TAIWAN PELICAN EXPRESS CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2024 AND 2023

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To Taiwan Pelican Express Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Taiwan Pelican Express Co., Ltd. (the "Company") as at December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2024 and 2023, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
110208 臺北市信義區基隆路一段 333 號 27 樓
27F, No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei 110208, Taiwan
T: +886 (2) 2729 6666, F: +886 (2) 2729 6686, www.pwc.tw

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Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.
Key audit matters for the Company's 2024 parent company only financial statements are stated as follows:

Accuracy in recognition of service revenue

Description
Refer to Note 4(24) for accounting policies applied on operating revenue, Note 6(17) for details of operating revenue.

For the year ended December 31, 2024, the Company's operating revenue was NT$ 4,023,321 thousand. The Company's revenue is mainly comprised of home delivery revenue, logistic revenue and sales revenue. Additionally, home delivery revenue and logistic revenue are classified as service revenue and represents approximately 93% of the Company's operating income. Revenue is recognized based on the scope of services performed. Due to the level of service performance and related calculations involve a certain degree of judgment and estimation, it has a significant impact on parent company only financial statements. Thus, considered the service revenue as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed and tested the effectiveness of internal control of the Company's service revenue.
2. Performed substantive test on samples of service revenue to obtain transaction documents to confirm that the service has been provided, checked the invoice to verify that the content of service has been properly recorded and confirmed that the transaction has been recognized in the current period.
3. Obtained and assessed the calculation method used by management to evaluate the level of service performance at the end of the period and evaluated whether the method is appropriate.
4. Obtained information from actual customers after the period to confirm that the company has completed the performance of labor services to verify the reasonableness of management's assessment of the performance of labor services at the end of the period.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

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

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

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

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

Hsu, Ming-Chuan

Tu, Chan-Yuan

For and on behalf of PricewaterhouseCoopers, Taiwan

February 27, 2025

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

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

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 714,345	17	$ 922,883	21
1136	Current financial assets at amortised cost	6(3)	614	-	-	-
1150	Notes receivable, net	6(4)	16,783	-	22,585	1
1160	Notes receivable - related parties	7	404	-	423	-
1170	Accounts receivable, net	6(4)	474,280	11	545,595	13
1180	Accounts receivable - related parties	7	158,612	4	149,303	4
1200	Other receivables		3,728	-	10,282	-
1210	Other receivables - related parties	7	744	-	129	-
1220	Current income tax assets		2,388	-	-	-
130X	Inventories	6(5)	12,941	-	11,240	-
1410	Prepayments		23,679	1	14,366	-
1470	Other current assets		222	-	37	-
11XX	**Current Assets**		1,408,740	33	1,676,843	39
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	644,867	15	731,787	17
1550	Investments accounted for using equity method	6(6)	7,536	-	6,952	-
1600	Property, plant and equipment	6(7) and 7	652,588	15	611,982	14
1755	Right-of-use assets	6(8) and 7	1,412,287	33	1,200,933	28
1780	Intangible assets	6(9) and 7	9,300	-	10,165	-
1840	Deferred income tax assets	6(24)	31,594	1	22,402	-
1900	Other non-current assets	6(10) and 8	99,972	3	84,767	2
15XX	**Non-current assets**		2,858,144	67	2,668,988	61
1XXX	**Total assets**		$ 4,266,884	100	$ 4,345,831	100

(Continued)

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2024 AMOUNT	%	December 31, 2023 AMOUNT	%
	Current liabilities					
2150	Notes payable		$ 452	-	$ 357	-
2160	Notes payable - related parties	7	816	-	967	-
2170	Accounts payable		341,271	8	364,208	8
2180	Accounts payable - related parties	7	7,198	-	9,165	-
2200	Other payables	6(11)	305,261	7	419,351	10
2220	Other payables - related parties	7	3,985	-	2,266	-
2230	Current income tax liabilities	6(24)	-	-	540	-
2250	Provisions for liabilities - current		5,294	-	3,530	-
2280	Current lease liabilities	7	238,427	6	174,240	4
2300	Other current liabilities		21,218	1	20,645	1
21XX	**Current Liabilities**		923,922	22	995,269	23
	Non-current liabilities					
2550	Provisions - non - current		2,590	-	-	-
2580	Non-current lease liabilities	7	1,254,165	29	1,092,502	25
2600	Other non-current liabilities	6(12)	36,251	1	32,972	1
25XX	**Non-current liabilities**		1,293,006	30	1,125,474	26
2XXX	**Total Liabilities**		2,216,928	52	2,120,743	49
	Equity					
	Share capital	6(13)				
3110	Share capital - common stock		954,670	22	954,670	22
	Capital surplus	6(14)				
3200	Capital surplus		300,082	7	300,082	7
	Retained earnings	6(15)				
3310	Legal reserve		183,968	4	174,674	4
3350	Unappropriated retained earnings		240,397	6	337,993	8
	Other equity interest	6(16)				
3400	Other equity interest		370,839	9	457,669	10
3XXX	**Total equity**		2,049,956	48	2,225,088	51
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 4,266,884	100	$ 4,345,831	100

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

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except for (losses) earnings per share amounts)

	Items	Notes	Year ended December 31 2024 AMOUNT	%	2023 AMOUNT	%
4000	Revenue	6(17) and 7	$ 4,023,321	100	$ 4,168,587	100
5000	Operating costs	6(5)(22)(23) and 7	(3,642,715)	(91)	(3,616,147)	(87)
5900	Net operating margin		380,606	9	552,440	13
	Operating expenses	6(22)(23) and 7				
6100	Selling expenses		(14,759)	-	(20,189)	-
6200	General and administrative expenses		(405,273)	(10)	(425,810)	(10)
6450	Expected credit impairment (losses) gains		(1,612)	-	45	-
6000	Total operating expenses		(421,644)	(10)	(445,954)	(10)
6900	Operating (loss) profit		(41,038)	(1)	106,486	3
	Non-operating income and expenses					
7100	Interest income	6(18)	9,730	-	8,128	-
7010	Other income	6(2)(19) and 7	35,715	1	32,336	1
7020	Other gains and losses	6(20)	(3,597)	-	(12,835)	-
7050	Finance costs	6(8)(21) and 7	(19,521)	-	(19,244)	(1)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	6(6)	471	-	717	-
7000	Total non-operating income and expenses		22,798	1	9,102	-
7900	**(Loss) profit before income tax**		(18,240)	-	115,588	3
7950	Income tax benefit (expense)	6(24)	8,935	-	(21,092)	(1)
8200	**(Loss) profit for the year**		($ 9,305)	-	$ 94,496	2
	Other comprehensive (loss) income	6(2)(12)(16)(24)				
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans		($ 3,279)	-	($ 1,940)	-
8316	Unrealised (losses) gains from investment in equity instruments measured at fair value through other comprehensive income		(86,920)	(2)	77,311	2
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		656	-	388	-
	Components of other comprehensive (loss) income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		113	-	(224)	-
8399	Income tax relating to the components of other comprehensive income that will be reclassified to profit or loss		(23)	-	44	-
8300	**Other comprehensive (loss) income for the year**		($ 89,453)	(2)	$ 75,579	2
8400	Comprehensive income attributable to non-controlling interests before business combination under common control		-	-	-	-
8500	**Total comprehensive (loss) income for the year**		($ 98,758)	(2)	$ 170,075	4
	Basic (losses) earnings per share	6(25)				
9750	Total basic (losses) earnings per share		($ 0.10)		$ 0.99	
	Diluted (losses) earnings per share	6(25)				
9850	Total diluted (losses) earnings per share		($ 0.10)		$ 0.99	

