

Holiday Garden International Ltd. and subsidiaries  
Consolidated 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

Consolidated Financial Report and Independent Accountant's Report of 2022 and 2021

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Holiday Garden International Ltd. and subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year 2022 (from January 1, 2022 to December 31, 2022), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the previous consolidated financial statements of parent and subsidiary companies.

Hereby certify

Holiday Garden International Ltd.

Chen Hai-Ni

March 14 ,2023

## Independent Accountants' Report

(2023) Tsai Shen Pao Tzu No. 22004746

Holiday Garden Hotel Co., Ltd.

### **Opinion**

We have audited the following financial statements of Holiday Garden International Ltd. and the subsidiaries (the "Group"): the consolidated balance sheets of December 31, 2021 and 2022, the consolidated statements of comprehensive income of January 1 to December 31 of 2021 and 2022, the consolidated statements of changes in equity, the consolidated statements of cash flows, and the notes to consolidated financial statements, including a summary of significant accounting policies.

In the opinion of the accountants, in all material respects, the consolidated financial statements have been prepared in accordance with the Financial Reporting Standards for Securities Issuers and International Financial Reporting Standards as approved by the Financial Supervisory Commission, International Accounting Standards, Interpretations and Interpretative Bulletins and are sufficient to present fairly the consolidated financial position of Holiday Gardens Group as at December 31, 2022 and 2021. the consolidated financial results and consolidated cash flows for the periods January 1 to December 2022 and 2021 The consolidated financial results and consolidated cash flows for January 1 to December 31, 2022 and 2021.

### **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 consolidated 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 the Group 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**

According to our professional judgment, in the 2022 consolidated financial statements of the Group. These matters have been addressed during the audit of the overall consolidated 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 consolidated financial statements of 2022 of the Group:

### **Property, plant and equipment and intangible asset impairment assessment**

#### Description

For the accounting policy for impairment of intangible assets, please refer to Note 4(17) to the consolidated financial statements. For the accounting estimates and assumptions regarding the uncertainty of impairment assessment of intangible investments, please refer to Note 5(2) to the consolidated financial statements. For intangible assets, please refer to Note 6(8) to the consolidated financial statements.

As of December 31, 2022, the carrying value of the Group's intangible assets amounted to NT\$4,501,674,000, representing 52% of the total consolidated assets. Due to the proliferation of various types of accommodation hotels in recent years, the intense competition in the hospitality industry and the impact of the novel coronavirus pneumonia outbreak, management has identified signs of possible impairment of property, plant and equipment and intangible assets of some subsidiaries. The Company uses estimated future cash flows and the use of an appropriate discount rate to measure the recoverable amount of these assets as a basis for assessing whether impairment exists. 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 included the assessment of impairment of property, plant and

equipment and intangible assets as one of the key items in this year's audit.

#### Corresponding audit program

We have implemented the following audit program corresponding to the aforementioned audit matter.

1. We have learned to understand and evaluate management's operating procedure for estimating the subsidiaries' future cash flows and verified that their cash flows for the next year that is consistent with the approval by the Board of Directors.
2. Assess the reasonableness of key assumptions used by management to estimate future cash flows.
3. Evaluate the rationality of various parameters and discount rates used in calculating the recoverable amount.

#### **Other matters: Parent company only financial report**

The Group has prepared the 2022 and 2021 parent company only financial statements, and we have issued an audit report with unmodified opinion. That report is available for reference.

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

The responsibilities of management is to prepare appropriately stated consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Standards (IFRs), the international Accounting Standards (IASs), and the related interpretations and interpretative bulletins endorsed by the Financial Supervisory Commission of the Republic of China. Management is also responsible for maintaining necessary internal control relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement by fraud or error.

Management when preparing consolidated financial statements is also responsible for evaluating the Group's ability to continue as a going concern, disclosing relevant matters, and

using the going concern basis of accounting unless management intends to liquidate the Group, to cease the operations, or to liquidate or to have no feasible alternatives but to do so.

Those charged with governance (including the supervisors) of Group are responsible for supervising the Group's financial reporting procedure.

### **Account's responsibilities for the audit of consolidated financial statements**

The objectives of the accountants for auditing the consolidated financial statements are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from any material misstatement due to fraud or errors and to issue an accountant's report accordingly. Reasonable assurance refers to a high level of assurance, but there is no guarantee that an audit performed in accordance with the generally accepted auditing standards of the Republic of China can detect any material misstatement from the consolidated 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 consolidated 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 consolidated 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 one resulting from error, as 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 the Group'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 the Group'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 consolidated 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 the Group to cease to continue as a going concern.
5. We evaluated the overall presentation, structure and content of the consolidated financial statements, including the attached notes, and whether the consolidated 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 the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of group audits 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 consolidated financial statements of 2021 of Group 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

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. and Subsidiaries  
Consolidated Balance Sheet  
December 31 of 2022 and 2021

Unit: NT\$1,000

Assets	Notes	D e c e m b e r 3 1 2 0 2 2 Amount	%	D e c e m b e r 3 1 2 0 2 1 Amount	%
<b>Current assets</b>					
1100	Cash and cash equivalents	\$ 2,668,664	31	\$ 2,145,257,	25
1110	Financial assets at fair value through profit or loss – current	31,140	1	-	-
1136	Financial assets available-for-sale - current	976,967	11	966,700	11
1150	Net notes receivable	-	-	323	-
1170	Net accounts receivable	29,637	-	30,980	-
1200	Other accounts receivable	8,989	-	567	-
1220	Tax assets	2,145	-	42,817	1
130X	Inventories	709	-	638	-
1410	Advance payments	16,608	-	10,053	-
1479	Other current assets - others	357	-	430	-
11XX	<b>Total current assets</b>	<u>3,735,216</u>	<u>43</u>	<u>3,197,765</u>	<u>37</u>
<b>Non-current assets</b>					
1535	Financial assets at amortized cost - non-current	49,169	1	85,295	1
1600	Property, plants, and equipment	3,806,038	44	4,001,582	47
1755	Right if use asset	103,530	1	113,107	1
1780	Intangible assets	737,051	9	791,315	9
1840	Deferred tax assets	203,582	2	395,715	5
1915	Prepayments for equipment	-	-	12,160	-
1920	Guarantee deposits paid	14,141	-	10,266	-
1990	Other non-current assets - others	207	-	229	-
15XX	<b>Total non-current assets</b>	<u>4,913,718</u>	<u>57</u>	<u>5,409,669</u>	<u>63</u>
1XXX	<b>Total assets</b>	<u>\$ 8,648,934</u>	<u>100</u>	<u>\$ 8,607,434</u>	<u>100</u>

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Holiday Garden International Ltd. and Subsidiaries  
Consolidated Balance Sheet  
December 31 of 2022 and 2021

Unit: NT\$, 000

Liabilities and equity		Notes	D e c e m b e r 3 1 2 0 2 2	%	D e c e m b e r 3 1 2 0 2 1	%
			Amount		Amount	
<b>Current liabilities</b>						
2100	Short-term borrowings	6(10)&8	\$ 484,000	6	\$ 884,000	10
2110	Short-term notes and bills payable	6(11)&8	-	-	30,000	-
2130	Contractual liabilities - current	6(18)	5,866	-	3,719	-
2170	Accounts payable		2,709	-	1,814	-
2200	Other accounts payable	6(12)	132,680	1	91,647	1
2230	Current income tax liabilities		135,001	1	36,704	1
2280	Current lease liabilities		8,578	-	8,236	-
2320	Long-term liabilities - current portion	6(13)&8	742,587	9	807,943	10
2399	Other current liabilities: others		547	-	567	-
21XX	<b>Total current liabilities</b>		<u>1,511,968</u>	<u>17</u>	<u>1,864,630</u>	<u>22</u>
<b>Non-current liabilities</b>						
2540	Long-term borrowings	6(13)&8	3,579,764	42	3,683,724	43
2570	Deferred income tax liabilities	6(25)	261,796	3	187,149	2
2580	Lease obligations-non-current		104,974	1	113,552	1
2645	Deposits received		17	-	181	-
25XX	<b>Total non-current liabilities</b>		<u>3,946,551</u>	<u>46</u>	<u>3,984,606</u>	<u>46</u>
2XXX	<b>Total liabilities</b>		<u>5,458,519</u>	<u>63</u>	<u>5,849,236</u>	<u>68</u>
<b>Equity</b>						
<b>Consolidated net income attributable to owners of the parent company</b>						
<b>Capital stock</b>						
		6(15)(17)				
3110	Common share capital		1,491,555	17	1,104,856	13
	Capital surplus	6(16)				
3200	Capital surplus		2,169	-	2,169	-
	Retained surplus	6(17)				
3310	Legal reserve		254,025	3	82,561	1
3320	Special reserve		30,035	-	-	-
3350	Retained earnings		1,417,961	17	1,714,643	20
<b>Other equity</b>						
3400	Other equity		( 5,330)	-	( 146,031)	( 2)
31XX	<b>Total income attributable to the owners of the parent company</b>		<u>3,190,415</u>	<u>37</u>	<u>2,758,198</u>	<u>32</u>
3XXX	<b>Total equity</b>		<u>3,190,415</u>	<u>37</u>	<u>2,758,198</u>	<u>32</u>
	Significant contingent liabilities and unrecognized contractual commitments	9				
3X2X	<b>Major events after the reporting period</b>		<u>\$ 8,648,934</u>	<u>100</u>	<u>\$ 8,607,434</u>	<u>100</u>

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

Chairperson of the Board: Chen Hai-Ni

Manager: Chen Hai-Ni

Accounting Director: Yu Su-Ling

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements 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)

Item	Notes	2022		2021		
		Amount	%	Amount	%	
4000	Operating revenue	6(18)	\$ 1,364,208	100	\$ 821,146	100
5000	Operating cost	6(4)(23)(24)	( 265,543)	( 19)	( 193,414)	( 23)
5900	Operating gross profit		1,098,665	81	627,732	77
	<b>Operating expenses</b>	6(7)(23)(24)				
6200	Management expense		( 1,046,363)	( 77)	( 733,330)	( 89)
6450	Expected impairment loss	12(2)	( 1,059)	-	266	-
6000	Total operating expenses		( 1,047,422)	( 77)	( 733,064)	( 89)
6900	Operating profit		51,243	4	105,332	( 12)
	<b>Non-operating income and expenses</b>					
7100	Interest Income	6(19)	31,868	3	3,397	-
7010	Other income	6(20)	70,556	5	11,769	2
7020	Other gains and losses	6(2)(20)	775,887	57	( 40,766)	( 5)
7050	Financial cost	6(22)	( 202,711)	( 15)	( 113,184)	( 14)
7000	Total non-operating income and expenses		675,600	50	( 138,784)	( 17)
7900	Net profit before tax		726,843	54	( 244,116)	( 29)
7950	Income tax expense	6(25)	( 324,841)	( 24)	( 90,185)	11
8000	Net loss of continuing business units for the current period		402,002	30	( 153,931)	( 18)
8100	Profits (losses) of closed units	6(9)&12(2)			1,980,213	241
8200	Net profit (losses) for this year		\$ 402,002	30	\$ 1,826,282	223
	<b>Other comprehensive income</b>					
	<b>Components may be subsequently reclassified to profit/loss</b>					
8361	Exchange differences on translation of foreign financial statements		\$ 175,876	13	( \$ 37,544)	( 5)
8399	Income tax of components that may be reclassified	6(25)	( 35,175)	( 3)	7,509	1
8300	Net amount other comprehensive income (loss) after tax		\$ 140,701	10	( \$ 30,035)	( 4)
8500	Total comprehensive income (loss)		\$ 542,703	40	\$ 1,796,247	219
	<b>Net income attributable to</b>					
8610	Owners of the parent company		\$ 402,002	30	\$ 1,826,282	223
	<b>Total comprehensive income (loss) attributable to:</b>					
8710	Owners of the parent company		\$ 542,703	40	\$ 1,796,247	219
	<b>Earnings (loss) per share</b>	6(26)				
9710	Net loss from continuing business units		\$	2.70	( \$	1.03)

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements. °

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements 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)

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

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements. °

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000

Notes	<u>R e t a i n e d e a r n i n g s</u>						Exchange differences On financial Statements of Foreign operating agencies	Total
	Ordinary share capital	Capital Reserve – Issue Premium	Statutory Surplus Reserve	Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)			
<b><u>2021</u></b>								
Balance on January 1, 2021	\$ 1,104,856	\$ 2,169	\$ 82,561	\$ 71,161	(\$ 182,800)	(\$ 115,996)	\$ 961,951	
Current net profit	-	-	-	-	1,826,282	-	1,826,282	
Other comprehensive income or loss for the period	-	-	-	-	-	( 30,035 )	( 30,035 )	
Total consolidated profit or loss for the period	-	-	-	-	1,826,282	( 30,035 )	1,796,247	
Special surplus reserve reversal	-	-	-	( 71,161 )	71,161	-	-	
Balance, December 31, 2021	<u>\$ 1,104,856</u>	<u>\$ 2,169</u>	<u>\$ 82,561</u>	<u>\$ -</u>	<u>\$ 1,714,643</u>	<u>(\$ 146,031)</u>	<u>\$ 2,758,198</u>	
<b><u>2022</u></b>								
Balance on January 1, 2022	\$ 1,104,856	\$ 2,169	\$ 82,561	\$ -	\$ 1,714,643	(\$ 146,031)	\$ 2,758,198	
Current net profit	-	-	-	-	402,002	-	402,002	
Other comprehensive income or loss for the period	-	-	-	-	-	140,701	140,701	
Total consolidated profit or loss for the period	-	-	-	-	402,002	140,701	542,703	
2021 surplus refers to allocation and distribution								
Legal reserve	-	-	171,464	-	( 171,464 )	-	-	
Special reserve	-	-	-	30,035	( 30,035 )	-	-	

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements.

