	800,000	800,000	752,000	32,694	13.87%	23,075,253 (Note 2)	Y	N	N
0	The Company	Eastern Asset	2	23,075,253 (Note 2)	5,875,000	5,875,000	-	-	101.84%	23,075,253 (Note 2)	Y	N	N
0	The Company	Kaou Sin Trading	2	23,075,253 (Note 2)	5,000	5,000	2,500	-	0.09%	23,075,253 (Note 2)	Y	N	N
0	The Company	Pet Kingdom	2	23,075,253 (Note 2)	15,000	15,000	5,750	-	0.26%	23,075,253 (Note 2)	Y	N	N
0	The Company	Oscar	2	23,075,253 (Note 2)	250,000	250,000	145,632	-	4.33%	23,075,253 (Note 2)	Y	N	N
0	The Company	ET Pet	2	23,075,253 (Note 2)	1,969,163	1,859,163	609,825	117,396	32.23%	23,075,253 (Note 2)	Y	N	N
0	The Company	TKLF	2	23,075,253 (Note 2)	50,000	-	-	-	- %	23,075,253 (Note 2)	Y	N	N
0	The Company	EILF	2	23,075,253 (Note 2)	50,000	-	-	-	- %	23,075,253 (Note 2)	Y	N	N
1	EIC	ET Pet	4	576,881 (Note 3)	220,000	220,000	113,295	33,278	28.19%	576,881 (Note 3)	N	N	N
2	FESS-Panama	The Copmany	4	6,321,362 (Note 4)	1,000,000	1,000,000	400,000	1,943,300	48.96%	6,321,362 (Note 4)	N	Y	N

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

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

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

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

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

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Securities held

June 30, 2022

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

Table 3

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units	Carrying value	Percentage of ownership	Fair value	
The Company	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	4,670,000	\$ 506,695	0.07 %	\$ 506,695	
"	Taiwan Cement Co., Ltd.	-	"	6,200,000	244,900	0.10 %	244,900	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	393,000	187,068	- %	187,068	
"	Kaohsiung Harbor Stevedoring Co., Ltd.	-	Non-current financial assets at fair value through other comprehensive income	750,000	7,500	15.00 %	7,500	
"	Leo Exploitation Co., Ltd.	-	"	165,663	-	11.43 %	-	
EILF	Formosa Plastics corporation	-	Financial assets at fair value through profit or loss	700,000	75,950	0.01 %	75,950	Note
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	120,000	57,120	- %	57,120	Note
"	China Steel Corporation	-	"	150,000	4,267	- %	4,267	
TKLF	Taiwan Cement Co., Ltd.	-	"	700,009	27,650	0.01 %	27,650	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	60,000	28,560	- %	28,560	
"	Formosa Plastics corporation	-	"	200,000	21,700	- %	21,700	
"	China Steel Corporation	-	"	850,000	24,183	0.01 %	24,183	
EIC	TCI CO.,Ltd	-	"	130,000	20,085	0.11 %	20,085	
"	Taiwan Semiconductor Manufacturing Co., Ltd.	-	"	37,000	17,612	- %	17,612	
Oscar	COTA Commercial Bank, Ltd.	-	Non-current financial assets at fair value through other comprehensive income	100	10	- %	10	

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

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

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

June 30, 2022

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

Table 4

Name of company	Counter party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	ET New Media	Subsidiary	\$ 303,019	Not applicable	\$ -	-	\$ 3,019	\$ -
EIC	ET New Media	Subsidiary	220,545	Not applicable	-	-	120,545	-
EILF	ET New Media	Subsidiary	150,387	Not applicable	-	-	387	-
TKLF	ET New Media	Subsidiary	150,387	Not applicable	-	-	387	-

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES
Business relationships and significant intercompany transactions
June 30, 2022

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

Table 5

No.	Name of company	Name of counter party	Nature of relationship	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	ET New Media	1	Other receivables - related parties	\$ 303,019	Refer to contract terms or market price	1.91%
1	EIC	ET New Media	3	Other receivables - related parties	220,545	Refer to contract terms or market price	1.39%
2	EILF	ET New Media	3	Other receivables - related parties	150,387	Refer to contract terms or market price	0.95%
3	TKLF	ET New Media	3	Other receivables - related parties	150,387	Refer to contract terms or market price	0.95%

Note 1 : For the inter-company business relationship and transaction condition in the "Number" column, the labeling method is as follows:

1. Parent company - 0.
2. Subsidiaries - in sequence from 1.

Note 2 : Relationship is classified into three types:

