

Holiday Garden International Ltd.
Parent Company Only financial Report and Independent
Accountant's Report
2022 and 2021
(Stock code: 2702)

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

Holiday Garden International Ltd. and Subsidiaries

Parent Company Only Financial Report and Independent Accountant's Report of 2021 and 2020

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Independent Accountant's Report

(2023) Tsai Shen Pao Tzu No.22004060

Holiday Garden International Ltd :

Opinion

We have audited the following financial statements of Holiday Garden International Ltd.: The parent company only balance sheets of December 31, 2022 and 2021, the parent company only statements of comprehensive income of January 1 to December 31 of 2022 and 2021, the parent company only statements of changes in equity, the parent company only statements of cash flows, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material aspects, the financial position of Holiday Garden International Ltd. as at December 31, 2022 and 2021 and its financial performance and cash flows for the period from January 1 to December 31 of 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted the audit in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the generally accepted auditing standards in the Republic of China. Our responsibilities under those rules and standards are described in the section of the responsibilities of accountants auditing parent company only financial statements. Personnel of our accounting firm subject to the independent requirements have complied with the code of professional ethics of certified public accountants of the Republic of China, stayed fully independent of Holiday Garden Hotel Co., Ltd, and fulfilled other responsibilities in accordance with the code. We believe that we have obtained adequate and appropriate audit evidence to form the basis of our audit opinion.

Key audit matters

Key audit matters refer to the most significant matters, according to our professional judgment, in the 2022 parent company only financial statements of Holiday Garden International Ltd. These matters were addressed during the audit of the overall parent company

only financial statements and in the formation of our opinion. We do not express our opinion on these matters separately.

We determine the following key audit matters of the parent company only financial statements of 2022 of the Holiday Garden International Ltd.:

Evaluation of investment impairment accounted for using the equity method :

Assessment of investment impairment using the equity method

Description

For the accounting policy of the investment using the equity method, please refer to Note 4 (13) of the individual financial statements; for the uncertainty of accounting estimates and assumptions for the assessment of investment impairment using the equity method, please refer to Note 5 (2) of the individual financial statements; Please refer to Note 6 (5) of the individual financial statements for the description of the accounting items of the investment under the merger metho

As of December 31, 2022, the property, plant and equipment and intangible assets of the U.S. subsidiary Holiday Garden Hotel Co., Ltd. totaled NT\$4,501,674,000, accounting for 52% of the total consolidated assets. Due to the proliferation of various types of hotels in recent years, the intense competition in the hotel industry and the impact of the novel coronavirus pneumonia epidemic, management has identified signs of impairment of property, plant and equipment and intangible assets of some subsidiaries, so each subsidiary uses estimated future cash flows discounted at an appropriate discount rate to measure the recoverable amount of these assets as a basis for assessing whether to depreciate them. Because the above estimates of future cash flows involve many assumptions that could have a significant impact on the measurement of recoverable amounts, the accountants have included the assessment of impairment of investments using the equity method (impairment assessment of property, plant and equipment and intangible assets of U.S. subsidiaries)) as a significant item in the current year's review.

Corresponding audit program

1. Understand and evaluate management's process for estimating future cash flows of subsidiaries, including reviewing operating plans for the coming year consistent with the Board's approval
2. Evaluate the reasonableness of key assumptions used by management to estimate future cash flows
3. Evaluate the reasonableness of the parameters and discount rates used to calculate the recoverable amount

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

The responsibilities of management are to prepare appropriately stated parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Management is also responsible for maintaining necessary internal control relevant to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free from material misstatement by fraud or error °

Management when preparing parent company only financial statements is also responsible for evaluating Holiday Garden International Ltd.'s ability to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting unless management intends to liquidate Holiday Garden International Ltd., to cease the operations, or to liquidate or to have no feasible alternatives but to do so °

Account's responsibilities for the audit of parent company only financial statements

The objectives of accounts for auditing parent company only financial statements are to obtain reasonable assurance about whether the parent company only financial statements as a

whole are free from any material misstatement due to fraud or error and to issue an accountant's report accordingly. Reasonable assurance refers to a high level of assurance, but there is no guarantee that accountants performing in accordance with the generally accepted auditing standards of the Republic of China can detect any material misstatement from the parent company only financial statements. Misstatements may arise from fraud or errors. A misstated dollar amount, individually or in the aggregate, that could be reasonably predicted to influence the economic decision of the user of the parent company only financial statements can be viewed as material.

In accordance with the generally accepted auditing standards of the Republic of China, we exercised professional judgment and maintained professional skepticism throughout the audit. We also performed the following tasks :

1. We identified and assessed the risks of material misstatement of the parent company only financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for the one resulting from error because fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holiday Garden International Ltd.'s internal control.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on Holiday Garden International Ltd.'s ability to continue as a going concern based on the audit evidence we have obtained. If we conclude that a material uncertainty exists, we will need to draw attention in our accountant's report to the related disclosures in the parent company only financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of this accountant's report. However, future events or conditions may cause Holiday Garden International Ltd. to cease to continue as a going concern.

5. We evaluated the overall presentation, structure and contents of the parent company only financial statements, including the attached notes, and whether the parent company on financial statements represent the underlying transactions and events in a fair manner.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within Holiday Garden International Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of the parent company and are responsible for our audit opinion.

We have communicated with those charged with governance regarding the planned scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

We have also provided those charged with governance the statement that the personnel of our accounting firm subject to the requirements of independence have complied with the requirements of independence of the code of professional ethics of certified public accountants of the Republic of China and communicate with those charged with governance relationships and other matters that may influence our independence (including related preventive measures).

We determined the key audit matters of the parent company only financial statements of 2018 of Holiday Garden International Ltd. according to matters communicated with those charged with governance. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

PwC Taiwan

Independent accountants

Wang Guo Hua

Lin Yong Zhi

Former Ministry of Finance Securities and Futures
Commission

Approval certificate No.: (87) Taiwan Financial Certificate
(6) No.68790

Financial Supervisory Commission R.O.C.(Taiwan)

Approval certificate No.: Chin Kuan Cheng Shen Tzu No.
1050029592

March 14 2023

Holiday Garden International Ltd.
Independent Company Only Balance Sheet
December 31 of 2022 and 2021

Unit: NT\$1,000

Assets	Notes	December 31, 2022 Amount	2022 %	December 31, 2021 Amount	2021 %
Current assets					
1100	Cash and cash equivalents	\$ 823,291	21	\$ 1,267,37	33
1110	Financial assets at fair value through profit or loss - current	31,140	1	-	-
1136	Financial assets at amortized cost - current	976,967	24	966,700	25
1150	Net notes receivable	-	-	323	-
1170	Net accounts receivable	1,257	-	1,376	-
1200	Other accounts receivable	7,957	-	92	-
1220	Current income tax assets	2,132	-	1,708	-
130X	Inventories	487	-	435	-
1410	Advance payments	584	-	1,211	-
1479	Other current assets - others	345	-	402	-
11XX	Total current assets	<u>1,844,160</u>	<u>46</u>	<u>2,239,984</u>	<u>58</u>
Non-current assets					
1550	Investments accounted for using the equity method	2,108,096	53	1,529,304	40
1600	Property, plants, and equipment	8,234	1	9,440	-
1755	Right-of-use asset	7,538	-	10,602	-
1840	Deferred tax assets	159	-	55,765	2
1920	Guarantee deposits paid	1,241	-	1,156	-
15XX	Total non-current assets	<u>2,125,268</u>	<u>54</u>	<u>1,606,264</u>	<u>42</u>
1XXX	Total Assets	<u>\$ 3,969,428</u>	<u>100</u>	<u>\$ 3,846,248</u>	<u>100</u>

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Holiday Garden International Ltd.
Independent Company Only Balance Sheet
December 31 of 2022 and 2021

Unit: NT\$1,000

Liabilities and equity	Notes	December 31, 2022 Amount	%	December 31, 2021 Amount	%
Current liabilities					
2100	Short-term borrowings	\$ 484,000	12	\$ 884,000	23
2110	Short-term notes and bills payable	-	-	30,000	1
2130	Contractual liabilities - current	654	-	682	-
2170	Accounts payable	1,926	-	946	-
2200	Other accounts payable	9,104	-	22,544	1
2230	Income tax liabilities	50,641	2	-	-
2280	Lease Liabilities - Current	2,875	-	2,984	-
2320	Long-term liabilities due within one year or one operating cycle	-	-	13,948	-
2399	Other current liabilities - others	295	-	133	-
21XX	Total current liabilities	<u>549,495</u>	<u>14</u>	<u>955,237</u>	<u>25</u>
Non-current liabilities					
2570	Deferred income tax liabilities	224,735	6	124,991	3
2580	Lease obligation -non current	4,766	-	7,641	-
2645	Guarantee deposits received	17	-	181	-
25XX	Total non-current liabilities	<u>229,518</u>	<u>6</u>	<u>132,813</u>	<u>3</u>
2XXX	Total liabilities	<u>799,013</u>	<u>20</u>	<u>1,088,050</u>	<u>28</u>
Rights and interests					
Capital stock					
3110	Common share capital	1,491,555	37	1,104,856	29
Capital surplus					
3200	Capital surplus	2,169	-	2,169	-
Retained earnings					
3310	Statutory surplus public debt	254,025	6	82,561	2
3320	Special Defined Surplus Bonds	30,035	1	-	-
3350	Undistributed surplus (loss to be covered)	1,417,961	36	1,714,643	45
Other equity					
3400	Other equity	(5,3330)	(-)	(146,031)	(4)
3XXX	Total equity	<u>3,190,415</u>	<u>80</u>	<u>2,758,198</u>	<u>72</u>
3X2X	Total liabilities and equity	<u>\$ 3,969,428</u>	<u>100</u>	<u>\$ 3,846,248</u>	<u>100</u>

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

Holiday Garden International Ltd.
Independent Company Only Statement of Comprehensive Income
January 1 to December 31 of 2022 and 2021

		Unit: NT\$1,000					
		(Except earnings (loss) per share, which is in NT\$1.00)					
		2022		2021			
Item	Notes	Amount	%	Amount	%		
4000	Operating revenue	\$ 21,990	100	\$ 10,653	100		
5000	Operating cost	(14,304)	(65)	(3,499)	(33)		
5900	Operating gross profit	7,686	35	7,154	67		
	Operating expenses	6(22)(23)					
6200	Management expense	(46,214)	(210)	(43,532)	(408)		
6450	Expected credit impairment	17	-	-	-		
6000	Total operating expenses	(46,197)	(210)	(43,532)	(408)		
6900	Operating loss	(38,511)	(175)	(36,378)	(341)		
	Nonoperating income and						
7100	Interest income	28,279	129	2,279	21		
7010	Other income	15,128	69	2,831	27		
7020	Other gains and losses	171,596	780	(40,766)	(383)		
7050	Financial cost	(6,436)	(29)	(11,190)	(105)		
7070	Share of profit or loss of	402,916)	1832	(100,137)	(940)		
7000	Total non-operating income	611,483	2781	(146,986)	(1380)		
7900	Net profit (loss) before tax	<u>572,972</u>	<u>2606</u>	(<u>183,364</u>)	(<u>1721</u>)		
7950	Income tax (expense) benefit	6(24) (<u>170,970</u>)	(<u>778</u>)	<u>29,433</u>	<u>276</u>		
8000	Net loss of continuing business						
	units for the current period	<u>402,002</u>	<u>1828</u>	(<u>153,931</u>)	(<u>1445</u>)		
8100	Profits (losses) of closed units	6(9)&12(2) -	-	1,980,213	18588		
8200	Net profit (loss)	<u>\$ 402,002</u>)	<u>1828</u>	<u>\$ 1,826,282</u>	<u>17143</u>		
	Other comprehensive						
	Items may be						
8361	Exchange differences on	6(5) \$ 175,876	800	(\$ 37,544)	(352)		
8399	Income tax of items that may	6(24) (<u>35,175</u>)	(<u>160</u>)	<u>7,509</u>	<u>70</u>		
8300	Other comprehensive	<u>\$ 140,701</u>	<u>640</u>	(<u>\$ 30,035</u>)	(<u>282</u>)		
8500	Total consolidated profit or loss for the period	<u>\$ 542,703</u>	<u>2468</u>	<u>\$ 1,796,247</u>	<u>16861</u>		

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Independent Company Only Statement of Comprehensive Income
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000
(Except earnings (loss) per share, which is in NT\$1.00)

Earnings (loss) per share		6(25)	
9710	Net loss from continuing business	\$ 2.70	(\$ 1.03)
9720	Net profit (net loss) of discontinued	-	13.27
9750	Basic earnings (loss) per share	\$2.70	\$ 12.24
9810	Net loss from continuing business	\$2.69	(\$ 1.03
9820	Net profit (net loss) of discontinued	-	\$ 13.27
9850	Diluted earnings (loss) per share	\$ 2.69	\$ 12.24

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report.

