

Holiday Garden International Ltd. and subsidiaries

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year 2023 (from January 1, 2023 to December 31, 2023), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the previous consolidated financial statements of parent and subsidiary companies.

Hereby certify

Holiday Garden International Ltd.

Chen Hai-ni

March 13 ,2024

Independent Accountants' Report

(2024) Tsai Shen Pao Tzu No. 23004212

Holiday Garden Co., Ltd.

Audit Opinion

The consolidated balance sheets of Holiday Garden Co., Ltd. and its subsidiaries (hereinafter referred to as the "Holiday Garden Group") as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years ended December 31, 2024 and 2023, as well as the accompanying notes to the consolidated financial statements (including a summary of significant accounting policies), have been audited by our auditors.

In our opinion, the aforementioned consolidated financial statements present fairly, in all material respects, the financial position of the Holiday Garden Group as of December 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows for the years ended December 31, 2024 and 2023, in conformity with the Financial Reporting Standards for Issuers of Securities and Credit Rating Agencies and the International Financial Reporting Standards, interpretations and interpretations issued by the Financial Supervisory Commission and adopted and published.

Basis for opinion

The auditor performed the audit work in accordance with the Auditor's Attestation Rules for Auditing Certified Financial Statements and the Chinese Auditing Standards. The auditor's responsibilities under these standards will be further explained in the auditor's report on the audit of the consolidated financial statements. The personnel of the auditor's firm subject to independence regulations have adhered to the Code of Professional Ethics for Certified Public Accountants in China, maintained independence from the Holiday Garden Group, and fulfilled other responsibilities under those regulations. The auditor believes

that sufficient and appropriate audit evidence has been obtained to provide a basis for expressing the audit opinion.

Key audit matters

The key audit matters refer to those matters that, in the auditor's professional judgment, are of most significance in the audit of the consolidated financial statements of the Holiday Garden Group for the year ended 2024. These matters have been addressed in the audit of the consolidated financial statements as a whole and have contributed to the formation of the audit opinion. The auditor does not express a separate opinion on these matters individually.

The key audit matters for the consolidated financial statements of the Holiday Garden Group for the year ended 2024 are as follows:

Property, plant and equipment and intangible asset impairment assessment

Description

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

As of December 31, 2024, the total amount of property, plant, and equipment, as well as intangible assets, of the U.S. subsidiary of the Holiday Garden Group amounted to NT\$4,220,218 thousand, accounting for 51% of the total consolidated assets. Due to the proliferation of various types of accommodation hotels in recent years and intense competition in the hotel industry, the management identified indications at some subsidiaries that impairment may have occurred in property, plant, and equipment, as well as intangible assets.

Therefore, each subsidiary adopted estimated future cash flows and appropriate discount rates to discount them to measure the recoverable amount of these assets as a basis for assessing impairment. As the estimation of future cash flows involves multiple assumptions, which may significantly affect the measurement of recoverable amounts, the auditor considers the assessment of impairment of property, plant, and equipment, as well as intangible assets, to be a key audit matter for the current year.

Corresponding audit program

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

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

Other matters: Parent company only financial report

The Group has prepared the 2024 and 2023 parent company only financial statements, and we have issued an audit report with unmodified opinion. That report is available for reference.

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

The responsibilities of management is to prepare appropriately stated consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Standards (IFRSs), the international Accounting Standards (IASs), and the related interpretations and interpretative bulletins endorsed by the Financial Supervisory Commission of the Republic of China.

Management is also responsible for maintaining necessary internal control relevant to the preparation of the consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement by fraud or error.

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

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

Account's responsibilities for the audit of consolidated financial statements

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

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

1. We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or errors, designed and performed audit procedures according to those risks, and obtained audit evidence that can sufficiently and

appropriately form the basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. We obtained an understanding of internal control relevant to the audit in order to design audit procedures suitable for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. We evaluated the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by management.
4. We concluded on the appropriateness of management's use of the going concern basis of accounting and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern based on the audit evidence we have obtained. If we conclude that a material uncertainty exists, we will need to draw attention in our accountant's report to the related disclosures in the consolidated financial statements or to modify our opinion if such disclosures are inadequate. Our conclusions are based on the audit evidence obtained up to the date of this accountant's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. We evaluated the overall presentation, structure and content of the consolidated financial statements, including the attached notes, and whether the consolidated financial statements represent the underlying transactions and events in a fair manner.
6. We obtained sufficient and appropriate audit evidence regarding the financial information of entities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of group audits and are responsible for our audit opinion.

We have communicated with those charged with governance regarding the planned

scope and the timing of the audit as well as material audit findings (including significant internal control shortcomings identified in the audit).

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

We determined the key audit matters of the consolidated financial statements of 2021 of Group according to matters communicated with those charged with governance. We described these matters in the accountant's report, unless the laws and regulations prohibit such disclosure or under rare condition that we decide not to communicate a given matter because the negative impact from such communication may override its public benefits under reasonable assumption.

PwC Taiwan

Accountants

Wang Guo Hua

LIAO,A-SHEN

Former Ministry of Finance Securities and Futures
Commission

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

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

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

March 13, 2024

Holiday Garden International Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31 of 2023 and 2022

Unit: NT\$, 000

Assets	Notes	December 31 2023 Amount	%	December 31 2022 Amount	%
Current assets					
1100	Cash and cash equivalents	\$ 2,416,615	29	\$ 2,668,664	31
1110	Current financial assets measured at fair value through profit or loss	95,766	1	31,140	1
1136	Current financial assets measured at amortized cost	1,031,125	13	976,967	11
1170	Net accounts receivable	43,298	-	29,637	-
1200	Other accounts receivable	15,225	-	8,989	-
1220	Current tax assets	7,948	-	2,145	-
130X	Inventories	1,231	-	709	-
1410	Advance payments	27,915	-	16,608	-
1479	Other current assets - others	198	-	357	-
11XX	Total current assets	<u>3,639,321</u>	<u>44</u>	<u>3,735,216</u>	<u>43</u>
Non-current assets					
1535	Financial assets at amortized cost - non-current	134,791	2	49,169	1
1600	Property, plants, and equipment	3,568,247	43	3,806,038	44
1755	Right if use asset	94,148	1	103,530	1
1780	Intangible assets	687,995	8	737,051	9
1840	Deferred tax assets	169,005	2	203,582	2
1915	Prepayments for equipment	558	-	-	-
1920	Guarantee deposits paid	9,588	-	14,141	-
1990	Other non-current assets - others	207	-	207	-
15XX	Total non-current assets	<u>4,664,539</u>	<u>56</u>	<u>4,913,718</u>	<u>57</u>
1XXX	Total assets	<u>\$ 8,303,860</u>	<u>100</u>	<u>\$ 8,648,934</u>	<u>100</u>

(Next page)

Holiday Garden International Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31 of 2023 and 2022

Unit: NT\$1,000

Liabilities and equity		Notes	D e c e m b e r 3 1 2 0 2 3	2 0 2 3	D e c e m b e r 3 1 2 0 2 2	2 0 2 2
			Amount	%	Amount	%
Current liabilities						
2100	Short-term borrowings	6(9)&8	\$ 400,000	5	\$ 484,000	6
2110	Short-term notes and bills payable	6(10)&8	95,000	1	-	-
2130	Contractual liabilities - current	6(18)	4,745	-	5,866	-
2170	Accounts payable		2,801	-	2,709	-
2200	Other accounts payable	6(11)	133,299	2	132,680	1
2230	Current income tax liabilities		14,268	-	135,001	1
2280	Current lease liabilities		8,115	-	8,578	-
2320	Long-term liabilities - current portion	6(12)&8	122,430	2	742,587	9
2399	Other current liabilities: others		397	-	547	-
21XX	Total current liabilities		<u>781,055</u>	<u>10</u>	<u>1,511,968</u>	<u>17</u>
Non-current liabilities						
2540	Long-term borrowings	6(12)&8	4,016,071	48	3,579,764	42
2570	Deferred income tax liabilities	6(24)	222,448	3	261,796	3
2580	Lease obligations-non-current		96,859	1	104,974	1
2645	Deposits received		-	-	17	-
25XX	Total non-current liabilities		<u>4,335,378</u>	<u>52</u>	<u>3,946,551</u>	<u>46</u>
2XXX	Total liabilities		<u>5,116,433</u>	<u>62</u>	<u>5,458,519</u>	<u>63</u>
Equity						
Consolidated net income attributable to owners of the parent company						
Capital stock						
		6(14)(16)				
3110	Common share capital		1,566,133	19	1,491,555	17
	Capital surplus	6(15)				
3200	Capital surplus		2,169	-	2,169	-
	Retained surplus	6(16)				
3310	Legal reserve		294,226	3	254,025	3
3320	Special reserve		5,330	-	30,035	-
3350	Retained earnings		1,323,805	16	1,417,961	17
Other equity						
3400	Other equity		(4,326)	(-)	(5,330)	-
31XX	Total equity attributable to the owners of the parent company		<u>3,187,427</u>	<u>38</u>	<u>3,190,415</u>	<u>37</u>
3XXX	Total equity		<u>3,187,427</u>	<u>38</u>	<u>3,190,415</u>	<u>37</u>
	Significant contingent liabilities and unrecognized contractual commitments	9				
3X2X	Major events after the reporting period		<u>\$ 8,303,860</u>	<u>100</u>	<u>\$ 8,648,934</u>	<u>100</u>

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-Ling

Holiday Garden International Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

(Except earnings (loss) per share, which is in NT\$1.00)

Item	Notes	2023		2022		
		Amount	%	Amount	%	
4000	Operating revenue	6(17)	\$ 1,433,125	100	\$ 1,364,208	100
5000	Operating cost	6(4)(22)(23)	(267,371)	(19)	(265,543)	(19)
5900	Operating gross profit		<u>1,165,754</u>	<u>81</u>	<u>1,098,665</u>	<u>81</u>
	Operating expenses	6(7)(22)(23)				
6200	Management expense		(1,093,388)	(76)	(1,046,363)	(77)
6450	Expected impairment loss	12(2)	(342)	-	(1,059)	-
6000	Total operating expenses		(1,093,730)	(76)	(1,047,422)	(77)
6900	Operating profit		<u>72,024</u>	<u>5</u>	<u>51,243</u>	<u>4</u>
	Non-operating income and expenses					
7100	Interest Income	6(18)	118,622	8	31,868	3
7010	Other income	6(19)	66,274	5	70,556	5
7020	Other gains and losses	6(2)(20)	3,245	-	775,887	57
7050	Financial cost	6(21)	(335,929)	(23)	(202,711)	(15)
7000	Total non-operating income and expenses		(147,788)	(10)	675,600	50
7900	Net profit before tax		(75,764)	(5)	762,843	54
7950	Income tax expense	6(24)	101,513	7	(324,841)	(24)
8200	Net profit (loss) for this year		<u>\$ 25,749</u>	<u>2</u>	<u>\$ 402,002</u>	<u>30</u>
	Other comprehensive income					
	Components may be subsequently reclassified to profit/loss					
8361	Exchange differences on translation of foreign financial statements		\$ 1,368	-	\$ 175,876	13
8399	Income tax of components that may be reclassified	6(24)	(274)	-	(35,175)	(3)
8300	Net amount other comprehensive income (loss) after tax		<u>\$ 1,094</u>	<u>-</u>	<u>\$ 140,701</u>	<u>10</u>
8500	Total comprehensive income (loss)		<u>\$ 26,843</u>	<u>2</u>	<u>\$ 542,703</u>	<u>40</u>
	Net income attributable to					
8610	Owners of the parent company		<u>\$ 25,749</u>	<u>2</u>	<u>\$ 402,002</u>	<u>30</u>
	Total comprehensive income (loss) attributable to:					
8710	Owners of the parent company		<u>\$ 26,843</u>	<u>2</u>	<u>\$ 542,703</u>	<u>40</u>
	Earnings (loss) per share	6(25)				
9750	Basic earnings per share (loss)		<u>\$ 0.16</u>		<u>(\$ 2.57)</u>	
9850	Diluted earnings (loss) per share		<u>\$ 0.16</u>		<u>(\$ 2.57)</u>	

