

Independent Accountant's Report

(2024) Tsai Shen Pao Tzu No.23004084

Holiday Garden International Ltd :

Opinion

We have audited the following financial statements of Holiday Garden International Ltd.: The parent company only balance sheets of December 31, 2023 and 2022, the parent company only statements of comprehensive income of January 1 to December 31 of 2023 and 2022, the parent company only statements of changes in equity, the parent company only statements of cash flows, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material aspects, the financial position of Holiday Garden International Ltd. as at December 31, 2023 and 2022 and its financial performance and cash flows for the period from January 1 to December 31 of 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

Key audit matters refer to the most significant matters, according to our professional judgment, in the 2023 parent company only financial statements of Holiday Garden International Ltd. These matters were addressed during the audit of the overall parent company only financial statements and in the formation of our opinion. We do not express our opinion on these matters separately.

We determine the following key audit matters of the parent company only financial statements of 2023 of the Holiday Garden International Ltd.:

Evaluation of investment impairment accounted for using the equity method :

Assessment of investment impairment using the equity method

Description

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

description of the accounting items of the investment under the merger metho

As of December 31, 2023, the property, plant and equipment and intangible assets of the U.S. subsidiary Holiday Garden Hotel Co., Ltd. totaled NT\$4,220,218,000, accounting for 51% of the total consolidated assets. Due to the proliferation of various types of hotels in recent years, the intense competition in the hotel industry and the impact of the novel coronavirus pneumonia epidemic, management has identified signs of impairment of property, plant and equipment and intangible assets of some subsidiaries, so each subsidiary uses estimated future cash flows discounted at an appropriate discount rate to measure the recoverable amount of these assets as a basis for assessing whether to depreciate them. Because the above estimates of future cash flows involve many assumptions that could have a significant impact on the measurement of recoverable amounts, the accountants have included the assessment of impairment of investments using the equity method (impairment assessment of property, plant and equipment and intangible assets of U.S. subsidiaries)) as a significant item in the current year's review.

Corresponding audit program

The principal response procedures performed by the accountant for the aforementioned key audit matters are as follows:

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

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

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

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

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

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

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

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

financial statements, including the attached notes, and whether the parent company on financial statements represent the underlying transactions and events in a fair manner.

6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within Holiday Garden International Ltd. to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the audit of the parent company and are responsible for our audit opinion.

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

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

We determined the key audit matters of the parent company only financial statements of 2023 of Holiday Garden International Ltd. according to matters communicated with those charged with governance. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

PwC Taiwan

Independent accountants

Liao,A Shen

Wang,Guo Hua

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.1010015969

March 13 2024

Holiday Garden International Ltd.
Independent Company Only Balance Sheet
December 31 of 2023 and 2022

Unit: NT\$1,000

Assets	Notes	December 31, 2023 Amount	2023 %	December 31, 2022 Amount	2022 %
Current assets					
1100	Cash and cash equivalents	\$ 732,789	19	\$ 823,291	21
1110	Financial assets at fair value through profit or loss - current	95,766	3	31,140	1
1136	Financial assets at amortized cost - current	1,031,125	26	976,967	24
1170	Net accounts receivable	891	-	1,257	-
1200	Other accounts receivable	13,905	-	7,957	-
1220	Current income tax assets	7,945	-	2,132	-
130X	Inventories	1,074	-	487	-
1410	Advance payments	622	-	584	-
1479	Other current assets - others	219	-	345	-
11XX	Total current assets	<u>1,884,336</u>	<u>48</u>	<u>1,844,160</u>	<u>46</u>
Non-current assets					
1550	Investments accounted for using the equity method	2,023,166	52	2,108,096	53
1600	Property, plants, and equipment	6,409	-	8,234	1
1755	Right-of-use asset	4,668	-	7,538	-
1840	Deferred tax assets	117	-	159	-
1920	Guarantee deposits paid	1,171	-	1,241	-
15XX	Total non-current assets	<u>2,035,531</u>	<u>52</u>	<u>2,125,268</u>	<u>54</u>
1XXX	Total Assets	<u>\$ 3,919,867</u>	<u>100</u>	<u>\$ 3,969,428</u>	<u>100</u>

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Holiday Garden International Ltd.
Independent Company Only Balance Sheet
December 31 of 2023 and 2022

Unit: NT\$1,000

Liabilities and equity	Notes	December 31, 2023 Amount	2023 %	December 31, 2022 Amount	2022 %
Current liabilities					
2100	Short-term borrowings	\$ 400,000	10	\$ 484,000	12
2110	Short-term notes and bills payable	95,000	3	-	-
2130	Contractual liabilities - current	1,174	-	654	-
2170	Accounts payable	1,798	-	1,926	-
2200	Other accounts payable	9,239	-	9,104	-
2230	Income tax liabilities	14,105	1	50,641	2
2280	Lease Liabilities - Current	2,315	-	2,875	-
2399	Other current liabilities - others	328	-	295	-
21XX	Total current liabilities	<u>523,959</u>	<u>14</u>	<u>549,495</u>	<u>14</u>
Non-current liabilities					
2570	Deferred income tax liabilities	206,030	5	224,735	6
2580	Lease obligation -non current	2,451	-	4,766	-
2645	Guarantee deposits received	-	-	17	-
25XX	Total non-current liabilities	<u>208,481</u>	<u>5</u>	<u>229,518</u>	<u>6</u>
2XXX	Total liabilities	<u>732,440</u>	<u>19</u>	<u>779,013</u>	<u>20</u>
Rights and interests					
Capital stock					
					6(11)(13)
3110	Common share capital	1,566,133	40	1,491,555	37
Capital surplus					
					6(12)
3200	Capital surplus	2,169	-	2,169	-
Retained earnings					
					6(13)
3310	Statutory surplus public debt	294,226	7	254,025	6
3320	Special Defined Surplus Bonds	5,330	-	30,035	1
3350	Undistributed surplus (loss to be covered)	1,323,805	34	1,417,961	36
Other equity					
3400	Other equity	(4,236)	-	(5,330)	-
3XXX	Total equity	<u>3,187,427</u>	<u>81</u>	<u>3,190,415</u>	<u>80</u>
3X2X	Total liabilities and equity	<u>\$ 3,919,867</u>	<u>100</u>	<u>\$ 3,969,428</u>	<u>100</u>

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

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

Accounting Director: Yu Su-ling

Holiday Garden International Ltd.
Independent company only statements of comprehensive income
December 31 of 2023 and 2022

Item	Notes	2023		2022	
		Amount	%	Amount	%
				Unit: NT\$1,000	
4000	Operating revenue	6(14)	\$ 20,919	100	\$ 21,990 100
5000	Operating cost	6(4)(19)(20)	(15,923)	(76)	(14,304) (65)
5900	Operating gross profit		4,996	24	7,686 35
	Operating expenses	6(19)(20)			
6200	Management expense		(42,728)	(204)	(46,214) (210)
6450	Expected credit impairment	12(2)	-	-	17 -
6000	Total operating expenses		(42,728)	(204)	(46,197) (210)
6900	Operating loss		(37,732)	(180)	(38,511) (175)
	Nonoperating income and				
7100	Interest income	6(15)	87,138	417	28,279 129
7010	Other income	6(16)&7	63,446	303	15,128 69
7020	Other gains and losses	6(2)(17)	3,245	15	171,596 780
7050	Financial cost	6(18)	(8,883)	(42)	(6,436) (29)
7070	Share of profit or loss of	6(5)	(86,298)	(413)	402,916 1832
7000	Total non-operating income		58,648	280	611,483 2781
7900	Net profit (loss) before tax		20,916	100	572,972 2606
7950	Income tax (expense) benefit	6(21)	4,833	23	(170,970) (778)
8200	Net profit (loss)		\$ 25,749	123	\$ 402,002 1828
	Other comprehensive				
	Items may be subsequently				
8361	Exchange differences on	6(5)	\$ 1,368	6	\$ 175,876 800
8399	Income tax of items that may	6(21)	(274)	(1)	(35,175) (160)
8300	Other comprehensive		\$ 1,094	5	\$ 140,701 640
8500	Total consolidated profit		\$ 26,843	128	\$ 542,703 2468
	Income tax of items that may				
	Earnings (loss) per share	6(22)			
9750	Basic earnings (loss) per share		\$	0.16	\$ 2.57
9850	Diluted earnings (loss) per share		\$	0.16	\$ 2.57

