STAR TRAVEL CORP. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2022 AND 2021

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.

STAR TRAVEL CORP.

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2022, pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the companies that are required to be included in the consolidated financial statements of affiliates, are the same as the company required to be included in the consolidated financial statements under International Financial Reporting Standard No.10. And, if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

STAR TRAVEL CORP.
March 21, 2023

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of STAR TRAVEL CORP.

Opinion

We have audited the accompanying consolidated balance sheets of STAR TRAVEL CORP. and subsidiaries (the "Group") as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group's 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's 2022 consolidated financial statements are stated as follows:

Authenticity of the revenue recognition of domestic group tours

<u>Description</u>

Refer to Note 4(24) for accounting policy on revenue recognition and Note 6(15) for details of operating revenue.

The Group's operating revenue arise mainly from travel services. For the year ended December 31, 2022, as overseas travel market was affected by the Covid-19 pandemic, revenue from domestic group tours accounted for a large percentage of total revenue. As the revenue is material to the consolidated financial statements, we considered the authenticity of the revenue recognition of domestic group tours as a key audit matter.

<u>How our audit addressed the matter</u>

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

1. Obtained an understanding of and assessed the Group's internal controls over group tours revenue, and tested the effectiveness of related internal control's design and execution.

2. Selected samples from list of completed domestic group tours at the balance sheet date, reviewed the customised travel contracts, orders, receipts and relevant collection vouchers to confirm the authenticity of the revenue recognition of domestic group tours.

Other matter – Prior period financial statements audited by other auditors

The consolidated financial statements of the Group as of and for the year ended December 31, 2021 were audited by other auditors, whose report dated March 23, 2022 expressed an unmodified opinion on those statements.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion on the parent company only financial statements of STAR TRAVEL CORP., Ltd. as of and for the years ended December 31, 2022 and 2021.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the

Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

B. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

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

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

Tien, Chung-Yu

Independent Accountants

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan
Republic of China
March 21, 2023

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STAR TRAVEL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 404,179	62	$ 51,852	23
1136	Financial assets at amortised cost - current	6(1)(2)	300	-	300	-
1150	Notes receivable, net	6(3) and 7	232	-	-	-
1170	Accounts receivable, net	6(3) and 12	9,736	1	471	-
1180	Accounts receivable, net-related parties	6(3), 7 and 12	768	-	353	-
1200	Other receivables	6(4), 7 and 12	2,677	-	3,078	1
1220	Current income tax assets	6(22)	36	-	28	-
130X	Inventories	6(5)	50	-	308	-
1410	Prepayments	6(6) and 7	16,490	3	8,720	4
1479	Other current assets		-	-	248	-
11XX	**Total current assets**		434,468	66	65,358	28
	Non-current assets					
1535	Financial assets at amortised cost - non-current	6(2) and 8	89,400	14	32,600	14
1600	Property, plant and equipment	6(7) and 8	121,062	19	122,340	53
1780	Intangible assets		-	-	138	-
1840	Deferred income tax assets	6(22)	519	-	579	1
1915	Prepayments for equipment		13	-	-	-
1920	Guarantee deposits paid		9,468	1	9,141	4
15XX	**Total non-current assets**		220,462	34	164,798	72
1XXX	**Total assets**		$ 654,930	100	$ 230,156	100

(Continued)

STAR TRAVEL CORP. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2022 AMOUNT	%	December 31, 2021 AMOUNT	%
	Current liabilities					
2130	Contract liabilities - current	6(15)	$ 19,648	3	$ 9,956	4
2150	Notes payable		727	-	-	-
2170	Accounts payable	7	14,326	2	5,685	3
2200	Other payables	6(8) and 7	13,924	2	12,513	5
2320	Long-term liabilities, current portion	6(9) and 8	4,360	1	4,330	2
2399	Other current liabilities		6,528	1	740	-
21XX	**Total current liabilities**		59,513	9	33,224	14
	Non-current liabilities					
2540	Long-term borrowings	6(9) and 8	87,298	13	146,316	64
2645	Guarantee deposits received		323	-	368	-
25XX	**Total non-current liabilities**		87,621	13	146,684	64
2XXX	**Total liabilities**		147,134	22	179,908	78
	Equity attributable to owners of parent					
	Share capital					
3110	Common stock	6(11)	687,421	105	340,721	148
3200	Capital surplus	6(12)(13)	2,162	1	22	-
	Accumulated deficit	6(11)(14)				
3350	Accumulated deficit		(181,787)	(28)	(290,495)	(126)
3XXX	**Total equity**		507,796	78	50,248	22
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 654,930	100	$ 230,156	100

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

STAR TRAVEL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except for loss per share amount)

			Year ended December 31			
			2022		2021	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(15) and 7	$ 81,806	100	$ 33,132	100
5000	Operating costs	6(5)(20)(21) and 7	(81,846)	(100)	(27,949)	(84)
5900	Gross loss (profit)		(40)	-	5,183	16
	Operating expenses	6(10)(13)(20)(21) and 7				
6100	Selling expenses		(32,407)	(40)	(26,270)	(79)
6200	General and administrative expenses		(41,425)	(51)	(38,611)	(117)
6450	Expected credit gains	12	30	-	-	-
6000	Total operating expenses		(73,802)	(91)	(64,881)	(196)
6900	Operating loss		(73,842)	(91)	(59,698)	(180)
	Non-operating income and expenses					
7100	Interest income	6(2)(16)	1,163	1	190	-
7010	Other income	6(17) and 7	30,709	38	19,590	59
7020	Other gains and losses	6(18)	233	-	(626)	(2)
7050	Finance costs	6(19)	(2,789)	(3)	(2,109)	(6)
7000	Total non-operating income and expenses		29,316	36	17,045	51
7900	**Loss before income tax**		(44,526)	(55)	(42,653)	(129)
7950	Income tax (expense) benefit	6(22)	(66)	-	38	-
8200	**Loss for the year**		($ 44,592)	(55)	($ 42,615)	(129)
8500	**Total comprehensive loss for the year**		($ 44,592)	(55)	($ 42,615)	(129)
	Loss attributable to:					
8610	Owners of the parent		($ 44,592)	(55)	($ 42,615)	(129)
	Comprehensive loss attributable to:					
8710	Owners of the parent		($ 44,592)	(55)	($ 42,615)	(129)
	Loss per share (in dollars)	6(23)				
9750	Basic		($ 1.16)		($ 2.35)	
9850	Diluted		($ 1.16)		($ 2.35)	