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

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

Accounting Director : Yu Su-ling

Holiday Garden International Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

Notes	<u>R e t a i n e d e a r n i n g s</u>						Exchange differences On financial Statements of Foreign operating agencies	Total
	Ordinary share capital	Capital Reserve – Issue Premium	Statutory Surplus Reserve	Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)			
<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 or loss 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 Earnings for the Fiscal Year 2021								
Legal reserve	-	-	171,464	-	(171,464)	-	-	
Special surplus reserve	-	-	-	30,035	(30,035)	-	-	
Stock dividend	6(16) 386,699	-	-	-	(386,699)	-	-	
Cash dividends	6(16) -	-	-	-	(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	\$ 1,491,555	\$ 2,169	\$ 254,025	\$ 30,035	\$ 1,417,961	(\$ 5,330)	\$ 3,190,415	
Current net profit	-	-	-	-	25,749	-	25,749	
Other comprehensive income or loss for the period	-	-	-	-	-	1,094	1,094	

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Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu
Su-ling

Holiday Garden International Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

Notes	Ordinary share capital	Capital Reserve – Issue Premium	<u>R e t a i n e d e a r n i n g s</u>				Exchange differences On financial Statements of Foreign operating agencies	Total
			Statutory Surplus Reserve	Special Surplus Reserve	Undistributed Surplus (with offsetting Losses)			
Total consolidated profit or loss for the period	-	-	-	-	25,749	1,094	26,843	
2022surplus refers to allocation and distribution								
Legal reserve	-	-	40,201	-	(40,201)	-	-	
Special reserve	-	-	-	(24,750)	24,705	-	-	
Stock dividends	6(16) 74,578	-	-	-	(74,578)	-	-	
Cash dividends	6(16) -	-	-	-	(29,831)	-	(29,831)	
Balance on 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 consolidated financial statements provided at the end, which is part of the consolidated financial statements.

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu
Su-ling

Holiday Gardens International Limited and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31 of 2023 and 2022

Unit: NT\$1,000

	NOTE	2023	2022
<u>Cash flows from operating activities</u>			
Net profit(loss) before tax		(\$ 75,764)	\$ 726,843
Adjust item			
Profit and loss items			
Net gain on financial assets at fair value through profit or loss	6(2)(20)	(9,212)	(1,871)
Expected credit impairment loss (benefit)	12(2)	342	1,059
Depreciation expense	6(5)(6)(22)	253,643	254,359
Amortized expense	6(7)(22)	49,759	60,981
Lease modification benefits	6(6)(20)	(1)	-
Interest expenses	6(21)	335,929	202,711
Interest income	6(18)	(118,622)	(31,868)
Government Subsidy Revenue	6(12)(19)	(62,300)	(56,233)
Disposal of property, plant and equipment interests	6(20)	-	(604,291)
Property, plant and equipment transferred to expense		-	48
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss - current		(55,414)	(29,269)
Notes Receivable		-	323
Accounts Receivable		(14,192)	3,236
Other receivables		(599)	(1,279)
Inventory		(552)	(71)
Prepayments		(11,465)	(5,506)
Other Mobile Assets – Other		159	73
Net change in liabilities related to operating activities			
Contract liabilities – current		(1,141)	1,977
Accounts Payable		92	895
Other payables		(94)	23,600
Other mobile liabilities – Other		(150)	(20)
Cash inflows from operations		290,488	545,697
Interest Received		112,677	24,536
Interest paid		(333,601)	(190,979)
Refund of income tax		83,711	70,627
Income tax paid		(114,783)	(847)
Net cash inflow from operating activities		<u>38,492</u>	<u>449,034</u>

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

Holiday Gardens International Limited and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31 of 2023 and 2022

Unit: NT\$,1,000
2022

	NOTE	2023	
<u>Cash flows from investing activities</u>			
Financial assets measured at amortized cost - current increased		(\$54,158)	(\$10,267)
"Financial assets measured at amortized cost - non-current increase"		(86,849)	44,115
Acquisition of property, plant and equipment	6(26)	(2,390)	(30,521)
Disposal of property, plant and equipment		-	1,011,011
Proceeds from disposal of intangible assets	6(7)	-	75,730
Increase in prepayments for equipment		(2,741)	-
Decrease (increase) in deposits for guarantees		4,618	(3,038)
Decrease in other non-current assets – other decrease			46
Net cash outflow (inflow) from investing activities		(<u>141,520</u>)	<u>1,087,076</u>
 <u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(27)	394,000	384,000
Decrease in short-term borrowings	6(27)	(478,000)	(784,000)
Increase in short-term notes payable	6(27)	155,000	(30,000)
Decrease in short-term notes payable	6(27)	(60,000)	-
Lease principal repayment	6(27)	(8,435)	(8,236)
Decrease in deposit margin		(17)	(164)
Repayment of long-term loans	6(27)	(124,184)	(584,110)
Payment of cash dividends	6(16)	(29,831)	(110,486)
Net cash outflow from financing activities		(<u>151,467</u>)	<u>(1,132,996)</u>
Effect of exchange rate changes		2,446	120,293
Net decrease (increase) in cash and cash equivalents for the period		(252,049)	523,407
Beginning balance of cash and cash equivalents	6(1)	<u>2,668,664</u>	<u>2,145,257</u>
Ending balance of cash and cash equivalents	6(1)	<u>\$ 2,416,615</u>	<u>\$ 2,668,664</u>

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

Holiday Garden International Ltd. and subsidiaries
Notes for Consolidated Financial Statements
2023 and 2022

(Unless otherwise noted)

1. Company milestones

(1)

Holiday Garden Co., Ltd. (hereinafter referred to as "the Company") was established in July 1959. Its main business activities include general hotel business, restaurant business, food and beverage retail business, etc. The Company's stock has been traded on the Taiwan Stock Exchange since February 1965."

(2) For information of the primary business operations activities of the Company and the subsidiaries (the Group), please refer to Note 4(3).

2. Date and procedure of approval of the financial report

This consolidated financial report has been approved and issued by the Board of Directors on March 14, 2023

3. Applicability of newly issued and revised standards and interpretations

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

The following table summarizes the latest, amended and revised IFRS standards and interpretations applicable for 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 International Financial Reporting Standard (IFRS) 1 "Disclosure of Accounting Policies"	January 1, 2023
- Amendment to International Financial Reporting Standard (IFRS) 8 "Definition of Accounting Estimates"	January 1, 2023
- Amendment to International Financial Reporting Standard (IFRS) 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction with a Single Tax Jurisdiction"	May 23, 2023
- Amendment to International Financial Reporting Standard (IFRS) 12 "International Tax Reform - Pillar Two Rules Template"	

The Group has assessed that the above standards and interpretations have no

significant impact on the financial position and financial performance of the Group.

(2) Impact of Newly Issued, Amended International Financial Reporting Standards Accounting Standards Not Yet Adopted by FSC

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards accounting standards approved by the FSC for application in 2024:-----|-----
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<u>Newly issued/revised/amended standards and interpretations</u>	<u>Effective date of issuance by International Accounting Standards Board</u>
Amendment to International Financial Reporting Standard (IFRS) 16 "Leases: Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendment to International Financial Reporting Standard (IFRS) 1 "Classification of Liabilities as Current or Non-current" -	January 1, 2024
- Amendment to International Financial Reporting Standard (IFRS) 1 "Classification of Liabilities with Contractual Terms" -	January 1, 2024
Amendment to International Financial Reporting Standard (IFRS) 7 and International Financial Reporting Standard (IFRS) 7 "Supplier Finance Arrangements" -	January 1, 2024

The Group has evaluated the above standards and interpretations and determined that they have no significant impact on the financial position and financial performance of the Group.

(三) Impact of International Financial Reporting Standards Accounting Standards Issued by IASB but Not Yet Approved by FSC

The following table summarizes the newly issued, amended, and revised standards and interpretations of International Financial Reporting Standards accounting standards issued by the International Accounting Standards Board but not yet included in the FSC-approved International Financial Reporting Standards:

Effective date of issuance by International Accounting

Newly issued/revised/amended standards and interpretations Standards Board

* Amendments to IFRS 10 and IAS 28 「 Sales or contributions of assets between investors and their affiliates or joint ventures 」	To be announced
International Financial Reporting Standard (IFRS) 17 "Insurance Contracts	January 1, 2023
Amendment to International Financial Reporting Standard (IFRS) 17 Insurance Contracts	January 1, 2023
* Amendment to International Financial Reporting Standard (IFRS) 17 "Insurance Contracts" - "Initial	January 1, 2023
Application of International Financial Reporting Standard (IFRS) 17 and International Financial	January 1, 2023
Amendment to International Accounting Standard (IAS) 21 "The Effects of Changes in Foreign Exchange Rates" - "Lack of Exchangeability"	January 1 2025

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

4. Summary of significant accounting policies

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

(1) Statement of compliance

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

(2) Basis of preparation

1. The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value.
2. To prepare for financial reports in accordance with IFRSs, some important accounting estimations are required. When applying the Group's accounting policies, management also needs to make judgment, which involves accounts of a high level of decision-making and complexity or accounts associated with material assumption and estimation. Please refer to Not 5 attached.

(3) Basis of consolidation

1. Principles for consolidated financial report preparation

- (1) The Group incorporates all subsidiaries into the entities this consolidated financial report is prepared for. Subsidiaries refer to entities controlled by the Group (including structure entities). When the Group is exposed to variable rewards from participating in that entity or entitled to rights to said variable rewards and the Company has the power and ability to affect said rewards of that entity, the Group controls said entity. The subsidiaries are included into the consolidated financial report since the day the Group acquire their control and the consolidation ends on the day their control is lost.
- (2) The transactions, balance, and unrealized profit or loss generated between the subsidiaries of the Group had been eliminated. Necessary adjustment of accounting policies of the subsidiaries has been made to be consistent with policies of the Group.
- (3) Profit or loss and other comprehensive income components are attributable to owners of the parent company and non-controlling interests. Comprehensive income is also attributable to owners of the parent company and non-controlling interests, even if this results in the non-controlling interests having a deficit balance.
- (4) If changes in the shareholding of a subsidiary do not lead to losing the control (transactions with non-controlling interests), they will be treated as equity transactions, i.e., transactions between shareholders. The difference between adjustment of non-controlling interests and the fair value of the consideration paid or received is directly recognized in equity.
- (5) When the Group loses its control over a subsidiary, the remaining investment of the previous subsidiary should be re-measured at the fair value and be treated as the fair value of the initially recognized financial asset or the cost of initially recognized invested associates or joint ventures. The difference between the fair value and the carrying amount is recognized in profit or loss. For all amounts of a subsidiary previously recognized in other comprehensive income, the accounting treatment is based on the same principle as if the Group directly disposes the related assets or liabilities. That is, if the amount is previously recognized as a profit or loss of other comprehensive income, it should be reclassified as income when the related assets or liabilities are disposed. Moreover, when the Company losses the control over the subsidiary, such profit or loss shall be reclassified into income from equity.