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

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

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Independent Company Only Statements of Changes in Equity
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	N o t e s	<u>R e t a i n e d e a r n i n g s</u>						T o t a l
		Ordinary share capital	Capital Reserve – Issue Premium	Statutory Surplus Reserve	Exchange differences o n translation Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)	Exchange differences o n translation of foreign financial stat ements	
<u>2022</u>								
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 for the period		-	-	-	-	-	140,701	140,701
Total consolidated profit or loss for the period		-	-	-	-	402,002	140,701	542,703
Allocation and Distribution of Profits for the 110th Year of the Republic of China:								
Statutory Surplus Reserve		-	-	171,464	-	(171,464)	-	-
Special Surplus Reserve		-	-	-	30,035	(30,035)	-	-
Stock Dividends	6(13)	386,699	-	-	-	(386,699)	-	-
Cash Dividends	6(13)	-	-	-	-	(110,486)	-	(110,486)
Balance, 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>
<u>2023</u>								
Balance on January 1, 2023		<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>
Current net profit		-	-	-	-	25,749	-	25,749
Other comprehensive income for the period		-	-	-	-	-	1,094	1,094
Total consolidated profit or loss for the period		-	-	-	-	25,749	1,094	26,843
Allocation and Distribution of Profits for the 111th Year of the Republic of China:								

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu
Su-ling

Holiday Garden International Ltd.
Independent Company Only Statements of Changes in Equity
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	N o t e s	R e t a i n e d e a r n i n g s						T o t a l
		Ordinary share capital	Capital Reserve – Issue Premium	Statutory Surplus Reserve	Exchange differences o n translation Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)	Exchange differences o n translation of foreign financial stat ments	
Statutory Surplus Reserve		-	-	40,201	-	(40,201)	-	-
Special Surplus Reserve		-	-	-	(24,705)	24,705	-	-
Stock Dividends	6(13)	74,578	-	-	-	(74,578)	-	-
Cash Dividends	6(13)	-	-	-	-	(29,831)	-	(29,831)
Balance, December 31, 2023		\$ 1,566,133	\$ 2,169	\$ 294,226	\$ 5,330	\$ 1,323,805	(\$ 4,236)	\$ 3,187,427

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu
Su-ling

Holiday Garden International Ltd.
Independent company only statements of cash flows
 January 1 to December 31 of 2023 and 2022

Unit: NT\$, 000

	Note	2023	2022
<u>Cash flows from operating activities</u>			
Net profit before tax		20,916	572,972
Adjustments:			
Revenue/expenses			
Benefits from financial assets measured at fair value through profit or loss	6(2)(17)	(9,212)	(1,871)
Expected Credit See Impairment Benefit	12(2)	()	(17)
Depreciation expense	6(6)(7)(19)	5,218	5,338
Lease modification benefits	6(6)	(1)	-
Interest expense	6(18)	8,883	6,436
Interest income	6(15)	(87,138)	(28,279)
Share of profit of subsidiaries, associates, joint ventures accounted for using equity method	6(5)	86,298	(402,916)
Impairment loss on non-financial assets			
Changes in assets and liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss - current		(55,414)	(29,269)
Notes Receivable		-	323
Accounts receivable		366	136
Other receivables		(2)	(533)
Inventory		(587)	(52)
Prepayments		(38)	627
Other Mobile Assets - Other		126	57
Net change in liabilities related to operating activities			
Contractual Liabilities - Current accounts payable		520	(28)
Other accounts payable		(128)	980
Other current liabilities		178	(10,642)
		33	162
Cash inflows (outflows) from operations		(29,982)	113,474
Interest Received		81,192	20,947
Interest paid		(8,836)	(6,465)
Income tax paid		(56,453)	(581)
Net cash inflow (outflow) from operating activities		(14,079)	127,375
Cash flows from investing activities			
(Increase) decrease in financial assets measured at amortized cost - current		(54,158)	(10,267)
Investments accounted for using the equity method		(755)	(3,887)
Use of real estate plant and equipment	6(23)	70	(85)
Increase in deposit guarantee		(54,843)	(14,239)
Net cash (outflow) inflow from investing activities		394,000	384,000
Cash flows from financing activities			
Increase in short-term borrowings	6(24)	(478,000)	(784,000)
Increase in short-term notes payable	6(24)	155,000	-
Decrease in short-term notes payable	6(24)	(60,000)	(30,000)
Lease principal repayment	6(24)	(2,732)	(2,984)
Repayment of long-term loans	6(24)	-	(13,948)
Decrease in deposit margin		(17)	(164)
Payment of cash dividends	6(13)	(29,831)	(110,486)
Net cash outflow from financing activities		(21,580)	(557,582)
(Decrease) increase in cash and cash equivalents for the period		(90,502)	(444,446)

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

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

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Independent company only statements of cash flows
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

Cash and cash equivalents at beginning of period	6(1)	<u>823,291</u>	<u>1,267,737</u>
Cash and cash equivalents at end of period	6(1)	<u>\$ 732,789</u>	<u>\$ 823,291</u>

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

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

Accounting Director : Yu Su-ling

Holiday Garden International Ltd.
Notes for Parent Company Only Financial Statements
2023 and 2022

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

1. Company milestones

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

2. Date and procedure of approval of the financial report

This parent company only financial report has been approved and issued by the Board of Directors on March 12, 2024 °

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 2023 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>
Amendment to IFRS 1: Disclosure of Accounting Policies	January 1, 2023
Amendment to IFRS 8: Definition of Accounting Estimates	January 1, 2023
Amendment to IFRS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023
Amendment to IFRS 12: International Tax Reform - Pillar Two Rules Template	May 1, 2023

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

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

The following table presents the newly issued, amended and revised IFRSs and interpretations of IFRSs approved by the FSC for 2024:

issuance by International

Newly issued/revised/amended standards and interpretations

Standards Board

Amendment to IFRS 16: Lease Liability in Sale and Leaseback Transactions	January 1, 2024
Amendment to IAS 1: Classification of Liabilities as Current or Non-current	January 1, 2024
Amendment to IAS 1: Non-current Liabilities with Contractual Maturities"	January 1, 2024
Amendment to IAS 7 and IFRS 7: Supplier Finance Arrangements	January 1, 2024

(3) Impact of International Financial Reporting Standards issued by the

International Accounting Standards Board but not yet endorsed by the FSC

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

Effective date of

issuance by International

Accounting

Newly issued/revised/amended standards and interpretations Standards Board

Amendments to IFRS 10 and IAS 28, " Sale or Contribution of Assets between an Investor and its Affiliates or Joint Ventures	To be decided by the IASB
Amendments to IFRS 17:Insurance Contract	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 17 Amendments to IFRS 17 "First-time application of IFRS 17 and IFRS 9 - Comparative information"	January 1, 2023
Amendment to IAS 21: Lack of Exchangeability	January 1, 2024

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

The financial statements of this entity are prepared in accordance with the Financial Reporting Standards for Issuers of Securities.

(2) Basis of preparation

1. The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.
2. To prepare for financial reports in accordance with IFRSs, some important accounting estimations are required. When applying the Group's accounting policies, management also needs to make judgment, which involves accounts of a high level of decision-making and complexity or accounts associated with material assumption and estimation. Please refer to Note 5.

(3) Foreign currency conversion

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

1. Foreign currency transactions and balances

- (1) Foreign currency transactions are translated into functional currency using the spot exchange rate on the transaction date or measurement date, and the translation differences arising from the translation of these transactions are recognized as current profits and losses.
- (2) The balance of foreign currency monetary assets and liabilities shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment shall be recognized as the current profit and loss.
- (3) The balance of foreign currency non-monetary assets and liabilities, which are measured at fair value through profit or loss, are adjusted according to the spot

exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized as the current profit and loss; If the comprehensive profit or loss is measured at fair value, it is adjusted according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive profit and loss items; Exchange rate measurement.

(4) All exchange gains and losses are presented in “Other gains and losses” in the Consolidated statement of profit or loss.

2. Conversion of foreign operating agencies

(1) For all group entities whose functional currency is different from the expression currency, the operating results and financial conditions of which are converted into the expression currency in the following manner:

A. Assets and liabilities expressed on each balance sheet are translated at the closing exchange rate on the balance sheet date;

B. The gains and losses expressed in each consolidated income statement are translated at the average exchange rate for the period; and

C. All translation differences arising from translation are recognized as other comprehensive gains and losses.

(2) When a partially disposed or sold foreign operating institution is a subsidiary, the accumulated exchange differences recognized as other comprehensive gains and losses shall be re-attributed to the non-controlling interests of the foreign operating institution on a pro-rata basis. However, if the company still retains part of the rights and interests in the former subsidiary, but has lost the control of the foreign operating organization that is a subsidiary, it will be treated as a disposal of all the rights and interests of the foreign operating organization.

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

1. Assets that meet one of the following criteria are classified as current assets :

(1) Assets expected to be realized in the normal operating cycle or intended to be sold or consumed.

(2) Liabilities held primarily for transaction purposes.

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

(4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Classification of

liabilities for which, at the option of the counterparty, repayment is required for the issue of equity instruments is not affected

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

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

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

(2) Liabilities held primarily for transaction purposes.

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

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

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

(5) Cash equivalents

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

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

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income or loss.
2. The Company uses trade date accounting for financial assets at fair value through profit or loss that qualify as customary transactions.
3. The Company recognizes financial assets at fair value on initial recognition, with the related transaction costs recognized in profit or loss, and subsequently at fair value, with the benefit or loss recognized in profit or loss.