Holiday Garden International Ltd. and Subsidiaries  
Consolidated Statements of Changes in Equity  
January 1 to December 31 of 2022 and 2021

Unit: NT\$1,000

	Notes	<u>R e t a i n e d e a r n i n g s</u>					Exchange differences On financial Statements of Foreign operating agencies	Total
		Ordinary share capital	Capital Reserve – Issue Premium	Statutory Surplus Reserve	Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)		
Stock dividends	6(17)	386,699	-	-	-	( 386,699 )	-	-
Cash dividends	6(17)	-	-	-	-	( 110,486 )	-	( 110,486 )
Balance on December 31, 2022		<u>\$ 1,491,555</u>	<u>\$ 2,169</u>	<u>\$ 254,025</u>	<u>\$ 30,035</u>	<u>\$ 1,417,961</u>	<u>( \$ 5,330 )</u>	<u>( \$ 3,190,415 )</u>

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements.

Chairperson of the Board: Chen Hai-Ni

Manager: Chen Hai-Ni

Accounting Director: Yu Su-Ling

Holiday Gardens International Limited and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1, 2022 and December 31, 2021

Unit: NT\$1,000

	NOTE	2022	2021
<b><u>Cash flows from operating activities</u></b>			
Net loss before tax of continuing business units		\$ 726,843	(\$ 244,116 )
Net profit before tax (net loss) of discontinued units	6(9)	<u>-</u>	<u>2,036,842</u>
Net profit before tax for the current period		726,843	1,792,726
Adjust item			
Profit and loss items			
Net gain on financial assets at fair value through profit or loss	6(2)(21)	( 1,871 )	-
Expected credit impairment loss (benefit)	12(2)	1,059	( 808 )
Depreciation expense	6(5)(6)(23)	254,359	198,045
Amortized expense	6(7)(23)	60,981	48,365
Lease modification benefits	6(6)(21)	-	( 14 )
Interest expenses	6(22)	202,711	125,260
Interest income	6(19)	( 31,868 )	( 3,397 )
Government Subsidy Revenue	6(13)(20)	( 56,233 )	-
Disposal of property, plant and equipment interests	6(21)	( 604,291 )	( 2,052,593 )
Property, plant and equipment transferred to expense		48	-
Impairment losses on non-financial assets	6(8)(21)	-	2,083
Changes in assets/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		3,236	( 6,090 )
Other receivables		( 1,279 )	190
Inventory		( 71 )	391
Prepayments		( 5,506 )	717
Other Mobile Assets - Other		73	( 236 )
Net change in liabilities related to operating activities			
Contract liabilities - current		1,977	( 7,351 )
Accounts Payable		895	( 1,898 )
Other payables		23,600	21,295
Other mobile liabilities - Other		( 20 )	( 2,431 )
Cash inflows (outflows) from operations		<u>545,697</u>	<u>113,931</u>
Interest Received		24,536	3,445
Interest paid		( 190,979 )	( 124,392 )
Refund of income tax		70,627	22,777
Income tax paid		( 847 )	( 97,749 )
Net cash inflow (outflow) from operating activities		<u>449,034</u>	<u>( 81,988 )</u>

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements.

Chairperson of the Board: Chen Hai-Ni

Manager: Chen Hai-Ni

Accounting Director: Yu Su-Ling

Holiday Gardens International Limited and Subsidiaries  
Consolidated Statements of Cash Flows  
January 1, 2022 and December 31, 2021

Unit: NT\$1,000  
2021

	NOTE	2022		2021
<u>Cash flows from investing activities</u>				
(Increase) decrease in financial assets measured at amortized cost				
- current		( \$ 10,267 )	\$	5,789
Decrease (increase) in financial assets measured at amortized cost				
- non-current		44,115	(	85,295 )
For business acquisitions	(6(27)	-	(	1,156,684 )
Acquisition of property, plant and equipment	6(28)	( 30,521 )	(	132,454 )
Disposal of property, plant and equipment		1,011,011		2,700,376
Acquisition of intangible assets	6(7)	-	(	708 )
Disposal of intangible assets	6(7)	75,730		-
Increase in prepayments for equipment		-	(	12,305 )
(Increase) decrease in refundable deposits		( 3,038 )	(	423 )
Other non-current assets - other decrease (increase)		46	(	43 )
Net cash inflows from investing activities		<u>1,087,076</u>		<u>1,318,253</u>
<u>Cash flows from financing activities</u>				
Increase in short-term borrowings	6(29)	384,000		2,274,401
Decrease in short-term borrowings	6(29)	( 784,000 )	(	3,000,000 )
Decrease in short-term notes payable	6(29)	( 30,000 )	(	100,000 )
Lease principal repayment	6(29)	( 8,236 )	(	6,470 )
Decrease in deposit margin		( 164 )	(	574 )
Long-term loans	6(29)	-		1,589,281
Repayment of long-term loans	6(29)	( 584,110 )	(	699,777 )
Payment of cash dividends	6(17)	( 110,486 )		-
Net cash (outflow) inflow from financing activities	)	( <u>1,132,996</u> )		<u>56,861</u>
Effect of exchange rate changes		120,293	(	34,880 )
Increase in cash and cash equivalents for the period	)	523,407		1,258,246
Cash and cash equivalents at beginning of period	6(1)	2,145,257		887,011
Cash and cash equivalents at end of period	6(1)	<u>\$ 2,668,664</u>	\$	<u>2,145,257</u>

Please refer to notes of consolidated financial statements provided at the end, which is part of the consolidated financial statements.

Chairperson of the Board: Chen Hai-Ni

Manager: Chen Hai-Ni

Accounting Director: Yu Su-Ling

Holiday Garden International Ltd. and subsidiaries  
Notes for Consolidated Financial Statements  
2022 and 2021

(Unless otherwise noted)

1. Company milestones

- (1) Holiday Garden International Ltd. (the “Company”) was established in July 1959, and the primary scope of business operation 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) For information of the primary business operations activities of the Company and the subsidiaries (the Group), please refer to Note 4(3).

2. Date and procedure of approval of the financial report

This consolidated 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 2021 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 4 "The temporary waiver is an extension of IFRS 9"	January 1, 2022
Stage 2 Amendments to IFRS 9, IFRS 39, IFRS 7, IFRS 4 and IFRS 16 「Interest Rate Indicator Changes」	January 1, 2022
Amendments to IFRS 16 「COVID-19 related rent concessions after 30 June 2021」	April 1, 2022

Note: The Financial Supervisory Commission allows it to be applied in advance on January 1, 2010

Except the following matters, the Group has determined that the standards and interpretations above have no material effect on the Group’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 summarizes the newly issued, revised and revised standards and interpretations of the International Financial Reporting Standards approved by the FSC:

<b><u>Newly issued/revised/amended standards and interpretations</u></b>	<u>Effective date of issuance by International Accounting Standards Board</u>
* Amendments to IFRS 3 「 Index to Conceptual Framework 」	January 1, 2022
* Amendments to IAS 16 「 Property, plant and equipment; the price before reaching the intended state of us 」	January 1, 2022
* Amendments to IAS 37 「 Amendments to IAS 37 」	January 1, 2022
* Annual Improvements in the 2018~2020 Cycle	January 1, 2022

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:

<b><u>Newly issued/revised/amended standards and interpretations</u></b>	<u>Effective date of issuance by International Accounting Standards Board</u>
* Amendments to IFRS 10 and IAS 28 「 Sales or contributions of assets between investors and their affiliates or joint ventures 」	To be announced
* IFRS 17 「 Insurance Contracts 」	January 1, 2023
* Amendments to IFRS 17 「 Contracts of Insurance 」	January 1, 2023
* Amendments to IFRS 17 「 First use of IFRS 17 and IFRS 9 - Comparative information 」	January 1, 2023
* Amendments to IAS 1 「 Current or non-current classification of liabilities 」	January 1, 2023

- |   |                 |
|---|-----------------|
| * Amendment to IAS 1 「 Disclosure of Accounting Policies 」  | January 1, 2023 |
| * Amendments to IAS 8 「 Definition of Accounting Estimates 」  | January 1, 2023 |
| * Amendments to IAS 12 「 Deferred income tax relating 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

#### 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 Not 5 attached.

##### (3) Basis of consolidation

###### 1. Principles for consolidated financial report preparation

- (1) The Group incorporates all subsidiaries into the entities this consolidated financial report is prepared for. Subsidiaries refer to entities controlled by the Group (including structure entities). When the Group 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 Group controls said entity. The subsidiaries are included into the consolidated financial report since the day the Group acquire their control and the consolidation ends on the day their control is lost.
- (2) The transactions, balance, and unrealized profit or loss generated between the subsidiaries of the Group had been eliminated. Necessary adjustment of accounting policies of the subsidiaries has been made to be consistent with policies of the Group.

- (3) Profit or loss and other comprehensive income components are attributable to owners of the parent company and non-controlling interests. Comprehensive income is also attributable to owners of the parent company and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- (4) If changes in the shareholding of a subsidiary do not lead to losing the control (transactions with non-controlling interests), they will be treated as equity transactions, i.e., transactions between shareholders. The difference between adjustment of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
- (5) When the Group loses its control over a subsidiary, the remaining investment of the previous subsidiary should be re-measured at the fair value and be treated as the fair value of the initially recognized financial asset or the cost of initially recognized invested associates or joint ventures. The difference between the fair value and the carrying amount is recognized in profit or loss. For all amounts of a subsidiary previously recognized in other comprehensive income, the accounting treatment is based on the same principle as if the Group directly disposes the related assets or liabilities. That is, if the amount is previously recognized as a profit or loss of other comprehensive income, it should be reclassified as income when the related assets or liabilities are disposed. Moreover, when the Company loses the control over the subsidiary, such profit or loss shall be reclassified into income from equity.

## 2. Subsidiaries included in the consolidated financial report:

<u>Investor</u>	<u>Subsidiary</u>	<u>Business scope</u>	<u>% shareholding</u>		<u>Description</u>
			<u>December 31, 2021</u>	<u>December 31, 2020</u>	
Holiday Garden Hotel Co., Ltd.	HOLIDAY GARDEN INTERNATIONAL LTD.	Investment business	100	100	
	HOLIDAY GARDEN INTERNATIONAL LTD	Hotel operations	100	100	
HOLIDAY GARDEN INTERNATIONAL LTD.	HOLIDAY GARDEN U.S.	Investment business	100	100	
HOLIDAY GARDEN U.S.	HOLIDAY GARDEN SF CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN SN CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN NW CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN VC CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN WC CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN EV CORP.	Hotel operations	100	-	Note

Note : Holiday Garden EV CORP. was founded at the first season of 2019 ◦

3. Subsidiaries not included in the consolidated financial report: None ◦
4. Adjustment and treatment of different accounting period of subsidiaries: None ◦
5. Significant restriction: None

6. Subsidiaries of non-controlling interests significant to the Group: None

(4) Foreign currency translation

Accounts listed in the financial report of each entity of the Group are based on the money (i.e., functional currency) of the primary economic environment where the entity operates. This consolidated financial report is presented in New Taiwanese Dollars (NT\$), which is the Company's functional and presentation currency.

1. Foreign currency transaction and balance

- (1) For foreign currency transactions, spot rate of exchange on the trading day or the measurement date is used for functional currency translation, and the resulting exchange differences are recognized in current profit or loss.
- (2) Foreign currency monetary assets and liabilities balance is adjusted based on the spot exchange rate on the balance sheet date, and the resulting exchange differences are recognized in profit or loss.
- (3) Foreign currency monetary assets and liabilities balance is measured at fair value through profit or loss and adjusted using the spot exchange rate on the balance sheet. The resulting exchange differences are recognized in profit or loss. For foreign currency monetary assets and liabilities balance that is measured at fair value through other comprehensive income, it is adjusted using the spot exchange rate on the balance sheet day. The resulting exchange differences are recognized in the account of other comprehensive income. As for those not measured at fair value, they are measured at the historical exchange rate on the initial transaction day.
- (4) All exchange gains or losses are recognized in "other gains and losses" in the statement of comprehensive income.

2. Translation of foreign financial statements

- (1) All the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
  - A. The assets and liabilities of each balance sheet presented are translated at the closing rate of that balance; ;
  - B. The income and expense of each statement of comprehensive income are translated using the current average exchange rate, and
  - C. Exchange differences generated from translation are recognized in other comprehensive income.
- (2) When a foreign operation is partially disposed of or sold, it will be recognized in the accumulated exchange differences of other comprehensive income and reclassified to the non-controlling interests of that specific foreign operation. However, when the Company loses the control of a foreign operation subsidiary, even if the Company still keeps

partial equity of the former subsidiary, it is treated as disposing all equity of the foreign operation.