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

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Capital surplus: Additional paid-in capital	Capital surplus: Treasury share transactions	Retained earnings: Legal reserve	Retained earnings: Unappropriated retained earnings	Other equity interest: Financial statements translation differences of foreign operations	Other equity interest: Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total equity
Year ended December 31, 2023									
Balance at January 1, 2023		$ 954,670	$ 300,031	$ 51	$ 156,054	$ 406,870	$ 233	$ 380,399	$ 2,198,308
Profit for the year		-	-	-	-	94,496	-	-	94,496
Other comprehensive income (loss) for the year	6(2)(12)(16)(24)	-	-	-	-	(1,552)	(180)	77,311	75,579
Total comprehensive income (loss)		-	-	-	-	92,944	(180)	77,311	170,075
Distribution of 2022 retained earnings	6(15)								
Legal reserve		-	-	-	18,620	(18,620)	-	-	-
Cash dividends		-	-	-	-	(143,201)	-	-	(143,201)
Disposal of subsidiary company	6(16)	-	-	-	-	-	(94)	-	(94)
Balance at December 31, 2023		$ 954,670	$ 300,031	$ 51	$ 174,674	$ 337,993	($ 41)	$ 457,710	$ 2,225,088
Year ended December 31, 2024									
Balance at January 1, 2024		$ 954,670	$ 300,031	$ 51	$ 174,674	$ 337,993	($ 41)	$ 457,710	$ 2,225,088
Loss for the year		-	-	-	-	(9,305)	-	-	(9,305)
Other comprehensive income (loss) for the year	6(2)(12)(16)(20)	-	-	-	-	(2,623)	90	(86,920)	(89,453)
Total comprehensive income (loss)		-	-	-	-	(11,928)	90	(86,920)	(98,758)
Distribution of 2023 retained earnings	6(15)								
Legal reserve		-	-	-	9,294	(9,294)	-	-	-
Cash dividends		-	-	-	-	(76,374)	-	-	(76,374)
Balance at December 31, 2024		$ 954,670	$ 300,031	$ 51	$ 183,968	$ 240,397	$ 49	$ 370,790	$ 2,049,956

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

TAIWAN PELICAN EXPRESS CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) profit before tax		($ 18,240)	$ 115,588
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit impairment loss (gain)	12(2)	1,612	(45)
Provision for decline in market value and obsolescence of inventories		-	327
Depreciation expense	6(22)	326,726	304,374
Amortization expense	6(9)(22)	6,007	5,284
(Gain) loss on disposal of property, plant and equipment	6(20)	(330)	1,669
Gain on disposal of investment	6(20)	-	(200)
Share of profit of associates and joint ventures accounted for under the equity method	6(6)	(471)	(717)
Interest expense	6(21)	19,521	19,244
Interest income	6(18)	(9,730)	(8,128)
Dividends income	6(19)	(27,211)	(21,346)
Other gains and losses		1,703	3,132
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		5,825	(8,379)
Notes receivable-related parties		19	67,833
Accounts receivable		69,680	(14,702)
Accounts receivable-related parties		(9,309)	(39,563)
Other receivables		6,554	(1,441)
Other receivables-related parties		(615)	(46)
Inventories		(1,701)	3,029
Prepayments		(9,313)	16,519
Other current assets		(185)	(37)
Changes in operating liabilities			
Notes payable		95	(264)
Notes payable-related parties		(151)	(519)
Accounts payable		(22,937)	(44,463)
Accounts payable - related parties		(1,967)	8,422
Other payables		(132,977)	(97,177)
Other payables-related parties		1,719	(2,171)
Other current liabilities		573	(6,879)
Net defined benefit liability		-	9
Cash inflow generated from operations		204,897	299,353
Interest received		9,730	8,167
Dividends received	6(19)	27,211	21,346
Income taxes paid		(2,552)	(32,211)
Interest paid		(76)	(80)
Net cash flows from operating activities		239,210	296,575
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in current financial assets at amortised cost		(614)	-
Acquisition of property, plant and equipment	6(26)	(131,963)	(58,639)
Acquisition of intangible assets	6(9)	(5,142)	(8,330)
Proceeds from disposal of property, plant and equipment	6(7)	885	656
Acquisition of right-of-use assets		(1,142)	-
(Increase) decrease in other non-current assets		(15,205)	1,649
Net cash flows used in investing activities		(153,181)	(64,664)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash dividends paid	6(15)	(76,374)	(143,201)
Payments of lease liabilities	6(27)	(218,193)	(210,310)
Decrease in deposit received	6(27)	-	(50)
Net cash flows used in financing activities		(294,567)	(353,561)
Net decrease in cash and cash equivalents		(208,538)	(121,650)
Cash and cash equivalents at beginning of year		922,883	1,044,533
Cash and cash equivalents at end of year		$ 714,345	$ 922,883

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

TAIWAN PELICAN EXPRESS CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organisation

Taiwan Pelican Express Co., Ltd. (the "Company") was incorporated under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in route-permitted truck transportation, home delivery and other professional logistic delivery services. TECO ELECTRIC & MACHINERY CO., LTD. directly and indirectly holds 33.38％ equity interest in the Company. TECO ELECTRIC & MACHINERY CO., LTD. is the Company's ultimate parent company. Starting from December 12, 2013, the Company's stock was listed on Taiwan Stock Exchange.

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

These parent company only financial statements were authorized for issuance by the Board of Directors on February 27, 2025.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

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

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

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

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

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

The IASB issued the amendments to:

(a) Clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception relating to the derecognition of a financial liability (or part of a financial liability) settled through an electronic cash transfer system. Applying the exception, an entity is permitted to derecognise a financial liability at an earlier date if, and only if, the entity has initiated a payment instruction and specific conditions are met.

The conditions for the exception are that the entity making the payment does not have:

1. the practical ability to withdraw, stop or cancel the payment instruction;
2. the practical ability to access the cash used for settlement; and
3. significant settlement risk.

(b) Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion, covering contractual terms that can change cash flows based on contingent events (for example, interest rates linked to ESG targets), non-recourse features and contractually-linked instruments.

(c) Add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance (ESG) targets), including a qualitative description of the nature of the contingent event, quantitative information about the possible changes to contractual cash flows that could result from those contractual terms and the gross carrying amount of financial assets and amortised cost of financial liabilities subject to these contractual terms.

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

B. IFRS 18, ‘Presentation and disclosure in financial statements’

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

4. <u>Summary of Material Accounting Policies</u>

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through other comprehensive income.

(b) Defined benefit liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

The operating results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

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

(5) <u>Cash equivalents</u>

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

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

On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

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

(11) Inventories

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

(12) Investments accounted for using equity method

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized profit (loss) arising from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company’s share of its subsidiaries’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company’s share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company’s ownership percentage of the associate, the Company recognises the Company’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

E. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners’ equity in the financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

The estimated useful lives of property, plant and equipment are as follows:

Buildings	17 years
Transportation equipment	3 to 11 years
Office equipment	2 to 8 years
Machinery and equipment	15 years
Other equipment	2 to 20 years
Leasehold improvements	2 to 16 years

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

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
   (a) The amount of the initial measurement of lease liability;
   (b) Any lease payments made at or before the commencement date;
   (c) Any initial direct costs incurred by the lessee.

   The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(15) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 years.

(16) Impairment of non-financial assets

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

(17) Notes and accounts payable

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

(18) Derecognition of financial liabilities

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

(19) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense. Provisions are not recognised for future operating losses.

(20) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

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

(21) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(22) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(23) Dividends

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

(24) Revenue recognition

A. Service revenue

The Company provides home delivery and logistics services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided.

B. Sales revenue

(a) The Company sells a range of internet and catalog shopping, pre-order in convenient store and collective buying, services in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(25) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

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

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

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

None.