(7) Financial assets measured at amortized cost

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

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

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

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

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

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

(8) Accounts and notes receivable

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

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

(9) Impairment loss on financial assets

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

(10) Derecognition of financial assets

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

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

(11) Operating lease (lessor)

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

(12) Inventories

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

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

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

(14) Property, plants, and equipment

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

property, plants, and equipment should be depreciated separately.

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

Water and electricity equipment	5 years
Business fixtures and fittings	2 to 20 years
Other equipment	2 to 5 years

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

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

(16) Impairment of non-financial assets

On the balance sheet date, the Company estimates the recoverable amount of assets with signs of impairment and recognizes impairment losses when the recoverable amount is lower than its book value. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. Except for goodwill, when there is no or decrease in the recognized asset impairment in previous years, the impairment loss shall be reversed, but the increase in the carrying amount of the asset due to reversal of impairment loss shall not exceed the

reduction in the asset if the impairment loss was not recognized. The carrying amount after depreciation or amortization.

(17) Loans

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

(18) Accounts and notes payable

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

(19) Delisting of financial liabilities.

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

(20) Offset of financial assets and liabilities

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

(21) Employee benefits

1. Short-term employee benefits

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

2. Pensions

Defined contribution plans (DCP)

For defined contribution plans, the contribution amounts for pension are recognized in the current pension expense when they are due on the accrual basis. Prepaid contributions are recognized as assets to the extent of refundable cash or reduction in future payment.

3. Employee compensation and director and supervisor remuneration

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

(22) Income tax

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

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

(23) Dividend distribution

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

(24) Revenue recognition

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

(25) Government subsidies

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

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

When preparing this parent company only financial report, the Company's management has applied its judgment on determining the accounting policies used and made

accounting estimates and assumptions based on reasonable expectation of future events according to the conditions at the balance sheet date. Material accounting estimates and assumptions may be significantly different from the actual results, and therefore, experiences and other factors are continuously evaluated and adjusted. These estimations and assumptions expose the carrying amounts of assets and liabilities to the risk of material adjustment in the next fiscal year. Uncertainty of material accounting judgments, estimates, and assumptions are described below :

(1) Critical judgments adopted by accounting policies

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

(2) Critical accounting estimates and assumptions

Evaluation of investment impairment accounted for using the equity method

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

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash:		
Cash in treasury and working funds	\$ 371	\$ 448
Checking deposits and demand deposits	<u>91,581</u>	<u>114,545</u>
	91,952	114,993
Cash equivalents:		
Time deposits:	<u>576,889</u>	<u>677,588</u>
Repurchase agreement bond	<u>\$ 63,948</u>	<u>\$ 30,710</u>
	<u>\$ 732,789</u>	<u>\$ 823,291</u>

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

2. The Company's cash and cash equivalents held at December 31, 2023 and 2022, which are restricted by the provision of pledges

and are not highly liquid, are classified as financial assets measured at amortized cost of \$1,031,125 and \$976,967, respectively, and are classified as liquid.

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

<u>Item</u>	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current items:		
Mandatory financial assets at fair value through profit or loss		
Beneficiary Certificates	\$ 84,736	\$ 29,269
Rating Adjustment	11,030	1,871
	<u>\$ 95,766</u>	<u>\$ 31,140</u>

The net gains recognized from financial assets measured at fair value through profit or loss for the years 2023 and 2022 were \$9,212 and \$1,871, respectively.

(3) Net amount of accounts and notes receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Notes receivable	\$ 893	\$ 1,259
Less: Allowance for doubtful accounts	(2)	(2)
	<u>\$ 891</u>	<u>\$ 1,257</u>

1. Aging analysis of accounts and notes receivable :

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Not past due and past due for 1 to 30 days	\$ 853	\$ 1,221
Past due for 31 to 90 days	40	38
	<u>\$ 893</u>	<u>\$ 1,259</u>

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

(2) As of December 31, 2023, December 31, 2022 and January 1, 2022, the Company had \$893, \$1,259 and \$1,729, respectively, of accounts receivable (including notes receivable) from customers.

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

(4). Without considering the collaterals or other credit enhancements held, the maximum exposure to credit risk of the Company's notes receivable as of December 31, 2023 and December 31, 2022 is \$0 for both years; the maximum exposure to credit risk of the Company's accounts receivable as of December 31, 2023 and December 31, 2022 is \$891 and \$1,257, respectively.

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

(4) Inventories

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for price decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	\$ 1,074	\$ -	\$ 1,074
	<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	\$ 487	\$ -	\$ 487

The inventory cost that the Company recognized as expenses for 2023 and 2022 was \$7,287 and \$7,099 respectively.

(5) Investments accounted for using the equity method

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

	<u>2023</u>	<u>2022</u>
January 1	\$ 2,108,096	\$ 1,529,304
Share of investment income accounted for using the equity method	(86,298)	402,916
Other changes in equity	<u>1,368</u>	<u>175,876</u>
December 31	<u>\$ 2,023,166</u>	<u>\$ 2,108,096</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Holiday Garden International Ltd.	\$ 1,981,367	\$ 2,076,863

Holiday Garden Development Co., Ltd.	<u>41,799</u>	<u>31,233</u>
	<u>\$ 2,023,166</u>	<u>\$ 2,108,096</u>

2. Information of the Company's subsidiaries are presented in Note 4(3) of the Company's 2023 consolidated financial statements. °

(6) Property, plants, and equipment

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Water and electricity equipment	\$ 109	-
Business fixtures and fittings	3,940	5,020
Other Equipment	<u>2,360</u>	<u>3,214</u>
	<u>\$ 6,409</u>	<u>\$ 8,234</u>

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

	<u>2023</u>			
<u>Cost</u>	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Water and electricity equipment	\$ -	\$ 129	\$ -	\$ 129
Business fixtures and fittings	10,380	536	-	10,916
Other equipment	<u>4,080</u>	<u>-</u>	<u>-</u>	<u>4,080</u>
	<u>\$ 14,460</u>	<u>\$ 665</u>	<u>\$ -</u>	<u>\$ 15,125</u>

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

	<u>2023</u>			
<u>Accumulated depreciation and impairment</u>	<u>Opening balance</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Water and electricity equipmen	\$ -	\$ 20	\$ -	\$ 20
Business fixtures and fittings	5,360	1,616	-	6,976

Other equipment	<u>866</u>	<u>854</u>	<u>-</u>	<u>1,720</u>
	<u>\$ 6,226</u>	<u>\$ 2,490</u>	<u>\$ -</u>	<u>\$ 8,716</u>

	<u>2022</u>			
<u>Accumulated depreciation and impairment</u>	<u>Opening balanc</u>	<u>Addition</u>	<u>Reduction</u>	<u>Closing balance</u>
Water and electricity equipmen	\$ 3,871	\$ 1,489	\$ -	\$ 5,360
Other equipment	<u>31</u>	<u>835</u>	<u>-</u>	<u>866</u>
	<u>\$ 3,902</u>	<u>\$ 2,324</u>	<u>\$ -</u>	<u>\$ 6,226</u>

3. In accordance with Kaohsiung Urban Development Kuei Tzu No. 10234984600 correspondence on October 28, 2013, the Company applied for making payment by installments for converting governmental land to commercial land in the land conversion urban plan, and the total amount to be paid is NT\$212,628. The Company made the first installment payment of NT\$85,051, and the remaining amount was paid by the second and third installment payments of \$63,788 and \$63,789 respectively. It should be paid in full before applying for a license for building a license or changing a license for use at the latest. All of them have been estimated and included in the accounts in 2013. The land has been signed and sold on July 7, 2021, and the payment has been paid in 2021. Pay in full in September (the balance table of the Republic of China on December 31, 2020 lists "long-term bills payable and payments \$127,577").
4. There was no borrowing cost capitalization of the Company's property, plants, and equipment in 2021 and 2020.
5. The major components of the company's buildings and buildings include buildings and decoration works, which are depreciated over 55 years and 15 to 25 years respectively.
6. For the impairment of real estate, plant and equipment, please refer to Note 6(8).
7. The Company has no guarantees for property, plant and equipment for the years 2022 and 2021

(7) Lease transaction – Lessee

1. The lease assets of the company included buildings and multifunctional office machine, and the terms between 2 to 5 years. The contract included different provisions and requirements, and no other restriction except using the assets as the guarantee to debit and credit.
2. The operating equipment of company included part of buildings and official vehicles and the terms are not over 12 months, they all belong to leases of low-value assets.
3. The changes in the Company's right-of-use assets in 2023 and 2022 are as follows:

	<u>2023</u>			
	<u>Houses</u>	<u>Transportation Equipment</u>	<u>Money Making Tools</u>	<u>Total</u>
Jan.01	\$ 6,583	\$ 196	\$ 759	7,538
Depreciation expense	(2,170)	(196)	(362)	(2,728)
Dispose	<u>(142)</u>	<u>-</u>	<u>-</u>	<u>(142)</u>
Dec.31	<u>\$ 4,271</u>	<u>\$ -</u>	<u>\$ 397</u>	<u>\$ 7,538</u>

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

4. The increase in the Company's right-of-use assets was \$0 for the fiscal years 2023 and 2022
5. Information of loss and gains related to lease transaction as the followings:

	<u>2023</u>	<u>2022</u>
<u>Affected project of current loss and gain</u>		
Lease obligation interest	\$ 84	\$ 126
Expense of short-term lease	638	664
Expense of leases of low-value assets	8	6
Variable lease payments:	737	998
Lease Modification Benefi	1	-

6. The Company's total lease cash outflows in 2023 and 2022 are \$4,119 and \$4,778 respectively.

7. Effect of variable lease payments on lease liability

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

(8) Sort-term notes payable

Nature of Loans

	<u>Dec.31, 2023</u>	Dec. 31, 2022
Short-term bank loan		
Commercial paper payable	\$ <u>400,000</u>	\$ <u>484,000</u>
Interest rate range	<u>1.68%-1.89%</u>	<u>1.45%-1.85%</u>

1.The interest expense on bank borrowings of the Company is recognized in the income statement, please refer to Note 6(18) for details.