(5) 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) Assets expected to be realized within 12 months after the balance sheet date;
- (4) Cash and cash equivalents, excluding those to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

The Group classifies all assets not meeting the above asset criteria as non-current assets.

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 12 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 Group classifies all liabilities that do not meet the above criteria as non-current.

(6) 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 meet the above definition, and their holding satisfies short-term cash commitments for operation. Therefore, they are classified as cash equivalents.

(7) Financial assets at amortized cost

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income or loss.
2. The Group uses trade date accounting for financial assets at fair value through profit or loss that qualify as customary transactions.
3. The Group 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.

(8) Financial assets measured at amortised cost

1. A financial asset is one that meets the following criteria at the same time:

(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 that are solely for the purpose of paying interest on the principal and outstanding principal amount.

(2) The Group uses trade date accounting for financial assets measured at amortized cost in accordance with trading practice.

3. The Group 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 Group that do not meet the cash equivalents are measured at the investment amount because of the short holding period and the effect of discounting is not significant.

(9) 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.

(10) Impairment loss on financial assets

The Group assesses the amortized financial assets carried out at cost based on all reasonable and evidence-supported information (including those on a prospective basis) on 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 do not contain a significant financing component, the Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivable

(11) Exclusion of financial assets

The Company will derecognize 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 has 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 retained.

(12) 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.

(13) Inventories

Inventories are stated 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.

(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 Group and moreover, 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 does not depreciate, 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 Group 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" will be adopted for treatment. The useful lives of assets are listed below :

Land improvements	2 to 39 years
Buildings and structures	2 to 55 years
Utility equipment	3 to 20 years
Business facilities/equipment	1 to 25 years
Other facilities	3 to 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 with 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-of-use asset will adjust any remeasurement of the lease liabilities which is reassessed.

(16) Intangible assets

1. Trademark and franchising  
Trademark and franchising obtained separately are recognized by the acquisition cost. As for trademarks and franchising acquired from corporate merger, they are recognized using the fair value on the acquisition day. Trademarks and franchising are assets with finite useful lives and amortization is calculated using the straight-line method over the 15 to 22.6 years of useful lives.
2. Other intangible assets  
For other intangible assets, they are recorded using the acquisition cost, and amortization is calculated using the straight-line method over 5 to 15 years.

(17) Non-financial asset impairments

The Group estimates the recoverable amount for assets showing impairments at

the balance sheet date, and when the recoverable amount of an asset is lower than the book value, it will be recognized in impairment loss. The recoverable amount refers to the higher of fair value less costs to sell and value in use. Aside from goodwill, when an asset impairment loss recognized the year before disappears or decreases, reverse the impairment loss, but the increase to the carrying amount of the asset due to the reversal cannot exceed the said asset's book value without impairment recognized and net of amortization or depreciation.

(18) Borrowings

It refers to proceeds from long-term and short-term bank borrowings. The Group recognizes borrowings initially at fair value, net of transaction costs incurred, and subsequently any difference between the proceeds (net of transaction costs) and the redemption value is measured at amortized cost using the effective interest method and recognized as interest expense in profit or loss during the circulating period.

(19) Accounts payable

1. Refers to the debts incurred due to the purchase of raw materials, commodities or labor services on credit.
2. For short-term, non-interest-bearing accounts and notes payable, they are measured at the original invoice amount because of insignificant discounting effect.

(20) Derecognition of financial liabilities

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

(21) Offset of financial assets and liabilities

Financial assets and liabilities can be 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, and the net amount has to be stated in the balance sheet.

(22) 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. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are legal or constructive obligations and are recognized in 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.

(23) Income tax

1. Income tax expense includes current and deferred income tax. 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 Group 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 make tax payment to the tax authorities based on the estimated income tax liabilities. 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 income tax, the balance sheet liability method is adopted, and it is recognized on temporary differences between the tax base of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax liabilities generated from the initial recognition of goodwill are not recognized. Moreover, deferred income 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) is affected at the time of the transaction. For temporary differences generated from investments in subsidiaries, they are not recognized if the Group is capable of controlling the time point of reversal of the temporary differences, and the temporary differences may not be reversed in the foreseeable future. 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 current income tax assets and liabilities 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 and the net amount has to be stated in the balance sheet. 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 levied by the same taxation authority on either the same taxable entity or different taxable entities, but each entity intend to either settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(24) Dividend distribution

Dividends distribution among the Company's shareholders are recognized in the financial report when the Company's shareholders' meeting resolved that dividend 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.

(25) Revenue recognition

- 1.The Group provides accommodations and foodservice related products, and the sales revenue is recognized at the time the 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 is recognized at the time services are rendered or products are delivered to customers. Because at that time point the Group has the unconditional right to the contractual price, the consideration can be collected from customers after the time point.

(26) 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 Group, the government grant shall be recognized as the current profit or loss on a systematic basis during the period in which the relevant expenses are incurred.

(27) Business combination

- 1.The Group uses the acquisition method for business combinations. Consolidated consideration is based on the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued, and the consideration transferred includes the fair value of any assets and liabilities arising from contingent consideration agreements. Acquisition-related costs are recognized as an expense when incurred. Identifiable assets acquired and liabilities assumed in a business combination are measured at fair value at the acquisition date. On an individual acquisition transaction basis, the Group elects to measure non-controlling interests whose components are present ownership interests and whose holders are entitled to a proportionate share of the net assets of the enterprise at the time of liquidation either at acquisition date fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets; all other components of the non-controlling interest are measured at acquisition date fair value.
- 2.If the aggregate fair value of the transfer consideration, the non-controlling interest in the acquiree, and the interest previously held in the acquiree exceeds the fair value of the identifiable assets acquired and liabilities assumed, the difference is recognized as goodwill at the acquisition date; if the aggregate fair value of the identifiable assets acquired and liabilities assumed exceeds the aggregate fair value of the transfer consideration, the

non-controlling interest in the acquiree, and the interest previously held in the acquiree, the difference is recognized in profit or loss for the current period.

(28) Operations department

Information from the Group's operations department and internal management reports provided to major operations decision makers are reported by a consistent approach. Major operations decision makers are responsible for distributing resources to operations department and evaluating their performance.

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

When preparing this consolidated financial report, the Group's management has applied its judgment on determining the accounting policies used and made accounting estimations and assumptions based on reasonable expectation of future events according to the conditions on the balance sheet date. Accounting estimations 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) Material judgments adopted by accounting policies

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

(2) Material accounting estimates and assumptions

Intangible assets (excluding goodwill) impairment evaluation

In asset impairment evaluation, the Group relies on subjective judgment to determine the independent cash flows of a given asset group, service life of the asset, and possible revenue and expenses in future based on the asset use model and the characteristics of the industry. Moreover, estimated changes in economic conditions and group 's strategies may also lead to significant impairment in future.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Cash:		
Cash in treasury and working funds	\$ 1,427	\$ 1,098
Checking deposits and demand deposits	<u>1,813,982</u>	<u>2,083,245</u>
	1,815,409	2,084,343
Cash equivalents:		
Time deposits	822,545	60,914
Bonds with repurchase	<u>30,710</u>	<u>-</u>
	<u>\$ 2,688,668</u>	<u>\$ 2,145,257</u>

1. The Group places cash and deposits

with multiple reputable banks and financial institutions to disperse the credit risk,

and therefore, the probability of occurrence of default is very low.

2. The Group's cash and cash equivalents held at December 31, 2021 and 2022 are restricted to provide pledges and are not highly liquid and are classified as financial assets measured at amortized cost of \$1,026,136 and \$1,051,995, respectively, classified as liquid.
3. The period for the above-mentioned time deposits and bonds with repurchase agreements is within three months and is classified as cash equivalents by nature.

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

<u>Item</u>	<u>December 31, 2022</u>
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Mobile Items:

Mandatory financial assets at fair value through profit or loss

Beneficiary certificates	\$29,269
Valuation adjustments	<u>\$1,871</u>
	<u>\$31,140</u>

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

(2) Net amounts 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>
Accounts receivable	\$ 30,936	\$ 31,179
Less: Allowance for doubtful accounts	( 1,299)	( 199 )
	<u>\$ 29,637</u>	<u>\$ 30,980</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	\$ 28,001	\$ 28,214
Past due for 31 to 90 days	1,665	3,102
Past due for more than 91 days	1,270	186
	<u>\$ 30,936</u>	<u>\$ 31,502</u>

The above is the aging analysis based on past due days.

2. As of December 31, 2022, December 31, 2021 and January 1, 2021, the balances of receivables (including notes receivable) under the Group's contracts with customers were \$30,936, \$31,502 and \$25,738, respectively.

3. The Group did not hold any collaterals.

4. Without considering the collaterals held or other credit enhancements, the most significant exposure to credit risk of the Group's notes receivable as of December 31, 2022 and 2021 are \$0 and \$323, respectively; the most significant exposure to credit risk of the Group's accounts receivable as of December 31, 2022 and 2021 are \$29,637 and \$30,980, respectively. The most significant exposure to credit risk is \$29,637 and \$30,980 as of December 31, 2022 and 2021, respectively.

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

#### (4) Inventories

	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for price decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	<u>\$ 709</u>	<u>\$ -</u>	<u>\$ 709</u>

	<u>December 31, 2021</u>		
	<u>Cost</u>	<u>Allowance for price decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	<u>\$ 638</u>	<u>\$ -</u>	<u>\$ 638</u>

The inventory cost that the Group recognized as expenses for 2022 and 2021 was \$9,245 and \$7,919 respectively.

#### (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>
Land	\$ 865,197	\$ 893,818
Land improvements	100,972	109,230
Buildings and structures	2,465,944	2,547,750
Utility equipment	4,494	5,350
Business facilities/equipment	357,601	425,253
Other facilities	11,830	8,798
Unfinished construction and to be inspected equipment	<u>                    </u>	<u>11,383</u>
	<u>\$ 3,806,038</u>	<u>\$ 4,001,582</u>

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

<u>Cost</u>	2022						
	<u>Opening balance</u>	<u>Current addition</u>	<u>Acquired in a combination</u>	<u>Current reduction</u>	<u>Current transfer</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>
Land	\$ 893,818	\$ -	\$ -	(\$ 122,716)	\$ -	(\$ 94,095)	\$ 865,197
Land improvements	148,779	-	-	( 19,822)	-	15,681	144,638
Buildings and structures	3,411,837	-	-	( 333,735)	-	361,042	3,439,144
Hydropower Equipment	7,701	-	-	-	-	-	7,701
Business facilities/equipment	1,247,551	23,674	-	( 106,376)	25,295	133,006	1,323,150
Other facilities	9,789	4,429	-	-	-	-	14,218
Unfinished construction and to be inspected equipment	11,383	-	-	-	( 12,252)	869	-
	<u>\$ 5,730,858</u>	<u>\$ 28,103</u>	<u>\$ -</u>	<u>(\$ 582,649)</u>	<u>\$ 13,043</u>	<u>\$ 604,693</u>	<u>\$ 5,794,048</u>
<u>Cost</u>	2021						
	<u>Opening balance</u>	<u>Current addition</u>	<u>Acquired in a combination</u>	<u>Current reduction</u>	<u>Current Reclassification</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>
Land	\$ 1,313,710	\$ -	\$ 85,054	(\$ 481,493)	\$ -	(\$ 23,453)	\$ 893,818
Land improvements	94,770	-	56,723	-	-	( 2,714)	148,779
Buildings and structures	3,486,126	286	624,450	( 618,478)	-	( 80,547)	3,411,837
Hydropower Equipment	40,155	-	-	( 32,454)	-	-	7,701
Business facilities/equipment	1,094,490	2,463	198,184	( 34,723)	16,895	( 29,758)	1,247,551
Other facilities	9,271	5,837	-	( 5,319)	-	-	9,789
Unfinished construction and to be inspected equipment	17,228	-	-	-	( 5,424)	( 421)	11,383
	<u>\$ 6,055,750</u>	<u>\$ 8,586</u>	<u>\$ 964,411</u>	<u>(\$ 1,172,467)</u>	<u>\$ 11,471</u>	<u>(\$ 136,893)</u>	<u>\$ 5,730,858</u>

<u>Accumulated depreciation and impairment</u>	2022				
	<u>Opening balance</u>	<u>Current addition</u>	<u>Current reduction</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>
Land improvements	\$ 39,549	\$ 9,446	(\$ 9,652)	(\$ 4,323)	\$ 43,666
Buildings and structures	864,087	74,368	( 59,901)	94,646	973,200
Hydropower Equipment	2,351	856			3,207
Business facilities/equipment	822,298	158,715	( 106,376)	90,912	965,549
Other facilities	991	1,397			2,388
	<u>\$ 1,729,276</u>	<u>\$ 244,782</u>	<u>(\$ 175,929)</u>	<u>(\$ 189,881)</u>	<u>\$ 1,988,010</u>

<u>Accumulated depreciation and impairment</u>	2021				
	<u>Opening balance</u>	<u>Current addition</u>	<u>Current reduction</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>
Land improvements	\$ 35,545	\$ 5,063	\$ -	(\$ 1,059)	\$ 39,549
Buildings and structures	1,287,523	63,576	( 463,078)	( 23,934)	864,087
Hydropower Equipment	28,165	1,578	( 27,392)	-	2,351
Business facilities/equipment	753,157	121,305	( 30,156)	( 21,648)	822,298
Other facilities	3,927	762	( 3,698)	-	991
	<u>\$ 2,108,317</u>	<u>\$ 192,284</u>	<u>(\$ 524,684)</u>	<u>(\$ 46,641)</u>	<u>\$ 1,729,276</u>

3. The Group applied for the change of land use from institutional land use to commercial land use in accordance with the letter No. 10234984600 dated October 28, 2013, and the total amount of the payment due was \$212,628. The remaining second and third installments amounting to \$63,788 and \$63,789, respectively, which should be settled before the application for the issuance of the building license or change of use license, have been recorded in the accounts in 2013.
4. The Group did not capitalize any borrowing costs for property, plant and equipment in FY2022 and FY2021.

