

【股票代碼：2702】

HOLIDAY GARDEN
G R O U P
HOTELS & RESTAURANTS

Holiday Garden Hotel Co., Ltd

2023 Annual Report

Published: April 24,2024

Reference of the Annual Report, see website:
<https://mops.twse.com.tw>

The Company's website:<https://www.hotelhg.com.tw/>

1. Company Spokesperson: Ching-Sheng Tu Job Title: Legal Supervisor

Tel: (07) 241-0123

Email: mark.tu@hotelhg.com.tw

Acting Spokesperson: Su-Ling Yu Job Title: Finance Supervisor

Contact Number: (07) 241-0123

Email: weny.yu @hotelhg.com.tw

2. Company Address: Rm. B, 23F., No. 6, Siwei 3rd Rd., Lingya Dist., Kaohsiung City

Tel: (07) 241-0123

Taipei Office: 10F.-2, No. 59, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City

Tel: (02) 2778-2992

3. Share Transfer Institutions: Department of Stock Affairs Agent, IBF Securities CO LTD

Add: 15F., No. 188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City

Web: [https:// www.ibfs.com.tw](https://www.ibfs.com.tw)

Service Line: (02) 2528-8988

4. Certified Public Accountants: Liao,A-shen, Wang,Kuo-hua

CPA Firm: PwC Taiwan

Add: 22F., No. 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City

Web: <https://www.pwc.tw/>

Tel: (07) 237-3116

5. Name of trading place where overseas marketable securities are listed for trading: None

Information on overseas marketable securities: None

6. Company's Website: <https://www.hotelhg.com.tw/>

Table of Contents

Chapter 1. Report to Shareholders.....	Page 1 - 6
Chapter 2. Company Profile.....	Page 6 - 9
Chapter 3. Corporate Governance Report.....	Page 10 - 71
Chapter 4. Funding Status.....	Page 72 - 79
Chapter 5. Operation Overview.....	Page 80 - 88
Chapter 6. Financial Overview.....	Page 89 - 247
Chapter 7. Review Analysis and Risk Assessment of Financial Position and Operating Results.....	Page 248 - 253
Chapter 8. Special Notes.....	Page 254
Chapter 9. Matters that Have a Material Impact on The Shareholders' Equity or the Securities Price as Provided for in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act	Page 254

Chapter 1. Report to Shareholders

Holiday Garden Hotel Co., Ltd.

Business Report

Dear Shareholders :

Thank you all for attending the 2024 Annual General Meeting of Shareholders and for your support and trust in the company over the past year.

Despite the impacts of the broader environment and fierce competition, I am grateful to all the directors and employees for their concerted efforts and hard work.

This year, the company continues to adhere to high service quality as its foundation, improving both software and hardware facilities, actively promoting various marketing activities, and through diverse sales channels, developing a range of products to deepen and expand our market presence to achieve better performance.

Although the operation of our hotels in the United States is in an environment of economic slowdown and rising costs, the accommodation and tourism sector remains sustainable. Recently, with increasing environmental awareness and greater public concern for health and safety, myself and the senior management team have actively implemented energy-saving and plastic-reduction measures, strengthened the protection of guests' health and safety, and continuously monitored economic and market dynamics to adjust our operational strategies flexibly. These efforts are aimed at attracting more customers and enhancing customer loyalty, maintaining the sustainability and stable development of our operations. Leading all employees to continue working hard, we aspire for steady growth and to continue generating greater profits to benefit our shareholders.

1. Business Results

(i) Implementation Results of the Operating Plan

In 2023, the consolidated operating revenue of the group totaled NTD 1,433,125 thousand, which is a 5% increase compared to the consolidated operating revenue of NTD 1,364,208 thousand in 2022.

(ii) Consolidated Financial Statements

a. Financial Income and Profitability Analysis

Unit: NT thousand dollars ; %

Items analyzed		The year		
		2023	2022	
Financial Income and Expenses	Net operating revenue	1,433,125	1,364,208	
	Gross profit	1,165,754	1,098,665	
	Net profit	25,749	402,002	
Profitability	Return of assets(%)	3.47	6.54	
	Return of equity (%)	0.81	13.52	
	Ratio to Paid-in Capital(%)	Operating Income	4.60	3.44
		Pre-tax Profit	-4.84	48.73
	Net profit margin(%)	1.80	29.47	
	Earnings per share (dollar)	0.16	2.57	

b. Net Assets Section

As of December 31, 2023, the total assets of the group were NTD 8,303,860 thousand, total liabilities were NTD 5,116,433 thousand, accounting for 62% of total assets, and the total equity was NTD 3,187,427 thousand, representing 38% of total assets.

c. Profit and Loss Section:

For the fiscal year 2023, the group's gross operating profit was NTD

1,165,754 thousand, and the net profit after tax was NTD 25,749 thousand, with a net profit margin of 1.80%.