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Independent Company Only Statements of Changes in Equity
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000

	<u>R e t a i n e d e a r n i n g s</u>											
	<u>S h a r e</u>	<u>S t a t e</u>	<u>C o r p o r a t e</u>	<u>S p e c i a l</u>	<u>S t a t u t o r y</u>	<u>U n d i s t r i b u t e d</u>	<u>S u r p l u s</u>	<u>E x c h a n g e</u>	<u>d i f f e r e n c e s</u>	<u>E x c h a n g e</u>	<u>d i f f e r e n c e s</u>	<u>T o t a l</u>
Notes	common	stock	issue	premium	reserve	surplus	of	foreign	translation	of	foreign	financial
common	stock	issue	premium	reserve	surplus	of	foreign	translation	of	foreign	translation	financial
2021 surplus refers to allocation and distribution												
Statutory Surplus Fund	-	-	171,464	-	(171,46-)	-	-	-	-	-	-	-
Special reserve	-	-	-	30,305	(30,305)	-	-	-	-	-	-	-
Stock dividends 6(16)	386,699	-	-	-	(386,699)	-	-	-	-	-	-	-
Cash dividends 6(16)	-	-	-	-	(110,486)	-	-	-	-	-	-	(110,486)
Balance on December 31, 2022	\$1,491,555	\$2,169	\$254,025	\$30,035	\$1,417,961	(5,330)	\$	\$3,190,415				

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report. °

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director : Yu Su-ling

Holiday Garden Hotel Co., Ltd.
Independent Company Only Cash Flow Statement
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000

	Note	2022	2021
<u>Cash flows from operating activities</u>			
Net loss before tax of continuing business unit		\$ 572,972	(\$ 183,364)
)Pre-tax net profit (net loss) of closed units	6(9)	<u>-</u>	<u>2,036,842</u>
Net profit before tax		572,972	1,853,478
Adjustments:			
Revenue/expenses			
Benefits from financial assets measured at fair value through profit or loss	6(2)(20)	(1,871)	-
Expected Credit See Impairment Benefit	12(2)	(17)	(542)
Depreciation expense	6(6)(7)(22)	5,388	10,448
Lease modification benefits	6(7)(20)	-	(14)
Interest expense	6(21)	6,436	23,266
Interest income	6(18)	(28,279)	(2,276)
Share of profit of subsidiaries, associates, joint ventures accounted for using equity method	6(4)	-	-
Disposal of interests in property, plant, equipment	6(5)	(402,916)	100,137
Disposal of property, plant and equipment interests	6(20)	-	(2,052,593)
Impairment loss on non-financial assets	6(20)	-	2,083
Changes in assets and liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss - current		(29,269)	-
Notes Receivable		323	(323)
Accounts receivable		136	3,265
Other receivables		(533)	-
Inventory		(52)	490
Prepayments		627	1,375
Other Mobile Assets - Other		57	(240)
Net change in liabilities related to operating activities			
Contractual Liabilities - Current accounts payable		(28)	(7,824)
Other accounts payable		980	(2,194)
Other current liabilities		(10,642)	5,410
		<u>(162)</u>	<u>(2,534)</u>
Cash inflows (outflows) from operations		113,474	(68,588)
Interest Received		(20,947)	2,325
Interest paid		(6,465)	(24,174)
Income tax paid		(581)	(97,749)
Net cash inflow (outflow) from operating activities		<u>127,375</u>	<u>(188,186)</u>
Cash flows from investing activities			
(Increase) decrease in financial assets measured at amortized cost - current		(10,267)	6,805
Investments accounted for using the equity method	6(5)	-	(334,670)
Use of real estate plant and equipment	6(26)	(3,887)	(130,962)
Disposal of property, plant and equipment		-	2,700,376
Increase in deposit guarantee		(85)	(423)
Net cash (outflow) inflow from investing activities		<u>(14,239)</u>	<u>2,241,126</u>
Cash flows from financing activities			
Increase in short-term borrowings	6(27)	384,000	2,274,401

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report. °

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director : Yu Su-ling

Holiday Garden Hotel Co., Ltd.
Independent Company Only Cash Flow Statement
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000

Decrease in short-term borrowings	6(27)	(784,000)	(3,000,000)
Decrease in short-term notes payable	6(27)	(30,000)	(100,000)
Lease principal repayment	6(27)	(2,984)	(1,307)
Repayment of long-term loans	6(27)	(13,948)	(18,597)
Decrease in deposit margin		(164)	(574)
Payment of cash dividends	6(16)	(110,486)	-
Net cash outflow from financing activities		(557,582)	(846,077)
(Decrease) increase in cash and cash equivalents for the period	6(1)	(444,446)	1,206,863
Cash and cash equivalents at beginning of period		<u>1,267,737</u>	<u>60,874</u>
Cash and cash equivalents at end of period		<u>\$823,291</u>	<u>\$1,267,737</u>

Please refer to notes of parent company only financial statements provided at the end, which is part of this parent company only financial report. °

Chairperson of the Board: Chen Hai-ni Manager: Chen Hai-ni

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Notes for Parent Company Only Financial Statements
2022 and 2021

Unit: NT\$1,000
(Unless otherwise noted))

1. Company milestones

Holiday Garden International Ltd. (the "Company") was established in July 1959, and the primary scope of business includes tourism hotels and attached restaurants and swimming pools. The Company has been a Taiwan Stock Exchange Corporation (TSEC) listed company since February, 1965 ◦

2. Date and procedure of approval of the financial report

This parent company only financial report has been approved and issued by the Board of Directors on March 14, 2023 ◦

3. Applicability of newly issued and revised standards and interpretations

(1) Impacts from adopting the latest, amended and revised International Financial Reporting Standards (IFRS) approved by the Financial Supervisory Commission (ROC)

The following table summarizes the latest, amended and revised IFRS standards and interpretations applicable for 2022 approved by the Financial Supervisory Commission:

<u>Newly issued/revised/amended standards and interpretations</u>	<u>Effective date of issuance by International Accounting Standards Board</u>
Amendments to IFRS 3, "Indexing the Conceptual Framework	January 1, 2022
Amendments to IAS 16 "Property, Plant and Equipment: Value before reaching	
Amendments to IAS 16, "Property, Plant and Equipment: Value Before Intended Use".	January 1, 2022
Amendments to IAS 37, "Loss-making Contracts - Costs of Fulfillment of Contracts	April 1, 2022
Annual Improvements for the 2018-2020 Cycle	

Except the following matters, the Company has determined that the standards and interpretations above has no material effect on the Company's financial conditions and performance.

(2) The impact of not yet adopting the newly issued or revised IFRS approved by the FSC

The following table presents the newly issued, amended and revised IFRSs and interpretations of IFRSs approved by the FSC for 2023:

issuance by International

Newly issued/revised/amended standards and interpretations Standards Board

- Amendments to IAS 1, "Disclosure of Accounting Policies" January 1, 2023
- Amendments to IAS 8 "Definition of Accounting Estimates" January 1, 2023
- The amendments to IAS 12, "Deferred Income Taxes Related to Assets and Liabilities Arising from a Single Transaction.... January 1, 2023

The Group has determined that the standards and interpretations above has no material impact on the Group’s financial conditions and performance.

(3) Impact of International Financial Reporting Standards issued by the International Accounting Standards Board but not yet endorsed by the FSC

The following table summarizes the new publications, amendments and revisions to the IFRS that have been issued by the IASB but have not yet been incorporated into the FRS-approved standards and interpretations:

Effective date of

issuance by International

Accounting

Newly issued/revised/amended standards and interpretations Standards Board

Amendments to IFRS 10 and IAS 28, "Disposal or Contribution of Assets between an Investor and its Affiliate or Joint Venture"..... To be decided by the IASB

* Sale or Contribution of Assets between an Investor and its Affiliates or Joint Ventures.....

*Amendments to IFRS 16, "Lease Liabilities in Sale and Leasebacks..2024.1.1

IFRS 17, Insurance Contracts.....2023.1.1

*Amendments to IFRS 17, Insurance Contracts.....2023.1.1

*Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 17

Amendments to IFRS 17 "First-time application of IFRS 17 and IFRS 9 - Comparative

information".....2023.1.1

Amendments to IAS 1, "Current or non-current classification of liabilities"..2024.1.1

Amendments to IAS 1, 'Non-current liabilities with contractual provisions'...2024.1.1

The Group has determined that the standards and interpretations above has no material impact on the Group's financial conditions and performance

4.Summary of significant accounting policies

The major accounting policies adopted for preparing these consolidated financial reports are described below. Unless otherwise specified, these policies are consistently applied in the entire period reported.

(1)Statement of compliance

This consolidated financial report is prepared in accordance with IFRS and IAS approved by the Financial Supervisory Commission and the related interpretations, and interpretative bulletins (IFRSs).

(2) Basis of preparation

1.The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.

2.To prepare for financial reports in accordance with IFRSs, some important accounting estimations are required. When applying the Group's accounting policies, management also needs to make judgment, which involves accounts of a high level of decision-making and complexity or accounts associated with material assumption and estimation. Please refer to Note 5.

(3)Foreign currency conversion

Items listed in the company's individual financial report are measured in the currency of the primary economic environment (ie, the functional currency). This individual financial report is presented in the company's functional currency "New Taiwan Dollar" as the presentation currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into functional currency using the spot exchange rate on the transaction date or measurement date, and the translation differences arising from the translation of these transactions are recognized as current profits and losses.

- (2) The balance of foreign currency monetary assets and liabilities shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as the current profit and loss.
- (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through profit or loss, are adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current profit and loss; If the comprehensive profit or loss is measured at fair value, it is adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive profit and loss items; Exchange rate measurement.
- (4) All exchange gains and losses are presented in “Other gains and losses” in the Consolidated statement of profit or loss.

2. Conversion of foreign operating agencies

- (1) For all group entities whose functional currency is different from the expression currency, the operating results and financial conditions of which are converted into the expression currency in the following manner:
 - A. Assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on the balance sheet date;
 - B. The gains and losses expressed in each consolidated income statement are translated at the average exchange rate for the period; and
 - C. All translation differences arising from translation are recognized as other comprehensive gains and losses.
- (2) When a partially disposed or sold foreign operating institution is a subsidiary, the accumulated exchange differences recognized as other comprehensive gains and losses shall be re-attributed to the non-controlling interests of the foreign operating institution on a pro-rata basis. However, if the company still retains part of the rights and interests in the former subsidiary, but has lost the control of the foreign operating organization that is a subsidiary, it will be treated as a disposal of all the rights and interests of the foreign operating organization.

(4) Classification of current and non-current assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets :
 - (1) Assets expected to be realized in the normal operating cycle or intended to

be sold or consumed.

(2) Liabilities held primarily for transaction purposes.

(3) Liabilities that are to be paid off within 12 months after the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Classification of liabilities for which, at the option of the counterparty, repayment is required for the issue of equity instruments is not affected

The Company classifies all liabilities that do not meet the above criteria as non-current.

2. Liabilities that meet one of the following criteria are classified as current liabilities :

(1) Liabilities expected to be paid off in the normal operating cycle.

(2) Liabilities held primarily for transaction purposes.

(3) Liabilities that are to be paid off within 12 months after the balance sheet date.

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Classification of liabilities for which, at the option of the counterparty, repayment is required for the issue of equity instruments is not affected.

The Company classifies all liabilities that do not meet the above criteria as non-current.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments, which can be readily converted to fixed cash and has an insignificant risk of value change. Time deposits are classified as cash equivalents because they meet the above definition and their holding satisfies short-term cash commitments for operation.

(6) Financial assets at fair value through profit or loss

(1)1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income or loss.

(1)2. The Company uses trade date accounting for financial assets at fair value through profit or loss that qualify as customary transactions.

3. The Company recognizes financial assets at fair value on initial recognition, with the related transaction costs recognized in profit or loss, and subsequently at fair value, with the benefit or loss recognized in profit or loss.

(7) Financial assets measured at amortized cost

(1)1. A financial asset is one that also meets the following criteria:

(1) The financial asset is held under an operating model whose objective is to collect the contractual cash flows.

(2) The contractual terms of the financial asset generate cash flows at a specific date, solely for the purpose of paying interest on the principal and outstanding principal amount.

2 The Company uses trade date accounting for financial assets carried at amortized cost that qualify for trading practice.

3. The Company measures financial assets at fair value plus transaction costs on initial recognition, and subsequently recognizes interest income and impairment losses over the liquidity period using the effective interest method under the amortization procedure, and recognizes the gains or losses in profit or loss when they are derecognized.

4) Time deposits held by the Company that do not qualify as cash equivalents are measured at the amount invested because the effect of discounting is not significant due to the short holding period.

(8) Accounts and notes receivable

1. This term refers to accounts and notes granting an unconditional right to receive consideration in exchange for transferred goods or rendered services in accordance with the contract.

2. For short-term accounts receivable without interest payment, they are measured at the original invoice amount because of insignificant effect of discounting.

(9) Impairment loss on financial assets

The Company assesses the financial assets measured at amortized cost based on all reasonable and evidence-supported information (including those on a prospective basis) at each balance sheet date. For financial assets exposed to significantly increasing credit risk after the initial recognition, the Company measures the loss allowance for 12-month expected credit losses. For financial assets exposed to significantly increasing credit risk since the initial recognition, the Company measures the loss allowance for the financial assets at an amount equal to the lifetime expected credit losses. For accounts receivable that does not contain a significant financing component, the Company measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivable.

(10) Derecognition of financial assets

The Company derecognizes a financial asset if one of the following conditions is met :

1. The contractual rights to receive cash flows from the financial asset expire.
2. The contractual rights to receive cash flows from the financial asset are transferred, and almost all risks and rewards of the ownership of the financial asset have been transferred.
3. The contractual rights to receive cash flows from the financial asset are transferred, and the control over the financial asset is not kept.