2.Please refer to Note 8 for details on the collateral for the above-mentioned short-term borrowings.

(9) Short-term Promissory Notes Payable

	<u>Dec.31, 2023</u>	Dec. 31, 2022
Accounts Payable Commercial Bills	\$ <u>95,000</u>	\$ <u>-</u>
Interest rate range	<u>1.32%-1.41%</u>	<u>-</u>

(10) Pensions

1. In accordance with the Labor Pension Act, the Company set up the defined contribution plan for retirement for employees who are the citizens of ROC starting from July 1, 2005. According to employee's option for the labor pension system stipulated by the Labor Pension Act, the Company each month contributes to the Labor Pension Fund at the rate of 6% of employees' monthly wages. Payments of employees pension are made to each employee's personal pension account and employees can choose to receive the principal and the cumulative gains by monthly pension payments or a lump sum pension payment.
- 2.In accordance with the above-mentioned pension plan, the Company recognized a pension cost of NT\$1,166 and NT\$1,168 in 2023 and 2022

respectively.

(11) Share Capital

1.As of December 31, 2023, the authorized capital of the Company amounted to \$2,500,000, while the paid-in capital stood at \$1,566,133, divided into 156,613,000 shares with a par value of NT\$10 per share. All payments for the issued shares of the Company have been received.

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

	<u>2023</u>	<u>2022</u>
January 1	149,156	110,486
Transfer of surplus to capital	<u>7,457</u>	<u>38,670</u>
Dec. 31	<u><u>156,613</u></u>	<u><u>149,156</u></u>

2.On May 30, 2023, the Company resolved at the shareholders' meeting to increase capital by issuing 7,457,000 new shares through the transfer of earnings amounting to \$74,578. This capital increase was approved by the Financial Supervisory Commission on August 7, 2023, and the registration of the change has been completed.

3. On June 15, 2022, the Company resolved at the shareholders' meeting to increase capital by issuing 38,670,000 new shares through the transfer of earnings amounting to \$386,699. This capital increase was approved by the Financial Supervisory Commission on August 2, 2022, and the registration of the change has been completed.

(12) Capital Fund

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

(13) 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. The attendance of two-thirds or more of the directors of the Board of Directors and the approval of a majority of the attending directors shall be required for resolutions regarding the distribution of dividends, bonuses, capital surplus, or legal reserve surplus, whether in whole or in part, in the form of cash, and shall be reported to the shareholders' meeting. The provisions requiring resolutions by the shareholders' meeting do not apply in this case.

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) Upon the initial adoption of IFRSs, the special surplus reserve set aside in accordance with the letter No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021, should be reversed by the proportion when the Company subsequently uses, disposes of, or reclassifies related assets. If the aforementioned assets are investment properties, the land portion shall be reversed upon disposal or reclassification, while the portion excluding land shall be reversed progressively throughout the term of use.
4. On March 14, 2023, the Board of Directors resolved to distribute cash dividends of \$29,831 (NT\$0.2 per share) from the earnings, and on May 30, 2023, the shareholders' meeting approved the distribution of stock dividends of \$74,578 (NT\$0.5 per share) from the earnings of 2021. On March 24, 2022, the Board of Directors resolved to distribute cash dividends of \$110,486 (NT\$1 per share) from the earnings of 2021, and on June 15, 2022, the shareholders' meeting approved the distribution of stock dividends of \$386,699 (NT\$3.5 per share) from the earnings of 2020. For information on the aforementioned resolutions regarding the distribution of earnings by the Board of Directors and shareholders' meetings, please refer to the "Public Information

Observation Station" of the Taiwan Stock Exchange.

5. On March 13, 2024, the Board of Directors resolved not to distribute dividends from the earnings of the fiscal year 2023.

(14) Operating income

Newly issued/Amended/Revised Standards and Interpretations.	The effective date of issuance by the International Accounting Standards Board.
The amendment to International Financial Reporting Standard 16 "Leases" regarding "Lease Liabilities in Sale and Leaseback Transactions.	2024/1/1
The amendment to International Accounting Standard 1 "Classification of Liabilities as Current or Non-current	2024/1/1
The amendment to International Accounting Standard 1 "Non-Current Liabilities with Contractual Maturities.	2024/1/1
Newly issued/Amended/Revised Standards and Interpretations.	
The amendment to International Accounting Standard 7 and International Financial Reporting Standard 7 "Supplier Finance Arrangements.	2024/1/1

1. Revenue from customer contracts

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

	Room Revenue	Food & Beverage Income	Other Income	Total
2023				
Revenue from external client contracts	\$ -	\$ 19,924	\$ 995	\$ 20,919
Revenue Recognition Timing Revenue is recognized at a certain point in time	-	\$ 19,924	\$ 995	\$ 20,919
		Food & Beverage Income	Other Income	Total
2022				
Revenue from external client contracts	\$ -	\$ 21,268	\$ 722	\$ 21,990

Revenue Recognition Timing							
Revenue is recognized at a certain point in time	<u>\$</u>	-	\$	21,268	\$	722	\$ 21,990

2. Contract liabilities

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

	Dec. 31, 2023	Dec. 31, 2022	Jan. 01, 2022
Contract liabilities:			
contract liabilities - food and beverage service contract	\$ 1,174	\$ 654	\$ 682

Initial contract liabilities recognized as revenue in the current period.

	2023	2022
The initial balance of contract liabilities recognized as revenue in the current period. Food and beverage service contracts		
contract liabilities - food and beverage service contract	\$ 654	\$ 682

(15) Interest income

	2023	2022
Bank deposit interest	\$ 5,770	\$ 734
Interest income fom financial assets	78,317	27,539
Other interest income	3,051	6
	<u>\$ 87,138</u>	<u>\$ 28,279</u>

(16) Other income

	2023	2022
Government grant income	\$ 42	\$ 14
Management service income	62,497	3,000
Other income - Miscellaneous	907	12,114
	<u>\$ 63,446</u>	<u>\$ 15,128</u>

Due to the impact of the COVID-19 pandemic, our company faced operational difficulties and applied for relief and revitalization measures provided by the government for industries severely affected by the pandemic. Additionally, we applied to the Kaohsiung City Government Tourism Bureau for subsidies for epidemic prevention lodging usage. After review and approval, our continuing operating units recognized government grant income of \$12 and \$14 in the fiscal years 2023 and 2022, respectively.

(17) Other interests and losses

	<u>2023</u>	<u>2022</u>
Financial assets at fair value through profit or loss		
Net gain on financial assets	\$ 9,212	\$ 1,871
Foreign currency exchange loss	(5,966)	169,725
Lease modification benefits	1	-
<u>Other losses</u>	(2)	-
	<u>\$ 3,245</u>	<u>\$ 171,596</u>

(18) Financial cost

	<u>2023</u>	<u>2022</u>
Interest expense		
Borrowings from banks	\$ 8,799	\$ 6,310
Interest on lease liability	84	126
	<u>\$ 8,883</u>	<u>\$ 6,436</u>

(19) Addition information on expenses

	<u>2023</u>	<u>2022</u>
Employee benefits expenses	\$ 31,038	\$ 32,593
Property, plants, and equipment Depreciation	2,490	2,324
Right-of-use asset Depreciation	2,728	3,064
	<u>\$ 36,256</u>	<u>\$ 37,981</u>

(20) Employee benefit expense

	<u>2023</u>	<u>2022</u>
Salary and Fees	\$ 26,839	\$ 28,092
Labor and Health Insurance Costs	2,486	2,535
Pension Costs	1,166	1,168

Other employee benefit expense	<u>547</u>	<u>798</u>
	<u>\$ 31,038</u>	<u>\$ 32,593</u>

According to the Company's articles of incorporation, employee compensation shall be distributed at a rate ranging from 0.1% to 1% based on the profit situation of the current year, and director compensation shall be distributed at a rate not exceeding one percent based on the profit situation of the current year. However, any accumulated losses of the company shall be compensated for.