2. Budget and Budget Execution Status

In 2023, the operating revenue was NTD 1,433,125 thousand, with a budgeted operating revenue of NTD 1,469,224 thousand; the operating profit in 2023 was NTD 72,024 thousand, against a budgeted operating profit of NTD 235,537 thousand.

3. Research and Development Status: Not applicable

4. Annual Business Plan Summary

(i) Annual Management Policy

- a. Diversify catering services and specialize hotel themes, constructing a new landscape for accommodation and dining.
- b. Continuously cultivate marketing talent to increase exposure.
- c. Expand company operations and develop new customer sources.
- d. Continually expand overseas business locations to increase revenue.
- e. Change procurement methods to reduce operating costs.
- f. Flexibly allocate funds to stabilize the company's financial structure.

(ii) Affected by the external competitive environment, regulations, and overall business conditions

a. External Competitive Environment Impact:

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.

b. Regulatory Impact:

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.

- Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
 - Environmental Regulations: Requirements for energy efficiency, waste reduction, and environmental protection.
- c. Overall business conditions:
- Economic Conditions: Economic fluctuations affect consumer spending on travel.
 - Economic Conditions: Economic fluctuations affect consumer spending on travel.
 - Economic Conditions: Economic fluctuations affect consumer spending on travel.

(iii) Future Development Strategy

We will focus on developing local cultural experiences to attract international tourists, offering specialized services and strengthening cooperation with tourism industry partners. Investment in digital technology will be prioritized to enhance our online brand image, streamline booking processes, and provide personalized services. Unique accommodation experiences such as themed suites or cultural immersions, along with flexible pricing strategies, will be employed to appeal to diverse customer segments.

We will adopt green technology and management practices, including solar energy systems, energy-efficient equipment, and waste recycling initiatives. Enhanced cleaning and disinfection procedures, staff training in hygiene and safety protocols, as well as provision of medical assistance and emergency response measures, will be implemented. Compliance with all labor regulations, fair wages, benefits, and investment in staff training and development will be ensured.

Flexible pricing strategies and package options will be offered to adapt to economic fluctuations, while reinforcing value propositions to attract budget-conscious consumers. Building brand reputation, providing exceptional customer service, and

actively addressing consumer feedback will enhance consumer confidence. Promotion of sustainable tourism practices through collaboration with local communities and cultural institutions will offer educational and culturally enriching travel experiences.

In response to market changes, the company will continually adjust and diversify operations, meeting the evolving needs of consumers. Through strategic planning and adaptation, we will effectively respond to external environmental changes, maintaining competitive advantages and achieving business growth.

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

Chapter 2. Company Profile

I. Registration Date of Incorporation: July 29, 1959.

Company License Number: Business Administration NO.75560601

II. Business Activities:

- A. General hotel industry.
- B. Restaurant business.
- C. Food and beverage retail business.

III. Company History :

1. In 1956, the First President, Chiang Kai-Shek, called on overseas Chinese to return home to invest in tourism. Mr. Chih-Chin Chen, the former Chairman of the Board of the company, first responded and returned from Thailand. Together with Mr. Chih-Pei Chen, the current founder of the Company, they found a land with more than 1,500 Pings at No. 279, Liuhe 2nd Rd., Qianjin Dist., Kaohsiung City, and built the first overseas Chinese funded tourist hotel.
2. The construction began in January 1957. The first phase of the project was completed in two and a half years. There were 34 guest rooms, one Chinese and one western restaurant, as well as a bar.
3. The hotel opened its business on January 9, 1959, providing services, cooperating with the development of export processing zones, increasing the nation's foreign exchange earnings and international diplomacy.
4. The Company was listed in 1965.
5. In 1967, the company began the second phase of the expansion to combine with the overall economic prosperity of the country, from 34 rooms to 120 rooms.
6. The second phase of the expansion was completed and reopened in 1969.
7. In 1973, the Company joined the world's largest hotel chain, the American Holiday Inn, becoming a veritable international tourist hotel. Due to the rapid development of national economy, the increasingly developed international transportation and the real peace between countries and between people through tourism, the Company not only