2. Subsidiaries included in the consolidated financial report:

<u>Investor</u>	<u>Subsidiary</u>	<u>Business scope</u>	<u>% shareholding</u>		<u>Description</u>
			<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Holiday Garden Hotel Co., Ltd.	HOLIDAY GARDEN INTERNATIONAL LTD.	Investment business	100	100	
	HOLIDAY GARDEN INTERNATIONAL LTD	Hotel operations	100	100	
HOLIDAY GARDEN INTERNATIONAL LTD.	HOLIDAY GARDEN U.S.	Investment business	100	100	
HOLIDAY GARDEN U.S.	HOLIDAY GARDEN SF CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN SN CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN NW CORP.	Hotel operations		100	
	HOLIDAY GARDEN VC CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN WC CORP.	Hotel operations	100	100	
	HOLIDAY GARDEN EV CORP.	Hotel operations	100	-	Note

Note: HOLIDAY GARDEN NW CORP. completed the liquidation process in the third quarter of 2023.

3. Subsidiaries not included in the consolidated financial report: None ◦
4. Adjustment and treatment of different accounting period of subsidiaries: None ◦
5. Significant restriction: None
6. Subsidiaries of non-controlling interests significant to the Group: None

(4) Foreign currency translation

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

1. Foreign currency transaction and balance

- (1) For foreign currency transactions, spot rate of exchange on the trading day or the measurement date is used for functional currency translation, and the resulting exchange differences are recognized in current profit or loss.
- (2) Foreign currency monetary assets and liabilities balance is adjusted based on the spot exchange rate on the balance sheet date, and the resulting exchange differences are recognized in profit or loss.
- (3) Foreign currency monetary assets and liabilities balance is measured at fair value through profit or loss and adjusted using the spot exchange rate on the balance sheet. The resulting exchange differences are recognized in profit or loss. For foreign currency monetary assets and liabilities balance that is measured at fair value through other comprehensive income, it is adjusted using the spot exchange rate on the balance sheet day. The resulting exchange

differences are recognized in the account of other comprehensive income. As for those not measured at fair value, they are measured at the historical exchange rate on the initial transaction day.

- (4) All exchange gains or losses are recognized in “other gains and losses” in the statement of comprehensive income.

2. Translation of foreign financial statements

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

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

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

- (1) Assets expected to be realized in the normal operating cycle or intended to be sold or consumed,
- (2) Liabilities held primarily for transaction purposes.
- (3) Assets expected to be realized within 12 months after the balance sheet date;
- (4) Cash and cash equivalents, excluding those to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

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

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

- (1) Liabilities expected to be paid off in the normal operating cycle;
- (2) Liabilities held primarily for transaction purposes.
- (3) Liabilities that are to be paid off within 12 months after the balance sheet date.
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Classification of liabilities for which, at the option of the counterparty, repayment is required

for the issue of equity instruments is not affected.

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

(6) Cash equivalents

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

(7) Financial assets at amortized cost

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

(8) Financial assets measured at amortised cost

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

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

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

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

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

4) Time deposits held by the Group that do not meet the cash equivalents are measured at the investment amount because of the short holding period and the effect of discounting is not significant.

(9) Accounts and notes receivable

1. This term refers to accounts and notes granting an unconditional right to receive consideration in exchange for transferred goods or rendered services in accordance with the contract.
2. For short-term accounts receivable without interest payment, they are measured at the original invoice amount because of insignificant effect of discounting.

(10) Impairment loss on financial assets

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

(11) Exclusion of financial assets

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

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

(12) Operating lease(lessor)

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

(13) Inventories

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

(14) Property, plants, and equipment

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

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

Land improvements	2 to 39 years
Buildings and structures	2 to 55 years
Utility equipment	3 to 20 years
Business facilities/equipment	1 to 25 years
Other facilities	3 to 8 years

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

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

(16) Intangible assets

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

(17) Non-financial asset impairments

The Group estimates the recoverable amount for assets showing impairments at

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

(18) Borrowings

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

(19) Accounts payable

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

(20) Derecognition of financial liabilities

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

(21) Offset of financial assets and liabilities

Financial assets and liabilities can be offset only if there is the legally enforceable right to do so and the intent is to settle on a net basis or to realize the asset and settle the liability simultaneously, and the net amount has to be stated in the balance sheet.

(22) Employee benefits

1. Short-term employee benefits

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

2. Pensions

Defined contribution plans (DCP)

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

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

Employees' compensation and directors' and supervisors' remuneration are legal or constructive obligations and are recognized in expenses and liabilities when the amount can be reasonably estimated. Deviation between estimated and actual distribution amount shall be treated in accordance with

changes in accounting estimates. For stock distribution as employee remunerations, the closing price of the day prior to the resolution of the Board of Directors shall be the basis for calculating the number of shares.

(23) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized either in the income statement or in equity if it relates to items that are recognized in other comprehensive income or directly in equity
2. The Group calculates the current income tax using tax rates enacted or substantively enacted by the balance sheet date of the country generating the taxable income from operations. Management periodically evaluates the condition of income tax filing in accordance with appropriate income tax related laws and regulations and if applicable shall make tax payment to the tax authorities based on the estimated income tax liabilities. There is an additional tax of unappropriated earnings according to the Income Tax Act, and after the earning distribution is approved at the shareholders' meeting held in the year following the year the earnings are generated, the tax expense of undistributed earnings shall be recognized based on the actual condition of earning distribution.
3. For deferred income tax, the balance sheet liability method is adopted, and it is recognized on temporary differences between the tax base of assets and liabilities and their carrying amounts in the balance sheet. Deferred income tax liabilities generated from the initial recognition of goodwill are not recognized. Moreover, deferred income tax is not recognized if it is originated from the initial recognition of assets or liabilities in transactions (business merger excluded) and neither accounting profits nor taxable income (or tax losses) is affected at the time of the transaction. For temporary differences generated from investments in subsidiaries, they are not recognized if the Group is capable of controlling the time point of reversal of the temporary differences, and the temporary differences may not be reversed in the foreseeable future. Deferred tax is determined using tax rates (and tax laws) enacted or substantively enacted by the balance sheet date, and the tax rates (and tax laws) used are the ones expected to be applicable when realizing related deferred tax assets or repaying related deferred tax liabilities.
4. Deferred tax assets are recognized to the extent when they are highly likely to be used to offset future taxable income, and unrecognized and already recognized deferred income tax assets should be re-evaluated on each balance sheet date.
5. Recognized current income tax assets and liabilities are offset only if there is the legally enforceable right to do so and the intent is to settle on a net basis or to realize the asset and settle the liability simultaneously and the net amount has to be stated in the balance sheet. Deferred income tax assets and liabilities are offset only if there is the legally enforceable right to do so and the deferred income tax assets and liabilities related to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, but each entity intend to either settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(24) Dividend distribution

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

(25) Revenue recognition

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

(26) Government subsidies

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

(27) Business combination

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

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

(28) Operations department

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

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

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

(1) Material judgments adopted by accounting policies

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

(2) Material accounting estimates and assumptions

Intangible assets (excluding goodwill) impairment evaluation

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

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash:		
Cash in treasury and working funds	\$ 1,065	\$ 1,427
Checking deposits and demand deposits	<u>1,331,014</u>	<u>1,813,982</u>
	1,332,079	1,815,409
Cash equivalents:		
Time deposits	1,020,588	822,545
Bonds with repurchase	<u>63,948</u>	<u>30,710</u>
	<u>\$ 2,416,615</u>	<u>\$ 2,668,664</u>

1. The Group places cash and deposits

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

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

2. The aforementioned fixed deposits and repurchase agreements with a term of within three months are classified as cash equivalents due to their nature.
3. As of December 31, 2023 and December 31, 2022, the cash and cash equivalents held by the Group were restricted for pledging purposes and lacked high liquidity. They have been classified as financial assets measured at amortized cost, amounting to \$1,165,916 and \$1,026,136 respectively, and classified as current based on their liquidity.

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

<u>Item</u>	<u>December 31, 2023</u>	<u>December 31 2022</u>
Mobile Items:		
Mandatory financial assets at fair value through profit or loss		
Beneficiary certificates	\$84,736	\$29,269
Valuation adjustments	<u>\$11,030</u>	<u>\$1,871</u>
	<u>\$95,766</u>	<u>\$31,140</u>

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

(2) Net accounts receivable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable	\$ 43,664	\$ 30,936
Less: Allowance for doubtful accounts	<u>(366)</u>	<u>(1,299)</u>
	<u>\$ 43,298</u>	<u>\$ 29,637</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	\$ 40,830	\$ 28,001
Past due for 31 to 90 days	2,512	1,665
Past due for more than 91 days	<u>322</u>	<u>1,270</u>
	<u>\$ 43,664</u>	<u>\$ 30,936</u>

The above is based on an aging analysis as of the balance sheet date.

2. As of December 31, 2023 December 31, 2022 and January 1, 2021, the balances of receivables (including notes receivable) under the Group's contracts with customers were \$43,664 and \$30,936 and 31,502 respectively

3. The Group did not hold any collaterals.

4. Without considering collateral held or other credit enhancements, the maximum exposure to credit risk for accounts receivable for the Group as of December 31, 2023, and December 31, 2022, is \$43,298 and \$29,637, respectively.

5. Please refer to Note 12(2) for information related to accounts receivable credit risk.

(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	<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ 1,231</u>

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

The inventory cost that the Group recognized as expenses for 2023 and 2022 was \$1,092 and \$9,245 respectively.

(5) 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>
Land	\$ 865,197	\$ 865,197
Land improvements	92,888	100,972
Buildings and structures	2,385,150	2,465,944
Utility equipment	3,861	4,494
Business facilities/equipment	211,286	357,601
Other facilities	9,865	11,830
	<u>\$ 3,568,247</u>	<u>\$ 3,806,038</u>

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

		2023				
Cost	Opening balance	Current addition	Current reduction	Current transfer	Exchange rate affected Amount	Closing balance
Land	\$ 865,197	\$ -	\$ -	\$ -	\$ -	\$ 865,197
Land improvements	144,638	-	-	-	-	144,638
Buildings and structures	3,439,144	-	-	-	-	3,439,144
Water and electricity equipment	7,701	248	-	-	-	7,949
Operating equipment	1,323,150	851	-	2,183	(30)	1,326,154
Other facilities	14,218	-	-	-	-	14,218
	<u>\$ 5,794,047</u>	<u>\$ 1,099</u>	<u>\$ -</u>	<u>(\$ 2,183)</u>	<u>(\$ 30)</u>	<u>\$ 5,797,300</u>
		2022				
Cost	Opening balance	Current addition	Current reduction	Current transfer	Exchange rate affected Amount	Closing balance
Land	\$ 893,818	\$ -	(\$ 122,716)	\$ -	\$ 94,095	\$ 865,197
Land improvements	148,779	-	(19,822)	-	15,681	144,638
Buildings and structures	3,411,837	-	(333,735)	-	361,042	3,439,144
Water and electricity equipment	7,701	-	-	-	-	7,701
Operating equipment	1,247,551	23,674	(106,376)	25,295	133,006	1,323,150
Other facilities	9,789	4,429	-	-	-	14,218
Unfinished construction and to be inspected equipment	11,383	-	-	(12,525)	869	-
	<u>\$ 5,730,858</u>	<u>\$ 28,103</u>	<u>\$ 582,649</u>	<u>\$ 13,043</u>	<u>\$ 604,693</u>	<u>\$ 5,794,048</u>

<u>Accumulated depreciation and impairment</u>	2023				
	<u>Opening balance</u>	<u>Current addition</u>	<u>Current reduction</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>
Land improvements	\$ 43,666	\$ 8,200	\$ -	(\$ 116)	\$ 51,750
Buildings and structures	973,200	81,932	-	(1,138)	1,053,994
Water and electricity equipment	3,207	881	-	-	4,088
Business facilities/equipment	965,549	151,425	-	(2,016)	1,114,868
Other facilities	2,388	1,965	-	-	4,353
	<u>\$ 1,988,010</u>	<u>\$ 244,403</u>	<u>\$ -</u>	<u>(\$ 3,360)</u>	<u>\$ 2,229,053</u>

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

3. The Group did not capitalize borrowing costs related to property, plant, and equipment in 2023 and 2022.

4. Significant components of buildings and construction for the Group include buildings and renovation works, with depreciation charged over 39 years and 15 years respectively.