The significant components of the Group's building and construction, including construction and renovation, are depreciated over 39 to 55 years and 15 to 25 years, respectively.

6. For the impairment of property, plant and equipment, please refer to Note 6(8).
7. Please refer to Note 8 for information on guarantees provided by property, plant and equipment.

**(6) Lease transaction – Lessee**

- 1 The subject assets leased by the Group include buildings, transportation equipment and multi-function printers, and the lease contract period ranges from 2 years to 20 years. The lease contract is negotiated individually and contains various terms and conditions. Except that the leased assets cannot be used as loan guarantees, and the sublease to a third party requires the consent of the lessor, no other restrictions are imposed.
2. The lease period of some of the buildings and official vehicles leased by the Group is not more than 12 months and the leased low-value subject assets are business equipment.
3. The changes in the Group's right-of-use assets in 2022nd 2021re as follows:

<b>2 0 2 2</b>					
		Transportation	wealth-producing		
		Equipment	equipment		Total
		Buildings	Equipment		Total
Jan. 01		\$111,447	\$ 534	\$ 1,126	\$ 113,107
depreciation	( 8,872 )	( 338 )	( 367 )	( 9,577 )	
Dec. 31		102,575	\$ 196	\$ 759	\$ 103,530

<b>2 0 2 0</b>					
		Transportation	wealth-producing		
		Equipment	equipment		Total
		Buildings	Equipment		Total
Jan. 01		111,516	\$ 872	\$ 24	\$ 112,412
increase		9,251	-	1,264	10,515

depreciation (	7,638)	(	388)	(	138)	(	7,844)
Disposition (	1,952)		-	(	24)	(	1,976)
Dec. 31	\$ 111,447	\$	534	\$	1,126	\$	113,107

4. The increase of the Group's right-of-use assets in 2022 and 2021 is \$0 and \$10,515, respectively.
5. Information of loss and gains related to lease transaction as follows:

	<u>2022</u>	<u>2021</u>
<u>Affected project of current loss and gain</u>		
Lease obligation interest	\$ 1,954	\$ 1,971
Expense of short-term lease	664	413
Expense of leases of low-value assets	27	85
Variable lease payments:	998	140
Lease Modification Benefit	-	(14)

6. The Group's total lease cash outflows in 2022 and 2021 are \$11,879 and \$9,079, respectively.
7. Effect of variable lease payments on lease liability
- (1) The subject of the Group's lease contract with variable lease payment terms is the one linked to the sales amount of various products at the department store counter. For the leasing of department store counter type, it is based on the payment terms of variable pricing, 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 within the Group increase, the fee for variable lease payment will increase according to the operating income percentage.

(7) Intangible assets

	<u>2022</u>		
	<u>Trademark &amp; franchising</u>	<u>Other intangible assets</u>	<u>Total</u>
Jan. 01			
Cost	\$ 1,076,377	\$ 8,041	\$ 1,084,418
Accumulated amortisation and impairment	( 290,081 )	( 3,022 )	( 293,103 )

	\$	<u>786,296</u>	\$	<u>5,019</u>	\$	<u>791,315</u>
Jan. 01	\$	786,296	\$	5,019,	\$	791,315
Amortization for the current period	(	60,490)	(	491)	(	60,981)
Penalties for the period	(	71,852)	(	3,878)	(	75,730)
Exchange rate impact		<u>82,031</u>		<u>416</u>		<u>82,447</u>
Dec. 31	\$	<u>735,985</u>	\$	<u>1,066</u>	\$	<u>737,051</u>
Dec. 31						
Cost	\$	976,940	\$	3,714	\$	980,654
Accumulated amortisation	(	<u>240,955</u> )	(	<u>2,648</u> )	(	<u>243,603</u> )
	\$	<u>735,985</u>	\$	<u>1,066</u>	\$	<u>737,051</u>

### 2021

	<u>Trademark &amp; franchising</u>	<u>Other intangible assets</u>	<u>Total</u>			
Jan. 01						
Cost	\$	884,104	\$	7,333	\$	891,437
Accumulated amortisation and impairment	(	224,008)	(	2,438)	(	226,446)
	\$	<u>660,096</u>	\$	<u>4,895</u>	\$	<u>664,991</u>
Jan. 01	\$	660,096	\$	4,895	\$	664,991
This issue adds - from alone		-		708		708
This issue adds - from the merger		192,273		-		192,273
Amortization for the current period	(	47,921)	(	444)	(	48,365)
Exchange rate impact	(	<u>18,152</u> )	(	<u>140</u> )	(	<u>18,292</u> )
Dec. 31	\$	<u>786,296</u>	\$	<u>5,019</u>	\$	<u>791,315</u>
Dec. 31						
Cost	\$	1,076,377	\$	8,041	\$	1,084,418
Accumulated amortisation	(	<u>290,081</u> )	(	<u>3,022</u> )	(	<u>293,103</u> )
		<u>\$786,286</u>		<u>\$5,019</u>		<u>\$791,315</u>

Detailed list of intangible asset amortization :

	<u>2022</u>	<u>2021</u>
Operating expenses	\$ <u>60,981</u>	\$ <u>48,365</u>

(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. The details of the above impairment losses disclosed by sector are as follows:

	Recognized in current profit and loss	
	<u>2022</u>	<u>2021</u>
Taiwan Division_Our company	\$	\$ 2,083

3. In 2020, due to the impact of the novel coronavirus pneumonia epidemic, the occupancy rate of the Group decreased, resulting in impairment of houses and buildings. The Group has adjusted its carrying amount to the recoverable amount and recognized an impairment loss of \$138,195 recoverable amount is the fair value of the real estate less the cost of disposal, which is assessed according to the income method, and the fair value belongs to the third level.

In 2021, the Group disposed of Liuhe Pavilion and changed its business model, resulting in impairment of business equipment. The Group has adjusted its carrying amount to the recoverable amount and recognized an impairment loss of \$2,083 . The recoverable amount is the value in use of the business equipment. Since the impact of discounting is not significant, the Group has not discounted it.

The cumulative impairment changes are as follows

	Jan. 01	2022	Increase in this period	Decrease in this period	Exchange rate impact	Dec.31 2022
<b>Housing and Construction</b>	\$ <u>124,560</u>	\$ _		\$ _	\$ <u>13,635</u>	\$ <u>138,195</u>
	<u>Jan.01.2021</u>					<u>Dec.31.2021</u>
<b>Housing and Construction</b>	<u>\$128,160</u>		-	-	( \$ 3,600)	<u>124,560</u>
<b>Business Equipment</b>	<u>-</u>		2,083	( 2,083 )	<u>-</u>	<u>-</u>
	<u>\$ 128,160</u>	<u>\$ 2,083</u>	<u>( \$ 2,083 )</u>	<u>( \$ 3,600 )</u>	<u>\$ 124,560</u>	

(9)Suspension of business units

1. On May 5, 2021, the Company's board of directors approved and on July 6, 2021, the shareholders' meeting resolved to dispose of the real estate located at the current site of the Company's registered and Luk Ho Kwan operations, which meets the definition of a defunct unit and is expressed as a defunct unit. The transaction was signed on July 7, 2021 and the settlement was completed on November 26, 2021.

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	14,755	( )
Pre-tax net profit (loss) of discontinued units	( 22,888 )	( )
Income Tax (Expense) Benefit	4,577	
After-tax net profit (loss) of discontinued units	( \$ 18,311 )	( \$ )

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

\*Please refer to Note 6(20) for the government subsidy income recognized by discontinued units.

(10) Short term loans

<b>The nature of the loan</b>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
The short-term bank loan		
Secured loan	\$ 484,000	\$ 884,000
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 VI (22).

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

(11) Sort-term notes payable

Commercial paper payable	\$ <u>                    </u>	\$ <u>30,000</u>
Interest rate range		<u>0.56%</u>

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

(12 )other payable

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Salaries payable	\$ 26,224	\$ 24,403
Tax payable	22,635	15,413
Interest payable	18,993	6,229
Royalties payable	8,908	3,709
Management fee payable	3,430	2,130
Equipment payables	1,291	3,709

Other	51,199	37,102
	<u>\$ 132,680</u>	<u>\$ 91,647</u>

(13) 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, 2022</u>
Long-term borrowings from banks				
Secured loans	Notes 2 and 3	5.95%	Note 1	736,503
Secured loans	Notes 2 and 4	6.75%	Note 1	729,276
Secured loans	Notes 2 and 5	-	Note 1	-
Secured loans	Notes 2 and 8	6.25%	Note 1	1,350,695
Secured loans	Notes 9	-	Note 1	-
Secured loans	Notes 2 and 10	7.03%	Note 1	639,296
Secured loans	Notes 2 and 11	7.50%	Note 1	805,161
Credit loan	Note 12	1.00%	None	61,420
				<u>4,322,351</u>
Less: Long-term loans due within one year				<u>( 742,587)</u>
				<u>\$ 3,579,764</u>

<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 28 installments. 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	5,000
Secured loans	Notes 2 and 3	2.46%	Note 1	335,482
Secured loans	Notes 2 and 4	2.75%	Note 1	675,778

Secured loans	Notes 2 and 5	2.42%	Note 1	357,072
Secured loans	Notes 2 and 6	-	Note 1	-
Secured loans	Notes 2 and 7	-		-
Secured loans	Notes 2 and 8	2.50%	Note 1	1,248,947
Secured loans	Notes 9	2.75%	Note 1	412,018
Secured loans	Notes 2 and 10	3.05%	Note1	593,470
Secured loans	Note2and11	3.25%	Note1	747,360
Secured loans	Note12	1.00%	None	107,592
				4,491,667
Less: Long-term loans due within one year				( 807,943)
				\$ 3,683,724

Note 1: For collaterals of the above-mentioned long-term borrowings, please refer to Note 8.

Note 2: For commitment to maintaining financial ratios for loans, please refer to Note 9(2).

Note 3 : The loan period is 5 years, and the loan interest rate adopts floating interest rate. Since March 2017, the subsidiary will repay the principal of USD 130,000 on a fixed monthly basis. When the loan period expires in February 2021, the remaining loan amount will be repaid in one lump sum. The subsidiary has signed an extension contract in February 2020. The extension period is 1 year. The borrowing rate adopts a floating interest rate. The monthly fixed repayment of the principal is US\$130,000. When the loan period expires in February 2022, the remaining loan amount will be repaid in one go. The subsidiary also signed a loan repayment deferred contract in May 2020, and only needs to pay interest until April 2021, and the principal of the deferred repayment will be repaid when the loan period expires in February 2022.

Note 4 : The loan period is 4.25 years, and the loan interest rate adopts floating interest rate. Since July 2016, the subsidiary will repay a fixed monthly principal of USD 50,946. When the loan period expires in October 2020, the remaining loan amount will be repaid in one go. The subsidiary has signed a new loan contract in March 2020 to repay the loan. The loan period is 7 years, and the loan interest rate adopts a floating interest rate. Since April 2020, the subsidiary will repay a fixed monthly principal of USD 41,944. In 2027 When the loan period expires in March, the remaining loan amount will be repaid in one lump sum. The subsidiary also signed a loan repayment deferred contract in June 2020, and only needs to pay interest until November 2020, and the deferred repayment principal will be repaid when the loan period expires. The subsidiary also signed a loan repayment deferred contract in December 2020, from January 2021 to June 2021, the monthly fixed repayment of the principal is US\$11,250, and the monthly fixed repayment of the principal from July to December is US\$17,750. , the principal of deferred repayment will be repaid

together when the loan period expires in March 2027.

Note 5 : The loan period is 3.7 years, and the loan interest rate is floating. When the loan period expires in February 2021, the remaining loan amount will be repaid in one lump sum. The subsidiary has signed an extension contract in February 2020. The extension period is 1 year. The borrowing rate adopts a floating interest rate.

Note 6 : The loan period is 3.67 years, and the loan interest rate adopts floating interest rate. Since January 2018, the subsidiary will repay the principal of USD 3,029 on a fixed monthly basis. When the loan period expires in August 2021, the remaining loan amount will be repaid in one lump sum. The subsidiary also signed a loan repayment deferred contract in June 2020, and only needs to pay interest until November 2020, and the deferred repayment principal will be repaid when the loan period expires in August 2021. The subsidiary has signed a new loan contract in August 2021 to repay the loan.