The estimated amounts for employee compensation and director compensation for the fiscal years 2023 and 2022 were both \$0. For the fiscal year 2023, the estimated amounts were based on the percentage specified in the articles of incorporation for that year's profit situation. The actual amounts distributed by the Board of Directors were \$21 and \$0, respectively. Employee compensation will be distributed in cash. The differences between the estimated and actual amounts for employee compensation and director compensation were \$21 and \$0, respectively, primarily due to estimated changes, which will be adjusted in the profit and loss for the fiscal year 2024 as resolved by the Board of Directors..

The differences between the estimated employee compensation of \$0 and director compensation of \$0 recognized in the financial statements for the fiscal year 2022 and the actual amounts resolved by the Board of Directors for the fiscal year 2022 were \$573 and \$0, respectively. This difference primarily reflects estimated changes and has been adjusted in the profit and loss for the fiscal year 2023. Employee compensation was distributed in cash.

Information related to employee compensation and director compensation approved by the Board of Directors of the Company can be accessed on the Public Information Observation Station.

(21) Income tax

1. Income tax expense (benefit)

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

	<u>2023</u>	<u>2022</u>
<i>Current income tax:</i>		
Income tax generated from current income:	\$ -	\$ -
Unallocated surplus plus levy	14,105	50,798
Overestimation of income tax in prior years	(1)	-
Total current income tax	<u>14,104</u>	<u>50,798</u>
<i>Deferred income tax:</i>		
Origination and reversal of temporary differences	(18,937)	<u>120,172</u>
Income tax expense (benefits)	<u>(\$ 4,833)</u>	<u>\$ 170,970</u>

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

	<u>2023</u>	<u>2022</u>
Foreign operating agency conversion difference	\$ <u>274</u>	\$ <u>35,175</u>

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

	<u>2023</u>	<u>2022</u>
Taxable income calculated at the statutory tax rate Income tax (Note	\$ 4,183	\$ 114,594
Income tax effects of adjustments based on tax regulations.	(23,118)	10,886
Income exempt from tax under tax regulations.	(2)	(3)
Changes in the realizability assessment of deferred tax assets.	-	(5,305)
Overestimation of income tax in prior years.	(1)	-
Levy on undistributed surplus.	<u>14,105</u>	<u>50,798</u>
Income tax expenses (Benefits)	<u>(\$ 4,833)</u>	<u>\$ 170,970</u>

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

3. The amount of each deferred income tax asset or liability arising from temporary differences and tax losses is as follows

	<u>2023</u>			
	<u>January 1</u>	<u>Recognized in Gain or loss</u>	<u>Recognized in Others Consolidated Profit and Loss</u>	<u>December 31</u>
Deferred tax assets:				
Temporary differences				
Bonus for not taking leave	\$ <u>159</u>	(\$ <u>42</u>)	-	\$ <u>117</u>
Deferred income tax liabilities				
Temporary differences				
Unrealized gains on financial assets	(374)	(1,831)	-	(2,205)
Recognition of investment income under the equity method for overseas operations	(206,624)	19,373	-	(187,251)

Foreign exchange differences of overseas operating institutions	(5,279)	-	(274)	(5,553)
Unrealized exchange gains	<u>(12,458)</u>	<u>1,437</u>	<u>-</u>	<u>(11,021)</u>
	<u>(224,735)</u>	<u>18,979</u>	<u>(274)</u>	<u>(206,030)</u>
	<u>(\$224,735)</u>	<u>\$ 18,937</u>	<u>(\$ 274)</u>	<u>(\$ 205,913)</u>

	<u>2022</u>			
	<u>January 1</u>	<u>Recognized in Gain or loss</u>	<u>Recognized in Others Consolidated Profit and Loss</u>	<u>December 31</u>
Deferred tax assets:				
Temporary differences				
Foreign exchange differences of overseas operating institutions	\$ 29,896	\$ -	(\$ 29,896)	\$ -
Unrealized exchange losses	20,441	(20,441)	-	-
Bonus for not taking leave	120	39	-	159
Taxable loss	<u>5,305</u>	<u>(5,305)</u>	<u>-</u>	<u>-</u>
	<u>55,762</u>	<u>(25,707)</u>	<u>(29,896)</u>	<u>159</u>
Deferred income tax liabilities				
Unrealized gains on financial assets	-	(374)	-	(374)
Recognition of investment income under the equity method for overseas operations	(124,991)	(81,633)	-	(206,624)
Foreign exchange differences of overseas operating institutions	-	-	<u>(5,279)</u>	<u>(5,279)</u>
Unrealized exchange gains	<u>-</u>	<u>(12,458)</u>	<u>-</u>	<u>(12,458)</u>
	<u>(124,991)</u>	<u>(94,465)</u>	<u>(5,279)</u>	<u>(224,735)</u>
	<u>(\$ 69,229)</u>	<u>(\$ 120,172)</u>	<u>(\$ 35,175)</u>	<u>(\$ 224,576)</u>

4. The validity period of unused tax losses and the amounts of unrecognized deferred income tax assets related to the Company are as follows:

December 31, 2023

<u>occurrence year</u>	number of declarations/ <u>approved amount</u>	<u>deductible amount</u>	<u>unutilized amount</u>	unrecognized deferred	
				<u>income tax asset portion</u>	<u>offsetting year</u>
106	approved amount	\$ 72,817	\$ 16,785	\$ 16,785	116
107	approved amount	56,901	56,901	56,901	117
108	approved amount	40,604	40,604	40,604	118
109	approved amount	47,245	47,245	47,245	119
110	approved amount	<u>107,265</u>	<u>107,265</u>	<u>107,265</u>	120
		<u>\$ 324,832</u>	<u>\$ 268,800</u>	<u>\$ 268,800</u>	

December 31, 2022

<u>occurrence year</u>	number of declarations/ <u>approved amount</u>	<u>deductible amount</u>	<u>unutilized amount</u>	unrecognized deferred	
				<u>income tax asset portion</u>	<u>offsetting year</u>
109	approved amount	\$ 47,245	\$ 22,163	\$ 22,163	119
110	approved amount	<u>107,265</u>	<u>107,265</u>	<u>107,265</u>	120
		<u>\$ 154,510</u>	<u>\$ 129,428</u>	<u>\$ 129,428</u>	

(22) Earnings (loss) per share

	<u>2023</u>		<u>1</u>
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Current net income attributable to the common stock shareholders of the parent company	<u>\$ 25,749</u>	<u>156,613</u>	<u>\$ 0.16</u>
<u>Diluted earnings per share</u>			
Attributable to ordinary shareholders of the Company			
Net income for the period	\$ 25,749	156,613	
Potential common stock with dilutive effect			
Effect of dilutive potential common stock			
Employee compensation	<u>-</u>	<u>5</u>	
Attributable to the Company's common shareholders			
Net income for the period plus potential Effect of common stock	<u>\$ 25,749</u>	<u>156,618</u>	<u>\$ 0.16</u>

	2022		1
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Current net income			
attributable to the common			
stock shareholders			
of the parent company	<u>\$ 402,002</u>	<u>156,613</u>	<u>\$ 2.57</u>
<u>Diluted earnings per share</u>			
Attributable to ordinary			
shareholders of the Company			
Net income for the period	\$ 402,002	156,613	
Potential common stock with			
dilutive effect			
Effect of dilutive potential			
common stock			
Employee compensation	<u> -</u>	<u> 14</u>	
Attributable to the Company's			
common shareholders			
Net income for the period plus			
potential			
Effect of common stock	<u>\$ 402,002</u>	<u>156,627</u>	<u>\$ 2.57</u>

2.The above weighted average number of shares outstanding has been retroactively adjusted in accordance with the ratio of capitalization of earnings in fiscal 2022.

(26) Supplementary information on cash flow

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

	<u>2023</u>	<u>2022</u>
Purchase of real estate, plant and equipment	\$ 665	\$ 1,118
Add: Other payables at the beginning of the period - change in payment for land use		
Equipment payable at beginning of period	90	2,859
listed as "Other payables" in the table		
Less: Amount due for equipment at the end of the period		
(listed as "Other payables" in the table)		(90)
Cash payment in the current period Fundraising	<u>\$ 755</u>	<u>\$ 3,887</u>

(24) Change of liabilities from financing activities

	<u>2023</u>				<u>Total liabilities from financing activities</u>
	<u>Short-term borrowings</u>	<u>Short-term notes payable</u>	<u>Lease Liabilities</u>	<u>Long-term liabilities</u>	
January 1	\$484,000	\$ -	\$ 7,641	\$ -	\$ 491,641
Change of cash flows from Financing activities	(84,000)	95,000	(2,732)	-	8,268
Other non-cash changes (Note)	-	-	(143)	-	(143)
December 31	<u>\$ 400,000</u>	<u>\$ 95,000</u>	<u>\$ 4,766</u>	<u>\$ -</u>	<u>\$ 499,766</u>
	<u>2022</u>				<u>Total liabilities from financing activities</u>
	<u>Short-term borrowings</u>	<u>Short-term notes payable</u>	<u>Lease Liabilities</u>	<u>Long-term liabilities</u>	
January 1	\$ 884,000	\$ 30,000	\$ 10,625	\$ 13,948	\$ 938,573
Change of cash flows from Financing activities	(400,000)	(30,000)	(2,984)	(13,948)	(446,932)
December 31	<u>\$ 484,000</u>	<u>\$ -</u>	<u>\$ 7,641</u>	<u>\$ -</u>	<u>\$ 491,641</u>

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

7. Transactions with related parties

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

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

("EV CORP.)