- made full use of the performance of smokestack-free factory, but also developed the substantial national diplomacy.
8. The third phase of the expansion began in 1976
 9. The expansion was completed in the early summer of 1979, the number of rooms increased to 210 and the number of conference rooms increased to one.
 10. The hotel was officially opened on June 30, 1979, with 269 rooms. It is now a very famous tourist hotel.
 11. The Ritz nightclub officially opened in February 1981, which is the first international sightseeing hotel with night club in southern Taiwan.
 12. The hotel was renovated again in 1992.
 13. It was completed and restarted in April 1995. With Jiangsu and Zhejiang Cuisine, Cantonese cuisine, American restaurants, Ritz night club and bars and other catering facilities.
 14. The health club established in October 1997.
 15. The health club was completed and put into operation in April 1998.
 16. In 2003, Mr. Hai-Ni Chen took over as the Chairman of the Board. In order to meet the market demand of young people, he changed the western restaurant into a tea restaurant.
 17. In 2004, the furniture and equipment of guest rooms were gradually upgraded due to the market demand.
 18. In 2007, we renovate the external hall, dining hall, and housekeeping works.
 19. In 2012, we renovated and decorated more than 200 restaurants and guest rooms to reach the standard of international tourist hotels. In 2013, the land use zoning of the company was changed from government land to commercial land.
 20. In 1997, the Company invested in the first Hotel, Clementine Hotel & Suites Anaheim, in California, with 200 rooms.
 21. In 2015, the Company invested in Towneplace Suites in Silicon Valley, California, with 125 rooms, and the Embassy Suites hotel with 156 rooms in Magic Mountain, California.
 22. In 2016, the Company invested in Holiday Inn Express Walnut Creek hotel in East Bay, California, with 164 rooms.
 23. In 2018, the Company opened Holoday Garden Hotel Kaohsiung Taroko

- Park, which combines the elements of paradise and parent-children, next to Kaohsiung Taroko Park, to bring a new look of Kaohsiung tourism.
24. In 2019, the Company was investing hotel Hyatt Place Emeryville which is located at San Francisco Bay Area, California, with 175 rooms.
 25. In September 2020, Holiday Inn's mascot "Leo " was used to design the brand. By conveying the spirit of fun and good food, the brand offers a wide range of dining options such as classic and famous Hong Kong-style boiled rice, a variety of Hong Kong-style steamed dim sum, Hong Kong-style toast and nostalgic Hong Kong-style beverages, providing an enjoyable dining experience.
 26. In August 2021, the restaurant business LEO BO BO were continued to develop and to set up in major famous department stores.
 27. Sale of Holiday Garden Hotel in November 2021.
 28. In December 2021, the Company invested in the Springhill Suites Fremont Hotel in California, USA, with 148 rooms.
 29. In December 2021 Restaurant Business - Mongkok Restaurant Opening.
 30. In October 2022, Sale of TownePlace Suites Newark Silicon Valley Hotel.

The capital stock of the company was established

	and registered in July 1959 with:	NT\$ 8,000,000
	Paid-in Capital	NT\$ 4,000,000
From Jan 1960	Cash Capital Increase with:	NT\$ 4,000,000
	Paid-in Capital	NT\$ 8,000,000
From Jul 1964	Cash Capital Increase with:	NT\$32,000,000
	Paid-in Capital:	NT\$40,000,000

In February 1965, the stock listing was approved by the Securities and Exchange Commission of the Ministry of Finance. Since 1982, after many capital surplus transfers and capital cash increases, the current registered capital is NT\$ 2,500,000,000.

The paid-in capital is NT\$ 1,566,132,490.

IV. The most recent year and up to the date of the publication of the annual report, the company's merger and acquisition, reinvestment of affiliate