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

STAR TRAVEL CORP. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent			
	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Total unappropriated retained earnings (accumulated deficit)	Total equity
For the year ended December 31, 2021					
Balance at January 1, 2021		$ 310,721	$ 22	($ 241,880)	$ 68,863
Loss for the year		-	-	(42,615)	(42,615)
Total comprehensive loss		-	-	(42,615)	(42,615)
Issuance of common stock from private placement	6(11)	30,000	-	(6,000)	24,000
Balance at December 31, 2021		$ 340,721	$ 22	($ 290,495)	$ 50,248
For the year ended December 31, 2022					
Balance at January 1, 2022		$ 340,721	$ 22	($ 290,495)	$ 50,248
Loss for the year		-	-	(44,592)	(44,592)
Total comprehensive loss		-	-	(44,592)	(44,592)
Capital reduction to offset against accumulated deficit	6(11)	(153,300)	-	153,300	-
Issuance of common stock from private placement	6(11)	500,000	-	-	500,000
Compensation cost recognised from employee stock options	6(12)(13)	-	2,090	-	2,090
Issuance of fractional shares from capital reduction	6(12)	-	9	-	9
Exercise of right of disgorgement	6(12)	-	41	-	41
Balance at December 31, 2022		$ 687,421	$ 2,162	($ 181,787)	$ 507,796

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

STAR TRAVEL CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(Expressed in thousands of New Taiwan dollars)

	Notes	For the year ended December 31 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		($ 44,526)	($ 42,653)
Adjustments			
Adjustments to reconcile profit (loss)			
Expected credit gains	12	(30)	-
Reversal of inventory market price decline	6(5)	(8)	-
Gain on disposal of property, plant and equipment	6(18)	-	(23)
Depreciation	6(7)(20)	3,092	4,791
Amortisation	6(20)	138	399
Compensation cost recognised from employee stock options	6(13)	2,090	-
Interest income	6(16)	(1,163)	(190)
Interest expense	6(19)	2,789	2,109
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		(232)	347
Accounts receivable		(9,265)	492
Accounts receivable - related parties		(415)	(213)
Other receivables		666	2,353
Inventories		266	(308)
Prepayments		(7,770)	(2,780)
Other current assets		248	209
Changes in operating liabilities			
Contract liabilities - current		9,692	3,796
Notes payable		727	-
Accounts payable		8,641	(2,476)
Other payables		1,664	282
Other current liabilities		5,788	(256)
Other non-current liabilities		-	348
Cash outflow generated from operations		(27,608)	(33,773)
Interest received		928	189
Interest paid		(2,890)	(2,044)
Income tax refund		20	283
Income tax paid		(34)	-
Net cash flows used in operating activities		(29,584)	(35,345)
CASH FLOWS FROM INVESTING ACTIVITIES			
Increase in financial assets at amortised cost - current		-	(13,300)
(Increase) decrease in financial assets at amortised cost - non-current		(56,800)	14,720
Cash paid for acquisition of property, plant and equipment	6(24)	(1,966)	-
Proceeds from disposal of property, plant and equipment		-	140
Increase in prepayments for equipment		(13)	-
(Increase) decrease in guarantee deposits paid		(327)	2
Net cash flows (used in) from investing activities		(59,106)	1,562
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in long-term borrowings	6(25)	22,469	33,264
Repayments of long-term borrowings	6(25)	(81,457)	(968)
Decrease in guarantee deposits received	6(25)	(45)	(50)
Issuance of common stock from private placement	6(11)	500,000	24,000
Issuance of fractional shares from capital reduction	6(12)	9	-
Exercise of right of disgorgement	6(12)	41	-
Net cash flows from financing activities		441,017	56,246
Net increase in cash and cash equivalents		352,327	22,463
Cash and cash equivalents at beginning of year	6(1)	51,852	29,389
Cash and cash equivalents at end of year	6(1)	$ 404,179	$ 51,852

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

STAR TRAVEL CORP. AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Star Travel Corporation (the "Company") was established on February 24, 2003. The Company and its subsidiaries (collectively referred herein as "Group") are primarily engaged in travel agency services. On May 5, 2020, the Company conducted a simple merger with its wholly-owned subsidiary, Star Travel Service Corporation, and the Company was the surviving company. The information on main business activities of the Company's subsidiaries is provided in Note 4(3).

(2) The Company's shares are traded in the Taipei Exchange since February 24, 2012.

(3) E-Top Metal Co., Ltd. holds 68.73% of the Company's shares since August 2022, and is the Company's parent company.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorized for issuance by the Board of Directors on March 21, 2023.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting 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 2022 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IFRS 3, 'Reference to the conceptual framework'	January 1, 2022
Amendments to IAS 16, 'Property, plant and equipment: proceeds before intended use'	January 1, 2022
Amendments to IAS 37, 'Onerous contracts – cost of fulfilling a contract'	January 1, 2022
Annual improvements to IFRS Standards 2018 – 2020	January 1, 2022

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

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

New standards, interpretations and amendments endorsed by the FSC effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

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

(3) IFRSs issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
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
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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. The consolidated financial statements have been prepared under the historical cost convention.

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 Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5, 'Critical accounting judgements, estimates and key sources of assumption uncertainty'.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e., transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiaries	Main business activities	Ownership (%)		Note
			December 31, 2022	December 31, 2021	
Company	Star Marketing Co., Ltd.	General wholesale	100.00	100.00	(Note 1)
Company	Xing Rong Management Consulting Co., Ltd.	Retail management consulting	100.00	-	(Note 2)

(Note 1) The subsidiary was formerly known as 'Kai Shi Zi Xun Co., Ltd.' and was renamed as 'STAR MARKETING CO., LTD.' in July 2021.