(2) Critical accounting estimates and assumptions

None.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand	$ 1,837	$ 1,976
Checking accounts and demand deposits	267,046	234,212
Time deposits	370,800	515,950
Collection of sales on behalf of others	74,662	170,745
Total	$ 714,345	$ 922,883

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

B. The Company has identified certain time deposits amounting to $31,614 and $32,180 as at December 31, 2024 and 2023, that were classified as non-current assets – time deposits due to the restriction for the Company's collateral for performance guarantee. Information relating to pledged assets is provided in Note 8.

C. Collection of sales on behalf of others through the Company's home delivery service are deposited in bank accounts. The Company has established appropriate internal controls to ensure that the collection is delivered to the suppliers within the agreed-upon timeframe according to the contracts with the suppliers. Since the withdrawal of these deposits is not subject to any regulatory or bank restrictions, the Company can withdraw the collections at any time without incurring any penalties or other sanctions. Therefore, the deposits in these bank accounts meet the definition of cash under International Accounting Standard 7 (IAS 7) "Statement of Cash Flows." Starting from December 31, 2023, the Company reclassified the collection of sales on behalf of others from restricted assets (listed as "1470 Other Current Assets") to cash and cash equivalents.

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

Items	December 31, 2024	December 31, 2023
Non-current items:		
Equity instruments		
Listed stocks	$ 249,331	$ 249,331
Unlisted stocks	24,746	24,746
Subtotal	274,077	274,077
Valuation adjustment	370,790	457,710
Total	$ 644,867	$ 731,787

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $644,867 and $731,787 as at December 31, 2024 and 2023, respectively.

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	($ 86,920)	$ 77,311
Dividend income recognised in profit or loss		
Held at end of period	$ 27,211	$ 21,346

C. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets measured at fair value through other comprehensive income held by the Company was $644,867 and $731,787 respectively.

(3) Financial assets at amortized cost

Items	December 31, 2024	December 31, 2023
Current items:		
Time deposits	$ 614	$ -

A. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Group was $614 and $0, respectively.

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

(4) Notes and accounts receivable

	December 31, 2024	December 31, 2023
Notes receivable	$ 16,788	$ 22,613
Less: Allowance for bad debt	(5)	(28)
	$ 16,783	$ 22,585
Acocunts receivable	$ 483,443	$ 553,129
Less: Allowance for bad debt	(9,163)	(7,534)
	$ 474,280	$ 545,595

A. The ageing analysis of accounts receivable and notes receivable that were past due but not impaired is as follows:

	December 31, 2024		December 31, 2023	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Not past due	$ 16,756	$ 450,546	$ 22,060	$ 517,610
Past due				
Up to 30 days	27	16,562	525	24,348
31 to 90 days	-	7,077	-	2,344
Over 91 days	-	95	-	1,293
Subtotal	27	23,734	525	27,985
Total	$ 16,783	$ 474,280	$ 22,585	$ 545,595

The above ageing analysis was based on past due date.

B. As of December 31, 2024 and 2023, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2023, the balance of receivables from contracts with customers amounted to $ 545,054.

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

D. As at December 31, 2024 and 2023, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was $ 16,783 and $22,585; $ 474,280 and $545,595, respectively.

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

(5) Inventories

	December 31, 2024		
	Cost	Allowance for valuation loss	Carrying amount
Merchandise inventory	$ 13,723	($ 782)	$ 12,941

	December 31, 2023		
	Cost	Allowance for valuation loss	Carrying amount
Merchandise inventory	$ 12,022	($ 782)	$ 11,240

The cost of inventories recognised as expense for the year:

	Years ended December 31	
	2024	2023
Cost of goods sold	$ 238,446	$ 225,094
Loss on decline in market value	-	327
	$ 238,446	$ 225,421

(6) Investments accounted for using equity method

	Year ended December 31	
	2024	2023
At January 1	$ 6,952	$ 6,459
Share of profit or loss of investments accounted for using equity method	471	717
Changes in other equity items (Note 6(16))	113	(224)
At December 31	$ 7,536	$ 6,952

	December 31, 2024	December 31, 2023
Subsidiaries		
Pelican Express (Vietnam) Co., Ltd.	$ 7,536	$ 6,952

For information about the subsidiaries of the Company, please refer to Note 4 (3) of the consolidated financial statements.

(7) Property, plant and equipment

	Buildings	Transportation equipment	Office equipment	Machinery and equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2024								
Cost	$ -	$ 1,139,345	$ 222,739	$ 134,251	$ 84,795	$ 137,750	$ 33,240	$ 1,752,120
Accumulated depreciation and impairment	-	(689,716)	(207,568)	(51,044)	(71,558)	(120,252)	-	(1,140,138)
	$ -	$ 449,629	$ 15,171	$ 83,207	$ 13,237	$ 17,498	$ 33,240	$ 611,982
2024								
At January 1	$ -	$ 449,629	$ 15,171	$ 83,207	$ 13,237	$ 17,498	$ 33,240	$ 611,982
Additions	2,574	21,102	17,655	1,090	12,082	5,655	93,282	153,440
Disposal - cost	-	(49,571)	(3,180)	-	(3,891)	-	-	(56,642)
Disposal - Accumulated depreciation and impairment	-	49,031	3,180	-	3,876	-	-	56,087
Depreciation charge	(1,764)	(79,508)	(9,321)	(9,039)	(7,153)	(5,494)	-	(112,279)
Reclassifications	79,087	40,458	2,524	-	-	1,381	(123,450)	-
At December 31	$ 79,897	$ 431,141	$ 26,029	$ 75,258	$ 18,151	$ 19,040	$ 3,072	$ 652,588
At December 31, 2024								
Cost	$ 81,661	$ 1,151,334	$ 239,738	$ 135,341	$ 92,986	$ 144,786	$ 3,072	$ 1,848,918
Accumulated depreciation and impairment	(1,764)	(720,193)	(213,709)	(60,083)	(74,835)	(125,746)	-	(1,196,330)
	$ 79,897	$ 431,141	$ 26,029	$ 75,258	$ 18,151	$ 19,040	$ 3,072	$ 652,588

	Transportation equipment	Office equipment	Machinery and equipment	Other equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
At January 1, 2023							
Cost	$ 1,177,186	$ 224,344	$ 134,022	$ 86,662	$ 134,477	$ 16,378	$ 1,773,069
Accumulated depreciation and impairment	(665,387)	(201,798)	(42,075)	(67,071)	(113,878)	-	(1,090,209)
	$ 511,799	$ 22,546	$ 91,947	$ 19,591	$ 20,599	$ 16,378	$ 682,860
2023							
At January 1	$ 511,799	$ 22,546	$ 91,947	$ 19,591	$ 20,599	$ 16,378	$ 682,860
Additions	4,122	1,057	229	2,177	3,273	30,031	40,889
Disposal - cost	(52,217)	(2,662)	-	(4,349)	-	-	(59,228)
Disposal - Accumulated depreciation and impairment	50,102	2,484	-	4,317	-	-	56,903
Depreciation charge	(74,431)	(8,254)	(8,969)	(8,804)	(6,374)	-	(106,832)
Reclassifications	10,254	-	-	305	-	(13,169)	(2,610)
At December 31	$ 449,629	$ 15,171	$ 83,207	$ 13,237	$ 17,498	$ 33,240	$ 611,982
At December 31, 2023							
Cost	$ 1,139,345	$ 222,739	$ 134,251	$ 84,795	$ 137,750	$ 33,240	$ 1,752,120
Accumulated depreciation and impairment	(689,716)	(207,568)	(51,044)	(71,558)	(120,252)	-	(1,140,138)
	$ 449,629	$ 15,171	$ 83,207	$ 13,237	$ 17,498	$ 33,240	$ 611,982

All of aforementioned assets were for self-use.