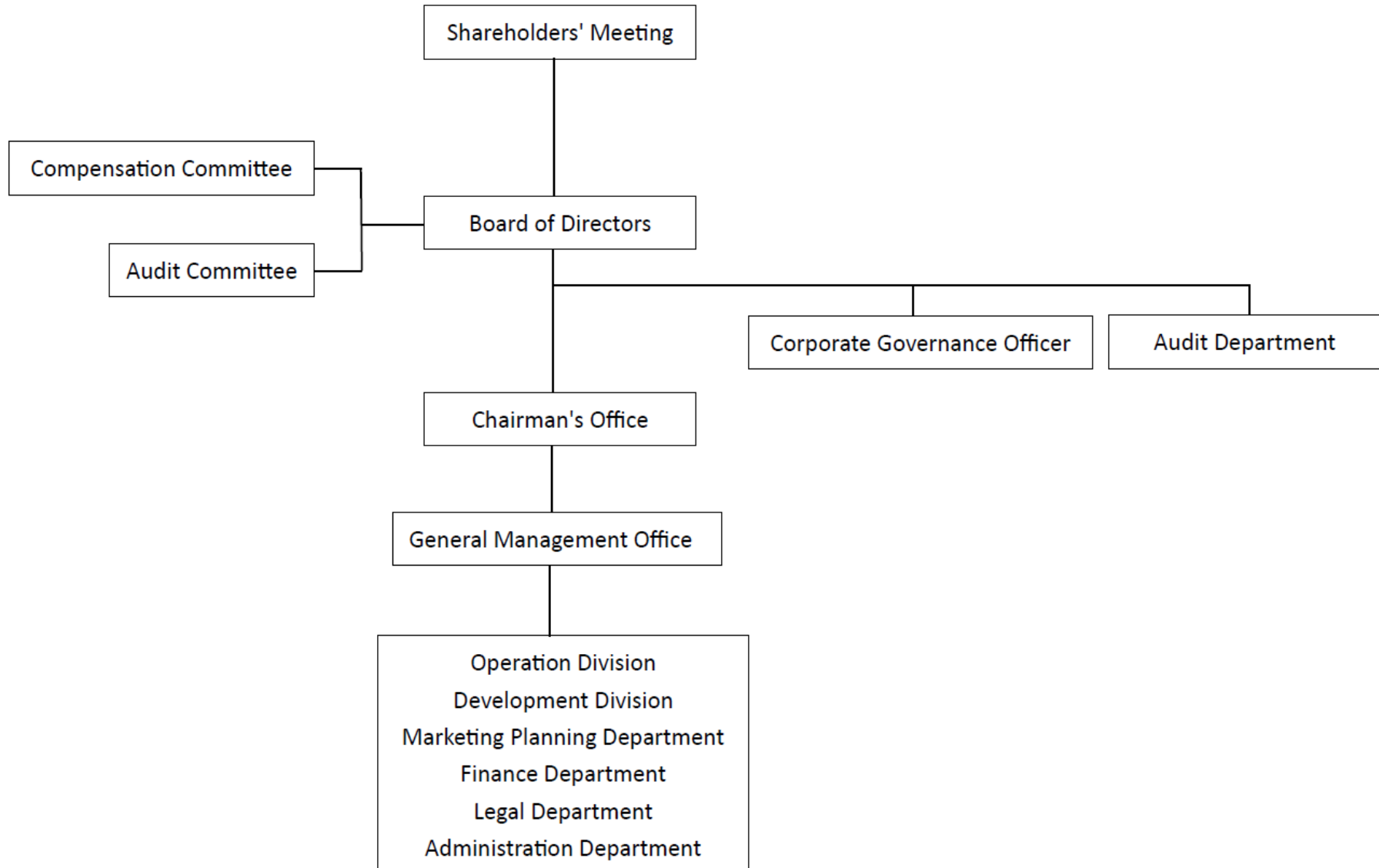
enterprises, and reorganization: None.

- V. The most recent year and up to the date of the publication of the annual report, substantial transfer or replacement of the shares of directors, supervisors or major shareholders holding more than 10% of the shares: None.
- VI. The most recent year and up to the date of the publication of the annual report, changes in the management right, major changes in the mode of operation or business content, and other important matters sufficient to affect shareholders' equity and their impact on the company: None

Chapter 3. Corporate Governance Report

I. Organization System

A. Organizational Structure of the Company



B. Businesses of Major Departments

Departments	Main Duties
Operations Division	- Planning and execution of operation development and business promotion, service quality optimization and management of the Group's hotel and catering business units.
Development Division	- Group Product Development and Sales Location Development.
Marketing Planning Department	- Marketing strategy planning for the hotel and restaurant business, integration of the Group's brand image, and communication social media relations maintenance and development.
Finance Department	- Group financial management operations planning and execution, accounting and tax operations and planning, operating performance and cost analysis, risk management, investor relations management Operating performance and cost analysis,
Legal Department	- Provide consultation or representation with legal related documents
Administration Department	- Group human resources management, information architecture maintenance and security management, public safety facilities maintenance management, procurement strategy planning and execution Facility maintenance management, procurement strategy planning and execution.

II. Information of Director and Manager

A. Information of Directors

December 31, 2022

Job Title	Nationality or Domicile	Name	Age	Gender	Elected (Appointed) Date	Term of Office	Date of Initial Elected Date	Shares Held When Elected		Current Shares Held		Current Shares Held by Spouses and Minor Children		Holding Shares In the Name of Another Person		Main Experience & Education	Currently Serve Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Note
								Shares	Shareholding Ratios	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship	
Chairman of the Board:	Republic of China	Ying Chuan International Enterprise CO LTD			2022.06.15	3 Years	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	0	0	-	-	-	-	-	-
Legal (Judicial) Person Representative	Republic of China	Hai-Ni Chen	71-80	Male	2022.06.15	3 Years	1965	3,151,505	2.85%	4,337,257	2.77%	675,230	0.43%	0	0	Tamkang University	Chairman of the Company	Vice manager of the Company	Su-Hui Lin Shih-Yi Chen	Spouse Father/Daughter	Note
Director	Republic of China	Ying Chuan International Enterprise CO LTD			2022.06.15	3 Years	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	0	0	-	-	-	-	-	-
Legal (Judicial) Person Representative	Republic of China	Su-Hui Lin	71-80	Female	2022.06.15	3 Years	1965	568,064	0.51%	675,230	0.43%	4,337,257	2.77%	0	0	Tamkang University	Vice manager of the Company	Chairman of the Company	Hai-Ni Chen Shih-Yi Chen	Spouse Father/Daughter	Note
Director	Republic of China	Ying Chuan International Enterprise CO LTD			2022.06.15	3 Years	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	0	0	-	-	-	-	-	
Legal (Judicial) Person Representative	Republic of China	Tseng-Tung Chen	41-50	Male	2022.06.15	3 Years	1965	4,339,677	3.93%	6,151,491	3.93%	260,000	0.17%	0	0	University of Southern California	HOLIDAY GARDEN U.S. VP	Chairman of the Company	Hai-Ni Chen Su-Hui Lin	Father/Son Mother/Son	