(Note 2) The subsidiary was established in September 2022.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries with non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.

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. All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'Other gains and losses'.

(5) Classification of current and non-current items

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

(a) Assets arising from operating activities that are expected to be realized, 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 12 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) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

A. Cash equivalent refers to a short-term and highly liquid investment, that are readily convertible to known amounts of cash and which are subject to an significant risk of changes in value.

B. Time deposits that meet the above definition and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at amortised cost

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

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

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

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

(8) Accounts and notes receivable

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

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

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

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

(11) Leasing arrangements (lessor)-operating leases

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

(12) Inventories

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

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Assets	Useful lives
Buildings (including accessory equipment)	8 ~ 50 years
Computer and telecommunication equipment	3 years
Office equipment	5 years
Leasehold assets	5 years

(14) Intangible assets

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

(15) Impairment of non-financial assets

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

(16) Borrowings

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

(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) 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

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.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' 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.

(20) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group 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 consolidated balance sheet. However, the deferred tax is not accounted for an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized 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.

(21) 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.

(22) Employee share-based basic benefits

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(23) Dividends

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

(24) Revenue recognition

A. The Group provides travel-related services. Revenue from group tours arises from arranging domestic and overseas sightseeing tours for tourists and providing related services such as transportation, food and accommodation and activity planning. Since the group tour service is a package tour, revenue from rendering such service is recognised based on the number of days of services consumed by customers as the Group provides benefits to customers based on the number of days of performance of services. However, revenue from the sales of group tour packages to the same industry is recognised based on the net amount. Revenue from ticket sales arises from agency services for booking tickets for domestic and overseas transportation and tickets for tourist attractions, and applying the immigration visa on behalf of the customers, and the revenue is recognised on a net basis when the services are completed and the amount of revenue and costs can be measured reliably.

B. Some contracts include multiple deliverables, such as purchasing tickets or purchasing self-guided tour, which should be recognised as revenue over time or at a point in time in accordance with the nature of performance obligation after identifying performance obligations and allocating the transaction price separately. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin.

C. The Group’s estimate about revenue, costs and the percentage of inputs of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management becomes aware of the changes in circumstances.

(25) Government grants

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

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Group’s chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

As the Group's operating scale and the industry that it belongs to are not complex, the estimation and valuation of carrying amounts of assets and liabilities can be verified objectively. The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group’s accounting policies and make critical assumptions and estimated concerning future events. There is no significant risk that these estimates and assumptions would cause a material adjustment to the carrying amount of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash:		
Cash on hand	$ 1,650	$ 1,431
Checking accounts and demand deposits	102,529	50,421
	104,179	51,852
Cash equivalents:		
Time deposits	300,000	-
	$ 404,179	$ 51,852

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

B. The time deposits maturing over three months (listed as 'Financial assets at amortised cost - current') both amounted to $300 as of December 31, 2022 and 2021.

C. Details of the Group's time deposits pledged to others as collateral as of December 31, 2022 and 2021 are provided in Note 8, 'PLEDGED ASSETS'.

(2) Financial assets at amortised cost

	December 31, 2022	December 31, 2021
Current items:		
Time deposits maturing over three months	$ 300	$ 300
Non-current items:		
Restricted bank deposit	$ 89,400	$ 32,600

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

	For the years ended December 31, 2022	2021
Interest income	$ 781	$ 189

B. As of December 31, 2022 and 2021, the Group's financial assets at amortised cost pledged to others as collateral are provided in Note 8, 'PLEDGED ASSETS'.

C. As of December 31, 2022 and 2021, without taking into account any 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 the carrying amount.

D. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	December 31, 2022	December 31, 2021
Notes receivable	$ 232	$ -
Accounts receivable (including related parties)	$ 10,882	$ 1,202
Less: Allowance for uncollectible accounts	(378)	(378)
	$ 10,504	$ 824

A. The ageing analysis of notes receivable and accounts receivable (including related parties) is as follows:

	December 31, 2022		December 31, 2021
	Notes receivable	Accounts receivable	Accounts receivable
Up to 30 days	$ -	$ 9,714	$ 644
31 to 90 days	4	414	90
91 to 180 days	228	340	45
Over 181 days	-	414	423
	$ 232	$ 10,882	$ 1,202

The above aging analysis was based on invoice date.

B. As of December 31, 2022 and 2021, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2021, the balance of receivables from contracts with customers amounted to $1,828.

C. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

D. As of December 31, 2022 and 2021, the Group did not hold any collateral as security for notes receivable and accounts receivable.

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

(4) Other receivables

	December 31, 2022	December 31, 2021
Commissions receivable	$ 12	$ 1,445
Refund tickets receivable	7	72
Others	2,951	1,884
	2,970	3,401
Less: Allowance for uncollectible accounts	(293)	(323)
	$ 2,677	$ 3,078

(5) Inventories

	December 31, 2022	December 31, 2021
Merchandise	$ 677	$ 943
Less: Allowance for price decline of inventories	(627)	(635)
	$ 50	$ 308

The cost of inventories recognised as expense:

	For the years ended December 31,	
	2022	2021
Cost of goods sold	$ 240	$ 278
Reversal of inventory market price decline (Note)	(8)	-
	$ 232	$ 278

(Note) The Group reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because inventories which were previously provided with allowance were subsequently sold for the year ended December 31, 2022.