(8) Lease transactions－lessee

A. The Company leases buildings. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes, lease, transfer or provided to others.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2024	December 31, 2023
	Carrying amount	Carrying amount
Buildings	$ 1,412,287	$ 1,200,933
	For the year ended December 31, 2024	For the year ended December 31, 2023
	Depreciation charge	Depreciation charge
Buildings	$ 214,447	$ 197,542

C. For the years ended December 31, 2024 and 2023, the additions to right-of-use assets were $429,567 and $109,738, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Items affecting profit or loss		
Interest expense on lease liabilities	$ 19,445	$ 19,164
Expense on short-term lease contracts	160,442	149,860
Expense on leases of low-value assets	11,017	11,890
Expense on variable lease payments	1,756	1,309
Gain or loss on lease modification	61	398

E. For the years ended December 31, 2024 and 2023, the Company's total cash outflow for leases were $394,939 and $373,205, respectively.

F. Extension and termination options

(a) Extension or termination options are included in some of the Company's lease contracts pertaining to buildings. These terms and conditions aim to maximise optional flexibility in terms of managing contracts.

(b) In determining the lease term, the Company takes into consideration all facts and circumstances that create an economic incentive to exercise an extension option or not to exercise a termination option. The assessment of lease period is reviewed if a significant event occurs which affects the assessment.

(9) Intangible assets

	December 31, 2024	December 31, 2023
Computer software		
Cost	$ 50,999	$ 45,857
Accumulated amortisation	(41,699)	(35,692)
	$ 9,300	$ 10,165

	For the year ended December 31, 2024	For the year ended December 31, 2023
At January 1	$ 10,165	$ 7,119
Additions－acquired separately	5,142	8,330
Amortisation charge	(6,007)	(5,284)
At December 31	$ 9,300	$ 10,165

Details of amortisation on intangible assets are as follows:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Operating costs	$ 5,394	$ 4,697
Administrative expenses	613	587
	$ 6,007	$ 5,284

(10) Other non-current assets

	December 31, 2024	December 31, 2023
Guarantee deposits paid	$ 99,972	$ 84,767

Information relating to pledged assets is provided in Note 8.

(11) Other payables

	December 31, 2024	December 31, 2023
Wages and salaries payable	$ 146,948	$ 192,856
Collection of sales on behalf of others	74,662	170,745
Labour and health insurance fees payable	23,292	23,349
Business tax payable	10,432	13,829
Payable on machinery and equipment	23,257	4,370
Others	26,670	14,202
	$ 305,261	$ 419,351

Aforementioned collection of sales on behalf of others were proceeds received on behalf of and should be paid to others from home delivery services.

(12) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee.

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

	December 31, 2024	December 31, 2023
Present value of defined benefit obligations	$ 49,178	$ 48,258
Fair value of plan assets	(18,101)	(20,460)
Net defined benefit liability	$ 31,077	$ 27,798

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

	2024		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 48,258	($ 20,460)	$ 27,798
Current service cost	93	-	93
Interest expense (income)	710	(296)	414
	49,061	(20,756)	28,305
Remeasurements:			
Returns on plan assets	-	(1,812)	(1,812)
Change in demographic assumptions	430	-	430
Change in financial assumptions	(475)	-	(475)
Experience adjustments	5,135	-	5,135
	5,090	(1,812)	3,278
Pension fund contribution	-	(506)	(506)
Paid pension	(4,973)	4,973	-
At December 31	$ 49,178	($ 18,101)	$ 31,077

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 46,922	($ 21,074)	$ 25,848
Current service cost	85	-	85
Interest expense (income)	739	(329)	410
	47,746	(21,403)	26,343
Remeasurements:			
Returns on plan assets	-	(134)	(134)
Change in demographic assumptions	-	-	-
Change in financial assumptions	409	-	409
Experience adjustments	1,665	-	1,665
	2,074	(134)	1,940
Pension fund contribution	-	(485)	(485)
Paid pension	(1,562)	1,562	-
At December 31	$ 48,258	($ 20,460)	$ 27,798

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2024 and 2023 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Discount rate	1.60%	1.50%
Future salary increases	0.50%	0.50%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2024				
Effect on present value of defined benefit obligation	($ 1,159)	$ 1,200	$ 845	($ 819)
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,012)	$ 1,045	$ 802	($ 780)

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

The methods and types of assumptions used in preparing the sensitivity analysis were consistent with previous period. Additionally, the Company's future salary increases would not have significantly possible changes and affected defined pension obligations.

(f) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2025 amount to $ 506.

(g) As of December 31, 2024, the weighted average duration of the retirement plan is 9.7 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 708
1 to 2 years	1,736
2 to 5 years	9,299
Over 5 years	16,222
	$ 27,965

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

(b) The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2024 and 2023, were $ 68,888 and $67,993, respectively.

(13) Share capital

As of December 31, 2024, the Company's authorised capital was \$1,000,000, consisting of 100,000 thousand shares of ordinary stock, and the paid-in capital was \$954,670 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

(14) Capital surplus

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

(15) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be distributed according to following regulations:

(a) Payment of taxes.

(b) Offset accumulated deficit.

(c) Set aside 10% as legal reserve.

(d) Special reserve was set aside or reversed in accordance with the authority. The appropriation of the remainder along with the unappropriated earnings in prior years, shall be proposed by the Board of Directors and be resolved by the shareholders' meeting.

(e) In consideration of possible expansion of operation and investment, the earnings distributed to the shareholders each year will basically be in an amount equal to 50% of the earnings received in the period combined with the retained earnings from the previous year, net of the legal reserve and special earning reserve. Basically 50% but not less than 5% of the earnings distributed to the shareholders shall be distributed in cash.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

C. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

D. The appropriation of 2024 earnings as approved by the Board of Directors on February 27, 2025 and the appropriation of 2023 earnings as resolved by the shareholders' meeting on May 18, 2024 are as follows:

	For the year ended December 31, 2024		For the year ended December 31, 2023	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ -		$ 9,294	
Cash dividends	47,734	$ 0.5	76,374	$ 0.8
Total	$ 47,734		$ 85,668	

(16) <u>Other equity items</u>

	Year ended December 31, 2024		
	Unrealised gains (losses) on valuation	Foreign currency translation	Total
At January 1	$ 457,710	($ 41)	$ 457,669
Valuation adjustment	(86,920)	-	(86,920)
Currency translation differences:			
–Group	-	113	113
–Tax on Group	-	(23)	(23)
At December 31	$ 370,790	$ 49	$ 370,839

	Year ended December 31, 2023		
	Unrealised gains (losses) on valuation	Foreign currency translation	Total
At January 1	$ 380,399	$ 233	$ 380,632
Valuation adjustment	77,311	-	77,311
Currency translation differences:			
–Group	-	(224)	(224)
–Tax on Group	-	44	44
Reclassification to profit or loss	-	(94)	(94)
At December 31	$ 457,710	($ 41)	$ 457,669

(17) <u>Operating revenue</u>

	For the year ended December 31, 2024	For the year ended December 31, 2023
Revenue from contracts with customers	$ 4,023,321	$ 4,168,587

Disaggregation of revenue from contracts with customers

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

For the year ended December 31, 2024	Services	Sales of goods	Total
Revenue from external customer contracts	$ 3,754,223	$ 269,098	$ 4,023,321
Timing of revenue recognition			
At a point in time	$ -	$ 269,098	$ 269,098
Over time	$ 3,754,223	-	$ 3,754,223

For the year ended December 31, 2023	Services	Sales of goods	Total
Revenue from external customer contracts	$ 3,910,502	$ 258,085	$ 4,168,587
Timing of revenue recognition			
At a point in time	$ -	$ 258,085	$ 258,085
Over time	$ 3,910,502	-	$ 3,910,502