(11) Operating lease (lessor)

Payments received under operating leases, net of any incentives given to the lessees, are recognized in profit or loss on a straight-line basis over the term of the lease.

(12) Inventories

Inventories are measured at the lower of cost and net realizable value, and the cost is determined by the weighted average method. The item by item method is adopted to compare between the cost and the net realizable value to decide which one is lower. The net realizable value refers to the estimated sale price in the normal course of business, less relevant variable selling expenses.

(13) Investments/subsidiaries accounted for using the equity method

1. Subsidiaries refer to entities controlled by the Company (including structure entities). When the Company is exposed to variable rewards from participating in that entity or entitled to rights to said variable rewards and the Company has the power and ability to affect said rewards of that entity, the Company controls said entity.
2. The unrealized profit or loss generated from transactions between the Company and the subsidiary has been eliminated. Necessary adjustment of accounting policies of the subsidiary has been made so it is consistent with policies of the Company.
3. The Company recognizes the share of profit or loss after acquiring the subsidiary in profit or loss, and as for the share of other comprehensive income after the acquisition, it is recognized in other comprehensive income. If the Company's recognized share of impairments of a subsidiary is equal to or more than its equity of the subsidiary, the Company shall continue to recognize the loss in proportion to the Company's percentage of ownership in the subsidiary.
4. In accordance with the Regulations Governing Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income of the parent company only financial report should be the same as the share of the profit or loss and other comprehensive income belonging to the owner of the parent company in the consolidated financial report. The owner's equity in the parent company only financial report, should be the same as the equity belonging to the owner of the parent company in the consolidated financial report.

(14) Property, plants, and equipment

1. Property, plants, and equipment are carried at acquisition cost, and the related interests during the construction period are capitalized.
2. Subsequent cost may become a carrying amount of the assets or be recognized as a single asset only if future economic benefits associated with this item may flow into the Company, and the cost of this item can be reliably measured. The carrying amount of the replaced part should be derecognized. All other repair and maintenance expenses are recognized in profit or loss when they are incurred.
3. Property, plants, and equipment are measured subsequently using the cost model. Except land, which is not depreciated, all others are depreciated by the straight-

line method according to the estimated useful lives. Significant components of property, plants, and equipment should be depreciated separately.

4. The Company reviews each asset's residual value, useful life, and depreciation method at the end of each fiscal year, and if the expected residual value and useful lives are different from the previous estimation or if the expected consumption type of future economic benefits of a given asset has any material change, the stipulation on changes in accounting estimates from IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors is adopted for treatment. The useful lives of assets are listed below :

Buildings and structures	2 to 55 years
Utility equipment	3 to 20 years
Business facilities/equipment	1 to 25 years
Other facilities	3to 8 years

(15) Lease transaction of Lessee – Right-of-use asset/Lease obligations

1. Leased assets are recognized as right-of-use assets and lease liabilities at the date they become available for use by the Group. The lease payments are recognized as an expense over the lease term using the straight-line basis when a lease contract is a short-term lease or a lease of a low-value subject asset
2. Recognized the lease obligations as the present value of incremental borrowing rate of interest which lease started .The lease benefit included fixed benefit ,and deducted any Incentive. Provided the interest during the lease by measuring the cost after amortization whit adopting interest method . The group will reevaluate lease obligations and adjust the right-of-use assets when the lease term or benefit changed by amending non-contract.
3. Right-of-use assets are recognized as cost at the beginning of the lease .The cost includes the original measured amount of the lease liabilities. The useful life of right-of-use assets or the expiry date of the lease term will be provided to be depreciation. The right-if-use asset will adjust any remeasurement of the lease liabilities which is reassessed.

(16) Impairment of non-financial assets

On the balance sheet date, the Company estimates the recoverable amount of assets with signs of impairment and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. Except for

goodwill, when there is no or decrease in the recognized asset impairment in previous years, the impairment loss shall be reversed, but the increase in the carrying amount of the asset due to reversal of impairment loss shall not exceed the reduction in the asset if the impairment loss was not recognized. The carrying amount after depreciation or amortization.

(17) Loans

It refers to long-term and short-term funds borrowed from banks. The Company measures its fair value less transaction costs at the time of original recognition, and subsequently recognizes interest expenses during the circulation period using the effective interest method for any difference between the price after deducting transaction costs and the redemption value according to the amortization procedure. in profit and loss.

(18) Accounts and notes payable

1. Accounts and notes payable are liabilities for purchases of raw materials, goods or services resulting from operating and non-operating activities.
2. Short-term notes and accounts payable without bearing interest are measured at initial invoice amount because of an insignificant effect of discounting.

(19) Delisting of financial liabilities.

The Company will derecognize a financial liability when the contracted obligations are fulfilled, canceled, or expired.

(20) Offset of financial assets and liabilities

Financial assets and financial liabilities may only be offset when there is a legally enforceable right to offset the recognized amounts of financial assets and liabilities, and the intention is to deliver on a net basis or to realize the assets and settle the liabilities simultaneously. Expressed on a net basis on the balance sheet.

(21) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at undiscounted amount of prospective payment and are recognized as expenses when related services are rendered.

2. Pensions

Defined contribution plans (DCP)

For defined contribution plans, the contribution amounts for pension are recognized in the current pension expense when they are due on the accrual basis.

Prepaid contributions are recognized as assets to the extent of refundable cash or reduction in future payment.

3. Employee compensation and director and supervisor remuneration

Employee compensation and director and supervisor remuneration are legal or constructive obligations and are recognized as expenses and liabilities when the amount can be reasonably estimated. Deviation between estimated and actual distribution amount shall be treated in accordance with changes in accounting estimates. For stock distribution as employee remunerations, the closing price of the day prior to the resolution of the Board of Directors shall be the basis for calculating the number of shares ◦

(22) Income tax

1. Income tax expense Income tax is recognized either in the income statement or in equity if it relates to items that are recognized in other comprehensive income or directly in equity.
2. The Company calculates the current income tax using tax rates enacted or substantively enacted by the balance sheet date of the country generating the taxable income from operations Management periodically evaluates the condition of income tax filing in accordance with appropriate income tax related laws and regulations and if applicable shall estimate income tax liabilities based on the expected tax payments to the tax authorities. There is an additional tax of unappropriated earnings according to the Income Tax Act, and after the earning distribution is approved at the shareholders' meeting held in the year following the year the earnings are generated, the tax expense of undistributed earnings shall be recognized based on the actual condition of earning distribution. ◦
3. For deferred tax, the balance sheet liability method is adopted, and it is recognized using the temporary differences between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. Deferred tax is not recognized if it is originated from the initial recognition of assets or liabilities in transactions (business merger excluded) and neither accounting profits nor taxable income (or tax losses) was affected at the time of the transaction. Deferred tax is determined using tax rates (and tax laws) enacted or substantively enacted by the balance sheet date, and the tax rates (and tax laws) used are the ones expected to be applicable when realizing related deferred tax assets or repaying related deferred tax liabilities.
4. Deferred tax assets are recognized to the extent when they are highly likely to be used to offset future taxable income, and unrecognized and already

recognized deferred income tax assets should be re-evaluated on each balance sheet date.

5. Recognized income tax assets and liabilities of the reporting period are offset only if there is the legally enforceable right to do so and the intent is to settle on a net basis or to realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset only if there is the legally enforceable right to do so and the deferred income tax assets and liabilities related to income taxes are levied by the same taxation authority on either the same taxable entity or different taxable entities, but each entity intends to either settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(23) Dividend distribution

Dividends distribution among the Company's shareholders are recognized in the financial report when the Company's shareholders' meeting resolved that dividends are to be paid; cash dividend distribution is recognized as liabilities, while share dividend distribution is recognized as stock dividend to be distributed and be converted to common stock on the base day of issuance of new stock ◦

(24) Revenue recognition

1. The Company provides accommodations and foodservice related products, and the sales revenue is recognized at the time services are rendered or products are delivered to customers.
- 2 Sales revenue is recognized as the contractual price net of the estimated price.
3. Accounts receivable are recognized at the time services are rendered or products are delivered to customers. Because at that time point the Company has the unconditional right to the contractual price, the consideration can be collected from customers after the time point ◦

(25) Government subsidies

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and will receive the grant. If the nature of the government grant is to compensate the expenses incurred by the Company, the government grant shall be recognized as the current profit and loss on a systematic basis during the period in which the relevant expenses are incurred.

5. Material accounting judgments, estimates and key sources of assumption uncertainty

When preparing this parent company only financial report, the Company's management has applied its judgment on determining the accounting policies used and made accounting estimates and assumptions based on reasonable expectation of future events according to the conditions at the balance sheet date. Material accounting estimates and assumptions may be significantly different from the actual results, and therefore, experiences and other factors are continuously evaluated and adjusted. These estimations and assumptions expose the carrying amounts of assets and liabilities to the risk of material adjustment in the next fiscal year. Uncertainty of material accounting judgments, estimates, and assumptions are described below :

(1) Critical judgments adopted by accounting policies

The Company has made no critical judgments adopted by accounting policies.

(2) Critical accounting estimates and assumptions

Evaluation of investment impairment accounted for using the equity method

When there are signs of impairments indicating that a given investment accounted for using the equity method may have been impaired to cause the carrying amount unrecoverable, the Company immediately evaluates the impairment of said investment. The Company evaluates the recoverable amount based on the discounted value of the future cash flows the Company is entitled to from the investee and analyzes the reasonableness of related assumptions.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Cash:		
Cash in treasury and working funds	\$ 448	\$ 420
Checking deposits and demand deposits	114, 545	1, 267317
	114, 993	1, 267737
Cash equivalents:	677, 588	-
Time deposits:	30, 710	-
	<u>\$ 823, 291</u>	<u>\$ 1, 267, 737</u>

1. The Company places its cash and deposits with various reputable banks and financial institutions to diversify its credit risk; therefore, the probability of default is very low.

2. The Company's cash and cash equivalents held at December 31, 2022 and 2021, which are restricted by the provision of pledges and are not highly liquid, are classified as financial assets measured at amortized cost of \$976,967 and \$966,700, respectively, and are classified as liquid.

(2) Financial assets at fair value through profit or loss

<u>Item</u>	<u>2022.12.31</u>
Current items:	
Mandatory financial assets at fair value through profit or loss	
Beneficiary Certificates.....	\$29,269
Rating Adjustment	<u>\$1,871</u>
	\$31,140

The Company recognized a net gain of \$1,871 in 2022 from financial assets at fair value through profit or loss. there was no such gain in 2021.

(3) Net amount of accounts and notes receivable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Notes receivable	\$ -	\$ 323
Less: Allowance for doubtful accounts	-	-
	<u>\$</u>	<u>\$ 323</u>
Notes receivable	\$ 1,259	\$ 1,460
Less: Allowance for doubtful accounts	<u>(2)</u>	<u>(30)</u>
	<u>\$ 1,257</u>	<u>\$ 1,376</u>

1. Aging analysis of accounts and notes receivable :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Not past due and past due for 1 to 30 days	\$ 1,221	\$ 1,299
Past due for 31 to 90 days	38	401
Past due for more than 94 days	-	29
	<u>\$ 1,259</u>	<u>\$ 1,729</u>

The above is an aging analysis based on the account establishment date.

(2)As of December 31, 2022, December 31, 2021 and January 1, 2021, the Company had \$1,259, \$1,729 and \$4,671, respectively, of accounts receivable (including notes receivable) from customers.

(3). The Company does not hold any collaterals.

(4). Without considering the collaterals or other credit enhancements held, the maximum exposure to credit risk of the Company's notes receivable as of December 31, 2022 and 2021 are \$0 and \$323, respectively; the maximum exposure to credit risk of the Company's accounts receivable as of December 31, 2022 and 2021 are \$1,257 and \$1. 376, respectively. The most significant exposure to credit risk at December 31, 2022 and 2021 is \$1,257 and \$1,376, respectively.

5. Please refer to Note 12(2) for information on the credit risk of notes and accounts receivable.

(4)Inventories

	<u>Cost</u>	<u>December 31, 2022</u> <u>Allowance for price</u> <u>decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	<u>\$ 487</u>	<u>\$ -</u>	<u>\$ 487</u>
		<u>December 31, 2021</u> <u>Allowance for price</u> <u>decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	<u>\$ 435</u>	<u>\$ -</u>	<u>\$ 435</u>

The inventory cost that the Company recognized as expenses for 2022 and 2021 was \$7,099 and \$6,423 respectively.