(6) Prepayments

	December 31, 2022	December 31, 2021
Prepayments for tour	$ 3,322	$ 2,671
Prepayments for airline tickets	7,378	3,061
Prepayments for room reservation	2,217	1,836
Other prepayments	3,573	1,152
	$ 16,490	$ 8,720

(7) Property, plant and equipment

	Land	Buildings	Computer and telecommunication equipment	Office equipment	Leasehold assets	Total
January 1, 2022						
Cost	$ 46,740	$ 77,298	$ 7,342	$ 1,394	$ 152	$ 132,926
Accumulated depreciation	-	(2,675)	(6,915)	(996)	-	(10,586)
	$ 46,740	$ 74,623	$ 427	$ 398	$ 152	$ 122,340
For the year ended December 31, 2022						
At January 1	$ 46,740	$ 74,623	$ 427	$ 398	$ 152	$ 122,340
Additions	-	-	565	-	1,249	1,814
Depreciation	-	(2,293)	(384)	(260)	(155)	(3,092)
At December 31	$ 46,740	$ 72,330	$ 608	$ 138	$ 1,246	$ 121,062
December 31, 2022						
Cost	$ 46,740	$ 77,298	$ 7,907	$ 1,394	$ 1,401	$ 134,740
Accumulated depreciation	-	(4,968)	(7,299)	(1,256)	(155)	(13,678)
	$ 46,740	$ 72,330	$ 608	$ 138	$ 1,246	$ 121,062

	Land	Buildings	Computer and telecommunication equipment	Office equipment	Leasehold assets	Total
January 1, 2021						
Cost	$ 46,740	$ 77,298	$ 14,863	$ 1,682	$ 312	$ 140,895
Accumulated depreciation	-	(382)	(12,248)	(862)	(307)	(13,799)
	$ 46,740	$ 76,916	$ 2,615	$ 820	$ 5	$ 127,096
For the year ended December 31, 2021						
At January 1	$ 46,740	$ 76,916	$ 2,615	$ 820	$ 5	$ 127,096
Addition	-	-	-	-	152	152
Depreciation	-	(2,293)	(2,188)	(305)	(5)	(4,791)
Disposals - cost	-	-	(7,522)	(288)	(312)	(8,122)
- accumulated depreciation	-	-	7,522	171	312	8,005
At December 31	$ 46,740	$ 74,623	$ 427	$ 398	$ 152	$ 122,340
December 31, 2021						
Cost	$ 46,740	$ 77,298	$ 7,342	$ 1,394	$ 152	$ 132,926
Accumulated depreciation	-	(2,675)	(6,915)	(996)	-	(10,586)
	$ 46,740	$ 74,623	$ 427	$ 398	$ 152	$ 122,340

A. The Group's property, plant and equipment are all occupied by the owner for operating purpose as of December 31, 2022 and 2021.

B. No borrowing cost was capitalised as part of property, plant and equipment for the years ended December 31, 2022 and 2021.

C. Information about the property, plant and equipment that were pledged as collateral as of December 31, 2022 and 2021 is provided in Note 8, 'PLEDGED ASSETS'.

(8) Other payables

	December 31, 2022		December 31, 2021	
Salaries and bonuses payable	$	4,803	$	3,393
Refund tickets payable		2,048		337
Labour and health insurance payable		1,742		3,128
Commissions payable		146		1,373
Pension payable		1,437		1,580
Others		3,748		2,702
	$	13,924	$	12,513

(9) Long-term borrowings

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2022	
Secured bank borrowings	2020.10~ 2040.10	1.28%～ 1.78%	Land and buildings	$	91,658
Less: Current portion				(	4,360)
				$	87,298

Type of borrowings	Borrowing period	Interest rate range	Collateral	December 31, 2021	
Secured bank borrowings	2020.10~ 2040.10	1.28%	Land and buildings	$	93,115
Unsecured bank borrowings	2020.9~ 2027.6	1.845%～ 2.50%	None		57,531
					150,646
Less: Current portion				(	4,330)
				$	146,316

(Note 1) The principal is payable after a grace period of 18 months, and the interest is payable monthly.

(Note 2) The original principal grace period is one year, and the principal and interest will be repaid monthly based on the fixed annuity method after the grace period expires. Due to the impact of the Covid-19 epidemic, the Group applied with the bank for an extension of the grace period starting from November 2021. The Company was granted a grace period of 2 years from the date of extension.

Information about interest expenses recognised in profit or loss for the years ended December 31, 2022 and 2021 is provided in Note 6(19), ‘Finance costs’.

(10) Pensions

Effective July 1, 2005, the Group 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 Group 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. The pension costs under the defined contribution pension plans of the Group were $1,980 and $2,058 for the years ended December 31, 2022 and 2021, respectively.

(11) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows: (Unit: in thousand shares):

	For the years ended December 31,	
	2022	2021
Beginning balance	34,072	31,072
Capital reduction to offset against accumulated deficit	(15,330)	-
Seasoned equity offering-private placement	50,000	3,000
	68,742	34,072

B. To increase the Company's working capital, the stockholders at their special meeting on August 12, 2020 resolved to raise additional cash through private placement, and the Board of Directors on May 6, 2021 adopted a resolution to increase capital by issuing 3,000 thousand shares with subscription price of the shares issued at a discount of $8 (in dollars) per share through private placement with the effective date set on May 20, 2021, and the difference of $6,000 between the par value and the subscription price of the shares issued had been adjusted in the accumulated losses. The capital raised through the private placement had been registered. Except for the transferees as prescribed in the Securities and Exchange Act, the aforementioned private placement securities shall not be sold to other parties within a period of three years starting from the date they have been issued. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

C. The shareholders during the extraordinary general meeting on April 13, 2022 resolved to reduce capital to offset against accumulated deficit. The capital reduction amounted to $153,300, constituting 15,330 thousand shares with a par value of $10 (in dollars) per share, at a capital reduction ratio of 44.993%. The capital reduction has been approved by the Securities and Futures Bureau, Financial Supervisory Commission, with the record date set on May 13, 2022. The registration of the capital reduction was completed on June 13, 2022.

D. To increase the Company's working capital, the stockholders at their special meeting on April

13, 2022 resolved to raise additional cash through private placement, and the Board of Directors on July 26, 2022 adopted a resolution to increase capital by issuing 50,000 thousand shares with subscription price at par value of $10 (in dollars). The effective date was set on August 9, 2022.The capital raised through the private placement had been registered. The securities may not be re-sold to other parties, except for the parties who are accordance with the R.O.C. Securities and Exchange Act during three full years have elapsed since delivery date. Pursuant to the Securities and Exchange Act, the ordinary shares raised through the private placement are subject to certain transfer restrictions and cannot be listed on the stock exchange until three years after they have been issued and have been offered publicly. Other than these restrictions, the rights and obligations of the ordinary shares raised through the private placement are the same as other issued ordinary shares.