1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investees

For the six months ended June 30, 2022

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

Table 6

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/losses of investee	Note
				June 30, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value			
The Company	FESS-Bermuda	Bermuda	Holding company	\$ 32,161	\$ 32,161	600,000	100.00%	\$ 612	(\$ 291)	(\$ 291)	Subsidiary
The Company	FESS-Panama	Panama	Holding company	2,245,038	2,245,038	71,700	100.00%	2,042,548	(65,293)	(65,293)	Subsidiary
The Company	Grand Richness (Hong Kong)	Hong Kong	Holding company	672,603	672,603	16,214,616	100.00%	58,719	(1,214)	(1,214)	Subsidiary
The Company	EIC	Taiwan	General investing	500,525	500,525	67,641,445	97.90%	763,993	150,736	147,570	Subsidiary
The Company	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,195	391,195	40,690,330	53.77%	319,512	(12,795)	(6,880)	Subsidiary
The Company	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	391,613	391,613	40,847,294	53.76%	354,534	(7,978)	(4,289)	Subsidiary
The Company	EHS	Taiwan	Department stores, supermarkets, online stores	81,978	81,978	6,637,500	6.51%	122,712	866,376	56,424	Associates
The Company	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	535,225	535,225	53,522,508	89.20%	(590,985)	(100,218)	(89,398)	Subsidiary
The Company	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	329,731	329,731	32,973,086	60.40%	32,694	(20,461)	(12,358)	Subsidiary
The Company	Eastern Asset	Taiwan	Real estate leasing	495,000	495,000	49,500,000	55.00%	491,735	(4,141)	(2,278)	Subsidiary
EIC	ET New Media	Taiwan	Advertising, online newspaper, Produce a broadcast program	6,275	6,275	627,492	1.05%	(6,929)	(100,218)	Exempt from disclosure	Subsidiary
EIC	EHS	Taiwan	Department stores, supermarkets, online stores	243,794	243,794	19,726,660	19.36%	364,699	866,376	"	Associates
EIC	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	77,115	77,115	7,597,500	10.00%	65,942	(7,978)	"	Subsidiary
EIC	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	74,464	74,464	7,567,500	10.00%	59,422	(12,795)	"	Subsidiary
EIC	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,60	72,060	7,206,038	13.20%	7,145	(20,461)	"	Subsidiary
TKLF	EILF	Taiwan	Planning and design and leasing of cable TV broadcasting system	269,766	269,766	27,243,000	36.00%	213,920	(12,795)	"	Subsidiary
TKLF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,060	7,206,038	13.20%	7,145	(20,461)	"	Subsidiary

(to be continued)

(continued)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Ending balance			Net income (losses) of investee	Share of profits/ losses of investee	Note
				June 30, 2022	December 31, 2021	Shares/Units	Percentage of ownership	Carrying value			
EILF	TKLF	Taiwan	Planning and design and leasing of cable TV broadcasting system	\$ 278,342	\$ 278,342	27,351,000	36.00%	\$ 237,393	(\$ 7,798)	Exempt from disclosure	Subsidiary
EILF	EHR	Taiwan	Management & consultancy services, leisure site management, catering business, sports training business, catering business	72,060	72,660	7,206,038	13.20%	7,145	(20,461)	"	Subsidiary
FESS-Panama	GSMC-Cayman	Cayman Islands	Holding company	137,363	137,363	450,000	100.00%	83,033	(368)	"	Subsidiary
FESS-Panama	Eastern Media Communication (Hong Kong)	Hong Kong	Holding company	305	305	28,569,840	100.00%	48,275	(481)	"	Subsidiary
FESS-Panama	Natural Beauty	Cayman Islands	Holding company	2,060,871	2,060,871	600,630,280	30.00%	1,943,300	(111,008)	"	Associates
GSMC-cayman	GRAND SCENE TRADING (HONG KONG)	Hong Kong	Holding company	125,153	125,153	3,198,000	100.00%	80,624	(268)	"	Subsidiary
ET New Media	Dung sen shin guang yun	Taiwan	Audiovisual and singing, information leisure	100	100	10,000	100.00%	828	527	"	Subsidiary
ET New Media	Dung sen dian jing yun	Taiwan	Amusement park information leisure	100	100	10,000	100.00%	28	73	"	Subsidiary
ET New Media	Dung sen shin wen yun	Taiwan	Amusement park information leisure	5,000	5,000	500,000	100.00%	3,098	(265)	"	Subsidiary
ET New Media	Dung sen min diau yun	Taiwan	Consulting management, market research and opinion poll	1,000	1,000	100,000	100.00%	(938)	(1,850)	"	Subsidiary
ET New Media	ET Pet	Taiwan	Pet food and supplies and providing pet beauty service	185,000	185,000	18,500,000	92.50%	21,350	(7,344)	"	Subsidiary
ET Pet	Oscar	Taiwan	Pet food and supplies and providing pet beauty service	380,148	334,788	6,091,500	100.00%	402,004	7,097	"	Subsidiary
ET Pet	Pet Kingdom	Taiwan	Pet food and supplies and providing pet beauty service	45,997	45,997	4,300,000	100.00%	52,303	(1,827)	"	Subsidiary
ET Pet	Kaou Sin	Taiwan	Pet food and supplies and providing pet beauty service	9,916	9,916	100,000	100.00%	11,225	3,232	"	Subsidiary
ET Pet	Care Pet Bio-Tech	Taiwan	Pet food and supplies and providing pet beauty service	7,000	-	700,000	100.00%	6,037	(963)	"	Subsidiary