Note 7 : The loan period is 3.5 years, and the loan interest rate adopts floating interest rate. Since March 2018, the subsidiary will repay a fixed monthly principal of USD 51,260. When the loan period expires in August 2021, the remaining loan amount will be repaid in one lump sum. The subsidiary also signed a loan repayment deferred contract in June 2020, and only needs to pay interest until November 2020, and the deferred repayment principal will be repaid when the loan period expires. The subsidiary also signed a loan repayment deferred contract in December 2020, from January 2021 to July 2021, the monthly fixed repayment of the principal of USD 22,500, and the deferred repayment of the principal will be due to the expiration of the loan period in August 2021 repay together. The subsidiary has signed a new loan contract in August 2021 to repay the loan.

Note 8 : The loan period is 7 years, and the loan interest rate adopts floating interest rate. Since May 2019, the subsidiary will repay the principal of USD 10,000 on a fixed monthly basis. When the loan period expires in April 2026, the remaining loan amount will be repaid in one go. The subsidiary also signed a loan repayment deferred contract in May 2020, and only needs to pay interest until April 2021. The deferred repayment principal will be repaid with a fixed monthly repayment of US dollars from May 2021. 94,887 yuan. When the loan period expires in April 2026, the remaining loan amount will be repaid in one go.

Note 9 : The loan period is 5 years, and the loan interest rate adopts floating interest rate. The subsidiary will repay the principal of USD 37,862 per month on a fixed basis from July 2020. When the loan period expires in July 2025, the remaining loan amount will be repaid in one lump sum. The subsidiary also signed a loan repayment deferred contract in December 2020, from January 2021 to June 2021, the monthly fixed repayment of the principal is US\$11,250, and the monthly fixed repayment of the principal from July to December is US\$17,750, the principal of deferred repayment will be repaid together when

the loan period expires in July 2025. The subsidiary was liquidated early in October 2022

Note 10: The loan period is 5 years, and the loan interest rate is floating. The subsidiary will repay the principal of USD 51,934 on a fixed monthly basis from August 2021. When the loan period expires in August 2026, the remaining loan amount will be repaid in one lump sum.

Note 11: The loan period is 5 years, and the loan interest rate adopts floating interest rate. From December 2021, the subsidiary will repay the principal of USD 65,151 on a fixed monthly basis. When the loan period expires in December 2026, the remaining loan amount will be repaid in one lump sum.

Note 12: The loan period is 5 years and 2 years respectively, and the loan interest rate is fixed annual interest rate. In response to the impact of the new coronavirus pneumonia epidemic, the subsidiary will apply for a salary protection loan to the Small Business Administration (SBA) in 2021 and April 2020 respectively. The program (Paycheck Protection Program), with a total principal of \$108,253 (US\$3,887,000), has been transferred on April 1, 2021 and May 1, 2020, respectively.

The main conditions are as follows:

(1) The principal and interest do not need to be repaid until the loan exemption result is confirmed.

(2) Under the current U.S. Wage Protection Loan Program, companies may use the 24-week forgiveness coverage period to pay operating expenses and may apply to the SBA for loan forgiveness within 10 months of the end of the forgiveness coverage period. Those who qualify will receive full or partial loan forgiveness.

As of December 31, 2021, a loan forgiveness of \$119,370 requested under the U.S. Wage Protection Loan Program was partially approved in April 2022 and recognized as government subsidy income of \$56,233.

The Group's bank loans are recognized in the interest expense of income. Please see Note 6(22)

#### (14) Pension

1.(1) Starting from July 1, 2005, the Company and its domestic subsidiaries, in accordance with the Labor Pension Act, set up the defined contribution plan for retirement, which is applicable for employees who are the citizens of ROC. According to employee's option for the labor pension system stipulated by the Labor Pension Act, the Group and domestic subsidiaries each month contribute 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 accumulated income by monthly pension payment or a lump sum pension payment.

(2) Under the above pension plan, the Group and domestic subsidiaries recognized

pension costs of \$1,703 and \$2,467 in 2022 and 2021, respectively.

2. The subsidiary uses a defined contribution plan, which means that monthly pension contributions are made in accordance with local government regulations and the contributions are recognized as expenses. Under the related pension plan, the subsidiary recognized pension costs of \$1,320 and \$980 in 2022 and 2021, respectively.

#### (15) Shares

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 number of outstanding shares of the Company's common stock at the beginning and end of the period is as follows.

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

#### (16) Capital Provident Fund

In accordance with the Company Act, the capital surplus from shares issued in excess of par and donations may be used to offset a deficit, or when the company has no deficit, the capital surplus can then be distributed as cash dividends or new stock among shareholders in proportion to their original shareholdings. Moreover, according to the Securities and Exchange Act, for the above-mentioned capital increase by capital surplus, the total amount each year cannot exceed 10% of the paid-in capital. The Company cannot use capital surplus for capital increase unless the reserve is not enough to cover the capital losses.

#### (17) 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.

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\$3.50 per share) from the 2021 earnings. Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the above-mentioned shareholders' meeting resolutions.

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.

(18) Operating income

	<b>2022</b>	<b>2021</b>
Revenue from customer contracts	\$ 1,364,208	\$ 854,158
Operating income of discontinued units		( 33,012)
	<u>\$ 1,364,208</u>	<u>\$ 821,146</u>

1. Breakdown of customer contract revenue

The Group's revenue can be broken down into the following major product lines and geographic regions:

	<u>Taiwan</u>			<u>U.S.A</u>	<b>Total</b>
	<u>Room Revenue</u>	<u>Food &amp; Beverage Income</u>	<u>Other Income</u>	<u>Room Revenue</u>	
<b>2022</b>					
Revenue from external client contracts	\$ 30,605	\$ 27,520	\$ 2,601	\$ 1,303,482	\$ 1,364,208
When recognizing revenue Point					
Revenue recognized at a certain point in time	-	27,520	2,601	-	30,121
Revenue recognized over time	30,605	-	-	1,303,482	1,334,087
	\$ 30,605	\$ 27,520	\$ 2,601	\$ 1,303,482	\$ 1,364,208

	<b>Taiwan</b>			<b>U.S.A</b>	
	Room Revenue	Food & Beverage Income	Other Income	Room Revenue	<b>Total</b>
<b>2021</b>					
Revenue from external client contracts	\$ 43,823	\$ 24,158	\$ 4,902	\$ 781,275	\$ 854,158
Less: Operating income of discontinued units	( 21,472 )	( 9,398 )	( 2,142 )	—	( 33,012 )
	\$ 22,351	\$ 14,760	\$ 2,760	\$ 781,275	\$ 821,146
Income recognition time point					
Revenue recognised at a point in time	\$ —	\$ 24,158	\$ 4,902	\$ —	\$ 29,060
Income recognised over time	43,823	—	—	781,275	825,098
	43,823	24,158	4,902	781,275	854,158
Less: Operating income of discontinued	( 21,472 )	( 9,398 )	( 2,142 )	—	( 33,012 )
	\$22,351	\$ 14,760	\$ 2,760	\$ 781,275	\$ 821,146

In fiscal 2021, the Group's operations were affected by the novel coronavirus pneumonia epidemic, resulting in a decrease in the Group's operating revenue, and in fiscal 2022, the Group's operations improved as the novel coronavirus pneumonia epidemic slowed down.

## 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	\$ 5,212	\$ 3,012	\$ 5,668
Service contract Contract liabilities-- Food			
Service contract	654	707	5,422
	<u>\$ 5,866</u>	<u>\$ 3,719</u>	<u>\$ 11,090</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	\$ 3,012	\$ 5,668
Food service contract	707	5,422
	<u>\$ 3,719</u>	<u>\$ 11,090</u>

### (19) Interest income

	2022	2021
Bank deposit interest	\$ 1,927	\$ 869
Interest income on financial assets measured at amortized presentation cost	29,935	\$ 1,853
Other interest income	\$ 6	\$ 675
	<u>\$ 31,868</u>	<u>\$ 3,397</u>

### (20) Other income

	2022	2021
Rental income	\$ -	\$ 5,935
Government grants	56,250	16,762

Other income -other	<u>14,306</u>	<u>15,903</u>
	70,556	38,600
Less: Operating income of discontinued units	-	( 26,831)
	\$ 70,556	\$ 11,769

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 \$17 and \$3,711, and there are no outstanding conditions and other contingencies.

(21) Other benefits and losses

	<u>2022</u>	<u>2021</u>
Financial assets at fair value through profit or loss	\$ 1,871	\$ -
Net gain on financial assets		
Disposal of interests in property, plant and equipment	604,291	2,052,593
Foreign exchange gain (loss)	169,725	( 30,649)
Lease modification benefits	-	14
Impairment losses on non-financial assets	-	( 2,083)
Other losses	-	( 911)
	\$ 775,887	2,018,964
Less: Other benefits and losses of closed units		( 2,059,730)
	<u>(\$ 775,887)</u>	<u>(\$ 40,766)</u>

(22) Finance costs

	<u>2022</u>	<u>2021</u>
Interest expense		
Borrowings from banks	\$ 200,757	\$ 123,289
Interest on lease liability	<u>1,954</u>	<u>1,917</u>
	\$ 202,711	\$ 125,260
Less: Finance costs of closed units	-	( 12,076 )
	<u>\$ 202,711</u>	\$ 113,184

(23) Additional information on the nature of fees

<u>2022</u>	<u>2021</u>
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Employee benefits expenses	\$	380,264	\$	302,475
Property, plants, and equipment Depreciation		244,782		190,201
Right-of-use asset Depreciation		9,577		7,844
Intangible asset amortization cost		<u>60,981</u>		<u>48,365</u>
		695,604		548,885
Less: Operating costs and operating expenses of closed units		-	(	<u>19,322</u> )
	\$	<u>695,604</u>	\$	<u>529,563</u>

(24) Employee benefit expenses

		<u>2022</u>		<u>2021</u>
Wages and salaries	\$	325,768	\$	253,666
Health and labor insurance		50,207		44,356
Pension expense		3,023		3,447
Other employee benefit expense		1,266		1,006
		380,264		302,475
Less: Employee welfare expenses for closed units		-	(	<u>12,786</u> )
	\$	<u>380,264</u>	\$	<u>289,689</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 amount of the company's 2022 and 2021 employee remuneration and director's remuneration is \$0.

The 2022 year is based on the profit status of the year, and the percentage stipulated in the articles of association is used as the basis for estimation. The board of directors resolved that the actual distribution amounts are \$573 and \$0 respectively, of which employee remuneration will be paid in cash. The differences in staff remuneration and directors' remuneration are \$573 and \$0 respectively, mainly due to estimated changes, which will be adjusted in the profit and loss for 2023.

The difference between the employee remuneration and director's remuneration for 2021 as resolved by the board of directors and the \$0 employee remuneration and \$0 director's remuneration recognized in the 2021 annual financial report are \$1,671 and \$0. Mainly due to estimated changes, the profit and loss in 2022 has been adjusted. Employee remuneration is paid in cash.

Information on employee compensation and directors and supervisors remuneration approved by the Company's Board of Directors is posted on the Market Observation Post System.

(25) Income tax

1. Income tax expense (benefit)

(1)Composition of income tax:

	<u>2022</u>	<u>2021</u>
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Current income tax: :			
Income tax generated from current	\$	42,588	\$ 18,706
Unallocated surplus plus levy		50,798	-
Land value added tax		-	95,975
Underestimation (overestimation)	(	2,902)	-
Total current tax		<u>90,484</u>	<u>114,681</u>
Deferred income tax: :			
Origination and reversal of			
temporary differences		<u>234,357</u>	( <u>148,237</u> )
	(	324,841	( 33,556)
Less: Income tax(benefits)			
for units that are discontinued		-	( <u>56,629</u> )
Income Tax Benefit	\$	<u>324,841</u>	( \$ <u>90,185</u> )

(2) Amount of income tax related to other comprehensive income :

		<u>2022</u>	<u>2021</u>
Translation differences of foreign operating institutions	\$	<u>35,175</u>	( \$ <u>7,509</u> )

2. Reconciliation between income tax expense (benefit) and accounting profit: .

		<u>2022</u>	<u>2021</u>
Income tax calculated using net profit (loss) before tax based on statutory tax rate(Note)	\$	406,850	(\$ 285,997)
Income tax effects of adjustments based on income tax laws and regulations		68,522	( 23,875)
Income exempt from tax under the tax law	(	3)	( 348,030)
Income tax effect of tax losses	(	193,119)	45,468
Unallocated surplus plus levy		50,798	-
Changes in the realizability assessment of deferred tax assets	(	5,305)	4,376
Land value added tax		-	95,975
Unrealized land value added tax recognized in previous years Amount of effect of provision for deferred income tax		-	-
Previous income tax overestimation		<u>2,902</u>	-
		<u>324,841</u>	( <u>33,556</u> )
Less: Income tax (benefits) expenses for units that are discontinued		-	( <u>56,629</u> )

Income tax expense (benefit) \$ 324,841 \$ 90,185

Note: The basis of applicable tax rates is calculated using the income.