5. For information regarding impairment of property, plant, and equipment, please refer to Note 6(8).

6. For information on property, plant, and equipment provided as collateral, please refer to Note 8.

(6). Lease transaction – Lessee

1 The subject assets leased by the Group include buildings, transportation equipment and multi-function printers, and the lease contract period ranges from 2 years to 20 years. The lease contract is negotiated individually and contains various terms and conditions. Except that the leased assets cannot be used as loan guarantees, and the sublease to a third party requires the consent of the lessor, no other restrictions are imposed.

2. The lease period of some of the buildings and official vehicles leased by the Group is not more than 12 months and the leased low-value subject assets are business equipment.

3. The changes in the Group's right-of-use assets in 2023 and 2022 are as follows:

2023				
	Buildings	Transportation Equipment	wealth-producing equipment	Total
Jan. 01	\$ 102,575	\$ 196	\$ 759	\$ 103,530
depreciation	(8,682)	(196)	(362)	(9,240)
Disposal	142	-	-	(142)
Dec. 31	<u>93,751</u>	<u>\$ -</u>	<u>\$ 397</u>	<u>\$ 94,148</u>

2022				
	Buildings	Transportation Equipment	wealth-producing equipment	Total
Jan. 01	111,447	\$ 534	\$ 1,126	\$ 113,107
depreciation	(8,872)	(338)	(367)	(9,577)
Dec. 31	<u>102,575</u>	<u>\$ 196</u>	<u>\$ 759</u>	<u>\$ 103,530</u>

4. The Group did not have additions to leased assets in 2023 and 2022.

5. Information on income and expenses related to lease contracts is as follows:

	<u>2023</u>	<u>2022</u>
Affected project of current loss and gain		
Interest expense on lease liabilities	\$ 1,821	\$ 1,954
Expense of short-term lease	638	664
Expense of leases of low-value assets	43	27
Variable lease payments:	737	998
Lease Modification Benefits	1	-

6. The Group's total lease cash outflows in 2023 and 2022 are \$11,879 and \$11,674 respectively.

7. Effect of variable lease payments on lease liability

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

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

(7) Intangible assets

	<u>2023</u>		
	<u>Trademark & franchising</u>	<u>Other intangible assets</u>	<u>Total</u>
Jan. 01			
Cost	\$ 976,940	\$ 3,714	\$ 980,654
Accumulated amortisation and impairment	(240,955)	(2,648)	(243,603)
	<u>\$ 735,985</u>	<u>\$ 1,066</u>	<u>\$ 737,051</u>
Jan. 01	\$ 735,985	\$ 1,066	\$ 737,051
Amortization for the current period	(49,294)	(465)	(49,759)
Exchange rate impact	(696)	(7)	(703)
Dec. 31	<u>\$ 687,387</u>	<u>\$ 608</u>	<u>\$ 687,995</u>

Dec. 31				
Cost	\$	976,940	\$	3,714
Accumulated amortisation	(<u>289,553</u>)	(<u>3,106</u>)
	\$	<u>687,387</u>	\$	<u>608</u>
			\$	<u>980,654</u>
				<u>687,995</u>

	<u>2022</u>		
	<u>Trademark & franchising</u>	<u>Other intangible assets</u>	<u>Total</u>
Jan. 01			
Cost	\$ 1,076,377	\$ 8,041	\$ 1,084,418
Accumulated amortisation and impairment	(<u>290,081</u>)	(<u>3,022</u>)	(<u>293,103</u>)
	\$ <u>786,296</u>	\$ <u>5,019</u>	\$ <u>791,315</u>
Jan. 01	\$ 786,296	\$ 5,019	\$ 791,315
Current period amortization,	(60,490)	(491)	(60,981)
Disposals for the period	(71,852)	(3,878)	(75,730)
Exchange rate impact	(<u>82,031</u>)	<u>416</u>	<u>82,447</u>
Dec. 31	\$ 735,985	\$ 1,066	\$ 737,051
Dec. 31			
Cost	\$ 976,940	\$ 3,714	\$ 980,654
Accumulated amortisation	(<u>240,955</u>)	(<u>2,648</u>)	(<u>243,603</u>)
Dec 31	<u>\$735,985</u>	<u>\$1,066</u>	<u>\$737,051</u>

Detailed list of intangible asset amortization :

	<u>2023</u>	<u>2022</u>
Operating expenses	\$ <u>49,759</u>	\$ <u>60,981</u>

(8) Impairment of non-financial assets

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

Accumulated impairment changes are as follows

	Jan. 01. 2023	Increase in this period	Decrease in this period	Exchange rate impact	Dec.31 2023
Housing and Construction	\$ 138,195	\$ -	\$ -	-	\$ 138,195
	Jan.01.2022				Dec.31.2022
Housing and Construction	\$ 124,560	\$ -	\$ -	\$ 13,635	138,195

(9) Short-term borrowing borrowings

The nature of the loan	<u>December 31, 2023</u>	<u>December 31, 2022</u>
The short-term bank loan		
Secured loan	\$ 400,000	\$ 484,000
Interest rate range	<u>1.68%~1.89%</u>	<u>1.45%~1.85%</u>

1. Bank borrowings for the Group are recognized as interest expense in the income statement. Please refer to Note 6(21) for details.

2. Please refer to Note 8 for information on collateral for the aforementioned short-term borrowings.

(10) Sort-term notes payable

	Dec.31, 2023	Dec. 31, 2022
Commercial paper payable	\$ 95,000	\$ -
Interest rate range	<u>1.32%~1.41%</u>	<u>-</u>

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

(11)other payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Salaries payable	\$ 23,031	\$ 26,224
Tax payable	12,755	22,635
Interest payable	21,289	18,993
Royalties payable	3,724	8,908
Management fee payable	3,482	3,430
Equipment payables	-	1,291
Other	69,018	51,199
	<u>\$ 133,299</u>	<u>\$ 132,680</u>

(12)long-tern borrowings

<u>Types of borrowings</u>	<u>Period of borrowing and repayment method</u>	<u>Range of interest rates</u>	<u>Collaterals</u>	<u>December 31, 2022</u>
Long-term borrowings from banks				
Secured loans	Notes 2 and 3	7.45%	Note 1	712,667
Secured loans	Notes 2 and 4	7.75%	Note 1	708,799
Secured loans	Notes 2 and 6	7.75%	Note 1	1,315,727
Secured loans	Notes 2 and 8	7.90%	Note 1	620,157
Secured loans	Notes 2 and 9	7.90%	Note 1	781,151
Credit loan	Note 10	-	None	-
				<u>4,138,501</u>
Less: Long-term loans due within one year				<u>(122,430)</u>
				<u>\$ 4,016,071</u>

<u>Types of borrowings</u>	<u>Period of borrowing and repayment method</u>	<u>Range of interest rates</u>	<u>Collaterals</u>	<u>December 31, 2022</u>
Long-term borrowings from banks				
Secured loans	Notes 2 and 3	5.95%	Note 1	\$ 736,503
Secured loans	Notes 2 and 4	6.75%	Note 1	729,276
Secured loans	Notes 2 and 5	-	Note 1	-
Secured loans	Notes 2 and 6	6.25%	Note 1	1,350,695
Secured loans	Notes 7	-	Note 1	-
Secured loans	Notes 2 and 8	7.30%	Note 1	639,296
Secured loans	Notes 2 and 9	7.50%	Note 1	805,161
Credit loan	Notes 10	1.00%	None	61,420

	4,322,351
Less: Long-term loans due within one year	(742,587)
	<u>\$ 3,579,764</u>

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

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

Note 3 : This loan has a term of 5 years with a floating interest rate. Since March 2017, the subsidiary has been making monthly fixed principal repayments of USD 130,000, and the remaining outstanding loan amount will be repaid in full upon maturity in February 2021. An extension agreement was signed in February 2020 for a period of 1 year with the same terms, and the remaining outstanding loan amount will be repaid in full upon maturity in February 2022. Additionally, in May 2020, a loan repayment deferral agreement was signed, allowing the subsidiary to only pay interest until April 2021. In April 2022, an extension agreement was signed along with the loan described in Note 5, extending the term for 3 years with a floating interest rate. Monthly fixed principal repayments of USD 64,683 will be made, and the remaining outstanding amount will be repaid in full upon maturity in February 2025.

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

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

Note 6 : This loan has a term of 7 years with a floating interest rate. Since May 2019, the subsidiary has been making monthly fixed principal repayments of USD 10,000, and the remaining outstanding loan amount will be repaid in full upon maturity in April 2026. Additionally, in May 2020, a loan repayment deferral agreement was signed, allowing the subsidiary to only pay interest until April 2021. From May 2021 onwards, the deferred principal repayment amount will be repaid in fixed monthly installments of USD 94,887, and the remaining outstanding amount will be repaid in full upon maturity in April 2026.

Note 7 : This loan has a term of 5 years with a floating interest rate. Since July 2020, the subsidiary has been making monthly fixed principal repayments of USD 37,862, and the remaining outstanding loan amount will be repaid in full upon maturity in July 2025. Additionally, in December 2020, a loan repayment deferral agreement was signed, allowing the subsidiary to defer repayment of the principal amount. From January to June, the subsidiary made fixed monthly principal repayments of USD 11,250, and from July to December, the repayments increased to USD 17,750 per month. The deferred principal repayment amount will be repaid in full upon maturity in July 2025. However, the subsidiary completed the early repayment in October 2022.

Note 8 : This loan has a term of 5 years with a floating interest rate. Starting from August 2021, the subsidiary has been making monthly fixed principal repayments of USD 51,934, and the remaining outstanding loan amount will be repaid in full upon maturity in August 2026.

Note 9 : This loan has a term of 5 years with a floating interest rate. Starting from December 2021, the subsidiary has been making monthly fixed principal repayments of USD 65,151, and the remaining outstanding loan amount will be repaid in full upon maturity in December 2026.

Note 10: The loans are for 5 years and 2 years, respectively, and the interest rates are fixed per annum. In April 2021 and 2020, the subsidiary applied for the Paycheck Protection Program from the Small Business Administration (SBA) and borrowed a total amount of \$119,370 (US\$3,887 thousand). The total amount of the loan was \$119,370 (US\$3,887 thousand). The borrowing amount was disbursed on April 1, 2021 and May 1, 2020, respectively.