E. As of December 31, 2022, the Company's authorised capital was $1,000,000, and the paid-in capital was $687,421 (including shares through private placement amounting to $605,820 and $4,000 which can be issued as stock option certificates), consisting of 68,742 thousand shares of ordinary stock with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(12) Capital surplus

	For the year ended December 31, 2022			
	Share premium	Employee share options	Others	Total
Balances at January 1	$ 22	$ -	$ -	$ 22
Compensation cost recognised from employee stock options	-	2,090	-	2,090
Issuance of fractional shares from capital reduction	9	-	-	9
Exercise of right of disgorgement	-	-	41	41
Balances at December 31	$ 31	$ 2,090	$ 41	$ 2,162

	For the year ended December 31, 2021			
	Share premium	Employee share options	Others	Total
At January 1 and December 31	$ 22	$ -	$ -	$ 22

A. 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.

B. Information relating to 'capital surplus—share options' is provided in Note 6(13).

(13) Share based payment-employee compensation

On August 2, 2022, the Company issued compensatory employee stock option plan of 1,617 thousand units, and the subscription price was $22.55 (in dollars) per share, which shall not be lower than the closing price of the Company's ordinary shares on the issuance date. Employees can subscribe for 1 share per unit of the stock option. After the issuance of the stock options, if there is any change in the Company's ordinary shares, the subscription price shall be adjusted based on the specific formulas. As of December 31, 2022, the subscription price of employees' stock options has been adjusted to $12.49 (in dollars). The vesting period of the issued stock options is 4 years. Employees can exercise their subscription rights each year under the regulations governing employee stock options after two years of service from the issuance date. The compensation cost (listed as 'Capital surplus-share options') recognised for the compensatory employee stock option for the year ended December 31, 2022 amounted to $2,090. There was no such situation for the year ended December 31, 2021.

A. The relevant information on the Company's employee stock option plan is disclosed as follows:

	For the year ended December 31, 2022	
	Quantity (In thousand units)	Weighted average exercise price (in dollars)
Options outstanding at January 1	-	$ -
Options granted	1,617	22.55
Options forfeited	(40)	12.49
Options outstanding at December 31	1,577	12.49
Options exercisable at December 31	-	-

B. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. The relevant information is as follows:

Grant Date	August 2, 2022
Share price	$ 22.55 (in dollars)
Exercise price	$ 22.55 (in dollars)
Dividend yield rate	0%
Expected price volatility rate	66.99%
Risk-free interest	1%
Expected duration	4.15 years
Fair value per unit (per share)	$ 11.59 (in dollars)

(14) Accumulated deficits

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, special reserve shall be set aside or reverse in accordance with the related laws or the regulations made by the regulatory authority. The remainder, if any, along with beginning unappropriated earnings and the adjustment of undistributed earnings for the current year, except the amount that shall be maintained for operation needs, shall be proposed to the shareholders for the resolution of appropriation.

B. The Company's dividend policy is determined in accordance with the Company Act and the Company's Articles of Incorporation, taking into consideration the Company's capital, financial structure, operating condition, earnings and the nature and cycle of the industry to which the Company belongs. Dividends may be distributed in the form of shares or cash taking into account the factors such as the Company's finance, business and operations. However, cash dividends distributed should account for at least 5% of the total dividends distributed for the year.

C. 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.

D. The shareholders have resolved the deficit compensation for 2021 during the shareholders' meeting on June 28, 2022. Details of the resolution of deficit compensation are provided in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(15) Operating revenue

A. The Group derives revenue from the group tours over time and revenue from tickets at a point in time as follows:

	For the years ended December 31,	
	2022	2021
Group tours revenue	$ 71,427	$ 30,745
Ticketing revenue	5,916	1,708
Others	4,463	679
	$ 81,806	$ 33,132

B. Contract liabilities:

(a) The Group has recognised the following revenue-related contract liabilities:

	December 31, 2022	December 31, 2021	January 1, 2021
Contract liabilities – airline tickets for travelers, group tour fees and visa fees	$ 19,648	$ 9,956	$ 6,160

(b) Revenue recognised for the years ended December 31, 2022 and 2021 that was included in the contract liabilities as of January 1, 2022 and 2021 amounted to $9,956 and $357, respectively.

(16) Interest income

	For the years ended December 31,	
	2022	2021
Bank deposits	$ 1,163	$ 190

(17) Other income

	For the years ended December 31,	
	2022	2021
Lease revenue	$ 1,635	$ 502
Government grants income	4,791	10,109
Commissions revenue	4,680	5,025
Others	19,603	3,954
	$ 30,709	$ 19,590

(18) Other gains and losses

	For the years ended December 31,	
	2022	2021
Net currency exchange gains (losses)	$ 355	($ 462)
Net gains on disposal of property, plant and equipment	-	23
Others	(122)	(187)
	$ 233	($ 626)

(19) Finance costs

	For the years ended December 31,	
	2022	2021
Bank borrowings	$ 2,789	$ 2,109

(20) Expenses by nature

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 472	$ 39,554	$ 40,026
Depreciation	-	3,092	3,092
Amortisation	-	138	138
	$ 472	$ 42,784	$ 43,256

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Employee benefit expenses	$ 308	$ 45,645	$ 45,953
Depreciation	-	4,791	4,791
Amortisation	-	399	399
	$ 308	$ 50,835	$ 51,143

(21) Employee benefit expense

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Wages and salaries	$ 472	$ 30,292	$ 30,764
Compensation cost recognised from employee stock options	-	2,090	2,090
Labor and health insurance expenses	-	3,863	3,863
Pension costs	-	1,980	1,980
Other personnel expenses	-	1,329	1,329
	$ 472	$ 39,554	$ 40,026

	For the year ended December 31, 2021		
	Operating cost	Operating expense	Total
Wages and salaries	$ 308	$ 37,954	$ 38,262
Labor and health insurance expenses	-	3,962	3,962
Pension	-	2,058	2,058
Other personnel expenses	-	1,671	1,671
	$ 308	$ 45,645	$ 45,953

A. According to the Articles of Incorporation of the Company, the earnings, if any, shall be distributed as employees' compensation which shall account for 0.1%~7% of the amount of pre-tax profit before deduction of employees' compensation less accumulated deficit. Regardless of profit or loss, the Company authorises the Board of Directors to determine the directors' remuneration based on their participation in the operations of the Company and the value of their contribution to the Company.