(4) Investments accounted for using the equity method

1. Details of investment accounted for using the equity method are as follows:

	<u>2022</u>	<u>2021</u>
January 1	\$ 1,529,304	\$ 1,332,315
Increase investments accounted for using the equity method	-	334,670
Share of investment income accounted for using the equity method	402,916	(100,137)
Other changes in equity	175,876	(37,544)
December 31	<u>(\$ 2,108,096)</u>	<u>(\$ 1,529,304)</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Holiday Garden International Ltd.	\$ 2,076,863	\$ 1,492,819
Holiday Garden Development Co., Ltd.	<u>31,233</u>	<u>36,485</u>
	<u>\$ 2,108,096</u>	<u>\$ 1,529,304</u>

2. Information of the Company's subsidiaries are presented in Note 4(3) of the Company's 2022 consolidated financial statements. ◦

(5)Property, plants, and equipment

1. The book value of property, plants, and equipment is presented below :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Business Equipment	\$ 5,020	\$ 5,809
<u>Other Equipment</u>	<u>\$ 3,214</u>	<u>\$ 3,631</u>
	\$ 8,234	\$ 9,440

2. Changes in property, plants, and equipment are as follows :

<u>Cost</u>	<u>2022</u>			
	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Business Equipment	\$ 9,680	\$ 700	\$ -	\$ 10,380
<u>Other Equipment</u>	3,662	418	-	4,080
	<u>\$ 13,342</u>	<u>\$ 1,118</u>	<u>\$ -</u>	<u>\$ 14,460</u>

使用滑鼠雙擊這裡以編輯新增的表格段。

<u>Cost</u>	<u>2021</u>			
	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Land	\$ 481,493	\$ -	(\$ 481,493)	\$ -
Buildings and structures	618,478	-	(618,478)	618,478
Plumbing and electrical equipment	32,454	-	(32,454)	-
Business Equipment	42,836	1,567	(34,723)	9,680
Other facilities	<u>4,304</u>	<u>4,677</u>	<u>(5,319)</u>	<u>3,662</u>
	<u>\$ 1,179,565</u>	<u>\$ 6,244</u>	<u>(\$ 1,172,467)</u>	<u>\$ 13,342</u>

<u>Accumulated depreciation and impairment</u>	<u>2022</u>			
	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Buildings and structures	\$ 3,871	\$ 1,489	(\$)	\$ 5,360-
Utility equipment	31	835	()	866
	<u>\$ 3,902</u>	<u>\$ 2,324</u>	<u>(\$)</u>	<u>\$ 6,226</u>

<u>Accumulated depreciation and impairment</u>	<u>2021</u>			
	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Buildings and structures	\$ 457,290	\$ 5,788	(\$ 463,07)	\$ -
Plumbing and electrical equipment	26,670	722	(27,392)	-
Business Equipment	29,989	4,398	(30,516)	3,871
Other facilities	3,439	290	(3,698)	31
	<u>\$ 517,388</u>	<u>\$ 11,198</u>	<u>(\$ 524,684)</u>	<u>\$ 3,902</u>

3. In accordance with Kaohsiung Urban Development Kuei Tzu No. 10234984600 correspondence on October 28, 2013, the Company applied for making payment by installments for converting governmental land to commercial land in the land conversion urban plan, and the total amount to be paid is NT\$212,628. The Company made the first installment payment of NT\$85,051, and the remaining amount was paid by the second and third installment payments of \$63,788 and \$63,789 respectively. It should be paid in full before applying for a license for building a license or changing a license for use at the latest. All of them have been estimated and included in the accounts in 2013. The land has been signed and sold on July 7, 2021, and the payment has been paid in 2021. Pay in full in September (the balance table of the Republic of China on December 31, 2020 lists "long-term bills payable and payments \$127,577").
4. There was no borrowing cost capitalization of the Company's property, plants, and equipment in 2021 and 2020.
5. The major components of the company's buildings and buildings include buildings and decoration works, which are depreciated over 55 years and 15 to 25 years respectively.

6. For the impairment of real estate, plant and equipment, please refer to Note 6(8).
7. The Company has no guarantees for property, plant and equipment for the years 2022 and 2021.

(7) Lease transaction – Lessee

1. The lease assets of the company included buildings and multifunctional office machine, and the terms between 2 to 5 years. The contract included different provisions and requirements, and no other restriction except using the assets as the guarantee to debit and credit.
2. The operating equipment of company included part of buildings and official vehicles and the terms are not over 12 months, they all belong to leases of low-value assets.
3. The changes in the Company's right-of-use assets in 2022 and 2021 are as follows:

	<u>2022</u>			Total
	<u>Houses</u>	<u>Transportation Equipment</u>	<u>Money Making Tools</u>	
Jan. 01	\$ 8,942	\$ 534	\$ 1,126	\$10,602
Depreciation expense	(2,359)	338	(367)	(3,064)
Dec. 31	<u>\$ 6,583</u>	<u>\$ 196</u>	<u>\$ 759</u>	<u>\$ 7,538</u>

	<u>2021</u>			Total
	<u>Houses</u>	<u>Transportation Equipment</u>	<u>Money Making Tools</u>	
Jan. 01	\$ 2,500	\$ 872	\$ 24	\$3,396
Add	9,251	-	1,264	10,515
Depreciation Expense	(857)	(338)	(138)	(1,333)
Disposal	(1,952)	-	(24)	(1,976)
Dec. 31	<u>\$ 8,942</u>	<u>\$ 534</u>	<u>\$1,126</u>	<u>\$ 10,602</u>

4. The increase in the Company's right-of-use assets in 2022 and 2021 is \$10,515

5. Information of loss and gains related to lease transaction as the followings:

	<u>2022</u>	<u>2021</u>
<u>Affected project of current loss and gain</u>		
Lease obligation interest	\$ 126	\$ 54
Expense of short-term lease	664	413
Expense of leases of low-value assets	6	70
Variable lease payments:	998	140
Lease Modification Benefi	-	(14)

6. The Company's total lease cash outflows in 2022 and 2021 are \$4,778 and \$1,984, respectively.

7. Effect of variable lease payments on lease liability

(1) The subject of the company's lease contract with variable lease payment terms is the one linked to the sales amount of various products at the department store counter. As for the leasing object of department store counter type, it is based on the payment terms of variable price, and is mainly related to the sales amount of various products. Lease payments that vary in relation to the sales amount of each type of product are recognised as an expense in the period in which these payment terms are triggered.

(2) If the sales of department store counters in the company increase, the fee for variable lease payment will increase according to the operating income.

(8) Impairment of non-financial assets

1. The details of impairment losses recognized by the Group are as follows:

	Recognized in current profit and loss	
	<u>2022</u>	<u>2021</u>
Impairment loss - business equipment	\$ -	\$ 2,083

2. In 2021, the company disposes of the Liuhe Pavilion and changes its business model, resulting in impairment of business equipment. The Company has adjusted its carrying amount to the recoverable amount and recognised an impairment loss of \$2,083. The recoverable amount is the use value of the business equipment. Since the impact of discounting is small, the company has not discounted it.

The cumulative impairment changes are as follows:

	Increase in <u>Jan.01,2021</u>	Decrease in <u>this period</u>	<u>this period</u>	<u>Dec.31 2021</u>
business equipment	\$ -	\$ 2,083	(\$ 2,083)	\$ -

(9) Suspension of business units

1. Approved by the board of directors on May 5, 2021 and approved by the shareholders' meeting on July 6, 2021, the company intends to dispose of the real estate located at the current location of the company registration and Liuheguan operation, which meets the definition of a closed unit and is expressed as a closed unit. The transaction has been signed on July 7, 2021 in the Republic of China, and the real estate sale and purchase contract will be completed on November 26,

2021 in the Republic of China.

2. The cash flow information of discontinued units is as follows:

	2021	
Cash flow from operating activities	(\$ 13,555)	\$
Cash flow from investing activities	2,700,376	
Cash flow from financing activities	-	-
Total cash flow	<u>\$ 2,686,821</u>	<u>\$</u>

3. An analysis of the operating results of the discontinued unit is as follows:

	2021	
Operating income	\$ 33,012	
Operating cost	(19,577)	
Operating expenses	(51,620)	
Expected credit impairment gain (loss)	542	
Total non-operating income and expenses	<u>14,755</u>	
Pre-tax net profit (loss) of discontinued units	(22,888)	
Income Tax (Expense) Benefit	4,577	
After-tax net profit (loss) of discontinued units	<u>(\$ 18,311)</u>	

	2021	
Disposal of the benefits of the discontinued unit (before tax)	\$ 2,059,730	
Income tax expense	(<u>61,206</u>)	<u>_____</u>
Disposal of the benefits of the discontinued unit (after tax)	<u>\$ 1,998,524</u>	<u>_____</u>

*Please refer to Note 6(19) for the government subsidy income recognized by discontinued units.

(10) Short-term loans

The nature of the loan	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The short-term bank loan		
Secured loan	<u>\$ 484,000</u>	<u>\$ 884,000</u>
Interest rate range	<u>1.45%~1.85%</u>	<u>0.94%~0.99%</u>

1. For the interest expense of the Group's bank borrowings recognized in profit or loss, please refer to the explanation in Note 6 (21).

2. For the collateral for the above short-term borrowings, please refer to Note 8.

(11) Sort-term notes payable

	Dec.31, 2022	Dec. 31, 2021
Commercial paper payable	\$ <u> -</u>	\$ <u> 30,000</u>
Interest rate range	<u> -</u>	<u> 0.56%</u>

The above short-term bills payable are guaranteed by financial institutions such as bill companies.

(12) Long-term borrowings

<u>Types of borrowings</u>	<u>Period of borrowing and repayment method</u>	<u>Range of interest rates</u>	<u>Collaterals</u>	<u>December 31, 2021</u>
Long-term borrowings from banks				
Credit loan	From Sept. 18,2012 to Sept. 18,2022 interest will be paid monthly, and from Dec. 18,2015 it will be amortized quarterly and repaid in 28installments. Sign the loan repayment deferred contract in June 2020, and only need to pay interest until March 2021, and the principal will be amortized on a quarterly basis according to the fixed amount.	1.60%	None	\$ 8,948
Credit loan	From Sept. 20, 2019 to Sept. 20, 2022, the principal and interest will be repaid monthly.	1.10%	None	<u> 5,000</u> 13,948
Less:	Long-term borrowings due within One year			<u> (13,948)</u> \$ <u> -</u>

(13) Pensions

1. In accordance with the Labor Pension Act, the Company set up the defined contribution plan for retirement for employees who are the citizens of ROC

starting from July 1, 2005. According to employee's option for the labor pension system stipulated by the Labor Pension Act, the Company each month contributes to the Labor Pension Fund at the rate of 6% of employees' monthly wages. Payments of employees pension are made to each employee's personal pension account and employees can choose to receive the principal and the cumulative gains by monthly pension payments or a lump sum pension payment °

2. In accordance with the above-mentioned pension plan, the Company recognized a pension cost of NT\$1,168 and NT\$2.020 in 2022 and 2021 respectively.

(14) Share Capital

1. As of December 31, 2022, the authorized capital of the Company was \$2,500,000 and the paid-in capital was \$1,491,555, divided into 149,156,000 shares with a par value of \$10 per share. The issued shares of the Company have been fully paid up.

A reconciliation of the Company's issued common shares at the beginning and end of the reporting period is as follows

	<u>2022</u>	<u>2021</u>
January 1	<u>110,486</u>	<u>110,486</u>
Transfer of surplus to capital	38,670	-
Dec. 31	<u>149,156</u>	<u>10,486</u>

2. On June 15, 2022, the Company resolved at the shareholders' meeting to issue 38,670 thousand shares by transferring \$386,699 of earnings to new shares, which was approved by the Financial Supervisory Commission on August 2, 2022, and the registration of the change was completed.

(15) Capital Fund

In accordance with the Company Law, capital surplus from the issuance of shares in excess of par value and capital surplus from gifts may be used to offset losses, and new shares or cash may be issued in proportion to the shareholders' original shares when the Company has no accumulated losses. In addition, in accordance with the Securities and Exchange Act, the above capital surplus may be capitalized up to 10% of the paid-in capital each year. The Company may not use capital surplus to replenish capital unless there is a shortfall in capital surplus to cover capital deficit.

(16) Retained earnings

1. In accordance with the Company's Articles of Incorporation, if there are

earnings upon the Company's final account at the end of the year, the Company shall first pay profit-seeking enterprise income tax, make up the deficits for the preceding years and then set aside a legal reserve of 10% of the remainder (not applicable if the legal reserve has reached the total capital amount of the Company). After appropriating or reversing a special reserve in accordance with laws, the balance and the unallocated accumulated earnings from the previous years are the accumulated, distributable earnings for shareholders, for which the Board of Directors shall propose an earning distribution plan to be resolved at the shareholders' meeting. More than 10% of the aforementioned allocable earnings are provided for dividends and shareholders' bonuses, and the cash dividends should be no less than 10% of the total amount of shareholders' dividends and bonuses

2. The legal reserve cannot be used for purposes other than offsetting the company's deficits or providing new stock or cash to shareholders in proportion to their original shareholding. If the reserve is used for distributing new stock or cash, it has to be more than 25% of the Company's paid-in capital.
3. (1) The Company shall first set aside a special reserve from the debit balance on the "other equity" item at the balance sheet date before distributing earnings, and later when this debit balance on the "other equity" item is reversed, the reversed amount can be included in distributable earnings.
(2) In accordance with Order 1010012865 issued by the Financial Supervisory Commission on April 6, 2012, for an entity adopting IFRSs the first time should set aside a special reserve. Later on, when the Company uses, disposes, or reclassifies related assets, the special reserve can be used for reversal by the proportion of the special reserve that has been set aside. If the aforementioned asset is investment property, the land part shall be reversed when it is disposed or reclassified, and for the non-land part, it shall be reversed progressively throughout the term of use.
(3) Due to the disposal of the real estate of Liuhe, the Company reversed the original special surplus reserve of \$71,161 to undistributed surplus.
4. On March 24, 2022, the Board of Directors resolved to distribute cash dividends of \$110,486 (NT\$1 per share) from the 2021 earnings and on June 15, 2022, the shareholders' meeting resolved to distribute stock dividends of \$386,699 (NT\$3.5 per share) from the 2021 earnings. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the distribution of earnings approved at the shareholders' meeting.