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Information on investment in Mainland China

For the six months ended June 30, 2022

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

Table 7

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

Name of investee.	Main businesses and products	Total amount of paid in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of June 30, 2022	Net income (losses) of the investee	Percentage of ownership	Investment income (losses)	Book Value	Accumulated remittance of earnings in current period
					Outflow	Inflow						
Eastern Enterprise Development (Shanghai) Ltd	Operating international circulation logistics business	\$ -	Note 2	\$ 971,844	-	-	\$ 971,844	\$ -	-%	\$ -	\$ -	\$ -
Ding Kai (Shanghai)	Wholesale and retailing goods	-	Note 3	380,490	-	-	380,490	-	-%	-	-	-
Sheng Hang (Shanghai)	Wholesale and retailing goods	-	Note 4	164,565	-	-	164,565	-	-%	-	-	-
RICHNESS TRADING (SHANGHAI)	Retail of clothing, garments and accessories, household electrical equipment and supplies, clocks, watches and spectacles, jewelry and precious metals, food goods, medicines, cosmetics and cleaning products, etc.	1,113,250	Note 5	1,132,332	-	-	1,132,332	(515)	100.00%	(515)	3,558	-
Nanjing Yun Fu	Wholesale trading	46,119	Note 6	89,160	-	-	89,160	(187)	100.00%	(187)	4,032	-
Jiangsu Sen Fu Da	Research and development of film and television technology; research and development and sales of toys, clothing; planning and implementation of cultural and artistic exchange activities	44,393	Note 7	-	-	-	-	-	34.00%	-	-	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	443,565	Note 5	-	-	-	-	8,349	30.00%	2,505	154,965	-
Shanghai Natural Beauty Bio-Med Company Limited	Sales of health care products	95,536	Note 5	-	-	-	-	449	30.00%	135	31,551	-
Shanghai Natural Beauty Fuli Cosmetics Company Limited	Production and sale of beauty care products and provision of beauty and body care services	1,076,385	Note 5	-	-	-	-	(2,656)	30.00%	(797)	322,005	-

(to be continued)

(continued)

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

Note 2: The Group indirectly made the investment through FESS Panama, and was complete disposal of all shares on April 23, 2018.

Note 3: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on September 21, 2018.

Note 4: The Group indirectly made the investment through Grand Richness Hong Kong, and the investment completed cancellation of registration on February 21, 2019.

Note 5: The Group indirectly invested through FESS Panama.

Note 6: The Group indirectly invested through FESS Panama, and the investment was handling capital reduction and returning shares of CNY \$9,467 on February 1, 2018, the amount of the share is remitted back to the GRAND SCENE TRADING (HONG KONG).

Note 7: The Group indirectly invested through Nanjing Ji Cheng on August 30, 2012.

Note 8: The amount in the table is translated by the spot rate on the financial reporting date and the average rate throughout the year.

2. Limitation on investment in Mainland China:

Company Name	Accumulated Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
The Company	\$ 2,738,391	\$ 4,590,783	\$ 3,676,554

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

3. Significant transactions with investee companies in Mainland China:

For the Group's significant direct or indirect transactions (eliminated when compiling the consolidated financial statements) with investee companies in Mainland China for the six months ended June 30, 2022, please refer to "Information on significant transactions" above.

EASTERN MEDIA INTERNATIONAL CORPORATION AND SUBSIDIARIES

Major shareholders

June 30, 2022

(Expressed in Units)

Table 8

Shareholders name	Shareholding	Shares	Percentage
Jinxin Trading Co., Ltd.		50,970,680	9.63%