(18) Interest income

	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest income from bank deposits	$ 9,130	$ 7,784
Other interest income	600	344
	$ 9,730	$ 8,128

(19) Other income

	For the year ended December 31, 2024	For the year ended December 31, 2023
Dividend income	$ 27,211	$ 21,346
Rental income	19	48
Other income, others	8,485	10,942
	$ 35,715	$ 32,336

(20) Other gains and losses

	For the year ended December 31, 2024	For the year ended December 31, 2023
Gains (losses) on disposal of property, plant and equipment	$ 330	($ 1,669)
Gains on disposal of investment	-	200
Net currency exchange losses	-	(15)
Other losses	(3,927)	(11,351)
	($ 3,597)	($ 12,835)

(21) Finance costs

	For the year ended December 31, 2024	For the year ended December 31, 2023
Interest expenses - lease liability	$ 19,445	$ 19,164
Interest expenses - others	76	80
	$ 19,521	$ 19,244

(22) Expenses by nature

	For the year ended December 31, 2024	For the year ended December 31, 2023
Employee benefit expense	$ 1,406,759	$ 1,465,798
Depreciation charges on right-of-use assets	214,447	197,542
Depreciation charges on property, plant and equipment	112,279	106,832
Amortisation charges on intangible assets	6,007	5,284

(23) Employee benefit expense

	For the year ended December 31, 2024	For the year ended December 31, 2023
Wages and salaries	$ 1,145,760	$ 1,199,956
Labour and health insurance fees	140,513	141,249
Pension costs	69,394	68,488
Other personnel expenses	51,092	56,105
	$ 1,406,759	$ 1,465,798

A. In accordance with the Articles of Incorporation of the Company, the current year's earnings, if any, shall appropriate a ratio of distributable profit of the current year, offer covering accumulated losses, shall be distributed as employees’ compensation and director’s remuneration. The ratios for employees’ compensation and directors’ remuneration should be 0.5%~0.15% and 3%, respectively. However, if the Company has accumulated deficit, the current year’s earnings shall first be reserved to cover the deficit.

B. For the years ended December 31, 2024 and 2023, employees’ compensation was accrued at $0 and $1,204, respectively; while directors’ remuneration was accrued at $0 and $3,612, respectively. The aforementioned amounts were recognised in salary expenses.

C. Employees’ compensation and directors’ and supervisors’ remuneration of 2023 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 financial statements.

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

(24) Income tax

A. Income tax (benefit) expense

(a) Components of income tax (benefit) expense:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Current tax:		
Current tax on profits for the year	$ -	$ 20,015
Tax on undistributed earnings	-	1,219
Prior year income tax underestimation	(376)	260
Total current tax	(376)	21,494
Deferred tax:		
Origination and reversal of temporary differences	(8,559)	(402)
Total deferred tax	(8,559)	(402)
Income tax (benefit) expense	($ 8,935)	$ 21,092

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Currency translation differences	($ 23)	($ 44)
Remeasurement of defined benefit obligations	$ 656	($ 388)

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2024	For the year ended December 31, 2023
Tax calculated based on (loss) profit before tax and statutory tax rate	($ 3,648)	$ 23,117
Effect from items disallowed by tax regulation	(4,911)	(3,504)
Prior year income tax underestimation	(376)	260
Tax on undistributed earnings	-	1,219
Income tax (benefit) expense	($ 8,935)	$ 21,092

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

	For the year ended December 31, 2024			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Temporary differences:				
-Deferred income tax assets:				
Amount of allowance for uncollectible accounts that exceed the limit for tax purpose	$ 210	$ -	$ -	$ 210
Remeasurement of defined benefit obligations	4,675	-	656	5,331
Unrealised expenses	12,013	8,653	-	20,666
Share of profit or loss accounted for using equity method	5,494	(94)	-	5,400
Currency translation differences	10	-	(23)	(13)
Total	$ 22,402	$ 8,559	$ 633	$ 31,594

	For the year ended December 31, 2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
-Temporary differences:				
-Deferred income tax assets:				
Amount of allowance for uncollectible accounts that exceed the limit for tax purpose	$ 210	$ -	$ -	$ 210
Remeasurement of defined benefit obligations	4,287	-	388	4,675
Unrealised expenses	11,468	545	-	12,013
Share of profit or loss accounted for using equity method	5,637	(143)	-	5,494
Currency translation differences	(59)	25	44	10
Total	$ 21,543	$ 427	$ 432	$ 22,402

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

(25) Earnings (losses) per share

	For the year ended December 31, 2024		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic losses per share			
Loss attributable to ordinary shareholders of the parent	($ 9,305)	95,467	($ 0.10)
Diluted losses per share			
Loss attributable to ordinary shareholders of the parent	($ 9,305)	95,467	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	-	
Loss attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	($ 9,305)	95,467	($ 0.10)

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 94,496	95,467	$ 0.99
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 94,496	95,467	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	29	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 94,496	95,496	$ 0.99

(26) Supplemental cash flow information

Investing activities with partial cash payments

	For the year ended December 31, 2024	For the year ended December 31, 2023
Purchase of property, plant and equipment	$ 153,440	$ 40,889
Add: Opening balance of payable on equipment	4,370	22,120
Less: Ending balance of payable on equipment	(23,257)	(4,370)
Less: Asset retirement obligation estimate	(2,590)	-
Cash paid during the year	$ 131,963	$ 58,639

(27) Changes in liabilities from financing activities

	For the year ended December 31, 2024		
	Lease liability	Deposits received	Liabilities from financing activities-gross
January 1	$ 1,266,742	$ 5,167	$ 1,271,909
Additions	428,424	-	428,424
Disposal	(3,826)	-	(3,826)
Interest on lease liabilities	19,445	-	19,445
Changes in cash flows from financing activities	(218,193)	-	(218,193)
December 31	$ 1,492,592	$ 5,167	$ 1,497,759

	For the year ended December 31, 2023		
	Lease liability	Deposits received	Liabilities from financing activities-gross
January 1	$ 1,348,818	$ 5,217	$ 1,354,035
Additions	109,738	-	109,738
Disposal	(668)	-	(668)
Interest on lease liabilities	19,164	-	19,164
Changes in cash flows from financing activities	(210,310)	(50)	(210,360)
December 31	$ 1,266,742	$ 5,167	$ 1,271,909

7. Related Party Transactions

(1) Parent and ultimate controlling party

TECO ELECTRIC & MACHINERY CO., LTD. (incorporated in R.O.C.) was the Company's ultimate parent company which directly and indirectly held 33.38% of equity interests in the Company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
TECO ELECTRIC & MACHINERY CO., LTD. (TECO Electric & Machinery)	Ultimate parent
Pelican Express (Vietnam) Co., Ltd	Subsidiary
Itochu Taiwan Corproration (Itochu Taiwan)	Major shareholder
Information Technology Total Services Corp. (Information Technology)	Fellow subsidiary
Tong-An Assets Management & Development Co., Ltd. (Tong-An Assets)	Fellow subsidiary
E-Joy International Co., Ltd. (E-Joy)	Fellow subsidiary
A-Ok Technical Co., Ltd. (A-Ok)	Fellow subsidiary
Tesen Electric & Machinery CO., LTD.	Fellow subsidiary
TECO Electro Devices Co., Ltd. (TECO Electro) (Note)	Fellow subsidiary
Tecnos International Consultant Co., Ltd. (TECNOS)	Fellow subsidiary
Taian-Etacom Technology CO., LTD.	Fellow subsidiary
Teco Smart Technologies Co., Ltd.	Fellow subsidiary
Yatec Engineering Corporation (Yatec)	Fellow subsidiary
Jie Zheng Property Service & Management Co., Ltd. (Jie Zheng)	Fellow subsidiary
Royal Host Taiwan Co., Ltd. (Royal Host)	Fellow subsidiary
Tecom Co., Ltd. (Tecom)	Fellow subsidiary
Fujio Food System Taiwan Co., Ltd. (Fujio Food)	Fellow subsidiary
Tong Dai Co., Ltd.	Fellow subsidiary
Teco (Vietnam) Electric & Machinery Co., Ltd.	Fellow subsidiary
Centurytech Construction and Management Corp.	Fellow subsidiary
An-shin Food Service Co., Ltd. (An-shin)	Other related parties
YUBAN & COMPANY (YUBAN)	Other related parties

Note: TECO ELECTRIC & MACHINERY CO., LTD. was approved by the board of directors on April 10, 2024 for a short-form merger with its subsidiary TECO Electro Devices Co., Ltd. TECO ELECTRIC & MACHINERY CO., LTD. is the surviving company, and TECO Electro Devices Co., Ltd. is the dissolved company.