5. On March 14, 2023, the Board of Directors resolved to distribute cash dividends of \$29,830 (NT\$0.2 per share) from earnings and proposed to distribute stock dividends of \$74,578 (NT\$0.5 per share) from earnings.

(17) Operating income

	2022	2021
Revenue from customer contracts	\$ 21,990	\$ 43,665
Less: Operating income of discontinued units	-	(33,012)
	<u>\$ 21,990</u>	<u>\$ 10,653</u>

1. Revenue from customer contracts

The Company's revenue can be broken down into the following major product lines:

2022	Room Revenue	Food & Beverage Income	Other Income	Total
Revenue from external client contracts	\$ -	\$ 21,268	\$ 722	\$ 21,990
Revenue Recognition Timing Revenue is recognized at a certain point in time	-	\$ 21,268	\$ 722	\$ 21,990
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
2021	Room Revenue	Food & Beverage Income	Other Income	Total
Revenue from external client contracts	\$ 21,472	\$ 19,204	\$ 2,989	\$ 43,665
Less: Operating income of discontinued units	(21,472)	(9,398)	(2,142)	(33,012)
	<u>\$ -</u>	<u>\$ 9,806</u>	<u>\$ 847</u>	<u>\$ 10,635</u>
Revenue recognised at a point in time	\$ -	\$ 19,204	\$ 2,989	\$ 22,193
Income recognised over time	21,472	-	-	21,472
	<u>21,472</u>	<u>19,204</u>	<u>2,989</u>	<u>43,665</u>
Less: Operating income of discontinued units	(21,472)	(9,398)	(2,142)	(33,012)
	<u>\$ -</u>	<u>\$ 9,806</u>	<u>\$ 847</u>	<u>\$ 10,653</u>

In fiscal 2021, the Company's operations were affected by the novel coronavirus pneumonia epidemic, resulting in a decrease in the Company's operating income. In fiscal 2022, the Company's operations improved due to the mitigation of the novel coronavirus pneumonia epidemic.

2. Contract liabilities

The Group recognises contract liabilities related to customer contract revenue as follows:

	Dec. 31, 2022	Dec. 31, 2021	Jan. 01, 2021
Contract liabilities:			
Contract liabilities--Room Service contract	\$ -	\$ -	\$ 3,084
Contract liabilities--Food Service contract	654	682	5,422
	<u>\$ 682</u>	<u>\$ 682</u>	<u>\$ 8,506</u>

Revenue recognized in the current period for contract liabilities at the beginning of the period:

	2022	2021
The opening balance of contract liabilities is recognized as revenue in the current period		
Room service contract	\$ -	\$ 3,084
Food service contract	682	5,422
	<u>\$ 682</u>	<u>\$ 8,506</u>

(17) Interest income

	<u>2022</u>	<u>2021</u>
Bank deposit interest	\$ 734	\$ 420
Interest income from financial assets measured at amortised cost	27,539	1,853
Other interest income	<u>6</u>	<u>3</u>
	<u>\$28,279</u>	<u>\$2,276</u>

(19)Other income

	<u>2022</u>	<u>2021</u>
Rental income	\$ -	\$ 5,935
Government grants	14	15,882
Other income -other	<u>15,114</u>	<u>7,845</u>
	15,128	29,662
Less: Operating income of discontinued units	-	<u>(26,831)</u>
	<u>\$ 15,128</u>	<u>\$ 2,831</u>

Due to the application of the Group's "Measures for the Revitalization of Industries and Enterprises with Operating Difficulties Affected by Severe Atopic Pneumonia" and application to the Kaohsiung City Government Tourism Bureau for the use of epidemic-proof accommodations, the continued operating units were recognized in 2022 and 2021, respectively, after examination and compliance with the regulations. The government subsidy income is \$14 and \$2,831. The discontinued unit will recognize government subsidy income of \$12,707 in 2021, with no outstanding conditions and other contingencies.

(20) Other interests and losses

	<u>2022</u>	<u>2021</u>
Financial assets at fair value through profit or loss		
Net gain on financial assets	<u>\$ 1,871</u>	\$ -
Disposal of interests in property, plant and equipment	\$ -	\$ 2,052,593
Foreign currency exchange loss	169,725	(30,649)
Lease modification benefits	-	14
Impairment losses on non-financial assets	-	(2,083)
<u>Other losses</u>	-	<u>(911)</u>
	171,596	2,018,964
Less: Other benefits and losses of closed units		<u>(2,059,730)</u>
	<u>\$ 171,596</u>	<u>(\$ 40,766)</u>

(21) Financial cost

	<u>2022</u>	<u>2021</u>
Interest expense		
Borrowings from banks	\$ 6,310	\$ 23,212
Interest on lease liability	<u>126</u>	<u>54</u>
	\$ 6,436	\$ 23,266
Less: Finance costs of closed units	-	(<u>12,076</u>)
	<u>\$ 6,436</u>	<u>\$ 11,190</u>

(22) Addition information on expenses

	<u>2022</u>	<u>2021</u>
Employee benefits expenses	\$ 32,593	\$ 50,006
Property, plants, and equipment Depreciation	2,324	9,115
Right-of-use asset Depreciation	<u>3,064</u>	<u>1,333</u>
	37,981	60,454
Less: Operating costs and operating expenses of closed units	-	(<u>19,322</u>)
	<u>\$ 37,981</u>	<u>\$ 41,132</u>

(23) Employee benefit expense

	<u>2022</u>	<u>2021</u>
Salary and Fees	\$ 28,092	\$ 43,058
Labor and Health Insurance Costs	2,535	4,207
Pension Costs	1,168	2,020
Other employee benefit expense	<u>798</u>	<u>721</u>
	32,593	50,006
Less: Employee welfare expenses for closed units	<u>-</u>	(<u>12,786</u>)
	<u>\$ 32,593</u>	<u>\$ 37,220</u>

1. In accordance with the Company's Article of Incorporation, 0.1% to 1% of the earnings of the year should be appropriated for employee compensation and no more than 1% for directors and supervisors remuneration. However, if the Corporation has accumulated deficit, the priority is to offset the deficit first.
2. The estimated compensation to employees and directors for the years ended December 31, 2022 and 2021 was \$0.

The estimated amount for 2022 is based on the profitability of the year and is based on the percentage of the articles of incorporation. The Board of Directors resolved to distribute \$573 and \$0, respectively, of which employees' remuneration will be paid in cash. The difference between the amount of employees' remuneration and directors' remuneration is \$573 and \$0, respectively, which is mainly due to the change of estimate and will be adjusted in the income statement of 2023.

The difference between employee compensation and director compensation for fiscal 2021 and employee compensation of \$0 and director compensation of \$0 recognized in the financial statements for fiscal 2021, as resolved by the board of directors, was \$1,671 and \$0. The difference was mainly due to the change in estimates and was adjusted to the income statement for fiscal 2022. The difference was mainly due to the change in estimate.

Information on the remuneration of employees and directors approved by the board of directors can be found on the Market Observation Post System.

(24 Income tax)

1. Income tax expense (benefit)

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

	<u>2022</u>	<u>2021</u>
<i>Current income tax:</i>		
Income tax generated from current income:	\$ -	\$ -
Unallocated surplus plus levy	50,798	-
Land appreciation tax	<u>-</u>	<u>95,975</u>
Total current tax	<u>50,798</u>	<u>95,975</u>
<i>Deferred income tax:</i>		
Origination and reversal of temporary differences	(<u>120,172</u>)	(<u>68,779</u>)
	170,970	27,196
Less: Income tax (benefits) expenses of units that are closed	<u>-</u>	<u>(56,629)</u>
Income tax expense (benefits)	<u>\$ 170,970</u>	<u>(\$ 29,433)</u>

(2) Other income tax amount related to comprehensive loss and gain:

	<u>2022</u>	<u>2021</u>
Foreign operating agency conversion difference	<u>(\$ 35,175)</u>	<u>(\$ 7,509)</u>

Temporary differences:				
Unrealized gain on financial assets	-	374	-	(374)
Overseas equity method recognition of investment income	(124,991)	(81,633)	-	(206,624)
Exchange differences of foreign operating institutions	-	-	(5,279)	(5,279)
Unrealized conversion benefits	<u>-</u>	<u>(12,458)</u>	<u>-</u>	<u>(12,458)</u>
	<u>(124,991)</u>	<u>(94,465)</u>	<u>(5,279)</u>	<u>(224,735)</u>
	<u>(\$ 69,229)</u>	<u>(\$ 120,172)</u>	<u>(\$ 35,175)</u>	<u>(\$ 224,576)</u>

	2021	Recognized in	Recognized in others	
	<u>January 1</u>	<u>Gain or loss</u>	<u>Comprehensive Income</u>	<u>December 31</u>
Deferred income tax assets:				
Temporary differences:				
Exchange differences of foreign operating institutions	\$ 22,387	\$ -	\$ 7,509	\$ 29,896
Unrealized exchange loss	14,311	6,130	-	20,441
Bonus for not taking leave	239	(119)	-	120
Tax losses	<u>53,758</u>	<u>(48,453)</u>	<u>-</u>	<u>5,305</u>
	<u>90,695</u>	<u>(42,442)</u>	<u>7,509</u>	<u>55,762</u>
Deferred income tax liabilities:				
Temporary differences:				
Overseas equity method recognition of investment income	(142,745)	17,754	\$ -	(124,991)
Provision for unrealized land appreciation tax	<u>(93,467)</u>	<u>93,467</u>	<u>-</u>	<u>-</u>
	<u>(236,212)</u>	<u>111,221</u>	<u>\$ -</u>	<u>(124,991)</u>
	<u>(\$145,517)</u>	<u>\$ 68,779</u>	<u>\$ 7,509</u>	<u>(\$ 69,229)</u>

4. The validity period of tax losses which the Company has not used and the amounts of unrecognized deferred income tax assets are provided below :

December 31, 2022						1
<u>Year of occurrence</u>	<u>Amount filed/ amount approved</u>	<u>Deductible amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred income tax assets</u>	<u>Year for last</u>	
2020	Approved amount	\$ 47,245	\$ 22,163	\$ 22,163	2030	
2021	Number of declarations	107,265	107,265	107,265	2031	
		\$154,510	\$129,428	\$129,428		

December 31, 2021						0
<u>Year of occurrence</u>	<u>Amount filed/ amount approved</u>	<u>Deductible amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred income tax assets</u>	<u>Year for last deduction</u>	
2020	Number of declarations	\$47,692	\$26,523		2030	

5. The company's profit-seeking business income tax has been approved by the tax collection authority until 2020.

(25) Earnings (loss) per share

	<u>2022</u>		
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Current net income attributable to the common stock shareholders of the parent company	\$ 402,002	149,156	\$ 2.70
<u>Diluted earnings per share</u>			
Attributable to ordinary shareholders of the Company			
Net income for the period	<u>\$ 402,002</u>	149,156	
Potential common stock with dilutive effect			
Effect of dilutive potential common stock			
Employee compensation	-	14	
Attributable to the Company's common shareholders			
Net income for the period plus potential			
Effect of common stock	<u>\$402,002</u>	<u>149,170</u>	<u>\$2.69</u>

2021

0

	<u>Amount after</u> <u>tax</u>	<u>Weighted average of</u> <u>Outstanding shares</u> <u>(1,000 shares)</u>	<u>Earnings per share</u> <u>(NT\$)</u>
<u>Basic loss per share</u>			
Continuing to be attributable to the Company's common shareholders			
Net loss for the period from operating units	(\$ 153,931)	149,156	(\$ 1.03)
Discontinued operations attributable to common shareholders of the Company			
Net income per unit for the period	1,980,213	149,156	13,27
Attributable to ordinary shareholders of the Company			
Net income for the period	<u>\$ 1,826,282</u>	149,156	<u>\$ 12.24</u>

2. The above weighted average number of shares outstanding has been retroactively adjusted in accordance with the ratio of capitalization of earnings in fiscal 2021.