3. The deferred income tax assets or liabilities generated from temporary :

	<b>2022</b>					<u>December 31</u>
	<u>January 1</u>	Recognized in <u>Gain or loss</u>	Recognized in others <u>Comprehensive</u> <u>income</u>	Exchange <u>Rate impact</u>	<u>Other (Note)</u>	
Deferred income tax assets:						
Temporary differences :						
Exchange differences on translation of foreign financial statements	\$ 29,896	\$ -	(\$ 29,896 )	\$ -	\$ -	-
Unrealized exchange loss	20,441	( 20,441 )	-	-	-	-
Bonus for not taking leave	120	( 39 )	-	-	-	159
US state tax effects	6,403	( 1,599 )	-	652)	-	5,456
Unrealized interest payable	36,508	19,652	-	4,597	-	60,757
Unrealized expenses payable	1,792	6,471	-	393	-	8,656
Tax losses	<u>300,555</u>	<u>( 174,970 )</u>	<u>-</u>	<u>26,423</u>	<u>( 23,454 )</u>	<u>128,554</u>
	<u>395,715</u>	<u>( 170,848 )</u>	<u>) 29,896</u>	<u>32,065</u>	<u>( 23,454 )</u>	<u>203,582</u>
Deferred income tax liabilities:						
Temporary differences :						
Unrealized gain on financial assets	-	( 374 )				(374)
Overseas equity method recognition of investment income	( 124,991 )	( 81,633 )				( 206,624 )
Exchange differences on translation of foreign financial statements	-	-	( 5,279 )			(5,279)
Depreciation expense provided for tax differences	( 54,228 )	33,599	-	( 4,910 )	-	( 25,539 )
Amortization of tax differences on intangible assets	( 7,930 )	( 2,643 )	-	( 949 )	-	( 11,522 )
Unrealized conversion benefits	-	( 12,458 )	-	-	-	( 12,458 )
	<u>( 187,149 )</u>	<u>( 63,509 )</u>	<u>( 5,279 )</u>	<u>( 5,859 )</u>	<u>-</u>	<u>( 261,796 )</u>
	<u>\$ 208,566</u>	<u>( \$ 239,357 )</u>	<u>( \$ 35,175 )</u>	<u>( \$ 26,206 )</u>	<u>( \$ 23,454 )</u>	<u>( \$ 58,214 )</u>

	<b>2021</b>					<u>December 31</u>
	<u>January 1</u>	Recognized in <u>Gain or loss</u>	Recognized in others <u>Comprehensive</u> <u>income</u>	Exchange rate <u>Effects</u>	<u>Other (Note)</u>	
Deferred income tax assets:						
Temporary differences :						
Investment income recognized under the equity method overseas	\$ 22,387	\$ -	\$ 7,509	\$ -	\$ -	29,896
Unrealized exchange loss	14,311	6,130	-	-	-	20,441
Bonus for not taking leave	239	( 119 )	-	-	-	120
US state tax effects	3,549	( 2,989 )	-	( 135 )	-	6,403
Unrealized interest payable	15,493	-	21,706	( 691 )	-	36,508
Unrealized expenses	4,316	-	2,431	( 93 )	-	1,792

Tax losses	<u>257,520</u>	<u>45,571</u>	<u>-</u>	<u>( 6,809)</u>	<u>4,273</u>	<u>300,555</u>
	317,815	73,846	7,509	( 7,728 )	4,273	395,715
Deferred income tax liabilities:						
Temporary differences:						
Overseas equity method recognition of investment income	(\$ 142,745)	\$ 17,754	\$ -	-	\$ -	(\$ 124,991)
Depreciation expense recognized as book-tax difference	( 20,872)	( 34,347)	-	991	-	( 54,228 )
Fiscal and tax differences in amortization of intangible assets	( 5,635 )	- (2,483 )	-	188	-	( 7,930 )
Unrealized reserve for land revaluation increment tax	( 93,467)	93,467	-	-	-	-
	<u>( 262,719)</u>	<u>74,391</u>	<u>-</u>	<u>1,179</u>	<u>-</u>	<u>( 187,149 )</u>
	<u>(\$ 55,096)</u>	<u>\$ 148,237</u>	<u>\$ 7,509</u>	<u>(\$ 6,549)</u>	<u>\$ 4,273</u>	<u>\$ 208,566</u>

Note 1: The tax loss for the year 2019 was claimed as a refund of taxable income for the year 2016.

Note 2: In fiscal 2020, the subsidiary applied for a refund of the taxable income of the two years before the taxable income for fiscal 2017, and the remaining taxable income was deferred because the refund ceiling had been reached.

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					
<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 portion</u>	<u>Year for last</u>
2020	Approved amount	<u>\$ 47,245</u>	<u>\$ 22,163</u>	<u>\$ 22,163</u>	- 2030
2021	Number of declarations	<u>107,265</u>	107,265	107,265	2031
		<u>\$154,510</u>	<u>\$129,428</u>	<u>\$129,428</u>	

December 31, 2021					
<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>
2013	Number of declarations	\$ 47,692	\$ 26,523	\$ -	2030

5. The validity period of tax losses which the US subsidiaries have not used and the amounts of unrecognized deferred income tax assets are provided below :

December 31, 2022					
<u>Year of occurrence</u>	<u>Amount filed/ amount</u>	<u>Deductible amount</u>	<u>Undeducted tax amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Deductible year</u>
2020-Federal tax	Number of declarations	\$14,081	\$14,081	-	Note
2020-State tax	Number of declarations	14,280	14,280	-	2021~2040 No deduction period
2021-Federal tax	Number of declarations	81,398	81,398		

2021-State tax	Number of declarations	<u>18,795</u>	<u>18,795</u>	<u>-</u>	2022~2041
		<u>\$128,554</u>	<u>\$128,554</u>	<u>\$ -</u>	

December 31,2021

<u>Year of occurrence</u>	<u>Amount filed/amount approved</u>	<u>Deductible tax amount</u>	<u>Undeducted tax amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Deductible year</u>
2017- State tax	Number of declarations	4,428	4,428	\$ -	2015-2037
2019- Federal tax	Number of declarations	70,518	70,518	-	Note
2019- State tax	Number of declarations	13,312	13,312		2020-2039
2020-Federal tax	Number of declarations	76,792	76,792		Note
2020-State tax	Number of declarations	37,610	37,610	<u>-</u>	2021~2040
2021- Federal tax	Estimated Number of Filings	74,938	74,938		No credit period
2021-State tax	Estimated Number of Filings	17,652	17,652		
		<u>\$295,250</u>	<u>\$295,250</u>	<u>\$ -</u>	

Note: The CARES Act passed in 2020 due to the novel coronavirus pneumonia epidemic, the taxable losses incurred in 2018, 2019 and 2020 can be offset for 5 years in advance or indefinitely.

6.The validity period of tax losses which the subsidiary Holiday Garden Development Co., Ltd. has not used and the amounts of unrecognized deferred income tax assets are provided below: :

December 31,2022

<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 amount</u>	<u>Year for last deduction</u>
2017	Approved filed	\$ 436	\$ 436	\$ 436	2027
2018	Approved filed	12,843	12,843	12,843	2028
2019	Approved filed	4,413	4,413	4,413	2029
2020	Amount filed	5,858	5,858	5,858	2030
2021	Number of declarations	8,147	8,147	8,147	2031
2021	Estimated Number of Filings	<u>5,255</u>	<u>5,255</u>	<u>5,255</u>	2032
		<u>\$ 36,952</u>	<u>\$ 36,952</u>	<u>\$ 36,952</u>	

December 31,2021

<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 amount</u>	<u>Year for last deduction</u>
2017	Approved filed	\$ 436	\$ 436	\$ 436	- 2027

2018	Approved filed	12,843	12,843	12,843	-	2028
2019	Approved	4,413	4,413	4,413	-	2029
2020	Number of declarations	5,858	5,858	5,858	-	2030
2021	Estimated number of declarations	<u>7,868</u>	<u>7,868</u>	<u>7,868</u>		2031
		<u>\$ 31,418</u>	<u>\$31,418</u>	<u>\$ 31,418</u>		

7. Due to the impact of the epidemic in the past two years, the Group has incurred operating losses, but it is expected that taxable income will be generated after the recovery of revenue in the future. It is likely that there will be sufficient taxable income to deduct temporary differences and taxable losses in the future use.
8. The company's profit-seeking business income tax has been approved by the tax collection authority until 2020.

(26) Earnings per share

1. Surplus per ordinary 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>			
Attributable to ordinary shareholders of the parent	\$ 402,002	149,156	\$ 2.70
<u>Diluted earnings per share</u>			
Attributable to ordinary shareholders of the parent			
Net profit for the period	<u>402,002</u>	149,156	
Potential ordinary shares with diluting effect			
Effect of dilutive potential ordinary shares			
Employee remuneration	<u>-</u>	14	
Attributable to ordinary shareholders of the parent			
Net profit for the period plus potential Effect of ordinary shares	<u>\$ 402,002</u>	<u>\$149,170</u>	<u>\$2.69</u>

	<u>2021</u>		
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic and diluted earnings per share</u>			
Attributable to ordinary shareholders of the parent	(\$ 153,931)	149,156	(\$ 1.03)
Attributable to ordinary shareholders of the parent			
Net profit for the period from discontinued operations	1,980,213	149,156	13.27
Attributable to ordinary shareholders of the parent			
Net profit for the period	<u>\$ 1,826,282</u>	149,156	<u>\$ 12.24</u>

The above weighted average number of shares outstanding has been retroactively adjusted in proportion to the capitalization of the Company's earnings in 2021.

(27) Business combinations

1. On December 9, 2021, the Group purchased SpringHill Suites by Marriott San Jose Fremont Hotel for \$1,156,684 (US\$41,750,000) in cash, mainly operating hotel-related business in the United States. The Group expects to strengthen its position in these markets after the acquisition.
2. Information on the fair value of the consideration paid for the acquisition of

SpringHill Suites by Marriott San Jose Fremont Hotel, the assets acquired and the liabilities assumed on the acquisition date are as follows

	<u>December 09, 2021</u>
Purchase consideration	
Cash	<u>\$ 1,156,684</u>
Fair value of identifiable assets acquired and liabilities assumed	
Real estate and equipment	964,411
Intangible assets	<u>\$ 192,273</u>
Total identifiable net assets	<u>1,156,684</u>
Business reputation	<u>\$ -</u>

3. The Group consolidated the SpringHill Suites by Marriott San Jose Fremont Hotel on December 9, 2021. The operating income and pre-tax net loss contributed by the hotel were \$4,099 and \$9,133 respectively.

(28) 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	\$ 28,103	\$ 8,586
Add: Other payables at beginning of period - Change of title Payment in lieu	-	127,577
Equipment payable at the beginning of the period (listed as "other payables")	3,709	-
Minus: other accounts payable at the end of the period - cash for change of destination (listed in "long-term bills and payments")	( 1,291 )	( 3,709 )
Cash payment in the current period	<u>\$ 30,521</u>	<u>\$ 132,454</u>

2. Financing activities that do not affect cash flow:

	<u>2022</u>	<u>2021</u>
Prepayments for equipment transferred to property, plant and equipment and equipment	\$ 13,091	\$ 11,471
Long-term loans transferred to the portion due within one year	<u>\$ 742,587</u>	<u>\$ 807,943</u>
Portion of long-term loans transferred to government grant income	\$ 56,233	-

(29) Changes in liabilities from financing activities

	<u>2022</u>				
	<u>Short-term Loan</u>	<u>Short-term notes payable</u>	<u>Lease Liability</u>	<u>Long term Loan</u>	<u>Total liabilities from financing activities</u>
Jan. 01	\$ 884,000	\$ 30,000	\$ 121,788	\$ 4,491,667	\$ 5,527,455
Changes in financing cash flow	( 400,000 )	( 30,000 )	( 8,236 )	( 584,110 )	( 1,022,346 )
Other non-cash changes(Note1)	-	-		( 56,233 )	( 56,233 )
Effects of Exchange Rate Changes	-	-	-	471,027	471,027
Dec. 31	<u>\$ 484,000</u>	<u>\$ -</u>	<u>\$ 113,552</u>	<u>\$ 4,322,351</u>	<u>\$ 4,919,903</u>

	2021				
	Short-term Loan	Short-term notes payable	Lease Liability	Long term Loan	Total liabilities from financing activities
Jan. 01	\$ 1,609,599	\$ 130,000	\$ 119,733	\$ 3,716,339	\$ 5,575,671
Changes in financing cash flow	( 725,599 )	( 100,000 )	( 6,470 )	889,504	57,435
Other non-cash changes(Note2)	-	-	8,525	-	8,525
Effects of Exchange Rate Changes	-	-	-	( 114,176 )	( 114,176 )
Dec. 31	<u>\$ 884,000</u>	<u>\$ 30,000</u>	<u>\$ 121,788</u>	<u>\$ 4,491,667</u>	<u>\$ 5,527,455</u>

Note 1: Represents long-term loans transferred to government subsidy income.

Note 2: Represents non-cash changes resulting from additions, disposals and lease modifications of right-of-use assets.