The following are the main conditions:

- (1) No repayment of principal and interest will be required until the loan waiver is confirmed.
- (2) Under the current U.S. Wage Protection Loan Program, businesses may use the 24-week waiver period to pay for operating expenses and may apply for a loan waiver from the SBA within 10 months of the end of the waiver period. Full or partial loan forgiveness will be available to those who qualify.

As of December 31, 2023, \$119,370 in loan forgiveness has been applied for under the U.S. Payroll Protection Loan Program, which was approved in July 2023 and April 2022, and \$62,300 and \$56,233 in government grant revenue has been recognized in 2023 and 2022, respectively

The interest expense on bank borrowings of the Group is recognized in the profit or loss. Please refer to Note 6 (21) for details.

(13) retirement benefits

- 1.(1) Starting from July 1, 2005, the Company and its domestic subsidiaries, in accordance with the Labor Pension Act, set up the defined contribution plan for retirement, which is applicable for employees who are the citizens of ROC. According to employee's option for the labor pension system stipulated by the Labor Pension Act, the Group and domestic subsidiaries each month contribute to the Labor Pension Fund at the rate of 6% of employees' monthly wages. Payments of employees pension are made to each employee's personal pension account and employees can choose to receive the principal and the accumulated income by monthly pension payment or a lump sum pension payment.
- (2) The overseas subsidiaries adopt a defined contribution system, whereby retirement pensions are accrued on a monthly basis in accordance with local government regulations and recognized as current expenses. The retirement pension costs recognized by the overseas subsidiaries in accordance with relevant retirement pension regulations for the years 2023 and 2022 amounted to \$1,704 and \$1,320 respectively.

(14) share capital

1. As of December 31, 2023, the authorized capital of the company amounted to \$2,500,000, with paid-up capital totaling \$1,566,133, divided into 156,613 thousand shares, each with a par value of NT\$10. All share capital issued by the company has been fully paid up.

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

	<u>2023</u>	<u>2022</u>
Jan. 1	149,156	110,486
Transfer of surplus to capital	7,457	386,670
December 31	<u>156,613</u>	<u>149,156</u>

2. On May 30, 2023, the company's shareholders' meeting resolved to increase the capital by issuing 7,457 thousand new shares using the profit of \$74,578. This capital increase was approved by the Financial Supervisory Commission on August 7, 2023, and the registration of changes has been completed.

(15) Capital Surplus

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

(16) Retained earnings

1. In accordance with the Company's Articles of Incorporation, if there are earnings upon the Company's final account at the end of the year, the Company shall first pay profit-seeking enterprise income tax, make up the deficits for the preceding years and then set aside a legal reserve of 10% of the remainder (not applicable if the legal reserve has reached the total capital amount of the Company). After appropriating or reversing a special reserve in accordance with laws, the balance and the unallocated accumulated earnings from the previous years are the accumulated, distributable earnings for shareholders, for which the Board of Directors shall propose an earning distribution plan to be resolved at the shareholders' meeting. More than 10% of the aforementioned allocable earnings are provided for dividends and shareholders' bonuses, and the cash dividends should be no less than 10% of the total amount of shareholders' dividends and bonuses.
2. The legal reserve cannot be used for purposes other than offsetting the company's deficits or providing new stock or cash to shareholders in proportion to their original shareholding. If the reserve is used for distributing new stock or cash, it has to be more than 25% of the Company's paid-in capital.
3. When distributing profits, the company must, in accordance with legal regulations, first allocate to the special surplus reserve account any debit balance in the other equity items as of the balance sheet date of the current year. Subsequently, when the debit balance in other equity items is reversed, the reversal amount may be included in distributable profits.

4. The company resolved to distribute cash dividends of \$29,831 (NT\$0.2 per share) on March 14, 2023, as approved by the board of directors, and to distribute stock dividends of \$74,578 (NT\$0.5 per share) on May 30, 2023, as approved by the shareholders' meeting for the profits of the fiscal year 2022. On March 24, 2022, the board of directors resolved to distribute cash dividends of \$110,486 (NT\$1 per share), and on June 15, 2022, the shareholders' meeting approved the distribution of stock dividends of \$386,699 (NT\$3.5 per share) for the profits of the fiscal year 2021. For details regarding the resolutions on profit distribution by the board of directors and shareholders' meetings, please refer to the Taiwan Stock Exchange's "Public Information Observation Platform."

5. The company decided not to distribute dividends for the fiscal year 2023 in a board of directors' meeting held on March 13, 2024.

(17) operating income

	2023	2022
Revenue from customer contracts	\$ <u>1,433,125</u>	\$ <u>1,364,208</u>

1. Subdivision of Revenue from Customer Contracts

The revenue of this group can be subdivided into the following main product lines and geographical areas:

	Taiwan			U.S.A	
	Room Revenue	Food & Beverage Income	Other Income	Room Revenue	Total
2023					
Revenue from external client contracts	\$ 48,043	\$ 27,873	\$ 3,698	\$ 1,353,511	\$ 1,433,125
Income recognition time point					
Revenue recognised at a point in time	\$ –	\$ 27,873	\$ 3,698	\$ –	\$ 31,571
Income recognised over time	\$ 43,823	\$ –	\$ –	\$ 1,353,511	\$ 1,401,554
	<u>43,823</u>	<u>27,873</u>	<u>3,698</u>	<u>\$ 1,353,511</u>	<u>\$ 1,433,125</u>

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

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

1. 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-- Room	\$ 3,571	\$ 5,212	\$ 3,012
 Contract Liabilities - Food and Beverage Service Contracts	 <u>1,174</u>	 <u>654</u>	 <u>707</u>
	<u>\$ 4,745</u>	<u>\$ 5,866</u>	<u>\$ 3,719</u>

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

	2023	2022
The opening balance of contract liabilities is recognized as revenue in the current period		
Room service contract	\$ 5,212	\$ 3,012
Food and Beverage Service Contracts	<u>654</u>	<u>707</u>
	<u>\$ 5,866</u>	<u>\$ 3,719</u>

(19) Interest income

	2023	2022
Bank deposit interest	\$ <u>27,228</u>	\$ <u>1,927</u>
Interest income on financial assets measured at amortized presentation cost	87,712	\$ 29,935
Other interest income	<u>\$ 3,682</u>	<u>\$ 6</u>
	<u>\$ 118,622</u>	<u>\$ 31,868</u>

(20) Other income

	<u>2023</u>	<u>2022</u>
Government grants	\$ 62,943	56,250
Other income -other	<u>3,331</u>	<u>14,306</u>
	<u>66,274</u>	<u>70,556</u>

The subsidiary, in response to the impact of the COVID-19 pandemic, applied for the Paycheck Protection Program (PPP) loans in April 2021 and April 2020, respectively. The loan forgiveness amounts under the U.S. Paycheck Protection Program were \$62,300 and \$56,233, approved in full in July 2023 and April 2022, respectively. Government grant income of \$62,300 and \$56,233 was recognized in 2023 and 2022, respectively. Please refer to Note 6(12), Note 10 for details.

(20) Other Income and Losses

	<u>2023</u>	<u>2022</u>
Net gain on financial assets measured at fair value through profit or loss	\$ 9,212	\$ 1,871
Disposal of interests in property, plant and equipment	-	604,291
Foreign exchange gain	(5,966)	169,725
Lease modification gains	1	-
Other losses	(<u>2</u>)	(-)
	<u>\$ 3,245</u>	<u>\$ 775,887</u>

(21) Finance costs

	<u>2023</u>	<u>2022</u>
Interest expense		
Borrowings from banks	\$ 334,108	\$ 200,757
Interest on lease liability	<u>1,821</u>	<u>1,954</u>
	\$ 335,929	\$ 202,711

(22) Additional information on the nature of fees

	<u>2023</u>	<u>2022</u>
Employee benefits expenses	\$ 395,804	\$ 380,264
Property, plants, and equipment		
Depreciation	244,403	244,782
Depreciation expense of intangible assets	9,240	9,577
Amortization expense of intangible assets	<u>49,759</u>	<u>60,981</u>

\$ 699,206 \$ 695,604

(23) Employee benefit expenses

	2023	2022
Wages and salaries	\$ 338,612	\$ 325,768
Health and labor insurance	52,618	50,207
Pension expense	3,475	3,023
Other employee benefit expense	1,099	1,266
	\$ 395,804	\$ 380,264

1. 1. According to the company's articles of association, employee remuneration should be distributed at a rate of 0.1% to 1% based on the profit situation of the current year, and director remuneration should be distributed at a rate not exceeding one percent based on the profit situation of the current year. However, when the company has accumulated losses, they should be compensated.

2. The estimated amounts of employee remuneration and director remuneration for the years 2023 and 2022 were both \$0. In 2023, the estimated amounts were based on the percentage stipulated in the articles of association for that year's profit situation. The actual distribution amounts decided by the board of directors were \$21 and \$0, respectively, with employee remuneration to be paid in cash. The differences between the estimated and actual amounts for employee remuneration and director remuneration were \$21 and \$0, respectively, mainly due to estimated changes, which will be adjusted in the profit and loss for 2024.

The differences between the estimated and recognized employee remuneration of \$0 and director remuneration of \$0 for 2022 amounted to \$573 and \$0, respectively. These differences were mainly due to estimated changes and have been adjusted in the profit and loss for 2023. Employee remuneration will be paid in cash.

Further information on employee remuneration and director remuneration approved by the board of directors can be found on the Public Information Observation Station.

(24) income tax

1. Income tax expense (benefit)

(1) Composition of income tax:

	<u>2023</u>	<u>2022</u>
Current income tax: :		
Income tax generated from current	\$ 55,064	\$ 42,588
Increase in unallocated profits	14,105	50,798
Overestimated income tax from previous	(7,696)	(2,902)
Total current tax	(48,655)	90,484
Deferred income tax: :		
Origin of Temporary Differences		
Generation and Reversal	(52,858)	234,357
Income Tax (Benefit) Expense	(<u>101,513</u>)	<u>\$ 324,841</u>

(2) Income Tax related to Other Comprehensive Income :

	<u>2023</u>	<u>2022</u>
Translation differences of foreign operating institutions	(\$ 274)	\$ 35,175

2. income tax expense (benefit) relates to accounting profit

	<u>2023</u>	<u>2022</u>
Income tax calculated using net profit (loss) before tax based on statutory tax rate(Note)	(\$ 51,098)	\$ 406,850
Income tax effects of adjustments based on income tax laws and regulations	(8,235)	68,522
Income exempt from tax under the tax law	(2)	(3)
Income tax effect of tax losses	(48,587)	(193,119)
Increase in unappropriated earnings	14,105	50,798
Changes in the assessment of realizability of deferred tax assets	-	(5,305)
Overestimation of income tax in previous years.	(7,696)	(2,902)
Income tax expense (benefit)	<u>(\$ 101,513)</u>	<u>\$ 324,841</u>