B. The Company did not accrue employees' compensation due to the loss incurred for the both years ended December 31, 2022 and 2021. Information about employees' compensation and directors' and supervisors' remuneration of the Company as proposed by the Board of Directors and resolved by the stockholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Components of income tax expense (benefit):

	For the years ended December 31,	
	2022	2021
Current tax:		
Prior year income tax under estimation	$ 6	$ -
Deferred income tax:		
Origination and reversal of temporary differences	60	(38)
Income tax expense (benefit)	$ 66	($ 38)

B. Reconciliation between income tax expense (benefit) and accounting loss:

	For the years ended December 31,	
	2022	2021
Tax calculated based on loss before tax and statutory tax rate	($ 8,907)	($ 8,531)
Effect from tax exempt income by tax regulation	3,171	(1,991)
Temporary diffences not recognised as deferred tax assets	(1)	(3)
Taxable loss not recognised as deferred tax assets	5,797	10,487
Prior year income tax under estimation	6	-
Income tax expense (benefit)	$ 66	($ 38)

C. Amounts of deferred tax assets as a results of temporary differences and tax losses are as follows:

	For the year ended December 31, 2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Allowance for doubtful accounts	$ 72	$ 1	$ -	$ 73
Unrealised loss on inventory market value decline	127	(1)	-	126
Unused compensated absences	230	66	-	296
Unrealised exchange loss	150	(126)	-	24
	$ 579	($ 60)	$ -	$ 519

	For the year ended December 31, 2021			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
Temporary differences:				
Allowance for doubtful accounts	$ 72	$ -	$ -	$ 72
Unrealised loss on inventory market value decline	135	(8)	-	127
Unused compensated absences	277	(47)	-	230
Unrealised exchange loss	57	93	-	150
	$ 541	$ 38	$ -	$ 579

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assetes are as follows:

December 31, 2022				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 3,232	$ 3,232	$ 646	2025
2016	43,252	43,252	8,650	2026
2017	64,305	64,305	12,861	2027
2018	147,074	147,074	29,415	2028
2019	105,782	105,782	21,156	2029
2020	99,274	99,274	19,855	2030
2021	52,424	52,424	10,485	2031
2022	28,985	28,985	5,797	2032
	$ 544,328	$ 544,328	$ 108,865	

December 31, 2021				
Year incurred	Amount filed/assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2015	$ 3,232	$ 3,232	$ 646	2025
2016	43,252	43,252	8,650	2026
2017	64,305	64,305	12,861	2027
2018	147,074	147,074	29,415	2028
2019	105,782	105,782	21,156	2029
2020	99,274	99,274	19,855	2030
2021	52,437	52,437	10,487	2031
	$ 515,356	$ 515,356	$ 103,070	

E. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of March 21, 2023.

(23) Loss per share

	For the year ended December 31,2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 44,592)	38,605	($ 1.16)

	For the year ended December 31,2021		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Loss per share (in dollars)
Basic and diluted loss per share			
Loss attributable to ordinary shareholders of the parent	($ 42,615)	18,114	($ 2.35)

A. Employee stock options in 2021 were not included in the calculation of diluted loss per share because they have an anti-dilutive effect.

B. The above mentioned weighted-average number of ordinary shares outstanding was retrospectively adjusted in proportion to the capital reduction ratio for the year ended December 31, 2021.

(24) Supplemental cash flow information

Investing activities with partial cash payments:

	For the years ended December 31,	
	2022	2021
Acquisition of property, plant and equipment	$ 1,814	$ 152
Add: Beginning balance of payables for equipment	152	-
Less: Ending balance of payables for equipment	-	(152)
Cash paid for acquisition of property, plant and equipment	$ 1,966	$ -

(25) Changes in liabilities from financing activities

	Long-term borrowings (including current portion)	Guarantee deposits received	Total
At January 1, 2022	$ 150,646	$ 368	$ 151,014
Changes in cash flow from financing activities	(58,988)	(45)	(59,033)
At December 31, 2022	$ 91,658	$ 323	$ 91,981

	Long-term borrowings (including current portion)	Guarantee deposits received	Total
At January 1, 2021	$ 118,350	$ 50	$ 118,400
Changes in cash flow from financing activities	32,296	318	32,614
At December 31, 2021	$ 150,646	$ 368	$ 151,014

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
E-Top Metal Co., Ltd.	Parent company
Man-Strong Manpower Mgt. Co., Ltd.	Substantive related party
Argo Yachts Development Co., Ltd.	Substantive related party
Man-Strong Manpower Co., Ltd.	Substantive related party
Li-Fung International Co., Ltd.	Substantive related party
Lohas Ocean Leisure Co., Ltd.	Substantive related party
Sanxing Management Consulting Co., Ltd.	Substantive related party
Juyang International Consulting Co., Ltd.	Substantive related party
Xiyu International Co., Ltd.	Substantive related party
Sidley International Human Resources, Ltd.	Substantive related party
Honggu Human Resources, Ltd.	Substantive related party
World-Union Fortune Company	Substantive related party
Argo Qingwan Ocean Cultural and Creative Co., Ltd.	Substantive related party
TSG Hawks Baseball Co., Ltd.	Substantive related party
Taiwan Steel Group United Co., Ltd.	Substantive related party
TSG Sports Marketing Co., Ltd.	Substantive related party
Chun Yu Works & Co., Ltd.	Substantive related party
OFCO Industrial Corporation	Substantive related party
Chun Zu Machinery Industry Co., Ltd.	Substantive related party
E-Sheng Steel Co., Ltd.	Substantive related party

(2) Significant related party transactions

A. Operating revenue

	For the years ended December 31,	
	2022	2021
Group tour income - fee income:		
Parent Company	$ 29	$ -
Substantive related parties	5,045	1,157
	$ 5,074	$ 1,157

Operating revenue mainly arise from sales of airline tickets and providing travel service to related parties. Transportation prices are determined based on mutual agreement and the collection term is 30 days after monthly billings.