(3) Significant related party transactions

A. Sales of goods and services

	For the year ended December 31, 2024	For the year ended December 31, 2023
Operating revenue:		
Ultimate parent	$ 284,972	$ 279,921
Major shareholder	18	123
Fellow subsidiary	27,319	26,612
Other related parties		
An-shin	256,219	217,203
Others	3,936	3,921
Total	$ 572,464	$ 527,780

Goods and services are sold based on the price lists in force and terms that would be available to third parties.

B. Purchase of services and other expenses

	For the year ended December 31, 2024	For the year ended December 31, 2023
Service expenses:		
Ultimate parent	$ 5,785	$ 5,285
Major shareholder	57	-
Fellow subsidiary	20,429	22,298
Rent expense:		
Ultimate parent	8,959	6,682
Fellow subsidiary		
Tong-An Assets	31,996	23,506
Other expenses:		
Ultimate parent	4,971	603
Major shareholder	17,515	16,868
Fellow subsidiary	17,218	19,387
Other related parties	184	30
Total	$ 107,114	$ 94,659

(a) Service expenses were arisen from labor dispatch and commissioned customer services, etc., and the payment period was based on mutual agreement.

(b) Rent expenses were referred to market, and the payment period was based on mutual agreement.

(c) Other expenses were information technology expenses, repairs and maintenance expense and miscellaneous purchases, etc., and the payment period was based on mutual agreement.

C. Other income

	For the year ended December 31, 2024	For the year ended December 31, 2023
Dividend income:		
Ultimate parent	$ 15,554	$ 10,605

D. Receivables from related parties:

	December 31, 2024	December 31, 2023
Notes receivable:		
Fellow subsidiary	$ 404	$ 423
Accounts receivable:		
Ultimate parent	98,564	88,529
Fellow subsidiary	4,118	3,042
Other related parties	55,930	57,732
Subtotal	158,612	149,303
Other receivables - other (including payment on behalf of others)		
Ultimate parent	675	23
Fellow subsidiary	69	106
Subtotal	744	129
Total	$ 159,760	$ 149,855

Receivables from related parties arose from home delivery and logistic services. The receivables were due in 60 days after monthly billings. The receivables are unsecured in nature and bear no interest. There are no allowances for uncollectible accounts held against receivables from related parties.

E. Payables to related parties:

	December 31, 2024	December 31, 2023
Notes payable:		
Fellow subsidiary		
Tong-An Assets	$ 732	$ 808
Others	84	159
Subtotal	816	967
Accounts payable:		
Ultimate parent	1,800	3,163
Major shareholder	3,763	4,604
Fellow subsidiary	1,634	1,398
Other related parties	1	-
Subtotal	7,198	9,165
Other payables-others:		
Ultimate parent	906	356
Major shareholder	525	-
Fellow subsidiary	2,554	1,910
Subtotal	3,985	2,266
Total	$ 11,999	$ 12,398

Payables to related parties mainly arose from property transactions, commissioned customer services, home delivery service, and proceeds from receipts on behalf of others and payables were generated from purchase of goods and services due to manage home delivery services. The payment period was 30 days after purchasing goods and services and monthly billings, and that payables bear no interest.

F. Unearned revenue:

	December 31, 2024	December 31, 2023
Unearned revenue		
Ultimate parent	$ 34	$ 100

G. Property transactions

(a) Acquisition of property, plant and equipment:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Ultimate parent	$ 5,040	$ -
Fellow subsidiary		
Information Technology	880	-
A-Ok	667	-
Total	$ 6,587	$ -

(b) Acquisition of intangible assets:

	For the year ended December 31, 2024	For the year ended December 31, 2023
Fellow subsidiary		
Information Technology	$ 993	$ 7,856

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

	For the year ended December 31, 2024	For the year ended December 31, 2023
Fellow subsidiary		
Tong-An Assets	$ 9,014	$ -

F. Lease transactions－lessee

The Company leases office and service points from related parties, and the lease period was 2 to 5 years, 12 months as one period for the rent. The Company issued 12 checks for 12 months at the first date of every period, and checks would be paid when on the due date every month.

(a) Right-of-use assets

	December 31, 2024	December 31, 2023
Fellow subsidiary		
Tong-An Assets	$ 7,512	$ 11,316

(b) Lease liability

	December 31, 2024	December 31, 2023
Fellow subsidiary		
Tong-An Assets	$ 7,539	$ 11,439

(c) Interest expense

	For the year ended December 31, 2024	For the year ended December 31, 2023
Fellow subsidiary		
Tong-An Assets	$ 93	$ 316

(4) Key management compensation

	For the year ended December 31, 2024	For the year ended December 31, 2023
Short-term employee benefits	$ 5,382	$ 9,104
Post-employment benefits	12	77
Total	$ 5,394	$ 9,181

8. Pledged Assets

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

	Book value		
Pledged asset	December 31, 2024	December 31, 2023	Purpose
Other non-current assets - time deposits	$ 31,614	$ 32,180	Note
Other non-current assets - guarantee deposits paid	1,553	1,190	〃
Total	$ 33,167	$ 33,370	

Note: It was the Company's collateral for performance guarantee.

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

A. The Company has received legal opinion from a law firm regarding labor mediation for wage claims. As of December 31, 2024, the matter was still under court mediation, and the Company has accounted for the assessed losses based on the mediation proposal.

B. Regarding the amount of compensation for the Company's civil litigation, the Company has included in its accounts the most likely amount based on the court's judgment and the assessment of its internal legal experts.

(2) Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2024	December 31, 2023
Property, plant and equipment	$ 1,900	$ 36,940
Intangible assets	750	-
Total	$ 2,650	$ 36,940

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives were based on the Company's environment, growth stage, capital requirement of significant investment plan in the future and long-term financial plan when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2024	December 31, 2023
Financial assets		
Financial assets at fair value through other comprehensive income		
Investments designated as equity instrument	$ 644,867	$ 731,787
Financial assets at amortised cost		
Cash and cash equivalents	714,345	922,883
Financial assets at amortized cost	614	-
Notes receivable (including related parties)	17,187	23,008
Accounts receivable (including related parties)	632,892	694,898
Other receivables (including related parties)	4,472	10,411
Other non-current assets - guarantee deposits	68,358	52,587
Other non-current assets - time deposits	31,614	32,180
	$ 1,469,482	$ 1,735,967
Financial liabilities		
Financial liabilities at amortised cost		
Notes payable (including related parties)	$ 1,268	$ 1,324
Accounts payable (including related parties)	348,469	373,373
Other payables (including related parties)	309,246	421,617
Guarantee deposits received	5,167	5,167
	$ 664,150	$ 801,481
Lease liability	$ 1,492,592	$ 1,266,742