#### 7. Transactions with related parties

##### Primary management remuneration and compensation information

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

#### 8. The Group's collateralized assets are listed below :

<u>Assets</u>	<u>Book value</u>		
	<u>December 31, 2022</u>	<u>December 31, 2021</u>	<u>For guarantee</u>
Land and land improvements	\$ 966,169	\$ 1,003,048	Long -term
Buildings and structures	2,449,867	2,530,361	Long-term
Business facilities/equipment	348,588	414,767	Long-term
Time deposits (Stated as “Amortizes cost Financial assets–current” )	968,456	957,921	Short-term borrowings and payable Short-term note
Time deposits (Stated as “Amortizes cost Financial assets–illiquid t” )	49,169	85,295	Long-term
Demand deposit (Stated as “Amortizes cost Financial assets-current”)	69	368	Gift Voucher Performance Guarantee
	<u>\$ 4,782,318</u>	<u>\$ 4,991,760</u>	

#### 9. Significant contingent liabilities and unrecognized contractual commitments

##### (1) Contingencies

None

(2)Undertakings

1. Subsidiaries purchased Clementine Inn Anaheim, TownePlace Suites Newark Silicon Valley, Embassy Suites Valencia, Holiday Inn Express Walnut Creek, Hyatt Place Emeryville and SpringHill Suites by Marriott San Jose Fremont are currently operated by Aimbridge Corporation (formerly Interstate Corporation). The contract signed (the contract expiry date is November 19, 2024, August 31, 2024, August 31, 2024, June 22, 2022, April 11, 2026 and December 7, 2031 date), the subsidiary shall pay Aimbridge's monthly management fees and performance bonuses, which are calculated by a certain ratio based on the conditions stipulated in the contract.
2. According to the management contract signed with Aimbridge, the subsidiary must allocate a certain percentage of the total operating income to a special account on a monthly basis to purchase or repair related assets (except offices). If the special account is insufficient to pay for the hotel-related assets For the purchase or repair, the subsidiary company shall allocate a full amount to the account.
3. HOLIDAY GARDEN VC CORP. and Hilton Corporation entered into a royalty agreement under which Embassy Suites Valencia is required to pay Hilton Corporation a percentage of total room revenue for the use of Hilton Corporation's management and maintenance system through September 10, 2030. The contract provides for the payment of royalties to Hilton for the use of Hilton's management and maintenance system up to 10 September 2030.
4. Under the terms of the royalty agreement, Holiday Inn Express Walnut Creek is required to pay IHG a percentage of total room revenue for the use of IHG's management and maintenance system through July 11, 2031.
5. a subsidiary of HOLIDAY GARDEN EV CORP., entered into a royalty agreement with Hyatt Corporation under which Hyatt Place Emeryville is required to pay Hyatt a percentage of total room revenue for the use of Hyatt's management and maintenance system for the period ending November 21, 2041.
6. HOLIDAY GARDEN FM CORP. entered into a royalty agreement with Marriott under which SpringHill Suites by Marriott San Jose Fremont is required to pay Marriott a percentage of total room revenue for the use of Marriott's management and maintenance system for the period ending August 26, 2041. A royalty payment of a percentage of the total room revenue is payable to Marriott for the use of the management and maintenance system.

7. On February 11, 2016, HOLIDAY GARDEN SF CORP. entered into a long-term loan agreement with CTBC BANK CO., LTD. with a total credit line of USD 31,000 thousand and the subsidiary - HOLIDAY GARDEN SF CORP. undertook during the credit period to maintain a financial structure with an interest coverage multiple of not less than 1.3 times. The financial structure shall be maintained with an interest cover multiple of not less than 1.3 times during the credit period. On November 4, 2021, HOLIDAY GARDEN SF CORP. agreed with CTBC BANK CO., LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.3 times in 2021 by pledging a time deposit of \$47,567 thousand.
8. On March 6, 2020, HOLIDAY GARDEN VC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of USD 24,850 thousand and HOLIDAY GARDEN VC CORP. undertook to maintain a financial structure with an interest coverage multiple of The financial structure should maintain an interest coverage multiple of not less than 1.15 times. On February 17, 2021, HOLIDAY GARDEN VC CORP. negotiated with FIRST COMMERCIAL BANK, LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2021.
9. On 29 August 2016, HOLIDAY GARDEN WC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of USD 23,300 thousand and HOLIDAY GARDEN WC CORP. undertook during the credit period to The financial structure should maintain an interest coverage multiple of not less than 1.15 times. On February 17, 2021, HOLIDAY GARDEN WC CORP. negotiated with FIRST COMMERCIAL BANK, LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2021. The subsidiary, HOLIDAY GARDEN WC CORP., has breached the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2022, which entitles FIRST COMMERCIAL BANK LTD. to demand repayment of the loan at any time. The remaining long-term loans are classified as long-term loans due within one year.
10. On April 12, 2019, HOLIDAY GARDEN EV CORP. signed a long-term loan agreement with CTBC BANK CO., LTD. with a total credit line of USD 46,000 thousand. The financial structure shall be maintained with an interest cover multiple of not less than 1.2 times. On November 4, 2021, HOLIDAY GARDEN EV CORP. negotiated with CTBC BANK CO., LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.2 times in 2022 and 2021 by pledging time deposits of \$49,169 and \$43,956 thousand, respectively.
11. On December 6, 2021, HOLIDAY GARDEN FM CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of US\$27,000 thousand and HOLIDAY GARDEN FM CORP. undertook during the credit

period to maintain a financial structure with an interest coverage multiple of not less than 1.15 times from FY2022. During the term of the credit facility, the subsidiary, HOLIDAY GARDEN FM CORP., committed to maintain an interest coverage multiple of not less than 1.15 times from FY2022.

12. As of December 31, 2022 and 2021, the total purchase price of the Group's contracted outstanding work and prepaid equipment amounted to \$0 and \$189,648, respectively, with unrecognized amounts of \$0 and \$28,041, respectively.

10. Significant casualty losses

None

11. Major events after the reporting period

None

12. Other

(1) Capital management

The Group'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 Group 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 Group manages the assets by the debt to assets ratio.

The Group'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	\$ 5,458,519	\$ 5,849,236
Total assets	<u>\$ 8,648,934</u>	<u>\$ 8,607,434</u>
Debt to assets ratio	<u>63</u>	<u>68</u>

(2) Financial instruments

1. Types of financial instruments

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
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### Financial assets

Financial assets at fair value through profit or loss		
Mandatory measurement of financial assets at fair value through profit or loss	\$ 31,140	-
Financial assets measured at amortized cost		
Cash and cash equivalents	2,668,664	2,145,257
Financial assets measured at amortized cost	1,026,136	1,051,995
Notes payable	-	323
Accounts payable	29,637	30,980
Other accounts payable	8,989	567
Guarantee deposits received	14,141	10,266
	<u>\$ 3,778,707</u>	<u>\$ 3,239,388</u>

### Financial liabilities

Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 484,000	\$ 884,000
Short-term notes and bills payable	-	30,000
Accounts payable	2,709	1,814
Other payables	132,680	91,647
Long-term loans (including those due within one year)	4,322,351	4,491,667
Guarantee deposits received	17	181
	<u>\$ 4,941,757</u>	<u>\$ 5,499,309</u>
Lease liabilities	<u>\$ 113,552</u>	<u>\$ 121,788</u>

## 2. Risk management policies

- (1) The Group'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 Group's finance department in accordance with the approved policies. The Group'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 Group is a multinational corporation, and as a result, the Group is exposed to foreign exchange rate risk generated from transactions using currencies different from the Company and the subsidiaries' functional currency (primarily the US dollars). Related foreign rate exchange risk from future commercial transactions and recognized assets and liabilities.
- B. The Group's management has set policies requiring the Group to manage the foreign exchange rate risk related to its functional currency. Each company should manage the risk according to the overall foreign exchange rate risk through the finance department of the Group.
- C. The Group's businesses involve several non-functional currencies (The Company's functional currency is New Taiwanese dollars, while the subsidiaries' functional currency is US 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:

December 31, 2022						
<u>Foreign currencies</u> (NT\$1,000)	<u>Exchange rate</u>	Carrying amount (NT\$)	<u>Sensitivity analysis</u>			
			<u>Degree of variation</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>	
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$ : NT\$	\$ 54,757	30.71	\$ 1,681,602	1%	\$ 16,816	\$ -

December 31, 2021						
<u>Foreign currencies</u> (NT\$1,000)	<u>Exchange rate</u>	Carrying amount (NT\$)	<u>Sensitivity analysis</u>			
			<u>Degree of variation</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>	
<b>(Foreign currency: functional currency)</b>						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$ : NT\$	\$ 57,222	27.68	\$ 1,583,905	1%	\$ 15,839	\$ -

- D. The aggregate amount of all exchange gains (losses) (both realised and unrealised) on the Group's monetary items that were materially affected by exchange rate fluctuations was \$169,725 and (\$30,649) for FY2022 and FY2021, respectively.

#### Price risk

The Group invests in open-end funds where the price of these equity instruments is affected by the uncertainty of the future value of the underlying investment. If the price of these equity instruments had increased or decreased by 1%, with all other factors held constant, net profit before tax for 2022 would increase or decrease by \$311 due to gains or losses on equity instruments measured at fair value through profit or loss.

#### Cash flows and fair value interest rate risk

- A. The Group's interest risk comes from short-term and long-term borrowings at a floating rate of interests, and they expose the Group to cash flow interest rate risk. At December 31, 2022 and 2021, the Group's borrowings at floating rate of interests are in NT dollars and US dollars.
- B. The Group's loans are measured at amortized cost and the interest rates are re-set each year according to the contract. Therefore, the Group is exposed to the risk of future market interest rate changes.
- C. When the borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net profit before tax in 2022 and 2021 will decrease or increase by \$48,064 and \$53,757, mainly due to the change in interest expense caused by floating rate borrowing.

#### (2) Credit risk

- A. The Group is exposed to credit risk of customers' or financial instruments' failure of fulfilling their contractual obligation, which can expose the Group to the risk of financial loss. The primary source of credit risk is the counterparty's failure of paying accounts receivable according to the terms of payment and the contractual cash flows of investment in liability instruments measured at fair value through profit and loss.
- B. The Group establishes credit risk management from the Group's perspective. Before entering into the terms and conditions of payment and service rendering with each new customer, each operating entity of the

Group has to manage and analyze the credit risk in accordance with the internal credit policy. Internal risk control evaluates a customer's credit quality based on the customer's financial condition, past experience, and other factors.

- C. The Group adopts the premise provided by IFRS9: When the 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 Group adopts the premise provided by IFRS9: When the payment is more than 90 days past due according to the contractual terms and conditions, default is deemed to have happened.
- E. The Group classifies customers' notes and accounts receivable according to credit conditions and adopts a simplified method of using the loss rate as the basis for estimating the expected credit loss.
- F. According to future forward-looking considerations, the Group adjusts the loss rate established based on the history of the specific period and current information to estimate the loss allowance of notes and accounts receivable. The provision matrix of December 31, 2022 and 2021 is as follow: :

	Not past due <u>Past due for 1 to 30 days</u>	Past due for 31 <u>to 90 days</u>	Past due for more than <u>91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	0.97%	1.44%	100.00%	
Total book value	\$ 28,001	\$ 1,665	\$ 1,270	\$ 30,936
Allowance for loss	23	6	1,270	1,299
	Not past due <u>Past due for 1 to 30 days</u>	Past due for 31 <u>to 90 days</u>	Past due for more than <u>91 days</u>	<u>Total</u>
<u>December 31, 2021</u>				
Expected loss rate	0.34%	0.81%	100%	
Total book value	\$ 28,214	\$ 3,102	\$ 186	\$ 31,502
Allowance for loss	8	5	186	199

- G. The group simplified the accounts receivable as following :

	2022	2021
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
January 1	\$ 199	\$ 1,100
Impairment losses for continuing operating units	1,059	-
Provision for impairment loss of	-	( 266 )

units that are discontinued				
Reversal of provision for impairment losses that are continuing operating units	(	11)	-	
Reversal of provision for impairment losses that are discontinuing units	-	(	542)	
Exchange rate impact		52	(	4)
December 31	\$	<u>1,299</u>	\$	<u>199</u>

### (3) Liquidity risk

- A. Cash flows forecasts are performed by each operating entity of the Company and summarized by the finance department of the Group. The Group's finance department monitors the Group's circulating capital requirements to ensure that the Company has sufficient capital for its operating needs and to maintain a sufficient unspent loan commitment at all times.
- B. The surplus cash held by each operating entity will be transferred back to the Group Finance Department when it exceeds the management needs of working capital. The Group Finance Department invests the remaining funds in interest-bearing demand deposits, cheque deposits and time deposits, and the instruments selected by it have an appropriate maturity date or sufficient liquidity to meet the above forecast and provide sufficient dispatch levels. As at 31 December 2022 and 2021, the Group held money market positions of \$2,144,159 and \$885,344, respectively, to generate immediate cash flow to manage liquidity risk.
- C. The following table shows the Group'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 disclose 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	2,709	-	-
Other accounts payable	132,680	-	-
Lease liability.	10,400	9,804	107,783
Long-term borrowings (Expires within one year)	1,139,232	331,209	3,802,513
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	1,814	-	-
Other accounts payable	91,647	-	-
Lease liability.	10,190	11,425	116,563
Long-term borrowings	914,390	255,321	3,783,224
(Expires within one year)			
Guarantee deposits received	144	-	37

(3) Fair value information

1. 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 transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This is the case for the fair value of the Group's investments in beneficial certificates.