Holiday Garden FM CORP.

("FM CORP.)

Subsidiaries directly held by U.S.

(2)Material Transactions with related parties

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

	<u>2023</u>		<u>2022</u>
Holiday Garden Development Co., Ltd	\$ 3,000		\$ 3,000
SF CORP.	15,657		-
VC CORP.	12,526		-
WC CORP.	9,394		-
EV CORP.	12,526		-
FM CORP.	<u>9,394</u>		<u>-</u>
total	<u>\$ 62,497</u>		<u>\$ 3,000</u>

2. Primary management remuneration and compensation information

	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 3,590</u>	<u>\$ 3,810</u>

8. Collateralized assets

The Company's collateralized assets are listed below:

<u>Assets</u>	<u>Book value</u>		<u>For guarantee purposes</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Time deposits (Tabulated as "Financial assets measured at amortized cost - current")	\$ 886,325	\$ 968,456	Short-term loan And payable and short term notes payable
Demand deposits (Tabulated as "Financial assets carried at amortized cost - current")	—	69	Gift Certificate Performance Guarantee
	<u>\$ 886,325</u>	<u>\$ 968,525</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingency

None

(2) Undertakings

No undertakings

10. Significant casualty losses

None

11. Major events after the reporting period

None

12. Others

(1) Capital management

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	\$ 732,440	\$ 779,013
Total assets	\$ 3,919,867	\$ 3,969,428
Debt to assets ratio	<u>19</u>	<u>20</u>

(2) Financial instruments

1. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Mandatory financial assets at fair value through profit or loss		
Financial assets at fair value through profit or loss	\$ 95,766	\$ 31,140
Financial assets measured at amortised cost		
Cash and cash equivalents	732,789	823,291
Financial assets measured at amortised cost	1,031,125	976,967
Accounts receivable	891	1,257
Other accounts receivable	13,905	7,957
Deposit Guarantee	<u>1,171</u>	<u>1,241</u>
	<u>\$ 1,875,647</u>	<u>\$ 1,841,853</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 400,000	\$ 484,000
Short-term notes payable	95,000	-
Accounts payable	1,798	1,926
Other accounts payable	9,239	9,104
Long-term borrowings (including the current portion of long-term debt payable)	<u>-</u>	<u>17</u>
	<u>\$ 506,037</u>	<u>\$ 495,047</u>
Leasing Liabilities	<u>\$ 4,766</u>	<u>\$ 7,641</u>

2 Risk management policies

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

3 Nature and level of significant financial risk

(1) Market risk

Foreign exchange rate risk

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

<u>December 31, 2023</u>						
	Foreign currencies (NT\$1,000)	Exchange rate	Carrying amount (NT\$)	<u>Sensitivity analysis</u>		
				Degree of variation	Effect on <u>profit</u> or loss	Effect on other <u>comprehensive income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$: NT\$	56,177	30.71	\$ 1,725,199	1%	\$ 17,252	\$ -
<u>Long-term investments accounted for using the equity method</u>						
US\$: NT\$	64,519	30.71	1,981,367	1%	19,814	-
<u>December 31, 2022</u>						
	Foreign currencies (NT\$1,000)	Exchange rate	Carrying amount (NT\$)	<u>Sensitivity analysis</u>		
				Degree of variation	Effect on <u>profit</u> or loss	Effect on other <u>comprehensive income</u>
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$: NT\$	\$ 54,757	30.71	\$ 1,681,602	1%	\$ 16,816	\$ -
<u>Long-term investments accounted</u>						
	67,628	30.71	2,076,863	1%	20,769	-

D. In the fiscal years 112 and 111 of the Republic of China, the aggregate amount of (losses) gains on the entire currency items of the Company due to significant fluctuations in exchange rates (including realized and unrealized) were \$(5,966) and \$169,725, respectively.

Price risk

The Company invests in open-ended funds, the prices of which are affected by the uncertainty of future values of the underlying investments. If the prices of such equity instruments rise or fall by 1%, while all other factors remain constant, the pre-tax net profit for the fiscal years 112 and 111 would increase or decrease by \$958 and \$311, respectively, due to gains or losses from equity instruments measured at fair value through profit or loss.

- A. The Company's interest rate risk arises from short-term and long-term borrowings at floating rates, exposing the Company to cash flow interest rate risk. As of December 31, 2023 and 2022, the Company's borrowings with floating interest rates are in New Taiwan Dollars.
- B. The Company's loans are measured at amortized cost and the interest rates are re-set each year according to the contract. Therefore, the Company is exposed to the risk of future market interest rate changes.
- C. If borrowing rates had increased or decreased by 1%, with all other factors held constant, pre-tax income would have decreased or increased by \$4,900 and \$4,840 in fiscal 2023 and 2022, respectively, primarily due to changes in interest expense as a result of variable-rate borrowings.

(2) Credit risk

- A. The Company is exposed to credit risk of customers' failure of fulfilling their contractual obligations, which can expose the Company to financial losses. The primary source of credit risk is the counterparty's failure of paying accounts receivable according to the terms of payment.
- B. The Company has to manage and perform credit risk analysis in accordance with the internal credit policy before entering into the terms and conditions of payment and service rendering with each new customer. Internal risk control evaluates a customer's credit quality based on the customer's financial condition, past experience, and other factors.
- C. The Company adopts the premise provided by IFRS9: When a payment is 30 days past due according to the contractual terms and conditions, the credit risk of this financial asset is deemed to have increased significantly since its initial recognition.
- D. The Company adopts the premise provided by IFRS9: When a payment is more than 90 days past due according to the contractual terms and conditions, default is deemed to

have happened.

E. The Company classifies customers' notes and accounts receivable according to credit conditions and adopts a simplified method that uses the loss rate as the basis for estimating the expected credit loss.

F. The Company's allowance for losses on notes and accounts receivable as of December 31, 2023 and 2022, after adjusting the loss rate established based on historical and current information for a specific period for future-looking considerations, is as follows

	<u>Not past due and past due for 1 to 30days</u>	<u>Past due for 31 to 90 days</u>	<u>Past due for more than 91 days</u>	<u>Total</u>
<u>December 31, 2023</u>				
Expected loss rate	1.09%	1.56%	100.00%	
Total book value	\$ 85	\$ 40	\$ -	\$ 893
Loss allowance	-	-	-	-

	<u>Not past due and past due for 1 to 30 days</u>	<u>Past due for 31 to 90 days</u>	<u>Past due for more than 91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	0.97%	1.44%	100%	
Total book value	\$ 1,221	\$ 38	\$ -	\$ 1,259
Loss allowance	1	1	-	2

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

	<u>2023</u>	<u>2022</u>
January 1	\$ 2	\$ 30
Impairment loss provision	-	(17)
Impairment loss reversal of discontinued units	-	(11)
December 31	<u>\$ 2</u>	<u>\$ 2</u>

(3) Liquidity risk

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

B. Each operating entity's surplus cash, when it exceeds the management needs for operating funds, will be transferred back to the company's finance department. The finance department then invests the surplus funds in interest-bearing current accounts, checking accounts, fixed-term deposits, and marketable securities, all of which have appropriate maturity dates or sufficient liquidity to meet the forecasted requirements and provide adequate liquidity buffers. As of December 31 of ROC years 112 and 111, the Company held currency market positions of \$828,184 and \$853,983, respectively, which can generate immediate cash flows to manage liquidity risk.

C. The following table shows the Company's non-derivative financial liabilities, which are classified by the maturity date. Non-derivative financial liabilities are analyzed based on the time remains from the balance date to the contractual maturity date. The following table discloses the amount of contractual cash flows that is non-discounting.

December 31, 2023

<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	\$ 485,109	\$ -	\$ -
short-term notes payable	95,000		
Accounts payable	1,798	-	-
Other accounts payable	9,239	-	-
Lease liabilities	2,364	1,354	1,130

Derivative financial liabilities: None

December 31, 2022

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

Derivative financial liabilities: None

(3) Value Informationary

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

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

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

Level 3: Unobservable input value of assets or liabilities.