B. Financial risk management policies

Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange rate risk arising from the transactions of the Company used in various functional currency. Foreign exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

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

	December 31, 2024		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Non-monetary items			
Investments accounted for under the equity method			
VND:NTD	5,956,930	0.00126	7,536

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency amount (In thousands)	Exchange rate	Carrying amount (New Taiwan dollar)
Financial assets			
Non-monetary items			
Investments accounted for under the equity method			
VND:NTD	5,583,981	0.00124	6,952

iii. The total exchange loss, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2024 and 2023, amounted to $0 and ($15), respectively.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 5% with all other variables held constant, loss or profit for the years ended December 31, 2024 and 2023 would have increased/decreased $32,243 and $36,589, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

None.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Company manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only institutions with good goodwill and without significant default records in latest period are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 60 days.

iv. The Company classifies customers' accounts receivable and rents receivable in accordance with credit rating of customer. The Company applies the modified approach using a provision matrix based on the loss rate methodology to estimate the expected credit loss.

v. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2024 and 2023, the provision matrix, loss rate methodology is as follows:

		Past due			
December 31, 2024	Not past due	Up to 30 days	31 to 90 days	Over 91 days	Total
Expected loss rate	0.14%~1%	1%~2%	1%~5%	1%~100%	
Total book value	$ 451,185	$ 16,762	$ 7,427	$ 8,069	$ 483,443
Loss allowance	(639)	(200)	(350)	(7,974)	(9,163)

December 31, 2023	Not past due	Past due Up to 30 days	Past due 31 to 90 days	Past due Over 91 days	Total
Expected loss rate	0.18%~1%	1%~2%	1%~5%	1%~100%	
Total book value	$ 518,525	$ 24,826	$ 2,425	$ 7,353	$ 553,129
Loss allowance	(915)	(478)	(81)	(6,060)	(7,534)

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

	For the year ended December 31, 2024 Accounts receivable	For the year ended December 31, 2024 Notes receivable
Opening net book amount as at January 1	$ 7,534	$ 28
Loss of impairment (reversal)	1,635	(23)
Collection of write-offs of prior years	(6)	-
Closing net book amount as at December 31	$ 9,163	$ 5

	For the year ended December 31, 2023 Accounts receivable	For the year ended December 31, 2023 Notes receivable
Opening net book amount as at January 1	$ 7,577	$ 30
Reversal of impairment loss	(43)	(2)
Closing net book amount as at December 31	$ 7,534	$ 28

(c) Liquidity risk

i. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As at December 31, 2024 and 2023, the Company held money market position of $ 714,345 and $922,833, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

ii. The table below analyses the Company’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Notes payable (including related parties)	$ 1,268	$ -	$ -	$ -	$ -	$ 1,268
Accounts payable (including related parties)	348,469	-	-	-	-	348,469
Other payables (including related parties)	258,342	25,727	25,177	-	-	309,246
Lease liabilities (including related parties)	64,457	193,727	240,614	552,576	538,437	1,589,811

Non-derivative financial liabilities:

December 31, 2023	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Notes payable (including related parties)	$ 1,324	$ -	$ -	$ -	$ -	$ 1,324
Accounts payable (including related parties)	373,373	-	-	-	-	373,373
Other payables (including related parties)	383,852	37,765	-	-	-	421,617
Lease liabilities (including related parties)	53,366	137,799	156,722	367,374	653,022	1,368,283

(3) Fair value information

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

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

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

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

B. The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable (including related parties), accounts receivable (including related parties), other receivables (including related parties), notes payable (including related parties), accounts payable (including related parties) and other payables (including related parties) approximate to their fair values.

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

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

December 31, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 644,867	$ -	$ -	$ 644,867

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ 731,787	$ -	$ -	$ 731,787

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

i. For the instruments the Company used market quoted prices as their fair values (that is, Level 1), the Company uses the closing price as market quoted prices.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

iv. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company's credit quality.

D. For the years ended December 31, 2024 and 2023, there was no transfer between Level 1 and Level 2.

E. For the years ended December 31, 2024 and 2023, there was no transfer into or out from Level 3.

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

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 2.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 4.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

The names, numbers holding and proportions of shareholders who held above 5% of ownership in the Company: Please refer to table 5.

14. Operating segment information

Not applicable.

Taiwan Pelican Express Co., Ltd.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2024

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

					As of December 31, 2024				
Securities held by	Marketable securities		Relationship with the securities issuer	General ledger account	Number of shares	Carrying amount	Ownership (%)	Fair value	Note
Taiwan Pelican Express Co., Ltd.	Stock	TECO ELECTRIC & MACHINERY CO., LTD.	Ultimate parent	Non-current financial asset measured at fair value through other comprehensive income	7,070,000	$ 369,054	0.33	$ 369,054	None
Taiwan Pelican Express Co., Ltd.	Stock	Momo.com Inc.	Not appicable	Non-current financial asset measured at fair value through other comprehensive income	827,026	275,813	0.33	275,813	None
Taiwan Pelican Express Co., Ltd.	Stock	ASIAN CROWN INTERNATIONAL CO., LTD.	Not appicable	Non-current financial asset measured at fair value through other comprehensive income	207,319	-	1.75	-	Note 1
						$ 644,867		$ 644,867	

Note 1: As of December 31, 2024, accumulated impairment of $24,746 was accrued.

Taiwan Pelican Express Co., Ltd.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Year ended December 31, 2024

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)			
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance		Percentage of total notes/accounts receivable (payable)	Footnote
Taiwan Pelican Express Co., Ltd.	TECO ELECTRIC & MACHINERY CO., LTD.	Ultimate parent	Sale	($ 284,972)	(7.08)	Note 1	Not applicable	Not applicable	Accounts receivable	$ 98,564	15.57%	None
Taiwan Pelican Express Co., Ltd.	An-shin Food Service Co., Ltd.	Associate of parent company	Sale	(256,219)	(6.37)	Note 1	Not applicable	Not applicable	Accounts receivable	54,787	8.66%	None

Note1 : Goods and services are sold based on the price lists in force and terms that would be available to third parties.

Taiwan Pelican Express Co., Ltd.

Information on investees

Year ended December 31, 2024

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2024					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2024	Balance as at December 31, 2023	Number of shares	Ownership (%)	Book value	Net income of investee as of December 31, 2024	Investment income(loss) recognised by the Company for the year ended December 31, 2024	Footnote
Taiwan Pelican Express Co., Ltd.	Pelican Express (Vietnam) Co., Ltd.	Vietnam	Logistic business	5,750	5,750	-	100	7,536	471	471	None

Taiwan Pelican Express Co., Ltd.

Information on investments in Mainland China

Year ended December 31, 2024

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2024	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2024		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Net income of investee as of December 31, 2024	Ownership held by the Company (direct or indirect) (%)	Investment income (loss) recognised by the Company for the year ended December 31, 2024	Book value of investments in Mainland China as of December 31, 2024	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2024	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Beijing Pelican Express	Warehouse storage service	$ 26,422	Note 1	$ 26,422	$ -	$ -	$ 26,422	$ -	Note 1	$ -	$ -	$ -	Note 1
Fubon Gehua (Beijing) Enterprise Co., Ltd.	Wholesale business	347,045	Note 2	24,746	-	-	24,746	-	1.63	-	-	-	Notes 3 and 4 and 5

Note 1: Beijing Pelican Express had been dissolved.
Note 2: Reinvested in Mainland China through reinvested in the third area, Asian Crown International Co., Ltd.
Note 3: Financial assets at fair value through other comprehensive income.
Note 4: As of December 31, 2024, accumulated impairment of $24,746 was accrued.
Note 5: Fubon Gehua (Beijing) Enterprise Co., Ltd. has been disbanded and liquidated according to the resolution of the board of directors in October 2023, and completed the legal cancellation procedures in April 2024. As of December 31, 2024, the liquidation share payment has yet to be recovered.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2024	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	Footnote
Taiwan Pelican Express Co., Ltd.	$51,168	$51,168	$ 1,229,974	Note 6

Note 6: In accordance with ‘Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China’ and ‘Rules on Review of Investment and Technology Cooperation in Mainland China’ amended by Investment Commission, Ministry of Economic Affairs effective on August 29, 2008, the ceiling of investment of investors (not as personal and small and medium enterprise) in Mainland China is the net assets of the investors or 60% of consolidated net assets, whichever is higher.