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

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

<u>2023</u>		
Recognized in	Recognized in others	Exchange

	<u>January 1</u>	<u>Gain or loss</u>	<u>Comprehensive income</u>	<u>Rate impact</u>	<u>Other (Note)</u>	<u>December 31</u>
Deferred income tax assets:						
Temporary differences:						
Unused vacation bonus	\$ 159	(\$ 42)	\$ -	\$ -	\$ -	117
Depreciation Expense Provision for Fiscal Differences	-	9,760	-	(137)	-	9,623
US state tax effects	5,456	42,977	-	(607)	-	47,826
Estimated penalty/liquidation fees	-	7,436	-	(105)	-	7,331
Unrealized interest payable	60,757	(61,627)	-	870	-	-
			-			
Unrealized expenses payable	8,656	(8,108)	-	115	-	663
			-	359		
Tax losses	<u>128,554</u>	<u>22,546</u>	<u>-</u>	<u>-</u>	<u>(48,014)</u>	<u>103,445</u>
	<u>203,582</u>	<u>12,942</u>	<u>-</u>	<u>495</u>	<u>(48,014)</u>	<u>169,005</u>
Deferred income tax liabilities:						
Temporary differences:						
Unrealized gain on financial assets	(374)	(1,831)	-	-	-	(2,205)
Overseas equity method recognition of investment income	(206,624)	19,373	-	-	-	(187,251)
"Foreign exchange differences from overseas operations"	(5,279)	-	(274)	-	-	(5,553)
Depreciation expense provided for tax differences	(25,539)	25,950	-	(366)	-	-
"Amortization of intangible assets for tax-financial differences"	(11,522)	(4,968)	-	72	-	(16,418)
"Unrealized exchange gains"	(12,458)	1,437	-	(-)	-	(11,021)
	<u>(261,796)</u>	<u>(39,916)</u>	<u>274</u>	<u>(294)</u>	<u>-</u>	<u>(222,448)</u>
	<u>(\$ 58,214)</u>	<u>\$ 52,858</u>	<u>\$ 274</u>	<u>(\$ 201)</u>	<u>(\$ 48,014)</u>	<u>(\$ 53,443)</u>

2022						
<u>January 1</u>	<u>January 1</u>	<u>Recognized in Gain or loss</u>	<u>Recognized in others Comprehensive income</u>	<u>Exchange rate Effects</u>	<u>Other (Note)</u>	<u>December 31</u>
Deferred income tax assets:						
Temporary differences: :						
"Foreign exchange variances from overseas operations"	\$ 29,896	\$ -	\$ 29,896	\$ -	\$ -	-
Unrealized exchange loss	20,441	(20,441)	-	-	-	-
"Unused vacation bonuses"	120	39	-	-	-	159
US state tax effects	6,403	(1,599)	-	652	-	5,456
Unrealized interest payable	36,508	19,652	-	4,597	-	60,757
Unrealized expenses	1,792	6,471	-	393	-	8,656
Tax losses	<u>300,555</u>	<u>(174,970)</u>	<u>-</u>	<u>26,423</u>	<u>(23,454)</u>	<u>128,554</u>
	395,715	(170,848)	(29,896)	32,065	(23,454)	203,582
Deferred income tax liabilities:						
Temporary differences:						
"Unrealized gains on financial assets"		(374)	-	-	-	(374)
"Recognition of investment gains through the equity method for overseas operations	(124,991)	(81,633)	-	-	-	(206,624)
"Foreign exchange variances from operations conducted overseas"	-	-	(5,279)	-	-	(5,279)
"Depreciation expense provision for tax- accounting differences"	(54,288)	33,599	-	(4,910)	-	(25,539)
Amortization of intangible assets for tax- accounting differences	(7,930)	(2,643)	-	(949)	-	(11,522)
Unrealized exchange gains	-	(12,458)	-	-	-	(12,458)
	<u>(187,149)</u>	<u>(63,509)</u>	<u>(5,279)</u>	<u>(5,859)</u>	<u>-</u>	<u>(261,796)</u>
	<u>\$208,566</u>	<u>(\$234,357)</u>	<u>(\$35,175)</u>	<u>\$26,206</u>	<u>(\$23,454)</u>	<u>(\$58,214)</u>

Note 1: The subsidiary claimed tax refund for tax losses incurred in 2020 against taxable income for 2018.

Note 2: The subsidiary claimed tax refund for tax losses incurred in 2019 against taxable income for 2016.

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

December 31, 2023					
Fiscal Year	Reported Amount/Approved Amount	Deductible Amount	Undeducted amount	Unrecognized deferred income tax assets	Year for last
<u>2017</u>		<u>\$72,817</u>	\$16,785	<u>\$16,785</u>	<u>2027</u>
<u>2018</u>		56,901	56,901	<u>56,901</u>	<u>2028</u>
<u>2019</u>		40,604	40,604	40,604	<u>2029</u>
2020		47,245	47,245	47,245	2030
2021		<u>107,265</u>	107,265	107,265	2031
		<u>\$324,832</u>	<u>\$268,800</u>	<u>\$268,800</u>	

December 31, 2022					
Fiscal Year	Reported Amount/Approved Amount	Deductible Amount	Undeducted amount	Unrecognized deferred income tax assets	Year for last deduction
2020	\$ 47,245		\$ 22,163	\$ 22,163	<u>2030</u>
2021		<u>107,265</u>	<u>107,265</u>	<u>107,265</u>	2031
		\$154,510	\$129,428	\$129,428	

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

December 31, 2023					
Year of occurrence	Amount filed/amount	Deductible amount	Undeducted tax amount	Unrecognized deferred income tax assets amount/year	Deductible period
2017-State tax	Number of declarations	\$1,113	\$1,113	\$ -	<u>2015-2037</u>
2019-State tax	Number of declarations	6,459	6,459	-	<u>2020-2039</u>
2020-State TAX	Number of declarations	34,948	34,948	-	2021-2040 No deduction period
2021-Federal tax	Number of declarations	25,635	25,635	-	2022-2041
2021-State tax	Number of declarations	16,570	16,570	-	2024-2043
2023- State tax	Number of declarations	<u>18,720</u>	<u>18,720</u>	-	
		<u>\$103,445</u>	<u>\$103,445</u>	<u>\$ -</u>	

December 31,2022

<u>Year of occurrence</u>	<u>Amount filed/amount approved</u>	<u>Deductible tax amount</u>	<u>Undeducted tax amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Deductible year</u>
2020-Federal tax	Number of declarations	\$ 14,081	\$ 14,081	-	Note
2020-State tax	Number of declarations	14,280	14,280	-	2021~2040
2021- Federal tax	Number of declarations	81,398	81,398	-	No deduction period
2021-State tax	Number of declarations	18,795	18,795	-	2022-2041
		<u>\$128,554</u>	<u>\$128,554</u>	<u>\$ -</u>	

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

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

December 31,2022

<u>Year of occurrence</u>	<u>Amount filed /amount approved</u>	<u>Deductible amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Year for last deduction</u>
2018	Approved figure	\$ 12,843	\$ 2,713	\$ 2,713	2028
2019	Approved figure	4,413	4,413	4,413	2029
2020	Approved figure	5,858	5,858	5,858	2030
2021	Approved figure	8,147	8,147	8,147	2031
2022	Number of declarations	<u>5,250</u>	<u>5,250</u>	<u>5,250</u>	2032
		<u>\$ 36,551</u>	<u>\$ 26,381</u>	<u>\$ 26,381</u>	

December 31,2022

<u>Year of occurrence</u>	<u>Amount filed /amount approved</u>	<u>Deductible amount</u>	<u>Undeducted amount</u>	<u>Unrecognized deferred income tax assets amount</u>	<u>Year for last deduction</u>
2017	Approved figure	\$ 436	\$ 436	\$ 436	2027
2018	Approved figure	12,843	12,843	12,843	2028
2019	Approved figure	4,413	4,413	4,413	2029
2020	Approved figure	5,858	5,858	5,858	2030
2021	Approved figure	8,147	8,147	8,147	2031
2022	Number of declarations	<u>5,255</u>	<u>5,255</u>	<u>5,255</u>	2032
		<u>\$ 36,952</u>	<u>\$ 36,952</u>	<u>\$ 36,952</u>	

7. Due to the impact of the epidemic in the past two years, the Group has incurred operating losses, but it is expected that taxable income will be generated after the recovery of revenue in the future. It is likely that there will be sufficient taxable income to deduct temporary differences and taxable losses in the future use.
8. The company's profit-seeking business income tax has been approved by the tax collection authority until 2021.

(25) Earnings per share

1. Surplus per ordinary share

	<u>2023</u>		
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic earnings per share</u>			
Attributable to ordinary shareholders of the parent	\$ 25,749	156,613	\$ 0.16
<u>Diluted earnings per share</u>			
Attributable to ordinary shareholders of the parent			
Net profit for the period	\$ 25,749	156,613	
Potential ordinary shares with diluting effect			
Effect of dilutive potential ordinary shares			
Employee remuneration	-	5	
Attributable to ordinary shareholders of the parent			
Net profit for the period plus potential Effect of ordinary shares	\$ 25,749	156,618	\$ 0.16

	<u>2022</u>		
	<u>Amount after tax</u>	<u>Weighted average of Outstanding shares (1,000shares)</u>	<u>Earnings per share (NT\$)</u>
<u>Basic and diluted earnings per share</u>			
Attributable to ordinary shareholders of the parent	\$ 402,002	156,613	\$ 2.57
Attributable to ordinary shareholders of the parent			
Net profit for the period from discontinued operations	\$ 402,002	156,613	
Effect of dilutive potential common shares on employees' compensation	-	14	
Attributable to ordinary shareholders of the parent			
Net profit for the period	\$ 402,002	156,627	\$ 2.57

The above weighted average number of shares outstanding has been retroactively adjusted in proportion to the capitalization of the Company's earnings in 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	\$ 1,099	\$ 28,103
Add:		
Beginning balance of equipment payables (listed under 'Other payables')	1,299	3,709
Minus:		
Ending balance of equipment payables (listed under 'Other payables')	-	(1,291)
Cash payment in the current period	\$ <u>2,390</u>	\$ <u>30,521</u>

2. Financing activities that do not affect cash flow:

	<u>2023</u>	<u>2022</u>
Portion of long-term loans transferred to current liabilities	\$ <u>122,430</u>	\$ <u>742,587</u>
Portion of long-term loans transferred to government grant income	\$ <u>62,300</u>	\$ <u>56,233</u>
Prepaid equipment payments transferred to property, plant, and equipment	\$ <u>2,183</u>	\$ <u>13,091</u>

(27 Changes in liabilities from financing activities)

2023					
	Short-term Loan	Short-term notes payable	Lease Liability	Long term Loan	Total liabilities from financing activities
Jan. 01	\$ 484,000	\$ –	\$ 113,552	\$ 4,322,351	\$ 4,919,903
Changes in financing cash flow	(84,000)	95,000	(8,425)	(124,184)	(121,619)
Other non-cash changes(Note1)	–	–	(143)	(62,300)	(62,443)
Effects of Exchange Rate Changes	–	–	–	2,634	2,634
Dec. 31	<u>\$ 400,000</u>	<u>\$ 95,000</u>	<u>\$ 104,974</u>	<u>\$ 4,138,501</u>	<u>\$ 4,738,475</u>

2022					
	Short-term Loan	Short-term notes payable	Lease Liability	Long term Loan	Total liabilities from financing activities
Jan. 01	\$ 884,000	\$ 30,000	\$ 121,788	\$ 4,491,667	\$ 5,527,455
Changes in financing cash flow	(400,000)	(30,000)	(8,236)	(584,110)	(1,022,346)
Other non-cash changes(Note2)	–	–	–	(56,233)	(56,233)
Effects of Exchange Rate Changes	–	–	–	471,027	471,027
Dec. 31	<u>\$ 484,000</u>	<u>\$ –</u>	<u>\$ 113,552</u>	<u>\$ 4,322,351</u>	<u>\$ 4,919,903</u>

Note 1: Non-cash changes resulting from disposal of right-of-use assets and lease modifications.

Note 2: Portion of long-term loans transferred to government grant income.