Job Title	Nationality or Domicile	Name	Age	Gender	Elected (Appointed) Date	Term of Office	Date of Initial Elected Date	Shares Held When Elected		Current Shares Held		Current Shares Held by Spouses and Minor Children		Holding Shares In the Name of Another Person		Main Experience & Education	Currently Serve Concurrent Posts in the Company and Other Companies	Other Heads, Directors, or Supervisors with a Spouse or Second Degree of Kinship			Note	
								Shares	Shareholding Ratios	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio			Title	Name	Relationship		
Director	Republic of China	Pao-Shang Li	71-80	Male	2022.06.15	3 Years	2017	67,970	0.06%	96,346	0.06%	-	-	0	0	National Pei-Kang Agricultural & Industrial Vocational High School	Chairman of Chang-Feng driving class center	None	None	None	None	Not e1
Independent Director	Republic of China	Te-Chu Li	51-60	Female	2022.06.15	3 Years	2017	0	0%	0	0%	-	-	0	0	Providenc University Accounting Department Bachelor	Person in charge of Liang-Te Accountancy firms	None	None	None	None	None
Independent Director	Republic of China	Ching-Lin Li	51-60	Male	2022.06.15	3 Years	2019	0	0%	0	0%	-	-	0	0	Tunghai University Accounting Department Bachelor	Accountant of Crowe(TW)CPAs	None	None	None	None	None
Independent Director	Republic of China	Kuo-Ying Lu	61-70	Male	2022.06.15	3 Years	2019	15,946	0.01%	22,603	0.01%	1,680	0.002%	0	0	Y-Sun Senior High School	Independent Director of the Company	None	None	None	None	None
Independent Director	Republic of China	Tien-Tsai Chien	51-60	Male	2023.05.30	3 Years	2023	0	0%	0	0%	-	-	0	0	National Sun Yat-sen University EMBA	Independent Director of the Company	None	None	None	None	Not e2

Note: The company's chairman and general manager or equivalent (the top manager) are the same person, are relatives of each other's spouse or first relative, and should explain the reasons,

rationality, necessity and corresponding measures (such as increasing the number of independent directors, And there should be more than half of the directors who are not part-time employees or managers, etc.) related information.

The company's chairman and general manager serve to improve operational efficiency and decision-making execution, but in order to strengthen the independence of the board of directors and implement corporate governance, the company has actively trained suitable candidates; in addition, the chairman also usually communicates closely with the directors to the company Operational status and planning guidelines to implement corporate governance. In the future, the company also plans to increase the number of independent directors to enhance the functions of the board of directors and strengthen the supervision function.

At present, the company has the following specific measures:

1. The current three independent directors have expertise in professional fields and can effectively play their supervisory functions.
2. Arrange directors to participate in professional director courses of the external organizations such as the China Securities Regulatory Commission on an annual basis for continuous training to improve directors' operating efficiency.
3. Independent directors can fully discuss and make recommendations for the board of directors in the functional committees to implement corporate governance.
4. More than half of the board members are not part-time employees or managers.

Note 1: Resigned on 2023.05.29.

Note 2: Appointed on 2023.05.30.