Taiwan Pelican Express Co., Ltd.

Major shareholders information

December 31, 2024

Table 5

Name of major shareholders	Shares	
	Name of shares held	Ownership
TECO ELECTRIC & MACHINERY CO., LTD.	24,121,700	25.26%
Itochu Taiwan Corporation	18,138,500	18.99%
Tong-An Investment Co., Ltd.	6,474,468	6.78%

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 1

Client Name	Amount		Footnote
Client A	$	139,658	
Client B		35,915	
Client C		24,900	
Others		282,970	The amount of individual client included in others does not exceed 5% of the amount balance.
	$	483,443	
Less: Allowance for bad debts	(	9,163)	
Total	$	474,280	

Note : The customer names mentioned above are coded due to contractul agreements between the company and these customers, prohibiting the disclosure of their names.

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 2

	Beginning Balance			Additions		Reductions		Ending Balance				
Name	Shares (Note 1)	Equity(%)	Fair Value	Shares (Note 1)	Amount	Shares (Note 1)	Amount	Shares (Note 1)	Equity(%)	Fair Value	Collateral	Footnote
TECO ELECTRIC & MACHINERY CO., LTD	7,070	0.33	$ 330,876	-	$ 38,178	-	$ -	7,070	0.33	$ 369,054	None	
MOMO.COM INC.	787	0.33	400,911	40	-	-	125,098	827	0.33	275,813	〃	Note 2
Asian Crown International CO., LTD.	207	1.75	-	-	-	-	-	207	1.75	-	〃	Note 3
			$ 731,787		$ 38,178		$ 125,098			$ 644,867		

Note 1: Expressed in per thousand shares.
Note 2: The company had received MOMO. COM INC.'s stock dividends from capital surplus for 40 thousand common shares this year.
Note 3: As of December 31, 2024, accumulated impairment of $24,746 was accrued.

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 3

Item	Beginning Balance	Additions	Reductions	Ending Balance	Footnote
Cost					
Buildings	$ 1,991,684	$ 429,567	($ 10,369)	$ 2,410,882	
Accumulated depreciation					
Buildings	(790,751)	(214,447)	6,603	(998,595)	
	$ 1,200,933	$ 215,120	($ 3,766)	$ 1,412,287	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 4

Item	Description	Term of contract	Discount	Amount	Footnote
Buildings	Stations、Office etc.	2~5 years	1.45%	$ 498,346	
〃	〃	6~10 years	〃	210,236	
〃	〃	Over 11 years	〃	784,010	
				1,492,592	
Less: current lease liabilities				(238,427)	
				$ 1,254,165	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 5

Item	Quantity	Amount	Footnote
Service revenue			
Home delivery revenue		$ 2,691,989	
Logistics revenue		1,062,234	
Total service revenue		3,754,223	
Sales revenue			
Merchandise sales revenue	Note	261,275	
Others	Note	7,823	
Total sales revenue		269,098	
Total operating revenue		$ 4,023,321	

Note: Due to the variety of sales items and differing units, quantities were not listed, only amounts were aggregated.

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 6

Item	Amount	Footnote
Beginning merchandise inventory	$ 12,022	
Add: Merchandise inventory purchased	240,147	
Less: Ending merchandise inventory	(13,723)	
Cost of goods sold	238,446	
Service costs	3,404,269	
Total operating costs	$ 3,642,715	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF SERVICE COSTS
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 7

Item	Amount	Footnote
Vehicle transportation and repairs expense	$ 1,109,321	
Wages and salaries	861,343	
Service fees	266,234	
Rents	166,232	
Depreciation expense	323,356	
Others	677,783	The amount of individual item included in others does not exceed 5% of the amount balance.
Total service costs	$ 3,404,269	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 8

Item	Amount		Footnote
Wages and salaries	$	9,243	
Commission		2,236	
Insurance fees		1,158	
Others		2,122	The amount of individual item included in others does not exceed 5% of the amount balance.
	$	14,759	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 9

Item	Amount		Footnote
Wages and salaries	$	274,454	
Service fees		35,425	
Insurance fees		37,051	
Others		58,343	The amount of individual item included in others does not exceed 5% of the amount balance.
	$	405,273	

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 10

Function / Nature	Year ended December 31, 2024			Year ended December 31, 2023		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense						
Wages and salaries	$ 861,343	$ 283,697	$ 1,145,040	$ 896,476	$ 299,149	$ 1,195,625
Labour and health insurance fees	104,188	36,325	140,513	103,693	37,556	141,249
Pension costs	52,044	17,350	69,394	51,069	17,419	68,488
Directors' remuneration	-	1,170	1,170	-	4,693	4,693
Other personnel expenses	34,770	15,872	50,642	38,131	17,612	55,743
Depreciation Expenses	323,356	3,370	326,726	300,353	4,021	304,374
Amortisation Expenses	5,394	613	6,007	4,697	587	5,284

Note:

1. As at December 31, 2024 and 2023, the Company had 2,158 and 2,220 employees,respectively, and both including 10 non-employee directors.
2.A company whose stock is listed for trading on the stock exchange or over-the-counter securities exchange shall additionally disclose the following information：
 (1) Average employee benefit expense in current year $654.
 Average employee benefit expense in previous year $661.
 (2) Average employees salaries in current year $533.
 Average employees salaries in previous year $541.
 (3) Adjustments of average employees salaries -1.48%.

TAIWAN PELICAN EXPRESS CO., LTD.
STATEMENT OF LABOR, DEPRECIATION AND AMORTISATION BY FUNCTION (Cont.)
FOR THE YEAR ENDED DECEMBER 31, 2024
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Form 10

(4) The company has not set up remuneration of the supervisors because it has the Audit Committee.

(5) The company's remuneration policy .

A.The compensation for directors of the company is determined according to the provisions of the "Director Remuneration Allocation Regulations" and the "Board Performance Evaluation Regulations," and is paid at the usual rate. Additionally, when the company generates profits, allocations are made according to the provisions of the articles of association, subject to review by the Compensation Committee and approval by the Board of Directors before being submitted to the shareholders' meeting. If directors also hold employee positions, remuneration is provided.

B.The compensation standards for the General Manager and Deputy General Manager of the company are determined by the company's Human Resources unit according to the relevant provisions of the "Employee Remuneration Allocation Regulations," "Performance Appraisal Regulations," and "Executive Incentive Performance Bonus System." These standards take into account individual performance and contributions to the company's overall operations, as well as market benchmarks for similar positions. After review by the Compensation Committee and approval by the Board of Directors, the standards are implemented.

C.Our company's compensation policy is based on individuals' abilities, their contribution to the company, performance, and their correlation with operational performance. The overall salary and reward package primarily include three components: base salary, bonuses and employee profit-sharing, and benefits. The standards for compensation are as follows: base salary is determined based on market competition for the position and company policy; bonuses and employee profit-sharing are linked to the achievement of individual, departmental goals, or company operational performance; as for benefit design, it is premised on compliance with legal regulations while also considering employees' needs, designing benefit measures that employees can share.