7. Transactions with related parties

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. The Group's collateralized assets are listed below :

<u>Assets</u>	<u>Book value</u>		<u>For guarantee</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>	
Land and land improvements	\$ 958,084	\$ 966,169	Long-term loans
Buildings and structures	2,370,387	2,449,867	Long-term loans
Business facilities/equipment	203,752	348,588	Long-term loans
Time deposits (Stated as “Amortizes cost Financial assets—current”)	886,325	968,456	Short-term borrowings and payable Short-term note
Current deposits (listed under 'Financial assets measured at amortized cost - non-current')	77,830	—	Long-term loans
Fixed deposits (listed under 'Financial assets measured at amortized cost - non-current')	56,961	49,169	
Demand deposit (Stated as “Amortizes cost Financial assets-current”)	—	69	Gift Voucher Redemption Guarantee
	<u>\$ 4,533,339</u>	<u>\$ 4,782,318</u>	

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingencies

None

(2) Undertakings

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

Corporation a percentage of total room revenue for the use of Hilton Corporation's management and maintenance system through September 10, 2030. The contract provides for the payment of royalties to Hilton for the use of Hilton's management and maintenance system up to 10 September 2030.

4. Under the terms of the royalty agreement, Holiday Inn Express Walnut Creek is required to pay IHG a percentage of total room revenue for the use of IHG's management and maintenance system through July 11, 2031.
5. a subsidiary of HOLIDAY GARDEN EV CORP., entered into a royalty agreement with Hyatt Corporation under which Hyatt Place Emeryville is required to pay Hyatt a percentage of total room revenue for the use of Hyatt's management and maintenance system for the period ending November 21, 2041.
6. HOLIDAY GARDEN FM CORP. entered into a royalty agreement with Marriott under which SpringHill Suites by Marriott San Jose Fremont is required to pay Marriott a percentage of total room revenue for the use of Marriott's management and maintenance system for the period ending August 26, 2041. A royalty payment of a percentage of the total room revenue is payable to Marriott for the use of the management and maintenance system.
7. February 11, 2016, HOLIDAY GARDEN SF CORP. entered into a long-term loan agreement with CTBC BANK CO., LTD. with a total credit line of USD 31,000 thousand and the subsidiary - HOLIDAY GARDEN SF CORP. undertook during the credit period to maintain a financial structure with an interest coverage multiple of not less than 1.3 times. The financial structure shall be maintained with an interest cover multiple of not less than 1.3 times during the credit period. On November 4, 2021, HOLIDAY GARDEN SF CORP. agreed with CTBC BANK CO., LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.3 times in 2021 by pledging a time deposit of \$47,567 thousand.

8.

On March 6, 2020, HOLIDAY GARDEN VC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of USD 24,850 thousand and HOLIDAY GARDEN VC CORP. undertook to maintain a financial structure with an interest coverage multiple of The financial structure should maintain an interest coverage multiple of not less than 1.15 times. On February 17, 2021, HOLIDAY GARDEN VC CORP. negotiated with FIRST COMMERCIAL BANK, LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2021.

9.

On 29 August 2016, HOLIDAY GARDEN WC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of USD 23,300 thousand and HOLIDAY GARDEN WC CORP. undertook during the credit period to The financial structure should maintain an interest coverage multiple of not less than 1.15 times. On February 17, 2021, HOLIDAY GARDEN WC CORP. negotiated with FIRST COMMERCIAL BANK, LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2021. The subsidiary, HOLIDAY GARDEN WC CORP., has breached the requirement to maintain an interest coverage multiple of not less than 1.15 times for the year 2022, which entitles FIRST COMMERCIAL BANK LTD. to demand repayment of the loan at any time. The remaining long-term loans are classified as long-term loans due within one year.

10.

On April 12, 2019, HOLIDAY GARDEN EV CORP. signed a long-term loan agreement with CTBC BANK CO., LTD. with a total credit line of USD 46,000 thousand. The financial structure shall be maintained with an interest cover multiple of not less than 1.2 times. On November 4, 2021, HOLIDAY GARDEN EV CORP. negotiated with CTBC BANK CO., LTD. to waive the requirement to maintain an interest coverage multiple of not less than 1.2 times in 2022 and 2021 by pledging time deposits of \$49,169 and \$43,956 thousand, respectively.

11.

On December 6, 2021, HOLIDAY GARDEN FM CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. with a total credit line of US\$27,000 thousand and HOLIDAY GARDEN FM CORP. undertook during the credit period to maintain a financial structure with an interest coverage multiple of not less than 1.15 times from FY2022. During the term of the credit facility, the subsidiary, HOLIDAY GARDEN FM CORP., committed to maintain an interest coverage multiple of not less than 1.15 times from FY2022.

12.

As of the end of 2023 and December 31, 2022, the total contracted but unfinished projects and prepayment for equipment purchases of the Group amounted to \$1,048 and \$0 respectively. The unrecognized amounts were \$629 and \$0 respectively.

10. Significant casualty losses

None

11. Major events after the reporting period

None

12. Other

(1) Capital management

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

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Total liabilities	\$ 5,116,433	\$ 5,458,519
Total assets	<u>\$ 8,303,860</u>	<u>\$ 8,648,934</u>
Debt to assets ratio	<u>62</u>	<u>63</u>

(2) Financial instruments

1. Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Mandatory measurement of financial assets at fair value through profit or loss	\$ 95,766	\$ 31,140
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 2,416,615	\$ 2,668,664
Financial assets measured at amortized cost	1,165,916	1,026,136
Accounts payable	43,298	29,637
Other accounts payable	15,225	8,989
Guarantee deposits received	<u>9,588</u>	<u>14,141</u>
	<u>\$ 3,746,408</u>	<u>\$ 3,778,707</u>

Financial liabilities

Financial liabilities measured at amortized cost			
Short-term borrowings	\$	400,000	\$ 484,000
Short-term notes and bills payable		95,000	–
Accounts payable		2,801	2,709
Other payables		133,299	132,680
Long-term loans (including those due within one year)		4,138,501	4,322,351
Guarantee deposits received		–	17
	\$	<u>4,769,601</u>	\$ <u>4,941,757</u>
Lease liabilities	\$	<u>104,974</u>	\$ <u>113,552</u>

2. Risk management policies

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

3. Nature and level of significant financial risk

(1) Market risk

Foreign exchange rate risk

- A. The Group is a multinational corporation, and as a result, the Group is exposed to foreign exchange rate risk generated from transactions using currencies different from the Company and the subsidiaries' functional currency (primarily the US dollars). Related foreign rate exchange risk from future commercial transactions and recognized assets and liabilities.
- B. The Group's management has set policies requiring the Group to manage the foreign exchange rate risk related to its functional currency. Each

company should manage the risk according to the overall foreign exchange rate risk through the finance department of the Group.

- C. The Group's businesses involve several non-functional currencies (The Company's functional currency is New Taiwanese dollars, while the subsidiaries' functional currency is US dollars), and they are affected by exchange rate fluctuation. Information of foreign currency assets and liabilities subject to material effect of exchange rate fluctuation is presented below:

December 31, 2023						
<u>Foreign currencies</u> (NT\$1,000)	<u>Exchange rate</u>	Carrying amount (NT\$)	<u>Sensitivity analysis</u>			
			<u>Degree of variation</u>	<u>Effect on profit and loss</u>	<u>Effect on other comprehensive income</u>	
(Foreign currency: functional currency)						
<u>Financial assets</u>						
<u>Currency item</u>						
US\$: NT\$	\$ 56,177	30.71	\$ 1,725,199	1%	\$ 17,252	\$ -

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

- D. In 2023 and 2022, the Group recorded a total (loss) gain from the significant impact of exchange rate fluctuations on all monetary items (realized and unrealized) amounting to \$(5,966) and \$169,725 respectively.

Price risk

The Group has investments in open-end funds, the prices of which are affected by the uncertainty of the future value of the underlying investments. If the prices of these equity instruments were to increase or decrease by 1%, with all other factors remaining constant, the pre-tax net profit for 2023 and 2022 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.

Cash flows and fair value interest rate risk

A. A. The Group's interest rate risk arises from its short-term and long-term borrowings at floating rates, exposing the Group to cash flow interest rate risk. As of December 31, 2023, and December 31, 2022, the Group's borrowings at floating rates are primarily denominated in New Taiwan Dollars and U.S. Dollars.

B. The Group's loans are measured at amortized cost and the interest rates are re-set each year according to the contract. Therefore, the Group is exposed to the risk of future market interest rate changes.

C. When the borrowing interest rate increases or decreases by 1%, with all other factors remaining constant, the pre-tax net profit for 2023 and 2022 would decrease or increase by \$45,385 and \$48,064 respectively. This is primarily due to the fluctuation in interest expenses resulting from floating-rate borrowings.

(2) Credit risk

A. The Group is exposed to credit risk of customers' or financial instruments' failure of fulfilling their contractual obligation, which can expose the Group to the risk of financial loss. The primary source of credit risk is the counterparty's failure of paying accounts receivable according to the terms of payment and the contractual cash flows of investment in liability instruments measured at fair value through profit and loss.

B. The Group establishes credit risk management from the Group's perspective. Before entering into the terms and conditions of payment and service rendering with each new customer, each operating entity of the

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

- C. The Group adopts the premise provided by IFRS9: When the payment is 30 days past due according to the contractual terms and conditions, the credit risk of this financial asset is deemed to have increased significantly since its initial recognition.
- D. The Group adopts the premise provided by IFRS9: When the payment is more than 90 days past due according to the contractual terms and conditions, default is deemed to have happened.
- E. The Group classifies customers' notes and accounts receivable according to credit conditions and adopts a simplified method of using the loss rate as the basis for estimating the expected credit loss.
- F. The Group adjusts the loss rates established based on historical and current information for future prospective considerations to estimate the provision for doubtful accounts receivable. The reserve matrices as of December 31, 2022, and for the year 2023 are as follows:

	Not past due <u>Past due for 1 to 30 days</u>	Past due for 31 <u>to 90 days</u>	Past due for more than <u>91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	1.09%	1.56	100.00%	
Total book value	\$ 40,830	\$ 2,512	\$ 322	\$ 43,664
Allowance for loss	36	8	322	366
	Not past due <u>Past due for 1 to 30 days</u>	Past due for 31 <u>to 90 days</u>	Past due for more than <u>91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	0.97%	1.44%	100%	
Total book value	\$ 28,001	\$ 1,665	\$ 1,270	\$ 30,936
Allowance for loss	23	6	1,270	1,299

- G. The simplified statement of changes in the provision for doubtful accounts receivable adopted by the Group is as follows

	2023	2022
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
January 1	\$ 1,299	\$ 199
Recognition of impairment loss	349	1,059
Reversal of impairment loss	(7)	-
Amounts written off as uncollectible	(1,289)	(11)
exchange rate impact	<u>14</u>	<u>52</u>
December 31	<u>\$ 366</u>	<u>\$ 1,299</u>

(3) Liquidity risk

- A. Cash flows forecasts are performed by each operating entity of the Company and summarized by the finance department of the Group. The Group's finance department monitors the Group's circulating capital requirements to ensure that the Company has sufficient capital for its operating needs and to maintain a sufficient unspent loan commitment at all times.
- B. Each operating entity's surplus cash, beyond the management requirements for working capital, will be transferred back to the Group's finance department. The Group's finance department then invests the surplus funds in interest-bearing current accounts, checking accounts, fixed deposits, and marketable securities, with selected instruments having appropriate maturity dates or sufficient liquidity to meet the aforementioned forecasts and provide adequate scheduling flexibility. As of December 31, 2023, and December 31, 2022, the Group held currency market positions of \$2,511,316 and \$2,698,377, respectively, which can generate immediate cash flows to manage liquidity risk.
- C. The following table shows the Group's non-derivative financial liabilities, which are classified by the maturity date. Non-derivative financial liabilities are analyzed based on the time remains from the balance date to the contractual maturity date. The following table disclose the amount of contractual cash flows that is non-discounting.