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

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

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

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

2023.12.31	Level 1	Level 2	Level 3	Total
Assets				
Repeated fair values				
Beneficiary certificates of				
financial assets at fair value				
through profit or loss	<u>\$ 95,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,766</u>
Liabilities:None				

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

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

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

Open-Ended Funds

Market Quote	Net value
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13. Note Disclosure

(1). Information on significant transactions

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

(2) Information about the investment business

Name of investee company, location and other related information (excluding Mainland China investee company): Please refer to Table 5.

(3) Mainland China investment information

1. Basic information: None.

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

(4)Major Shareholders' Information

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

14. Department Information

Not applicable

Holiday Garden International Ltd. and subsidiaries

Loan funds

2023

Table 1

Unit: NTS1,000

(Unless otherwise noted)

No. (Note 1)	Company providing the loan	Borrower	Transaction item (Note 2)	A related party yes or not	The maximum amount of this period (Note 3)	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 (Note 6)	Recognized amount of loss allowance	Collaterals Name Value	Maximum amount of loans permitted to a single borrower (Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
1	Holiday Garden International Ltd.	Holiday Garden U.S.	Receivable from related companies	yes	\$ 1,448,560	\$ 1,448,560			Short-term financing funds	\$ -	Operational needs	\$ -	None \$ -	\$ 99,068,300	\$ 207,686,300	Note 9
2	Holiday Garden U.S.	Holiday Garden NW CORP.	Receivable from related companies	yes	240,870	240,870			Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden VC CORP.	Receivable from related companies	yes	194,610	194,610	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	584,820	584,820	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	64,980	64,980	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	559,362	559,362	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	94,950	94,950	-		Short-term financing funds	-	Operational needs	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	84,030	84,030	-		Short-term financing funds	-	Operational needs	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden SF U.S.	Holiday Garden FM CORP.	Receivable from related companies	yes	430,900	430,900	-		Short-term financing funds	-	Hotel acquisition Operational needs	-	None -	3,798,750	7,597,500	Note 9
3	Holiday Garden SF SF CORP.	Holiday Garden VC CORP.	Receivable from related companies	yes	154,200	154,200	-		Short-term financing funds	-	Hotel acquisition	-	None -	12,859,750	25,719,500	Note 9
3	Holiday Garden SF SF CORP.	Holiday Garden U.S.	Receivable from related companies	yes	387,516	387,516	-		Short-term financing funds	-	Operational needs	-	None -	12,859,750	25,719,500	Note 9

Note 1: See the footnotes below

(1) 0 for the Company

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

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

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

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

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

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

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

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

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

Table 2

Holiday Garden International Ltd. and subsidiaries
Status of Marketable Securities Held at the End of the Period (Excluding Investment in Subsidiaries, Affiliated Enterprises, and Joint Venture Control)
2023

		End of Period							
Holiday Garden International Ltd.	Types and Names of Marketable Securities	The Relationship with the Issuer of Marketable Securities	Accounting Items	Number of Shares	Book Value	Ownership Percentage	Fair Value	Remarks	
Holiday Garden International Ltd.	Fund: GDDAAU - Global Dividend Accumulation (USD)	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	\$8,201	-	\$8,201	Note5	
Holiday Garden International Ltd.	Fund: GDDAAU -Multiple Income Accumulation (USD)	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	7,752	-	7,752	Note5	
Holiday Garden International Ltd.	Fund: JP Morgan Western Asset Global Investment Grade Bond Fund Class A Accumulation (USD)	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	24,265	-	24,265	Note5	
Holiday Garden International Ltd.	Fund:0426 Featured Income Fund - USD	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	22,563	-	22,563	Note5	
Holiday Garden International Ltd.	Fund:0788 USD Short-Term Treasury Bond Fund	None	Financial Assets at Fair Value Through Profit or Loss - Current	-	32,985	-	32,985	Note5	

Note 1: The term "marketable securities" in this table refers to stocks, bonds, beneficiary certificates, and securities derived from the aforementioned items within the scope of International Financial Reporting Standard 9 "Financial Instruments." Note 2: If the issuer of marketable securities is not a related party, this column can be left blank.

Note 3: For securities measured at fair value, the amount in the "Book Value" column should be the adjusted book balance after fair value evaluation and deduction of accumulated impairments; for securities not measured at fair value, the amount in the "Book Value" column should be the original acquisition cost or amortized cost minus accumulated impairments.

Note 4: Securities listed herein that are restricted due to collateral provided, pledged borrowings, or other contractual restrictions should be noted in the remarks column, specifying the number of shares pledged or provided as collateral, the amount of collateral or borrowing, and the nature of the restriction.

Note 5: For open-end funds, their market price refers to the net asset value of the fund on the balance sheet date.

Holiday Garden International Ltd. and subsidiaries

Accounts receivable from related parties amounting to NT\$100 million or more or exceeding 20% of the paid-in capital
2023

Table 3

							Overdue Accounts Receivable from Related Parties			Unit: NT\$1,000
The Company Accounted for Receivables	Counterparty Name	Relationship	Accounts Receivable from Related Parties Balance	Turnover Rate	Amount	Handling Method	Amount Recovered from Related Party Receivables After Due Date	Provision for Loss Amount		
Holiday Garden SF SF CORP.	Holiday Garden U.S.	NOTE3	Other Receivables:289,364	NOTE4						

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

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

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

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

Holiday Garden International Ltd. and subsidiaries

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

2023

Table 4

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

Number (Note 1)	Name	Counterparty	Relationship with the counterparty (Note 2)	Transaction condition		Ratio to consolidated total revenue or total assets (Note 3)
				Account	Amount	
1	Holiday Garden International Ltd.	Holiday Garden SF CORP.	(1)	Other income	\$ 15,575	Processed according to the agreement between the two parties 1.09%
1	Holiday Garden International Ltd.	Holiday Garden VC CORP.	(1)	Other income	12,460	Processed according to the agreement between the two parties 0.87%
1	Holiday Garden International Ltd.	Holiday Garden WC CORP.	(1)	Other income	9,345	Processed according to the agreement between the two parties 0.65%
1	Holiday Garden International Ltd.	Holiday Garden EV CORP.	(1)	Other income	12,460	Processed according to the agreement between the two parties 0.87%
1	Holiday Garden International Ltd.	Holiday Garden FM CORP.	(1)	Other income	9,345	Processed according to the agreement between the two parties 0.65%
2	Holiday Garden SF CORP.	Holiday Garden U. S.	(3)	Other receivables	289,346	Processed according to the agreement between the two parties 3.48%
3	Holiday Garden VC CORP.	Holiday Garden SF CORP.	(3)	Other receivables	8,527	Processed according to the agreement between the two parties 0.10%
4	Holiday Garden WC CORP.	Holiday Garden SF CORP.	(3)	Other receivables	14,741	Processed according to the agreement between the two parties 0.18%
5	Holiday Garden EV CORP.	Holiday Garden SF CORP.	(3)	Other receivables	12,861	Processed according to the agreement between the two parties 0.15%
6	Holiday Garden FM CORP.	Holiday Garden SF CORP.	(3)	Other receivables	10,641	Processed according to the agreement between the two parties 0.13%

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

(1) 0 for the parent company.

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

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

(1) The parent company to a subsidiary

(2) A subsidiary to the parent company

(3) A subsidiary to another subsidiary

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

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

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

Holiday Garden International Ltd. and subsidiaries
The investee's name, location, and other related information (excluding investees in mainland China)
2023

Table 5

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

Investor	Investee (Notes 1 and 2)	Location	Primary business items	Initial investment amount		End of the reporting period			Investee's current profit and loss (Notes 2(2))	Recognized current investment gain or loss (Note 2(3))	Note
				Ending of reporting period	Previous year end	Number of shares	Ratio	Carrying amount			
Holiday Garden International Ltd.	Holiday Garden	Taiwan	Tourism hotels	\$ 65,000	\$ 65,000	6,500,000	100	\$ 41,798	\$ 10,566	\$ 10,566	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden	Bermuda	Investment business	977,650	977,650	12,000	100	1,981,366	(96,864)	(96,864)	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden U.S.	USA	Investment business	1,963,161	585,961	18,000	100	75,975	(134,699)	note3	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden SF CORP.	USA	Tourism hotels	84,662	84,662	170,000	100	257,195	56,569	"	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden NW CORP.	USA	Tourism hotels	-	81,250	-	-	-	5,804	"	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden VC CORP.	USA	Tourism hotels	128,200	81,250	150,000	100	10,465	(18,814)	"	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden WC CORP.	USA	Tourism hotels	612,800	80,700	150,000	100	264,539	20,592	"	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden EV CORP.	USA	Tourism hotels	828,388	77,188	150,000	100	410,495	2,163	"	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden FM CORP.	USA	Tourism hotels	554,413	69,263	150,000	100	414,403	(57,988)	"	The Company's subsidiary

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

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

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

Holiday Garden International Ltd. and subsidiaries

Table 6

Major Shareholder Information
December 31, 2023

Main shareholder name	Shares	
	Shares held	Shareholding ratio
YENJUAN INTERNATIONAL CO., LTD.	30,373,305	19.39%
HSBC Bank (Taiwan) Limited is entrusted with custody of Z.P. INVESTMENT CORPORATION investment account	15,462,772	9.87%
HSBC Bank (Taiwan) Limited is entrusted with custody of S & D.C. CO., LTD. investment account	14,862,966	9.49%
HSBC Bank (Taiwan) Limited is entrusted with custody of ZOTO HOLDINGS LIMITED investment account	14,687,124	9.37%
HSBC Bank (Taiwan) Limited is entrusted with custody of TOZAI HOLDINGS LIMITED investment account	12,401,650	7.91%

Holiday Garden International Ltd
Statement of Cash and Cash Equivalents
December 31, 2023

List 1.