Level 2: The observable input value of an asset or liability, directly or indirectly, other than those included in quoted prices in Level 1.

Level 3: Unobservable input value of the asset or liability.

2. Financial instruments not carried at fair value:

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

3. The Group classifies financial and non-financial instruments at fair value based on the nature, characteristics and risks of the assets and liabilities and on the basis of the fair value hierarchy, and the related information is as follows: Financial instruments that are not measured at fair value:

- (1) The Group classifies its assets and liabilities by nature and the related information is as follows:

Dec. 31. 2022	Grade 1	Grade2	Grade 3	total
<b>Assets</b>				
Repetitive fair value				
Financial assets at fair value				
through profit or loss Financial				
assets measured				
at fair value Beneficiary				
certificates				
	\$ <u>31,140</u>	-	-	<u>\$31,140</u>

Liabilities:None

Dec.31.2021 : None

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

Where the Group uses quoted market prices as fair value inputs (i.e. Level 1), the breakdown by the characteristics of the instrument is as follows:

Market Quotes	<u>Open-ended Funds</u>
	Net Asset Value

### 13. Supplementary disclosure

#### (1) Information related to material transactions

1. Financing provided: See Table 1 attached.
2. Endorsement provided: None
3. Marketable securities held at end of reporting period (excluding investments in subsidiaries, associates, and joint ventures): Annex 2
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 2 attached.
5. Properties acquired at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
6. Properties disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: Annex 3
7. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
8. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached
9. Engagement in derivative instruments: None
10. Business relations and material transactions and amounts between the parent company and its subsidiaries and among the subsidiaries: See Table 5 attached.

#### (2) Re-investment related information

The investee's name, location, and other related information (excluding investees in mainland China): See Table 6 attached ◦

#### (3) Investment in mainland China

1. Basic information: None ◦
2. Significant direct or indirect transactions with the investee in mainland China through an enterprise at a third place: None

#### (4) Information of major shareholders

Information of major shareholders: Please refer to Schedule VI for details.

### 14. Segment information

#### (1) General information

The Group takes a regional perspective in its operation and decision-making. Management too adopts this model to identify the divisions to be reported.

The Group has two reportable segments: Taiwan business segment and US business segment. The primary scope of business operation of Taiwan business segment is tourism hotels and attached restaurants and swimming pools. The primary scope of business operation of US business segment is tourism hotels.

(2) Measurement of segment information

The Group uses the operating income of each operating department as the evaluation performance basis.

(3) Segment information

The reportable segment information provided to main operations decision makers is as follows :

	2022				
	Taiwan business	USA business	Total	Closed unit	Continuing business unit
Revenue					
External Client Revenue	\$ 60,726	\$ 1,303,482	\$ 1,364,208	\$ -	\$ 1,364,208
Divisional profit & loss	( \$ 39,001 )	\$ 90,244	\$ 51,243	\$ -	\$ 51,243
Interest income			31,868	-	31,868
Company general revenue			70,556	-	70,556
Other company profits & losses			775,887	-	775,887
Interest expense			( 202,711 )	-	( 202,711 )
Net (loss) profit before tax			<u>\$ 726,843</u>	<u>\$ -</u>	<u>( \$ 726,843 )</u>
Departmental Assets	<u>\$ 41,415</u>	<u>\$ 3,764,623</u>	<u>\$ 3,806,038</u>		<u>\$ 3,806,038</u>
Company general assets					<u>4,842,896</u>
Total assets					<u>\$ 8,648,934</u>
Depreciation & Amortization Expenses	<u>\$ 15,315</u>	<u>\$ 300,025</u>	<u>\$ 315,340</u>	<u>\$ -</u>	<u>\$ 315,340</u>
Amount of capital expenditure	<u>\$ 5,130</u>	<u>\$ 22,973</u>	<u>\$ 28,103</u>		<u>\$ 28,103</u>
Departmental Liabilities	<u>\$ 894,344</u>	<u>\$ 4,564,175</u>	<u>\$ 5,458,519</u>		<u>\$ 5,458,519</u>

	2021				Continuing business unit
	Taiwan business	USA business	Total	Closed unit	
Revenue					
External Client Revenue	\$ 72,883	\$ 781,275	\$ 854,158	\$ 33,012	\$ 821,146
Divisional profit & loss	(\$ 79,129)	(\$ 63,846)	(\$ 142,975)	(\$ 37,643)	(\$ 105,332)
Interest income			3,397	–	3,397
Company general revenue			38,600	26,831	11,769
Other company profits & losses			2,018,964	2,059,730	( 40,766 )
Interest expense			( 125,260 )	( 12,076 )	( 113,184 )
Net (loss) profit before tax			\$ 1,792,726	\$ 2,036,842	(\$ 244,116)
Departmental Assets	\$ 42,072	\$ 3,959,510	\$ 4,001,582		\$ 4,001,582
Company general assets					4,605,852
Total assets					\$ 8,607,434
Depreciation & Amortization Expenses	\$ 20,193	\$ 226,217	\$ 246,410	\$ 6,536	\$ 239,874
Amount of capital expenditure	\$ 8,586	\$ –	\$ 8,586		\$ 8,586
Departmental Liabilities	\$ 1,207,571	\$ 4,641,665	\$ 5,849,236		\$ 5,849,236

(4) Reconciliation of segment profit and loss

The total amount information of the reportable segments and the disclosed information of other critical items are consistent with the amounts of profit and loss before tax, assets, liabilities, and other related items in the Company's financial report, and they were measured by consistent methods.

(5) Product type and service type information

Please refer to Note 6(18) .

(6) Regional information

The Group's regional information for 2022 and 2021 is as follows: :

	<u>2022</u>		<u>2021</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
USA	\$ 1,303,482	\$ 4,501,881	\$ 781,275	\$ 4,763,215
Taiwan	<u>60,726</u>	<u>144,945</u>	<u>72,883</u>	<u>155,178</u>
	1,364,208	\$ 4,646,826	\$ 854,158	\$ 4,918,393
minus: Closed unit	-	-	( 33,012)	-
	<u>\$ 1,364,208</u>	<u>\$ 4,646,826</u>	<u>\$ 821,146</u>	<u>\$ 4,918,393</u>

(7) Important customer information

It is not applicable because none of the revenue from each customer of the Group in 2022 and 2021 reached 10% of the amount of the comprehensive income statement.

Holiday Garden International Ltd. and subsidiaries  
Loan funds  
January 1, 2022 to December 31, 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		Maximum amount of loans permitted to a single borrower(Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
													Name	Value			
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	-	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	94,950	94,950	94,950	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	84,030	84,030	84,030	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 FM CORP.	Receivable from related companies	yes	430,900	430,900	430,900	Annual interest 3.0%	Short-term financing funds	-	Operational needs · Hotel acquisition	-	None	-	28,096,850	56,193,700	Note 9
3	Holiday Garden CORP.	SF Holiday Garden VC CORP.	Receivable from related companies	yes	154,200	154,200	-	Annual interest 3.0%	Short-term financing funds	-	Hotel acquisition	-	None	-	10,071,300	20,142,600	Note 9
3	Holiday Garden CORP.	SF 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 I 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 15 times of the Company's net value, and the total amount of loans should not exceed 100 times of the net value of the company, and the duration of loans should be no more than 15 years.

Holiday Garden International Ltd. and subsidiaries

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliated enterprises and jointly controlled entities)

31 December 2022

Annex 2

Unit: NT\$1,000,000

(Unless otherwise specified)

End of term

Companies held	Types and names of marketable securities	Relationship with issuers of marketable securities	Billed subjects	Number of shares	Carrying amount	Shareholding ratio	Fair value	Note
	(Note 1)	(Note 2)						(Note4)
Holiday Garden International Ltd.	Fund: GDDAAU Universal Dividend Accumulation	NONE	Financial or loss - assets at fair value through profit		\$7,206		\$7,206	NOTE5
Holiday Garden International Ltd.	Fund: GLAAAU Multi-Income Beauty Accumulation	NONE	- current Financial or loss assets at fair value through profit- current		\$7,159		\$7,159	NOTE5

Holiday Garden	Fund:	NONE	Financial or loss			
International Ltd.	Mega Singapore		assets at fair			
	Realty Accrued A US		value through profit- current	\$1,543	\$1,543	NOTE5
Holiday Garden	Fund:					
International Ltd	Legg Mason Western Asset	NONE	Financial or loss	\$15,232	\$15,232	NOTE5
	Global Blue Chip Bond		assets at fair			
	Fund Class A Equity USD Acc		value through profit- current			

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

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

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

Note 4: If the listed securities are subject to restrictions due to guarantees, pledged loans or other contractual restrictions, the number of shares guaranteed or pledged, the amount guaranteed or pledged and the restrictions on use should be indicated in the Remarks column.

Note 5: For open-ended funds, the market value is the net asset value of the fund as at the balance sheet date.

Holiday Garden International Ltd. and subsidiaries

Disposal of immovable property amounting to at least NT\$300 million or 20% of the paid-in capital

2022

Table 3

Unit: NT\$1,000

(Unless otherwise noted)

<u>Company which acquired properties</u>	<u>property name</u>	<u>Occuring Date</u>	<u>Original acquisition date</u>	<u>Carrying amount</u>	<u>Transaction Amount</u>	<u>Price Collection Scenarios</u>	<u>Profit or loss on disposal (Note 2)</u>	<u>Trading Objects</u>	<u>Relationship with issuer</u>	<u>Purpose of Disposal</u>	<u>Price reference Valuation report</u>	<u>Other contractual matters</u>
Holiday Garden NW CORP.	TownePlace Suite Newark Silicon Valley hotel	2021. 7. 5	2015. 9. 9	\$ 482,450	\$ 1,151,625	Receive the price in accordance with the terms of the agreement for sale and purchase between the parties	\$604,291	Allied Housing, INC -	NONE -	Enriching long-term working capital -	Reference to the market and two real estate valuation reports with appraisal results of \$819,957 and \$776,963 respectively	NONE

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

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

Holiday Garden International Ltd. and subsidiaries  
 Receivable from related parties amounts to at least NT\$100 million or 20% of the paid-in capital.  
 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> <u>receivable from related</u>		Accounts receivable recovered <u>from related companies after</u> <u>the reporting period</u>	Amount of loss <u>allowance 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 of the related parties, the notes, and other accounts receivable.

Note 2: Paid-in capital refers to the paid-in capital of the parent company. If the shares issued by an issuer have no par value or a par value other than NT\$10 per share, the threshold transaction amount of 20% of paid-in capital shall be replaced by 10 percent of equity attributable to owners of the parent company as stated in the balance sheet.

Note 3: The investee and the counterparty are both subsidiaries of the Company.

Note 4: It is mainly because that "other accounts receivable" is not suitable for calculating the days of turnovers.

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

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

Table 5

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 accounts receivable	605,448	Processed according to the agreement between the two parties 7.00%
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 accounts receivable	46,065	Processed according to the agreement between the two parties 0.53%
2	Holiday Garden U.S.	Holiday Garden EV CORP.	(3)	Other accounts receivable	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 accounts receivable	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 accounts receivable	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 accounts receivable	164,174	Processed according to the agreement between the two parties 1.90%
5	Holiday Garden VC CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	61,863	Processed according to the agreement between the two parties 0.72%

6	Holiday Garden WC CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	170,244	Processed according to the agreement between the two parties	1.97%
7	Holiday Garden EV CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	164,371	Processed according to the agreement between the two parties	1.90%
8	Holiday Garden FM CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	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.

The investee's name, location, and other related information (excluding investees in mainland China)  
2022

Table 6

Unit: NT\$,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 Hotel Co., Ltd	Holiday Garden Development Ltd.	Taiwan	Tourism hotels	\$ 65,000	\$ 65,000	6,500,000	100	\$ 31,233	(\$ 5,252)	(\$ 5,252)	The Company's subsidiary
Holiday Garden Hotel Co., Ltd	Holiday Garden International Ltd.	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.	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: Where a listed company has a foreign holding company and local laws and regulations require consolidated financial statements as the primary financial report, disclosure of information about the foreign investee company may be limited to information relating to the holding company.

Note 2: For cases other than Note 1, the following provisions apply:

(1) The columns "Name of investee company", "Location", "Main business items", "Original investment amount" and "Percentage of shareholding at the end of the period" should be completed based on the transfer of investments by the Company and the reinvestment of each directly or indirectly controlled investee company. The columns "Amount of original investment" and "Percentage of shareholding at the end of the period" should be completed on the basis of the transfer of investments by the Company and the reinvestment in each directly or indirectly controlled investee company.

(2) The column "Profit or loss for the period of the investee" should be filled in with the amount of profit or loss for the period of each investee.

(3) The column headed "Gains or losses recognized during the period" should be filled in only for each of the subsidiaries and equity-method investees of the Company. The remainder of the column should be left blank.

Table 7

Holiday Garden Hotel Co., Ltd

Major Shareholder Information  
January 1, 2021 to December 31, 2021

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%