(26) Supplementary information on cash flow

1. Investing activities with only partial cash receipts and payments:

	<u>2022</u>	<u>2021</u>
Purchase of real estate, plant and equipment	\$ 1,118	\$ 6,244
Add: Other payables at the beginning of the period - change in payment for land use		
Equipment payable at beginning of period listed as "Other payables" in the table	2,859	127,577
Less: Amount due for equipment at the end of the period (listed as "Other payables" in the table)	(90)	(2,859)
Cash payment in the current period	\$ 3,887	\$ 130,962

Fundraising activities that do not affect cash flows:

	2022	2021
Long-term borrowings are transferred to the portion due within one year	\$ -	\$ 13,948

(27) Change of liabilities from financing activities

	2022				1
	<u>Short-term borrowings</u>	<u>Short-term notes payable</u>	<u>Lease Liabilities</u>	<u>Long-term liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$ 884,000	\$ 30,000	\$ 10,625	\$ 13,948	\$ 938,573
Change of cash flows from Financing activities	(400,000)	(30,000)	(2,984)	(13,948)	(446,932)
December 31	<u>\$ 484,000</u>	<u>\$ -</u>	<u>\$ 7,641</u>	<u>\$ -</u>	<u>\$ 491,641</u>
	2021				0
	<u>Short-term borrowings</u>	<u>Short-term notes payable</u>	<u>Lease Liabilities</u>	<u>Long-term liabilities</u>	<u>Total liabilities from financing activities</u>
January 1	\$1,609,599	\$ 130,000	\$ 3,407	\$32,545	\$ 1,775,551
Change of cash flows from Financing activities	(725,599)	(100,000)	(1,307)	(18,597)	(845,503)
Changes in other non-cash (Note)	-	-	8,525	-	8,525
December 31	<u>\$ 884,000</u>	<u>\$ 30,000</u>	<u>\$10,625</u>	<u>\$ 13,948</u>	<u>\$ 938,573</u>

Note: Non-cash changes resulting from additions, disposals and lease modifications of right-of-use assets.

7. Transactions with related parties

(1) Name of the related parties and their relations with the Company

<u>Name of the related parties</u>	<u>and their relations with the Company</u>
Holiday Garden International Ltd. ("Int. Ltd.")	Subsidiaries directly held by the Company
Holiday Garden Development Co., Ltd.	Subsidiaries directly held by the Company
Holiday Garden U.S. ("US")	Subsidiaries directly held by Int. Ltd.
Holiday Garden SF CORP. ("SF CORP.")	Subsidiaries directly held by U.S.
Holiday Garden NW CORP. ("NW CORP.")	Subsidiaries directly held by U.S.
Holiday Garden VC CORP. ("VC CORP.")	Subsidiaries directly held by U.S.
Holiday Garden WC CORP.	Subsidiaries directly held by U.S.

("WC CORP.)

Holiday Garden EV CORP.

Subsidiaries directly held by U.S.

("EV CORP.)

Holiday Garden FM CORP.

Subsidiaries directly held by U.S.

("FM CORP.)

(3) Material Transactions with related parties

1. Income from management services ("Other Income" in the table)

	<u>2022</u>	<u>2021</u>
Holiday Garden Development Co., Ltd.	\$ <u>3,000</u>	\$ <u>1,200</u>

2. Primary management remuneration and compensation information

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$ <u>3,810</u>	\$ <u>3,850</u>

8. Collateralized assets

The Company's collateralized assets are listed below:

<u>Assets</u>	<u>Book value</u>		<u>For guarantee purposes</u>
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	
Time deposits (Tabulated as "Financial assets measured at amortized cost - current")	\$ 968,456	\$ 957,921	Short-term loan And payable and shirt term notes payable
Demand deposits (Tabulated as "Financial assets carried at amortized cost - current")	-		
Demand deposits	69	368	Gift Certificate Performance Guarantee
	<u>\$ 968,525</u>	<u>\$ 958,289</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingency

None

(2) Undertakings

No undertakings

10. Significant casualty losses

None

11. Major events after the reporting period

None

12. Others

(1) Capital management

The Company's capital management objectives are to secure the Company's ability to continue as a going concern, maintain the optimal capital structure for reducing the cost of capital, and to provide returns to our shareholders. To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, or issue new shares or sell assets to reduce the liabilities. Consistent with the industry's practice, the Company manages the assets by the debt to assets ratio.

The Company's strategy is to maintain a stable debt to assets ratio. See below for the ratios. :

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Total liabilities	\$ 799,013	\$ 1,088,050
Total assets	\$ 3,969,428	\$ 3,131,608
Debt to assets ratio	20	28

(2) Financial instruments

1. Types of financial instruments

<u>Financial assets</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Mandatory financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	\$ 31,140	\$ -
Financial assets measured at amortised cost		
Cash and cash equivalents	823,291	1,267,737
Financial assets measured at amortised cost	976,967	966,700
Notes Receivable	-	323
Accounts receivable	1,257	1,376
<u>Other accounts receivable</u>	7,957	92
<u>Deposit Guarantee</u>	1,241	1,156
	<u>\$ 1,841,853</u>	<u>\$ 2,237,384</u>

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 484,000	\$ 884,000
Short-term notes payable	-	30,000
Accounts payable	1,926	946
Other accounts payable	9,104	22,544
Long-term borrowings (including the current portion of long-term debt		
available)	-	13,948
Deposited Margin	17	181
	<u>\$ 495,047</u>	<u>\$ 951,619</u>
Leasing Liabilities	<u>\$ 7,641</u>	<u>\$ 10,625</u>

2 Risk management policies

- (1) The Company's regular operations are affected by multiple financial risks, including market risk (including the foreign exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) Risk management work is implemented by the Company's finance department in accordance with the approved policies. The Company's finance department closely collaborates with all operating departments for identifying, evaluating, and avoiding financial risk.

3 Nature and level of significant financial risk

(1) Market risk

Foreign exchange rate risk

- A. The Company's investment in subsidiaries exposes the Company to foreign exchange rate risk generated from transactions using currencies different from the Company's functional currency (primarily the US dollars). Foreign exchange rate related risk comes from future commercial transactions and recognized assets and liabilities.
- B. The Company's management has set policies requiring the Company to manage the foreign exchange rate risk related to its functional currency. The Company should manage the risk according to the overall foreign exchange rate risk through the finance department.
- C. The Company's businesses involve several non-functional currencies (The Company's functional currency is New Taiwanese Dollars), and they are affected by exchange rate fluctuation. Information of foreign currency assets and liabilities subject to material effect of exchange rate fluctuation is presented below:

<u>December 31, 2022</u>						
	Foreign currencies (<u>NT\$1,000</u>)	Exchange rate	Carrying amount (<u>NT\$</u>)	<u>Sensitivity analysis</u>		
				<u>Degree of variation</u>	Effect on <u>profit or loss</u>	Effect on other <u>comprehensive income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$: NT\$	\$ 54,757	30.71	\$ 1,681,602	1%	\$ 166,816	\$ -
<u>Long-term investments accounted for using the equity method</u>						
US\$: NT\$	67,628	30.71	2,076,863	1%	20,769	-

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<u>December 31, 2021</u>						
	Foreign currencies (<u>NT\$1,000</u>)	Exchange rate	Carrying amount (<u>NT\$</u>)	<u>Sensitivity analysis</u>		
				<u>Degree of variation</u>	Effect on <u>profit or loss</u>	Effect on other <u>comprehensive income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$: NT\$	\$ 57,222	27.68	\$ 1,538,898	1%	\$ 15,839	\$ -
<u>Long-term investments accounted</u>						
	53,931	27.68	1,492,819	1%	-	14,928

D. The aggregate amount of all exchange gains (losses) (both realized and unrealized) on the Company's monetary items that were materially affected by exchange rate fluctuations was \$169,725 and (\$30,649) in fiscal 2022 and 2021, respectively.

Price risk

The Company invests in open-end funds and the prices of these equity instruments are affected by the uncertainty of the future value of the underlying investments. If the price of these equity instruments had increased or decreased by 1%, with all other factors held constant, net income before income taxes for 2022 would have increased or decreased by \$311 due to the gain or loss on equity instruments measured at fair value through profit or loss.

- A. The Company's interest rate risk arises from short-term and long-term borrowings at floating rates, exposing the Company to cash flow interest rate risk. As of December 31, 2021 and 2020, the Company's borrowings with floating interest rates are in New Taiwan Dollars.
- B. The Company's loans are measured at amortized cost and the interest rates are re-set each year according to the contract. Therefore, the Company is exposed to the risk of future market interest rate changes.
- C. If borrowing rates had increased or decreased by 1%, with all other factors held constant, pre-tax income would have decreased or increased by \$4,840 and \$8,979 in fiscal 2022 and 2021, respectively, primarily due to changes in interest expense as a result of variable-rate borrowings.

(2) Credit risk

- A. The Company is exposed to credit risk of customers' failure of fulfilling their contractual obligations, which can expose the Company to financial losses. The primary source of credit risk is the counterparty's failure of paying accounts receivable according to the terms of payment.
- B. The Company has to manage and perform credit risk analysis in accordance with the internal credit policy before entering into the terms and conditions of payment and service rendering with each new customer. Internal risk control evaluates a customer's credit quality based on the customer's financial condition, past experience, and other factors.
- C. The Company adopts the premise provided by IFRS9: When a payment is 30 days past due according to the contractual terms and conditions, the credit risk of this financial asset is deemed to have increased significantly

since its initial recognition.

- D. The Company adopts the premise provided by IFRS9: When a payment is more than 90 days past due according to the contractual terms and conditions, default is deemed to have happened.
- E. The Company classifies customers' notes and accounts receivable according to credit conditions and adopts a simplified method that uses the loss rate as the basis for estimating the expected credit loss.
- F. The Company's allowance for losses on notes and accounts receivable as of December 31, 2022 and 2021, after adjusting the loss rate established based on historical and current information for a specific period for future-looking considerations, is as follows

	<u>Not past due and past due for 1 to 30days</u>	<u>Past due for 31 to 90 days</u>	<u>Past due for more than 91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	0.97%	1.44 %	100.00%	
Total book value	\$ 1,221	\$ 38	\$ -	\$ 1,259
Loss allowance	1	1		2

	<u>Not past due and past due for 1 to 30 days</u>	<u>Past due for 31 to 90 days</u>	<u>Past due for more than 91 days</u>	<u>Total</u>
<u>December 31, 2021</u>				
Expected loss rate	0.34%	0.81%	100%	
Total book value	\$ 1,299	\$ 401	\$ 29	\$ 1,729
Loss allowance		1	29	30

- G. The statement of changes in the allowance for loss on accounts receivable using the simplified method is as following

	<u>2022</u>	<u>2020</u>
January 1	\$ 30	\$ 572
Impairment loss provision	(17)	-
Impairment loss reversal of discontinued units	(11)	(542)
December 31	<u>\$ 2</u>	<u>\$ 30</u>

(3) Liquidity risk

- A. A. Cash flows forecasts are performed by each operating entity of the

Company and summarized by the finance department of the Company. The Company's finance department monitors the Company's circulating capital requirements to ensure that the Company has sufficient capital for its operating needs, and a sufficient unspent loan commitment is maintained at all times.

- B. Surplus cash held by each operating entity that exceeds the time required to manage working capital is transferred back to the Company's treasury department. The Company's treasury department invests the remaining funds in interest-bearing demand deposits, checking deposits, time deposits and marketable securities in instruments selected to have appropriate maturities or sufficient liquidity to meet the above projections and to provide adequate deployment levels. At December 31, 2022 and 21, the Company held money market positions of \$853,983 and \$1,267,317, respectively, to generate immediate cash flows to manage liquidity risk.
- C. The following table shows the Company's non-derivative financial liabilities, which are classified by the maturity date. Non-derivative financial liabilities are analyzed based on the time remains from the balance date to the contractual maturity date. The following table discloses the amount of contractual cash flows that is non-discounting.

December 31, 2022

<u>Non-derivative financial liabilities:</u>	<u>In 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 486,387	\$ -	\$ -
Accounts payable	1,926	-	-
Other accounts payable	9,104	-	-
Lease liabilities	2,960	2,364	2,483
Guarantee deposits received		-	17

Derivative financial liabilities: None

December 31, 2021

<u>Non-derivative financial liabilities:</u>	<u>In 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 885,289	\$ -	\$ -
Short-term notes and bills payable	30,000	-	-
Accounts payable	946	-	-
Other accounts payable	22,544	-	-
Lease liabilities	3,110	3,985	3,823

Long-term loans (including due within one year)	14,055	-	-
Guarantee deposits received	144	-	37
<u>Derivative financial liabilities: None</u>			

3. Value Informationary

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the enterprise at the measurement date. An active market is one in which a sufficient frequency and number of asset or liability transactions occur to provide pricing information on an ongoing basis. The fair value of the Company's investments in beneficiary certificates are included in this category.

Level 2: Observable input values of assets or liabilities, directly or indirectly, except for those included in quoted prices in Level 1.

Level 3: Unobservable input value of assets or liabilities.

2. Financial instruments that are not measured at fair value:

The carrying amounts of financial instruments not carried at fair value, including cash and cash equivalents, financial assets carried at amortized cost, notes receivable, accounts receivable, other receivables, refundable deposits, short-term loans, short-term notes payable, accounts payable, other payables, lease liabilities, long-term loans (including long-term loans due within one year) and deposits as collateral, are a reasonable approximation of fair value.

Financial and non-financial instruments carried at fair value are classified by the Company based on the nature, characteristics and risks of the assets and liabilities and the basis of the fair value hierarchy, and the related information is as follows

(a) The Company classifies its assets and liabilities by nature and the related information is as follows:

2022.12.31	Level 1	Level 2	Level 3	Total
Assets				
Repeated fair values				
Beneficiary certificates of				
financial assets at fair value				
through profit or loss	<u>\$31,140</u>	\$ -	\$ -	<u>\$31,140</u>
Liabilities:None				

December 31, 2021: No such event

(2) The methods and assumptions used by the Company to measure fair value are described below:

The Company uses quoted market prices for fair value inputs (i.e., Level 1), which are broken down by the characteristics of the instruments as follows:

Open-Ended Funds

Market Quote	Net value
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13. Note Disclosure

(1). Information on significant transactions

1. Loan of funds to others: Please refer to Table 1.
2. Endorsement and guarantee for others: No such thing.
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures): Please refer to Table 2.
4. Accumulated purchase or sale of the same marketable securities amounting to at least NT\$300 million or 20% of the paid-in capital: None.
- 5 Acquisition of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate amounting to at least NT\$300 million or 20% of the paid-in capital: Please refer to Table 3.
- 7 Purchase from or sale to related parties amounting to at least \$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: Please refer to Table 4 (attached).
9. Derivative transactions: None.
- 10 Business relationships and significant transactions between the parent company and its

subsidiaries: Please refer to Table 5 (attached).