B. Substantial Shareholders of Judicial Shareholders

December 31, 2023

Name of Judicial Person Shareholders	Substantial Shareholders of Judicial Shareholders
Ying Chuan International Enterprise CO LTD	Hai-Ni Chen

C. The Substantial Shareholders of the Substantial Shareholders of Judicial Person Shareholders: None

D. Disclosure of Director's Professional Qualifications and Independent Director Independence Information

December 31, 2023

Name	Condition	Does the individual have more than 5 years of work experience and the following professional qualifications?			Conformity to Independence (Note 1)												Number of Other public owned corporations in which the Company concurrently serves as an independent director.
		Lecturer or above in business, legal finance, accounting or corporate business in public or private tertiary institutions.	Judges, prosecutors, lawyer accountants or other professionals and technicians who have passed the national examinations and obtained certificates necessary for the business of the company.	Experience in business, legal, finance, accounting or corporate business.	1	2	3	4	5	6	7	8	9	10	11	12	
Director Representative of Ying Chuan International Enterprise CO LTD: Hai-Ni Chen				✓			✓			✓	✓			✓	✓	✓	0
Director Representative of Ying Chuan International Enterprise CO LTD: Su-Hui Lin				✓			✓			✓	✓			✓	✓	✓	0
Director Representative of Ying Chuan International Enterprise CO LTD: Tseng-Tung Chen				✓	✓		✓			✓	✓			✓	✓	✓	0
Director Representative of Ying Chuan International Enterprise CO LTD: Shih-Yi Chen				✓	✓		✓			✓	✓			✓	✓	✓	0
Director: Pao-Shang Li				✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Te-Chu Li			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Ching-Lin Li			✓	✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Name	Condition	Does the individual have more than 5 years of work experience and the following professional qualifications?			Conformity to Independence (Note 1)												Number of Other public owned corporations in which the Company concurrently serves as an independent director.
		Lecturer or above in business, legal finance, accounting or corporate business in public or private tertiary institutions.	Judges, prosecutors, lawyer accountants or other professionals and technicians who have passed the national examinations and obtained certificates necessary for the business of the company.	Experience in business, legal, finance, accounting or corporate business.	1	2	3	4	5	6	7	8	9	10	11	12	
Independent Director: Kuo-Ying Lu				✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent Director: Tien-Tsai Chien				✓	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: For each Director or Supervisor who meets the conditions for two years prior to being elected and during his/her term of office, please "✓" the box below the corresponding condition(s).

- (1) Employees of non-company or affiliated companies.
- (2) Directors and supervisors of non-company or related companies (but if the company and its parent company, subsidiary or subsidiary of the same parent company are independent directors established by this law or local state laws and regulations, they are not limited)
- (3) Non-self and his spouse, minor children or natural person shareholders who hold more than 1% of the company's total issued shares in the name of others or the top ten shareholders
- (4) Not a manager listed in (1) or a spouse, relative within the second parent, or direct blood relative within the third parent, etc. of the manager listed in (1) or (2), (3)
- (5) Legal person shareholders, directors or supervisors who do not directly hold more than 5% of the company's total issued shares, hold the top five shares, or appoint representatives as company directors or supervisors in accordance with Article 27, paragraph 1 or 2, of the Company Law Employ (but if the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations concurrently serve each other, are not subject to this limit).
- (6) More than half of the shares that are not on the board of directors of the company or have voting rights are the directors, supervisors or employees of other companies controlled by the same person (but if it is the company or its parent company, subsidiary or subsidiary of the same parent company (The independent directors established by the law or local national laws and regulations shall not be limited to this.)
- (7) Directors (directors), supervisors (supervisors) or employees of other companies or institutions that are not the same person or spouse with the company's chairman, general manager or equivalent, but if the company and its parent company, subsidiary (If the independent directors established by subsidiaries of the same parent company in accordance with this law or local national laws serve concurrently, they are not limited to this).
- (8) Directors (directors), supervisors (supervisors), managers or shareholders holding more than 5% of a specific company or organization that does not have financial or business dealings with the company (but if a specific company or organization holds 20% of the company's total issued shares The above does not exceed 50%, and the independent directors established by the company and its parent company, subsidiary company or subsidiary of the same parent company in accordance with this law or local national laws and regulations concurrently serve each other, not subject to this limit).

- (9) Professionals, proprietors, sole proprietorships, partnerships, companies or institutions that do not provide audits for companies or related companies, or business, legal, financial, accounting and other related services that have not received NT \$ 500,000 in the past two years Partners, directors (directors), supervisors (supervisors), managers and their spouses. However, members of the Salary and Compensation Committee, Public Acquisition Review Committee, or M & A Special Committee that perform their duties in accordance with the relevant laws and regulations of the Securities Exchange Act or the Corporate M & A Act are not limited to this.
- (10) There is no kinship relationship with other directors within the scope of spouse or second parent.
- (11) There is no one of the circumstances in Article 30 of the Company Law.
- (12) There is no Article 27 of the Company Law which stipulates that the government, legal person or its representative shall be elected

E. Information on the General Managers, Deputy General Managers, Assistant Managers, and Heads of Department December 31, 2023