B. Operating cost

	For the years ended December 31, 2022	2021
Substantive related parties	$ 2,763	$ 2,179

Operating costs mainly arise from leasing yachts and purchasing goods from related parties. Transportation prices are determined based on mutual agreement and the payment term is 30 days after monthly billings.

C. Commissions expense

	For the years ended December 31, 2022	2021
Substantive related parties	$ 189	$ 134

D. Advertisement expense

	For the years ended December 31, 2022	2021
Substantive related parties	$ 198	$ –

E. Other expenses

	For the years ended December 31, 2022	2021
Substantive related parties	$ 325	$ 60

F. Other income

	For the years ended December 31, 2022	2021
Substantive related parties	$ 154	$ 1,515

G. Receivables from related parties

	December 31, 2022	December 31, 2021
Notes receivable:		
Substantive related parties	$ 4	$ -
Accounts receivable:		
Substantive related parties	$ 768	$ 353
Other receivables:		
Substantive related parties	$ 48	$ 358

The receivables from related parties arise mainly from sales transactions. The receivables are unsecured in nature and bear no interest.

H. Prepayments

	December 31, 2022	December 31, 2021
Argo Yachts	$ 331	$ 2,216
Substantive related parties	14	13
	$ 345	$ 2,229

I. Prepaid expenses

	December 31, 2022	December 31, 2021
Substantive related parties	$ 381	$ -

J. Payables to related parties

	December 31, 2022	December 31, 2021
Accounts payable:		
Substantive related parties	$ 379	$ 48
Other payables:		
Substantive related parties	$ 18	$ 25

The payables to related parties arise mainly from group tour transactions. The payables bear no interest.

(3) Key management compensation

	For the years ended December 31,	
	2022	2021
Salaries and other short-term employee benefits	$ 3,702	$ 2,825
Compensation cost recognised from employee stock options	707	-
Post-employment benefits	109	170
	$ 4,518	$ 2,995

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2022	December 31, 2021	Purpose
Time deposits (Note 1)	$ 89,400	$ 32,600	Guarantees for Tourism Bureau, issuance of airline tickets, ticket booking system, Insurance Bureau, and deposits for corporations
Land (Note 2)	46,740	46,740	Short-term and long-term borrowings
Buildings (Note 2)	72,330	74,623	Short-term and long-term borrowings
	$ 208,470	$ 153,963	

(Note 1): Listed as 'Financial assets at amortised cost - non-current'.

(Note 2): Listed as 'Property, plant and equipment'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

As of December 31, 2022 and 2021, in order to cooperate with airline companies and hotels, the Group commissioned financial institutions to provide comprehensive facilities of $211,300 and $172,306, respectively (including performance guarantees and short-term loan facilities), and the actual drawn amount of guarantees was $164,300 and $165,306, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group'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. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	$ 404,179	$ 51,852
Financial assets at amortised cost - current	300	300
Notes receivable	232	-
Accounts receivable (including related parties)	10,504	824
Other receivables	2,677	3,078
Financial assets at amortised cost - non-current	89,400	32,600
Guarantee deposits paid	9,468	9,141
	$ 516,760	$ 97,795
Financial liabilities		
Financial liabilities at amortised cost		
Notes payable	$ 727	$ -
Accounts payable	14,326	5,685
Other payables	13,924	12,513
Long-term borrowings (including current portion)	91,658	150,646
Guarantee deposits received	323	368
	$ 120,958	$ 169,212

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. To minimize any adverse effects on the financial performance of the Group, derivative financial instruments are used to hedge certain risk.

(b) Risk management is carried out by Group's treasury department under policies approved by the Board of Directors. Group's treasury department identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. The Group's treasury department uses forward foreign exchange contracts to manage the foreign exchange risk arising from future commercial transactions and recognised assets and liabilities. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency that is not the Company's functional currency.

ii. The Group's businesses involve some non-functional currency operations (the Group'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, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
Financial assets			
Monetary items			
USD:NTD	$ 112	30.71	$ 3,451
JPY:NTD	9,761	0.2324	2,268
Financial liabilities			
Monetary items			
USD:NTD	4	30.71	109

	December 31, 2021				
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)	
Financial assets					
Monetary items					
USD:NTD	$	107	27.68	$	2,962
Financial liabilities					
Monetary items					
USD:NTD		7	27.68		194

iii. Sensitivity analysis of foreign exchange risk mainly focuses on the foreign currency monetary items at the end of the financial reporting period. If the exchange rate of NTD to all foreign currencies had appreciated/depreciated by 1% with all other variables held constant, post-tax profit would have increased/decreased by $45 and $22 for the years ended December 31, 2022 and 2021, respectively.

iv. The total exchange gain (loss), including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group amounted to $355 and ($462) for the years ended December 31, 2022 and 2021, respectively.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk mainly arises from long-term borrowings issued at floating rates, exposing the Group to cash flow interest rate risk. The Group's loans issued at floating interest rates in 2022 and 2021 were mainly denominated in New Taiwan Dollars.

ii. The Group’s borrowings are measured at cost after amortization, and the annual interest rate will be re-priced according to the contract, so the Group is exposed to the risk of future market interest rate changes.

iii. If the borrowing interest rate of New Taiwan dollars had increased/decreased by 1% or with all other variables held constant, profit, net of tax for the years ended December 31, 2022 and 2021 would have increase/decrease by $59 and $18, respectively. The main factors is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