(2) Information about the investment business

Name of investee company, location and other related information (excluding Mainland China investee company): Please refer to Table 6.

(3)

1. Basic information: None.

2. Significant transactions directly or indirectly between the third-party business and the investee company in Mainland China: None.

(4) Major Shareholders' Information

Information on major shareholders: Please refer to Table 7 (attached).

14. Department Information

Not applicable

Holiday Garden International Ltd. and subsidiaries

Loan funds
2022

Table 1

Unit: NT\$1,000
(Unless otherwise noted)

No. (Note. 1)	Company providing the loan	Borrower	Transaction item(Note2)	A related party yes or not	The maximum amount of this period (Note3)	Closing balance (Note 8)	Actual drawing amount	Range of interest rate	Type of loan fund (Note 4)	Business transaction amount (Note 5)	Reasons for short-term financing (Note6)	Recognized amount of loss allowance	Collaterals Name Value	Maximum amount of loans permitted to a single borrower(Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
1	Holiday Garden International Ltd.	Holiday Garden U.S.	Receivable from related companies	yes	\$ 1,448,560	\$ 1,448,560	\$ 1,054,242	Annual interest 6.5%	Short-term financing funds	\$ -	Operational needs	\$ -	None \$ -	\$ 103,843,150	\$ 207,686,300	Note 9
2	Holiday Garden U.S.	Holiday Garden NW CORP.	Receivable from related companies	yes	240,870	240,870	-	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden VC CORP.	Receivable from related companies	yes	194,610	194,610	46,260	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	584,820	584,820	494,350	Annual interest 6.5%	Short-term financing funds	-	Hotel acquisition	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	64,980	64,980	64,980	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	559,362	559,362	559,362	Annual interest 6.5%	Short-term financing funds	-	Operational needs	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	94,950	94,950	94,950	Annual interest 6.5%	Short-term financing funds	-	Hotel acquisition	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	84,030	84,030	84,030	Annual interest 6.5%	Short-term financing funds	-	Operational needs	-	None -	28,096,850	56,193,700	Note 9
2	Holiday Garden U.S.	Holiday Garden FM CORP.	Receivable from related companies	yes	430,900	430,900	430,900	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition Operational needs	-	None -	28,096,850	56,193,700	Note 9
3	Holiday Garden SF CORP.	Holiday Garden VC CORP.	Receivable from related companies	yes	154,200	154,200	-	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition	-	None -	10,701,300	20,142,600	Note 9
3	Holiday Garden SF CORP.	Holiday Garden U.S.	Receivable from related companies	yes	387,516	387,516	387,516	Annual interest 3.0%	Short-term financing funds	-	Operational needs	-	None -	10,071,300	20,142,600	Note 9

Note 1: See the footnotes below

(1) 0 for the Company

(2) For the investees, they are coded from 1 according to the company. Investees of the same company share the same code

Note 2: Recorded accounts receivable from related companies and/or parties, shareholders accounts, prepayments, temporary payments, etc. should be entered in this field if they are related to loans to others.

Note 3: It is the cumulative maximum balance of loaning others from the current year to the reporting month.

Note 4: For loans to others and the type, fill in the parties that the Company has business transaction with or that require short-term financing funds.

Note 5: For the business transaction type of loans, fill in the amount of the business transactions.

Note 6: For those requiring the short-term financing type of loans, concretely explain the reason for loaning and the borrowers' use of the loans, such as for making repayments, purchase of equipment, or operational needs :

Note 7: Enter the limit of loans for individual borrowers and the total amount of loans set by the Company in accordance with the loans to others operating procedure and enter the method of calculation of the limit of loan for individual borrowers and the total limit of loans in the note section.

Note 8: Enter the amount of funds loaned to others that remains effective as of the reporting month. (For an publicly listed company deciding to resolve each fund to be loaned to other at the Board of Directors according to Article 14.1 of the Procedure of Management of Loans to Others, then even if the fund has not yet been appropriated, the amount of loans resolved at the Board of Directors should be stated in the announced balance to disclose the exposed risk. If said funds are repaid later, the balance after the repayment should be disclosed to reflect the adjusted risk. If, in accordance with Article 14.2 of Regulations Governing the Administration of Shareholder Services of Public Companies, a publicly listed company decides to authorize the chairperson of the board, resolved at the board of directors, to have the funds for lending that are within the specific amount authorized in installment or revolver within one year, it is the balance of the amount of loans to others approved at the Board of Directors that should be announced and filed. Said loans to others may be repaid later, but because lending may be authorized again, use the amount of loans to others approved by the Board of Directors as the balance announced and reported.

Note 9: In accordance with the Company's Operating procedure of management of loans to others, the amount of loans to foreign subsidiaries, in which the Company holds directly or indirectly, 100% of the voting shares or to individual borrowers should not exceed 7.5 times of the Company's net value, and the total amount of loans should not exceed 15 times of the net value of the company, and the duration of loans should be no more than 15 years.

Holiday Garden Hotel Co., Ltd.
 Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliated enterprises and joint venture control)
 December 31, 2022

Table 2

Unit: NT\$1,000

(Unless
otherwise
noted)

Held by Company	Marketable Securities and Name of marketable securities	Relationship with the issuer of marketable securities	Billing Subjects	End of term		Fair Value	REMARK (NOTE4)	
				Number of shares	Carrying amount			
Holiday Garden HOTEL CO.,LTD	GDDAAU - Global Dividend Ac	(NOTE 2) NONE	Financial assets at fair value through profit or loss - current		\$7,206 .	\$7,206	NOTE5	-
Holiday Garden HOTEL CO.,LTD	Fund: GLAAAU-Multiple Income US Accumulation cumulation	NONE	Financial assets at fair value through profit or loss - current		\$7,159	\$7,159	NOTE5	-
Holiday Garden HOTEL CO.,LTD	Fund: MegaFon Singapore Real Estate Accrued A US	NONE	Financial assets at fair value through profit or loss - current		\$1,543	\$1,543	NOTE5	
Holiday Garden HOTEL CO.,LTD	Fund: Legg Mason Western Asset Global Blue Chip Bond Fund Class A Equity USD Acc	NONE	Financial assets at fair value through profit or loss - current		\$15,232	\$15,232	NOTE5	

Note 1: Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9, "Financial Instruments".

Note 2: If the issuer of marketable securities is not a related party, the column is not filled in.

Note 3: For those securities measured at fair value, please enter the carrying amount after adjustment for fair value and net of accumulated impairment; for those securities not measured at fair value, please enter the carrying amount at original acquisition cost or amortized cost less accumulated impairment.

Holiday Garden International Co.
 Properties acquired at a cost or price of at least NT\$300 million or 20% of paid-in capital
 2022

Table 3

<u>Company disposing of real estate</u>	<u>Property name</u>	<u>Date of fact (Note 1)</u>	<u>Original date of acquisition</u>	<u>Carrying amount</u>	<u>Amount of the transaction</u>	<u>Price collection situation</u>	<u>Disposal profit and loss (Note 2)</u>	<u>Trading partners</u>	<u>Relation</u>	<u>Punishment purpose</u>	<u>Reference basis for price determination</u>	<u>Other agreements</u>
Holiday Garden <u>Nw corp</u>	ownePlace Suite Newark Silicon Valley HOTEL	Jul 05, 2021	SEP. 9, 2015	\$482, 450	\$1, 151, 625	The price is charged according to the conditions agreed in the sales and purchase agreement of both parties	\$604, 291	ALLied housing, INC	None	Enriching long-term working capital	Two real estate appraisal reports were obtained with reference to market conditions and the appraisals were approximately \$819, 957 and \$776, 963 respectively.	None

Note 1: The actual date of issuance is the date of resolution of the board of directors.

Note 2: The gain or loss on disposal is calculated based on the selling price less the carrying value of real estate and related business taxes and transaction costs.

Holiday Garden International Ltd.
Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital
December 31, 2022

Table 4

Unit: NT\$1,000
(Unless otherwise noted)

<u>Companies of account</u> <u>receivable</u>	<u>Transaction object name</u>	<u>Relationship</u>	Balance of Receivable from related <u>companies (Note 1)</u>	<u>Turnover rate</u>	<u>Past due accounts</u> receivable from related		Accounts receivable recovered from related companies after <u>the reporting period</u>	Amount of loss allowance <u>recognized</u>
					<u>Amount</u>	<u>Treatment</u>		
Holiday Garden International Ltd.	Holiday Garden U.S.	Note 3	Account receivable : 1,247,748	Note 4	\$ -	-	\$ -	-
Holiday Garden U.S.	Holiday Garden WC CORP.	Note 3	Account receivable : 605,448	Note 4	-	-	-	-
Holiday Garden SF CORP.	Holiday Garden U.S.	Note 3	Account receivable : 475,206	Note 4	-	-	-	-
Holiday Garden U.S.	Holiday Garden EV CORP.	Note 3	Account receivable : 860,303	Note 4	-	-	-	-
Holiday Garden WC CORP.	Holiday Garden SF CORP.	Note 3	Account receivable : 170,244	Note 4	-	-	-	-
Holiday Garden EV CORP.	Holiday Garden SF CORP.	Note 3	Account receivable : 164,371	Note 4	-	-	-	-
Holiday Garden U.S.	Holiday Garden FM CORP.	Note 3	Account receivable : 491,475	Note 4	-	-	-	-
Holiday Garden SF CORP.	Holiday Garden-NW CORP	Note 3	Account receivable : 164,174	Note 4				

Note 1: Please enter the accounts receivable from related parties, notes and bills, other receivables, etc. separately.

Note 2: The amount of paid-in capital refers to the parent company's paid-in capital. If the issuer's stock has no par value or the par value per share is not NT\$10, the transaction amount of 20% of the paid-in capital is calculated based on 10% of the equity attributable to the owners of the parent company in the balance sheet.

Note 3: The investee and the counter-party are both subsidiaries of the Company.

Note 4: The calculation of turnover days is not applicable to other receivables.

Holiday Garden International Ltd. and subsidiaries

Business relations and material transactions and amounts between the parent company and its subsidiaries and among the subsidiaries

2022

Table 5

Unit: NT\$1,000
(Unless otherwise noted)

Number (Note 1)	Name	Counterparty	Relationship with the counterparty (Note 2)	Transaction condition		Ratio to consolidated total revenue or total assets (Note 3)
				Account	Amount	
1	Holiday Garden International Ltd.	Holiday Garden U. S.	(3)	Other accounts receivable	\$1,247,748	Processed according to the agreement between the two parties 14.43%
1	Holiday Garden International Ltd.	Holiday Garden U. S.	(3)	Interest income	65,858	Processed according to the agreement between the two parties 4.83%
1	Holiday Garden International Ltd.	Holiday Garden SF CORP.	(3)	Other income	13,410	Processed according to the agreement between the two parties 0.98%
1	Holiday Garden International Ltd.	Holiday Garden NW CORP.	(3)	Other income	11,175	Processed according to the agreement between the two parties 0.82%
1	Holiday Garden International Ltd.	Holiday Garden VC CORP.	(3)	Other income	13,410	Processed according to the agreement between the two parties 0.98%
1	Holiday Garden International Ltd.	Holiday Garden WC CORP.	(3)	Other income	13,410	Processed according to the agreement between the two parties 0.98%
1	Holiday Garden International Ltd.	Holiday Garden EV CORP.	(3)	Other income	13,410	Processed according to the agreement between the two parties 0.98%
1	Holiday Garden International Ltd.	Holiday Garden FM CORP.	(3)	Other income	8,940	Processed according to the agreement between the two parties 0.66%
2	Holiday Garden U. S.	Holiday Garden WC CORP.	(3)	Other receivables	605,448	Processed according to the agreement between the two parties 7%
2	Holiday Garden U. S.	Holiday Garden WC CORP.	(3)	Interest income	26,969	Processed according to the agreement between the two parties 1.98%
2	Holiday Garden U. S.	Holiday Garden VC CORP.	(3)	Other receivables	46,065	Processed according to the agreement between the two parties 0.53%
2	Holiday Garden U. S.	Holiday Garden EV CORP.	(3)	Other receivables	860,303	Processed according to the agreement between the two parties 9.95%
2	Holiday Garden U. S.	Holiday Garden EV CORP.	(3)	Interest income	42,614	Processed according to the agreement between the two parties 3.12%
2	Holiday Garden U. S.	Holiday Garden FM CORP.	(3)	Other receivables	491,475	Processed according to the agreement between the two parties 5.68%
2	Holiday Garden U. S.	Holiday Garden FM CORP.	(3)	Interest income	13,857	Processed according to the agreement between the two parties 1.02%
3	Holiday Garden SF CORP.	Holiday Garden U. S.	(3)	Other receivables	475,206	Processed according to the agreement between the two parties 5.49%
3	Holiday Garden SF CORP.	Holiday Garden U. S.	(3)	Interest income	11,533	Processed according to the agreement between the two parties 0.85%
4	Holiday Garden SF CORP.	Holiday Garden NW CORP.	(3)	Other receivables	164,174	Processed according to the agreement between the two parties 1.90%
4	Holiday Garden VC CORP.	Holiday Garden SF CORP.	(3)	Other receivables	61,863	Processed according to the agreement between the two parties 0.72%
5	Holiday Garden WC CORP.	Holiday Garden SF CORP.	(3)	Other receivables	170,244	Processed according to the agreement between the two parties 1.97%
6	Holiday Garden EV CORP.	Holiday Garden SF CORP.	(3)	Other receivables	164,371	Processed according to the agreement between the two parties 1.90%
7	Holiday Garden FM CORP.	Holiday Garden SF CORP.	(3)	Other receivables	82,923	Processed according to the agreement between the two parties 0.96%

Note 1: Business transaction information between the parent company and its subsidiaries should be coded in the coding section, and the coding is described below.