Nationality	Job Title	Gender	Name	Elected (Appointed) Date	Shares Held		Shares Held by Spouses and Minor Children		Shares Held in the Name of Other Persons		Main Experience & Education	Currently Serve Concurrent Posts in Other Companies	Managers with a Spouse or Second Degree of Kinship			Note
					Shares	Shareholding Ratios	Shares	Shareholding Ratios	Shares	Shareholding Ratio			Job Title	Name	Relationship	
Republic of China	Chairman of the Board/General Manager	Male	Hai-Ni Chen	2016.07.14	4,337,257	2.77%	675,230	0.43%	-	-	Chairman of the Board, Holiday Garden Hotel	None	Deputy General Manager	Shu-Hui Lin	Husband/Wife	Note
Republic of China	Deputy General Manager	Female	Shu-Hui Lin	2003.07.01	675,230	0.43%	4,337,257	2.77%	-	-	Deputy General Manager, Holiday Garden Hotel	None	Chairman of the Board	Hai-Ni Chen	Husband/Wife	Note

Note: The company's chairman and general manager or equivalent (the top manager) are the same person, are relatives of each other's spouse or first relative, and should explain the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors, And there should be more than half of the directors who are not part-time employees or managers, etc.) related information.

The company's chairman and general manager serve to improve operational efficiency and decision-making execution, but in order to strengthen the independence of the board of directors and implement corporate governance, the company has actively trained suitable candidates; in addition, the chairman also usually communicates closely with the directors to the company Operational status and planning

guidelines to implement corporate governance. In the future, the company also plans to increase the number of independent directors to enhance the functions of the board of directors and strengthen the supervision function.

At present, the company has the following specific measures:

1. The current three independent directors have expertise in professional fields and can effectively play their supervisory functions.
2. Arrange directors to participate in professional director courses of the external organizations such as the China Securities Regulatory Commission on an annual basis for continuous training to improve directors' operating efficiency.
3. Independent directors can fully discuss and make recommendations for the board of directors in the functional committees to implement corporate governance.
4. More than half of the board members are not part-time employees or managers.

F. Remuneration of Directors, Supervisors, General Manager and Deputy General Managers

(1) Remuneration of Directors (including Independent Directors)

December 31, 2023 Unit: NT\$ 1,000

Title	Name (Note 1)	Remuneration of Directors								A, B, C and D		Remuneration Paid to Concurrent Employees								Total Amount of A, B, C, D, E and G Percentage of Total and Net Profit After Tax % (Note 10)	Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)	Note	
		Remuneration (A) (Note 2)		Retirement Allowance (B)		Earnings Distribution Remuneration (C) (Note 3)		Business Allowances (D) (Note 4)		Percentage of Total and Net Profit After Tax % (Note 10)		Salary and Bonus And Special Expenses, etc. (E) (Note 5)		Retirement Allowance (F)		Earnings Distribution Employee Bonus (G) (Note 6)							
		The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Compani es in the Consolid ated Financia l State ments (Note 7)	The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Compani es in the Consolid ated Financial State ments (Note 7)	The Company	Stock Bonus Amount	The Com pany	Stock Bonus Amount				
Director	Hai-Ni Chen	0	0	0	0	0	0	120	120	0.47%	0.47%	1,300	1,300	0	0	0	0	0	0	5.51%	5.51%	None	

Title	Name (Note 1)	Remuneration of Directors								A, B, C and D		Remuneration Paid to Concurrent Employees								Total Amount of A, B, C, D, E and G Percentage of Total and Net Profit After Tax % (Note 10)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 11)	Note
		Remuneration (A) (Note 2)		Retirement Allowance (B)		Earnings Distribution Remuneration (C) (Note 3)		Business Allowances (D) (Note 4)		Percentage of Total and Net Profit After Tax % (Note 10)		Salary and Bonus And Special Expenses, etc. (E) (Note 5)		Retirement Allowance (F)		Earnings Distribution Employee Bonus (G) (Note 6)							
		The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Companies in the Consolidated Financial Statements (Note 7)	The Company	Stock Bonus Amount	The Company	Stock Bonus Amount	The Company	Companies in the Consolidated Financial Statements (Note 7)		
Director	Su-Hui Lin	0	0	0	0	0	0	120	120	0.47%	0.47%	780	780	0	0	0	0	0	0	3.50%	3.50%	None	
Director	Tseng-Tung Chen	0	0	0	0	0	0	120	120	0.47%	0.47%	2,340	2,340	0	0	0	0	0	0	9.55%	9.55%	None	
Director	Pao-Shang Li	0	0	0	0	0	0	50	50	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None	Note
Independent	Te-Chu Li	0	0	0	0	0	0	120	120	0.47%	0.47%	0	0	0	0	0	0	0	0	4.66%	4.66%	None	
Independent Director:	Ching-Lin Li	0	0	0	0	0	0	120	120	0.47%	0.47%	0	0	0	0	0	0	0	0	4.66%	4.66%	None	
Independent Director:	Kuo-Ying Lu	0	0	0	0	0	0	120	120	0.47%	0.47%	0	0	0	0	0	0	0	0	4.66%	4.66%	None	
Independent Director:	Tien-Tsai Chien	0	0	0	0	0	0	70	70	0.27%	0.27%	0	0	0	0	0	0	0	0	0.27%	0.27%	None	Note 2