December 31, 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	\$ 401,110	\$ -	\$ -
short-term notes payable	95,000	-	-
Accounts payable	2,801	-	-
Other accounts payable	133,299	-	-
Lease liability.	9,804	8,794	98,990
Long-term borrowings (Expires within one year)	1,106,186	984,476	2,863,438

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	2,709	-	-
Other accounts payable	132,680	-	-
Lease liability.	10,400	9,804	107,783
Long-term borrowings (Expires within one year)	1,139,232	331,209	3,802,513

Guarantee deposits received	-	-	17
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Derivative financial liabilities: none

(3) Fair value information

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are available to the enterprise at the measurement date. An active market is one in which transactions in assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This is the case for the fair value of the Group's investments in beneficial certificates.

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

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

3 Financial instruments not carried at fair value:

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

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

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

Dec.31.2023	Grade 1	Grade2	Grade 3	total
Assets				
Repetitive fair value				
Financial assets at fair value				
through profit or loss Financial				
assets measured				
at fair value Beneficiary				
certificates				
	<u>\$ 95,766</u>	<u>-</u>	<u>-</u>	<u>\$95,766</u>

Liabilities:None

Dec. 31, 2022	<u>Grade 1</u>	<u>Grade 2</u>	<u>Grade 3</u>	<u>total</u>
Assets				
Repetitive fair value				
through profit or loss Financial				
assets measured				
at fair value Beneficiary				
certificates	<u>\$31,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$31,140</u>
Liabilities:None				

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

The Group utilizes market quotes as fair value inputs (i.e., Level 1 inputs). These inputs are categorized based on the characteristics of the instruments as follows:

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

13. Supplementary disclosure

(1) Information related to material transactions

1. Financing provided: See Table 1 attached.
2. Endorsement provided: None
3. Marketable securities held at end of reporting period (excluding investments in subsidiaries, associates, and joint ventures): Annex 2
4. Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 2 attached.
5. Properties acquired at costs or prices of at least NT\$300 million or 20% of the paid-in capital: None
6. Properties disposed of at costs or prices of at least NT\$300 million or 20% of

the paid-in capital: Annex 3

7. Total purchases from or sales to related parties of at least NT\$100 million or 20% of the paid-in capital: None
8. Receivable from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 4 attached
9. Engagement in derivative instruments: None
10. Business relations and material transactions and amounts between the parent company and its subsidiaries and among the subsidiaries: See Table 5 attached.

(2) Re-investment related information

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

(3) Investment in mainland China

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

(4) Information of major shareholders

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

14. Segment information

(1) General information

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

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

(2) Measurement of segment information

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

(3) Segment information

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

	<u>2023</u>		
	<u>Taiwan business</u>	<u>USA business</u>	<u>Total</u>
Revenue			

<u>External Client</u>			
<u>Revenue</u>	\$ 79,614	\$ 1,353,511	\$ 1,433,125
<u>Segment</u>			
<u>profit/loss</u>	\$ 36,196	\$ 35,828	\$ 72,024
<u>Interest income</u>			<u>118,622</u>
<u>Company</u>			
<u>general</u>			
<u>revenue</u>			66,274
<u>Other company</u>			
<u>profits &</u>			
<u>losses</u>			3,245
Interest			
expense		(<u>333,929</u>)
Net (loss)			
profit before			
tax			<u>\$ 75,765</u>
Departmental			
Assets	\$ 36,024	\$ 3,532,223	\$ 3,568,247
Company			
general assets			<u>4,735,613</u>
Total assets			<u>\$ 8,303,860</u>
Depreciation			
&			
Amortization			
Expenses	\$ 15,730	\$ 287,672	\$ 303,402
Amount of			
capital			
expenditure	\$ 1,099	\$ -	\$ 1,099
Departmental			
Liabilities	\$ 840,445	\$ 4,275,988	\$ 5,116,433

2022

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

(4) Reconciliation of segment profit and loss

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

(5) Product type and service type information

Please refer to Note 6(17)

(6) Regional information

The Group's regional information for 2023 and 2022 as follows:

	<u>2023</u>		<u>2022</u>	
	<u>Revenue</u>	<u>Non-current assets</u>	<u>Revenue</u>	<u>Non-current assets</u>
USA	\$ 1,353,511	\$ 4,220,425	\$ 1,303,482	\$ 4,501,881
Taiwan	<u>79,614</u>	<u>130,730</u>	<u>60,726</u>	<u>144,945</u>
	1,438,125	\$ 4,351,155	\$ 1,364,208	\$ 4,646,826

(7.) Significant customer information:

The Group's revenues from any single customer did not exceed 10% of the consolidated statement of income amount in both FY2023 and FY2022 and are therefore not applicable.

Holiday Garden International Ltd. and subsidiaries
Loan funds
January 1, 2023 to December 31, 2023

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

No. (Note.1)	Company providing the loan	Borrower	Transaction item(Note2)	A related party yes or not	The maximum amount of this period (Note3)	Closing balance (Note 8)	Actual drawing amount	Range of interest rate	Type of loan fund (Note 4)	Business transaction amount (Note 5)	Reasons for short-term financing (Note6) Business Turnaround	Recognized amount of loss allowance	Collaterals		Maximum amount of loans permitted to a single borrower(Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
													Name	Value			
1	Holiday Garden International Ltd.	Holiday Garden U.S.	Receivable from related companies	yes	\$ 1,448,560	\$ 1,448,560	\$ -	Annual interest	Short-term financing funds	-	Hotel acquisition	\$ -	None	\$ -	\$ 99,068,300	\$ 198,136,600	Note 9
2	Holiday Garden U.S.	Holiday Garden NW CORP.	Receivable from related companies	yes	240,870	240,870	-	Annual interest	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	-	Annual interest	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	-	Annual interest	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	-	Annual interest	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	-	Annual interest	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	-	Annual interest	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	-	Annual interest	Short-term financing funds	-	Hotel acquisition	-	None	-	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden FM CORP.	Receivable from related companies	yes	430,900	430,900	-	Annual interest	Short-term financing funds	-	Operational needs · Hotel acquisition	-	None	-	3,798,750	7,597,500	Note 9
3	Holiday Garden CORP.	SF Holiday Garden VC CORP.	Receivable from related companies	yes	154,200	154,200	-	Annual interest	Short-term financing funds	-	Hotel acquisition	-	None	-	12,859,750	25,719,500	Note 9
3	Holiday Garden CORP.	SF Holiday Garden U.S.	Receivable from related companies	yes	387,516	387,516	387,516	Annual interest	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 I according to the company. Investees of the same company share the same code

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

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

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

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

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

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

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

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

Holiday Garden International Ltd. and subsidiaries

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

Status of held securities at the end of the period (excluding investments in subsidiaries, associates, and joint ventures)

DEC.31.2023

NOTE 2

Unit:NT\$1000

Unless otherwise specified

end of term

<u>Company held</u>	<u>Types and names of marketable securities</u> (Note 1)	<u>Relationship with issuers of securities</u> (Note 2)	<u>Accounting subjects</u>	<u>Number of shares</u>	<u>Carrying amount</u> (Note 3)	<u>shareholding</u>	<u>Fair value</u>	<u>Remarks</u> (NOTE:4)
Holiday Garden International Ltd.	fund : JPMorgan Investment Funds - Global Dividend Fund - JPM Global Dividend A (acc) - USD	none	Financial assets at fair value through profit or loss - current	-	\$ 8,201	-	\$ 8,201	NOTE:5
Holiday Garden International Ltd.	fund : Global Income Fund - JPM Global Income A (acc) - USD (hedged)	none	Financial assets at fair value through profit or loss - current	-	7,752	-	7,752	NOTE:5
Holiday Garden International Ltd.	fund : FTGF Western Asset Short Duration Blue Chip Bond Fund	none	Financial assets at fair value through profit or loss - current	-	24,265	-	24,265	NOTE:5

Holiday Garden International Ltd.	fund : 0426Franklin Strategic Income Fund	none	Financial assets at fair value through profit or loss - current	22,563	-	22,563	NOTE:5
Holiday Garden International Ltd.	fund : 0788Franklin U.S. Dollar Short-Term Money Market Fund	none	Financial assets at fair value through profit or loss - current	32,985	-	32,985	NOTE:5

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

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

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

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

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

Holiday Garden International Ltd. and subsidiaries
 Receivable from related parties amounts to at least NT\$100 million or 20% of the paid-in capital.
 2023

Table 4

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

<u>Companies of account</u> receivable	<u>Transaction object name</u>	<u>Relationship</u>	Balance of Receivable from related companies (Note 1)	<u>Turnover rate</u>	<u>Past due accounts</u> receivable from related		Accounts receivable recovered from related companies after_ <u>the reporting period</u>	Amount of loss allowance <u>recognized</u>
					<u>Amount</u>	<u>Treatment</u>		
Holiday Garden SF CORP.	Holiday Garden U.S.	Note 3	Account receivable : 289,346	Note 4	-	-	-	-

Note 1: Please enter the accounts receivable of the related parties, the notes, and other accounts receivable.

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

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

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

Holiday Garden International Ltd. and subsidiaries

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

2023

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

Table 4

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 accounts receivable	289,346	Processed according to the agreement between the two parties	3.48%
3	Holiday Garden VC CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	8,527	Processed according to the agreement between the two parties	0.10%
4	Holiday Garden WC CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	14,741	Processed according to the agreement between the two parties	0.18%
5	Holiday Garden EV CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	12,861	Processed according to the agreement between the two parties	0.15%
6	Holiday Garden FM CORP.	Holiday Garden SF CORP.	(3)	Other accounts receivable	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

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

Investor	Investee (Notes 1 and 2)	Location	Primary business items	Initial investment amount		End of the reporting period			Investee's current profit and loss (Notes 2(2))	Recognized current investment gain or loss (Note 2(3))	Note
				Ending of reporting period	Previous year end	Number of shares	Ratio	Carrying amount			
Holiday Garden Hotel Co., Ltd	Holiday Garden Development Ltd.	Taiwan	Tourism hotels	\$ 65,000	\$ 65,000	6,500,000	100	\$ 41,798	(\$ 10,566)	(\$ 10,566)	The Company's subsidiary
Holiday Garden Hotel Co., Ltd	Holiday Garden International Ltd.	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.	Holiday Garden U.S.	USA	Investment business	1,963,161	585,961	18,000	100	75,975	(134,699)	(Note 3)	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	Note 3	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden NW CORP.	USA	Tourism hotels	-	81,250	-	-	-	5,804	(Note 3)	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)	(Note 3)	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	(Note 3)	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	(Note 3)	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)	Note 3	The Company's subsidiary

Note 1: Where a listed company has a foreign holding company and local laws and regulations require consolidated financial statements as the primary financial report, disclosure of information about the foreign investee company may be limited to information relating to the holding company.

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

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

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

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

(Note 3): The investee's profit or loss is included in its investee company and is not separately stated.

Table 6

Holiday Garden Hotel Co., Ltd
Major Shareholder Information
January 1, 2023 to 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%