(1) 0 for the parent company.

(2) For the subsidiaries, they are coded starting from 1 based on the company

Note2: There are the following three types of relationship with counterparties, and only the type is specified (one disclosure for the same transaction between the parent company and a subsidiary or among subsidiaries). For example, for a transaction between the parent company and a subsidiary, if the parent company has already disclosed it, there is no need for the subsidiary to disclose the same transaction again. For transactions among subsidiaries, if one subsidiary has disclosed it already, then there is no need for the other subsidiary to disclose it again.)

(1) The parent company to a subsidiary

(2) A subsidiary to the parent company

(3) A subsidiary to another subsidiary

Note 3: Regarding the ratio of transaction amount to consolidated total operating revenues or total assets, it is computed based on the closing balance to consolidated total assets for balance sheet accounts,

and as for income statement accounts, it is based on accumulated amount to consolidated total operating revenue

Note 4: The significant transaction conditions summarized in this table are transactions of an amount greater than NT\$ 5 million or 20% of the paid-in capital of the parent company.

Holiday Garden International Ltd. and subsidiaries
The investee's name, location, and other related information (excluding investees in mainland China)
2022

Table 6

Unit: NT\$1,000
(Unless otherwise noted)

Investor	Investee (Notes 1 and 2)	Location	Primary business items	Initial investment amount		End of the reporting period			Investee's current profit and loss (Notes 2(2))	Recognized current investment gain or loss (Note 2(3))	Note
				Ending of reporting period	Previous year end	Number of shares	Ratio	Carrying amount			
Holiday Garden International Ltd.	Holiday Garden	Taiwan	Tourism hotels	\$ 65,000	\$ 65,000	6,500,000	100	\$ 31,233	(\$ 5,252)	(\$ 5,252)	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden	Bermuda	Investment business	977,650	977,650	12,000	100	2,076,863	408,168	408,168	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden U.S.	USA	Investment business	585,961	585,961	18,000	100	561,937	288,527	288,527	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden SF CORP.	USA	Tourism hotels	84,662	84,662	170,000	100	201,426	48,107	48,107	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden NW CORP.	USA	Tourism hotels	81,250	81,250	150,000	100	(109,067)	(130,576)	(130,576)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden VC CORP.	USA	Tourism hotels	81,250	81,250	150,000	100	(17,051)	8,954	8,954	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden WC CORP.	USA	Tourism hotels	80,700	80,700	150,000	100	(277,832)	(46,274)	(46,274)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden EV CORP.	USA	Tourism hotels	77,188	77,188	150,000	100	(328,677)	(59,808)	(59,808)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden FM CORP.	USA	Tourism hotels	69,263	69,263	- 150,000	100	(4,433)	(67,207)	(67,207)	The Company's subsidiary

Note 1: For a publicly company with an overseas holding company and using the consolidated financial report as the major financial report in compliance with local laws and regulations, the disclosure of information of overseas investees can be limited to information related to the holding company.

Note 2: If the circumstances described in Note 1 are not applicable, please enter the following information:

- (1) For the name of the investee, the location, the primary business items, the initial investment amount, and shareholding at the end of the period, they should be filled out in sequence according to the reinvestment of the Company (a publicly listed company) and each reinvestment of each direct or indirect controlled investee. In addition, the relationship (e.g., a subsidiary or a subsidiary-subsubsidiary of the parent company) between each investee and the Company (a publicly listed company) should be entered.
- (2) For the section of "investee's profit and loss," please enter the amount of current profit and loss of each investee.
- (3) For "Recognized current investment income," enter only the recognized amount of profit and loss of each direct investment subsidiary of the Company (a publicly listed company) and of each investee accounted for using the equity method. The balance is not required. When entering the "Amount of profit and loss recognized of each subsidiary of direct reinvestment," subsidiary of the Company (a publicly listed company) and of each investee accounted for using the equity method. The balance is not required. When entering the "Amount of profit and loss recognized of each subsidiary of direct reinvestment," make sure that the amount of profit or loss of each subsidiary includes the investment income of the reinvestment to be recognized in accordance with the regulations.

Holiday Garden International Ltd. and subsidiaries

Table 7

Major Shareholder Information
December 31, 2022

Main shareholder name	Shares	
	Shares held	Shareholding ratio
YENJUAN INTERNATIONAL CO., LTD.	28,926,958	19.39%
HSBC Bank (Taiwan) Limited is entrusted with custody of Z.P. INVESTMENT CORPORATION investment account	14,726,450	9.87%
HSBC Bank (Taiwan) Limited is entrusted with custody of S & D.C. CO., LTD. investment account	14,155,206	9.49%
HSBC Bank (Taiwan) Limited is entrusted with custody of ZOTO HOLDINGS LIMITED investment account	13,987,738	9.37%
HSBC Bank (Taiwan) Limited is entrusted with custody of TOZAI HOLDINGS LIMITED investment account	11,811,096	7.91%

Holiday Garden International Ltd
Statement of Cash and Cash Equivalents
December 31, 2022

Table 1.

Item	Abstract	Amount
Cash in hand and working capital		\$ 448
Cheque Deposit		1,527
Demand Deposit - New Taiwan Dollar Deposit		108,170
Demand Deposits-US Dollar Deposits	USD158,000, exchange rate 30.7	4,848
Time Deposit - USD Deposit	USD22,064,000, exchange rate 30.71, interest rate range: 4.10%-4.83% Maturity period: January 7, 2023 to March 22, 2023	677,588
U.S. Dollar Bonds with Buyback	USD1,000, exchange rate 30.71, interest rate:4.35% Expiration date:February 20, 2023	<u>30,710</u>
		<u>\$823,291</u>

Holiday Garden Co.
Financial assets measured at amortized cost - current schedule
December 31, 2022

Unit: NT\$1,000

Name	Summary	Contract Period	Amount	Interest Rate	Remark
Cathay United Bank	NTD survive	—	\$ 69	—	
O-Bank	NTD Time Deposit	2022.09.11~2023.03.11	5,055	0.25%	
O-Bank	NTD Time Deposit	2022.09.12~2023.03.12	410	1.16%	
List 2 O-Bank	NTD Time Deposit	2022.10.28~2023.04.28	2,977	1.03%	
O-Bank	USD Time Deposit	2022.12.01~2023.03.01	248,767	5.15%	Note
CTBC BANK Co., Ltd	USD Time Deposit	2022.11.08~2023.01.08	463,459	4.20%	Note
CTBC BANK Co., Ltd	USD Time Deposit	2022.12.28~2023.03.28	1,560	4.70%	Note
CTBC BANK Co., Ltd	USD Time Deposit	2021.10.28~2022.04.28	130,255	0.20%	Note
First Commercial Bank	USD Time Deposit	2022.12.22-2023.01.22	124,415	4.20%	
			<u>\$ 976,967</u>		

Note: For information on guarantees for financial assets measured at amortised cost, please refer to Note 8

Holiday Gardens International Ltd.
Statement of changes in investments using the equity method
2022

List 3

Name	<u>Opening Balance</u>		<u>Increase in this period (Note 1)</u>		<u>Decrease in the current period (Note 2)</u>		<u>Ending balance</u>			<u>Market price or net value</u>		<u>Evaluation basis</u>	<u>Guarantee or Pledge</u>	<u>Remark</u>
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Shareholding ratio</u>	<u>Amount</u>	<u>Unit price</u>	<u>Total price</u>			
Holiday Garden International Ltd.,	12,000	\$1,492,819	-	\$584,044	-	\$-	12,000	100%	\$2,076,863	\$173,072	\$2,076,863	Equity method	None	
Holiday Garden Development International Ltd.,	6,500,000	36,485	-	-	-	(5,252)	6,500,000	100%	31,233	4.81	31,233	Equity method	None	
		<u>\$1,529,304</u>		<u>\$584,044</u>		<u>(5,252)</u>			<u>\$2,108,096</u>		<u>\$2,108,096</u>			

Note 1: The increase in the current period is due to the exchange differences arising from the translation of the financial statements of foreign operating institutions and the share of profit or loss of subsidiaries, affiliates and joint ventures recognized under the equity method in the current period

Note 2: The decrease in the current period represents the shares of subsidiaries, affiliates and joint ventures recognized under the equity method.

Holiday Garden International Ltd. and subsidiaries
Short-term loan schedule
December 31,2022

List 4

Unit: NT\$1,000

<u>Type of loan</u>	<u>Summary</u>	<u>Ending balance</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Financing Amount</u>	<u>Mortgage or Guarantee</u>
Guaranteed bank loan	CTBC BANK Co., Ltd	\$ 284,000	2022.10.28~2023.04.28	1.45%	\$ 500,000	Time Deposit
Guaranteed bank loan	O-Bank	200,000	2022.12.28~2023.01.28	1.85%	200,000	Time Deposit
		<u>\$ 484,000</u>				

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Holiday Gardens International Ltd.
 Schedule of Cost of Operations
 2022

Unit: NT\$1,000

	Project	Amount	Remark
List 7	Beginning Catering Inventory	\$ 435	
	Feed in this period	7,452	
	Transfer operating expenses	(301)	
	Ending Catering Inventory	(487)	
	Consumables for this issue	7,099	
	Food and room costs	7,205	
		\$ 14,304	
		14,304	

Holiday Gardens International Limited and Subsidiaries
Statement of Operating Expenses
2022

Unit: NT\$1,000

	Project	Summary	Amount	Remark
List 8	Salary Expenses		\$ 23,841	
	Labor Fee		4,045	
	Other Fee		18,311	The balance does not exceed 5% of the amount of the subject
			46,197	

Holiday Gardens International, Inc.
Summary of employee benefits, depreciation and amortization expense incurred during the period by function
2022 and 2021

List 9

Unit: NT\$1,000

<i>Function</i>	2022			2021		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Operating Expense
<i>Properties</i>						
Employee Benefit Expenses	\$ 6,040	\$ 26,553	\$ 32,593	\$ 9,426	\$ 40,580	\$50,006
Salary Cost	5,172	19,110	24,282	8,020	31,188	39,208
Labor and health insurance costs	447	2,088	2,535	880	3,327	4,207
Superannuation Expenses	247	921	1,168	388	1,632	2,020
Director's Remuneration	—	3,810	3,810	—	3,850	3,850
Other Employee Benefit Expenses	174	624	798	138	583	721
Depreciation Expense	253	5,135	5,388	6,027	4,421	10,448

Notes:

1. The number of employees for the current year and the previous year was 52 and 93, respectively, of which the number of directors who were not also employees was 3, respectively.
2. For companies whose shares are listed on a stock exchange or traded on an OTC stock exchange, the following information should be disclosed:
 - (1) The average employee benefit cost for the current year was \$587; the employee benefit cost for the previous year was \$513.
 - (2) The average employee salary cost for the current year is \$496; the employee salary cost for the previous year is \$436.
 - (3) The adjustment and change in average employee salary cost was 13.76%.
 - (4) The Company has established an audit committee to replace the supervisor as required, so no supervisor's remuneration was recognized

1. Policies, criteria and mix of remuneration:

(1). The remuneration of the Company's directors and independent directors includes travel expenses and distributed remuneration in accordance with the Company's Articles of Association not exceeding 1% of the current year's profit, which shall be paid in accordance with Article 31 of the Company's Articles of Incorporation.

(2). The remuneration and salary of the Company's executives will be paid in accordance with the individual's professional experience and the usual standards of the industry, and bonuses will be paid according to the individual's performance, in accordance with his or her rate of achievement, growth rate, risk and performance.

(3). The salaries of the company's employees are determined based on the results of interviews and evaluations at each stage; the salaries of personnel are approved by grade approved by grade. In addition, bonuses are granted according to the performance of individuals based on their achievement rate, growth rate, and job performance.

2. Procedures for setting salaries

(1). The Company's Board of Directors adopted the Organization Regulations of the Compensation Committee in December 2011 and established the Compensation Committee in accordance with the Organization Regulations.

The remuneration of directors and independent director-level executives is prepared.

(2). The Company's Remuneration Committee determines and periodically evaluates the remuneration of directors, independent directors and managers. The Company's Directors', independent directors' and managers' remuneration must be approved by the Board of Directors.