Item	Abstract	Amount
Cash in hand and working capital		\$ 371
Cheque Deposit		1,557
Demand Deposit - New Taiwan Dollar Deposit		13,359
Demand Deposits-US Dollar Deposits	USD158,000, exchange rate 30.7	76,665
Time Deposit - New Taiwan Dollar Deposit	interest rate range:0.65% · Maturity period: January 2 2024	15,000
Time Deposit - USD Deposit	USD18,300,000, exchange rate 30.71, interest rate range: 5.10%-5.70% Maturity period: January 8, 2024 to December 28, 2024	561,889
U.S. Dollar Bonds with Buyback	USD2,083,000, exchange rate 30.71, interest rate range: 5.60 Maturity period:March 15,2024	63,948
		<u>\$ 732,789</u>

Holiday Garden Co.
Financial assets measured at amortized cost - current schedule
December 31, 2023

Unit: NT\$1,000

Name	Summary	Contract Period	Amount	Interest Rate	Remark	
	Cathay United Bank	USD Time Deposit	2023.11.23~2024.02.23	\$ 48,212	5.35%	Note
	Cathay United Bank	USD Time Deposit	2023.12.28~2024.01.28	30,705	5.00%	Note
	O-Bank	USD Time Deposit	2023.12.01~2024.03.01	260,958	5.70%	Note
List 2	O-Bank	NTD Time Deposit	2023.10.04~2024.04.04	2,500	1.33%	
	O-Bank	NTD Time Deposit	2023.10.12~2024.04.12	2,500	1.33%	
	O-Bank	NTD Time Deposit	2023.09.12~2024.03.12	415	1.33%	
	O-Bank	NTD Time Deposit	2023.10.28~2024.04.28	3,012	1.33%	
	CTBC BANK Co., Ltd	USD Time Deposit	2023.10.08~2024.01.08	463,384	5.45%	Note
	CTBC BANK Co., Ltd	USD Time Deposit	2023.12.28~2024.12.28	136,372	5.35%	
	First Commercial Bank	USD Time Deposit	2023.10.08~2024.02.03	83,067	5.65%	Note
			<u>\$ 1,031,125</u>			

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

Holiday Gardens International Ltd.
Statement of changes in investments using the equity method
2023

List 3

Name	<u>Opening Balance</u>		<u>Increase in this period (Note 1)</u>		<u>Decrease in the current period (Note 2)</u>		<u>Ending balance</u>		<u>Market price or net value</u>		<u>Evaluation basis</u>	<u>Guarantee or Pledge</u>	<u>Remark</u>
	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Amount</u>	<u>Number of shares</u>	<u>Shareholding ratio</u>	<u>Amount</u>	<u>Unit price</u>			
Holiday Garden International Ltd.	12,000	\$2,076,863	-	-	-	(\$ 95,496)	12,000	100%	\$1,981,367	\$165,114	\$1,981,367	Equity method	None
Holiday Garden Development International Ltd.,	6,500,000	31,233	-	10,566	-	-	6,500,000	100%	41,799	6.43	41,799	Equity method	None
		<u>\$2,108,096</u>		<u>\$10,566</u>		<u>(\$95,496)</u>			<u>\$2,023,166</u>		<u>\$2,023,166</u>		

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

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

Holiday Garden International Ltd. and subsidiaries
Short-term loan schedule
December 31,2023

List 4

Unit: NT\$1,000

<u>Type of loan</u>	<u>Summary</u>	<u>Ending balance</u>	<u>Contract Period</u>	<u>Interest Rate</u>	<u>Financing Amount</u>	<u>Mortgage or Guarantee</u>
Guaranteed bank loan	Cathay United Bank	\$ 70,000	2023.05.23~2024.05.12	1.68%	\$ 600,000	Time Deposit
Guaranteed bank loan	CTBC BANK Co., Ltd	110,000	2023.04.28~2024.01.26	1.68%	500,000	Time Deposit
Guaranteed bank loan	O-Bank	220,000	2023.12.27~2024.01.26	1.89%	400,000	Time Deposit
		<u>\$ 400,000</u>				

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Holiday Garden International Ltd. and subsidiaries
Schedule of Accounts Payable for Short-Term Notes
December 31,2023

List 5

Unit: NT\$1,000

<u>Item</u>	<u>Guarantee Institution</u>	<u>Contract Term</u>	<u>Interest Rate</u>	<u>The Issued Amount</u>	<u>Unamortized Discount</u>	<u>Mortgage or Guarantee</u>
Commercial Promissory Note	China Bills Finance Corporation	2023.12.04~202 4.01.03	1.32%	\$ 20,000	-	\$ 20,000
Commercial Promissory Note	China Bills Finance Corporation	2023.12.04~202 4.01.03	1.41%	\$ 75,000	-	75,000
				<u>95,000</u>	-	<u>\$ 95,000</u>

Holiday Gardens International Ltd.
Schedule of Cost of Operations
2023

List 6

Unit: NT\$1,000

Project	Amount	Remark
Beginning Catering Inventory	\$ 487	
Feed in this period	8,035	
Transfer operating expenses	(161)	
Ending Catering Inventory	(1,074)	
Consumables for this issue	7,287	
Food and room costs	8,636	
	<u>\$ 15,923</u>	

Holiday Gardens International Limited and Subsidiaries

Statement of Operating Expenses

2023

List 7

Unit: NT\$1,000

<u>Project</u>	<u>Summary</u>	<u>Amount</u>	<u>Remark</u>
Salary Expenses		\$ 20,623	
Labor Fee		3,968	
Depreciation		4,965	
Other Fee		13,172	The balance does not exceed 5% of the amount of the subject
		<u>\$ 42,728</u>	

Holiday Gardens International, Inc.

Summary of employee benefits, depreciation and amortization expense incurred during the period by function

2023

List 8

Unit: NT\$1,000

<i>Function</i>	2023			2022		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Total
<i>Properties</i>						
Employee Benefit Expenses	\$ 7,229	\$ 23,809	\$ 31,038	\$ 6,040	\$ 26,553	\$32,593
Salary Cost	6,216	17,033	23,249	5,172	19,110	24,282
Labor and health insurance costs	584	1,902	2,486	447	2,088	2,535
Superannuation Expenses	311	855	1,166	247	921	1,168
Director's Remuneration	—	3,590	3,590	—	3,810	3,810
Other Employee Benefit Expenses	118	429	547	174	624	798
Depreciation Expense	253	4,965	5,218	253	5,135	5,388

Notes:

1. The number of employees for the current year and the previous year was 52 and 93, respectively, of which the number of directors who were not also employees was 3, respectively.
2. For companies whose shares are listed on a stock exchange or traded on an OTC stock exchange, the following information should be disclosed:
 - (1) The average employee benefit cost for the current year was \$587; the employee benefit cost for the previous year was \$513.
 - (2) The average employee salary cost for the current year is \$496; the employee salary cost for the previous year is \$436.
 - (3) The adjustment and change in average employee salary cost was 13.76%.
 - (4) The Company has established an audit committee to replace the supervisor as required, so no supervisor's remuneration was recognized
 - (5) Salary Compensation Policy
 1. Policies, criteria and mix of remuneration:
 - (1). The remuneration of the Company's directors and independent directors includes travel expenses and distributed remuneration in accordance with the Company's Articles of Association not exceeding 1% of the current year's profit, which shall be paid in accordance with Article 31 of the Company's Articles of Incorporation.
 - (2). The remuneration and salary of the Company's executives will be paid in accordance with the individual's professional experience and the usual standards of the industry, and bonuses will be paid according to the individual's performance, in accordance with his or her rate of achievement, growth rate, risk and performance.
 - (3). The salaries of the company's employees are determined based on the results of interviews and evaluations at each stage; the salaries of personnel are approved by grade approved by grade. In addition, bonuses are granted according to the performance of individuals based on their achievement rate, growth rate, and job performance.
 2. Procedures for setting salaries
 - (1). The Company's Board of Directors adopted the Organization Regulations of the Compensation Committee in December 2011 and established the Compensation Committee in accordance with the Organization Regulations.
The remuneration of directors and independent director-level executives is prepared.

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