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

ii. The Group manages its credit risk taking into consideration the entire group’s concern. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group applies the modified approach to estimate the expected credit loss on an individual assessment basis.

iv. The Group wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure their rights.

v. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principle repayments;

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vi. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable (including related parties) are as follows:

	For the years ended December 31,	
	2022	2021
Beginning and ending balance	$ 378	$ 378

vii. The Group individually assesses the impairment loss of other receivables, and movements in related loss allowance are as follows:

	For the years ended December 31,	
	2022	2021
At January 1	$ 323	$ 323
Reversal of impairment loss	(30)	-
At December 31	$ 293	$ 323

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by the Group's treasury Department. Group's treasury Department monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants.

ii. The Group has the following undrawn borrowing facilities:

	December 31, 2022	December 31, 2021
Floating rate:		
Expiring within one year	$ 47,000	$ 62,194

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

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Notes payable	$ 727	$ -	$ -	$ -
Accounts payable	14,326	-	-	-
Other payables	13,924	-	-	-
Long-term borrowings (including current portion)	6,603	6,068	18,205	77,878
Guarantee deposits received	-	323	-	-

December 31, 2021	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Accounts payable	$ 5,685	$ -	$ -	$ -
Other payables	12,513	-	-	-
Long-term borrowings (including current portion)	6,829	38,276	48,454	74,120
Guarantee deposits received	-	368	-	-

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

(3) Fair value information

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

(4) Other information

The significant decline in operating revenue in recent years was due to the impact of the Covid-19 pandemic. As the Tourism Bureau has not yet opened overseas travel for group tours with travel agencies, and therefore it is not yet possible to estimate when will the Company's operation work normally. The Company will adopt the following operating plans to effectively improve the operating conditions and financial structure, thus, the parent company only financial statements were prepared on a going concern basis.

Operating plans

As the pandemic has entered the phase of coexisting with the virus, the Group's main objective is to increase its profitability while preventing and controlling the epidemic through planning ahead to implement multiple network channels in the future, deepen the customer engagement through a modular sales model that allows customers to design their own itineraries, strengthen sales to the same industry, and encourage more customers from big corporations.

Financial plan

A. To maintain a stable financial structure, the organisation has been streamlined and adjusted, at the same time, the related operating expenses have been effectively controlled in order to continuously promote the 'Austerity policy'.

B. Apply for subsidies and loans to meet capital requirements in accordance with the relief packages provided by the government.

C. The Company's capital raised through the private placement was fully collected in the amount of $500,000.

D. The Group's related parties committed to assist the Group in raising capital and provide necessary financial support when the Group's capital is insufficient.

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Group is only required to disclose the information for the year ended December 31, 2022.

(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 (excluding subsidiaries, associates and joint ventures): None.

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

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

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

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

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

J. Significant inter-company transactions during the reporting periods: Refer to Note 7, 'Related party transactions'. Details are not disclosed separately due to each individual amount and total amount are immaterial between subsidiaries' transactions.

(2) Information on investees

Names, locations and other information of investee companies (excluding investees in Mainland China): Refer to table 1.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Refer to table 2.

14. SEGMENT INFORMATION

(1) General information

The Group operates business only in a single industry relating to travel agencies. The chief operating decision-maker who allocates resources and assesses performance of the Group as a whole, has identified that the Group has only one reportable operating segment.

(2) Measurement of departmental information

The Group evaluates the operating performance of the segment based on the revenue and income (loss) before tax. The accounting policies of the operating segment are the same as the summary of principal accounting policies described in Note 4.

(3) Information on departmental profit and loss, assets and liabilities

The Group is a single reportable operating segment. The information provided to the chief operating decision-maker of the reportable segment is consistent with that in the consolidated financial statements.

(4) Reconciliation information of departmental profit and loss, assets and liabilities

As the amounts in the statement provided to the chief operating decision-maker for managing segment are in agreement with the segment profit or loss, total assets and total liabilities, and therefore the reconciliation is not needed.

(5) Information on products and services

Revenue from external customers is mainly from the tourism service segment. The details of the revenue are provided in Note 6(15).

(6) Geographical information

Geographical information for the years ended December 31, 2022 and 2021 is as follows:

	For the year ended December 31, 2022		For the year ended December 31, 2021	
	Revenue (Note 1)	Non-current assets (Note 2)	Revenue (Note 1)	Non-current assets (Note 2)
Taiwan	$ 81,806	$ 121,075	$ 33,132	$ 122,478

(Note 1) Revenue recognised based on the country where the customers are located.

(Note 2) Non-current assets included property, plant and equipment, intangible assets and prepayments for equipment.

(7) Important customer information

The Group's revenue from any single customer for the years ended December 31, 2022 and 2021 did not exceed 10% of the Group's operating income.

STAR TRAVEL CO., LTD. AND SUBSIDIARIES

Information on investees (not including investees in China)

For the year ended December 31, 2022

Table 1

Expressed in thousands of NTD

				Initial investment amount		Shares held as at December 31, 2022					
Investor	Investee	Location	Main business activities	Balance at December 31, 2022	Balance at December 31, 2021	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2022	Investment income (loss) recognised by the company for the year ended December 31, 2022	Footnote
Star Travel Co., Ltd.	Star Marketing Co., Ltd.	Taiwan	General wholesale and retail	$ 19,500	$ 9,500	1,600,000	100	$ 1,919	($ 13,075)	($ 13,075)	Subsidiary
Star Travel Co., Ltd.	Golden Wheel Co., Ltd.	Taiwan	Management consulting	2,000	-	200,000	100	1,966	(34)	(34)	Subsidiary

STAR TRAVEL CO., LTD. AND SUBSIDIARIES

Major shareholders information

December 31, 2022

Table 2

Name of the major shareholder	Number of shares held	
	Common share	Ownership (%)
E-TOP METAL CO., LTD.	47,250,000	68.73%

(Note) The major shareholders' information was derived from the data using the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.