1. Please describe the policy, system, standards and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: Directors mainly include remuneration, remuneration distribution and various items. The attendance at the meeting is the carriage fee supported. During the tenure of the directors, monthly carriage fees can be paid. The directors' remuneration authorizes the board of directors to agree on the degree of participation in the company's operations and the value of their contributions, and to negotiate with the normal level of the industry. The company distributes directors' remuneration at a profit of no more than 1% in the current year.

2. In addition to the disclosure in the above table, the directors of the company in the most recent year received remuneration for providing services to all companies in the financial report (such as acting as a consultant for all non-employees of the company/investment business in the company/financial report): none

Note 1: The names of directors should be listed separately (legal shareholders should separately list the names and representatives of legal shareholders), and the general directors and independent directors should be listed separately, and the amount of each payment should be disclosed in a summary manner.

Note 2: Refers to the remuneration of directors in the most recent year (including directors' salaries, job bonuses, severance payments, various bonuses, incentives, etc.).

Note 3: The amount of directors' remuneration distributed by the board of directors in the most recent year is shown.

Note 4: Refers to the directors' relevant business execution costs in the most recent year (including carriage fees, special expenses, various allowances, dormitory, car allocation and other

physical provision, etc.). When providing expenditures for houses, cars and other transportation or exclusive individuals, the nature and cost of the assets provided, actual or fair market rents, fuel and other payments should be disclosed. In addition, if there is a driver, please note that the company pays the relevant remuneration for the driver, but it is not included in the remuneration.

Note 5: Refers to the recent annual director concurrent employees (including concurrently general manager, deputy general manager, other managers and employees) received including salary, job bonus, severance payment, various bonuses, incentives, vehicle fees, special expenses, various Subsidies, dormitories, car allocation, etc. are provided in kind. When providing expenditures for houses, cars and other transportation or exclusive individuals, the nature and cost of the assets provided, actual or fair market rents, fuel and other payments should be disclosed. In addition, if there is a driver, please note that the company pays the relevant remuneration for the driver, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payments", including obtaining employee stock option certificates, restricting employee rights and new shares, and participating in capital increase subscription shares, shall also be included in the remuneration.

Note 6: Refers to the employees who have served concurrently as directors (including general managers, deputy general managers, other managers and employees) in the most recent year and received employee compensation (including stocks and cash). Those who cannot be estimated will calculate the proposed distribution amount for this year according to the proportion of the actual distribution amount last year, and should also fill in the third table of the attached schedule.

Note 7: The total remuneration paid to the directors of the company by all companies (including the company) in the consolidated report should be disclosed.

Note 8: The company pays each director a total amount of remuneration, and the name of the director is disclosed in the attribution level.

Note 9: All companies (including the company) in the consolidated report should be disclosed the total amount of remuneration paid to each director of the company, and the name of the director should be disclosed in the attribution level.

Note 10: After-tax net profit refers to the net profit after tax in individual or individual financial reports in the most recent year.

Note 11: a. This column should clearly indicate the amount of remuneration received by the company's directors from a reinvestment business outside the subsidiary or the parent company (if not, please fill in "none").

b. If the directors of the company receive relevant remuneration from a subsidiary's reinvestment business or parent company, the remuneration received by the company's directors from the subsidiary's reinvestment business or parent company should be included in column I of the remuneration scale, And change the field name to "parent company and all reinvestment businesses".

c. Remuneration refers to the remuneration, remuneration (including the remuneration of employees, directors and supervisors) and business execution costs received by the directors of the company as directors, supervisors or managers of non-subsidiary investment companies or parent companies. remuneration.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure, not for tax purposes.

Note 1: Resigned on 2023.05.29.

Note 2: Appointed on 2023.05.30.

(2) Remuneration of General Manager and Deputy General Manager

December 31, 2023 Unit: NT\$ 1,000

Title	Name (Note 1)	Salary (A) (Note 2)		Retirement Allowance (B)		Bonuses and Special Expenses (C) (Note 3)		Remuneration of Employee (Note 4)		Percentage of Total and Net Profit After Tax of A, B, C, and D (%) (Note 7)		Compensatio n Paid to Directors from an Invested Company
		The Compan	Companie s in the	The Compan	Companie s in the	The Compan	Companie s in the	The Company	Companies in the Consolidated	The Company	Companie s in the	

		y	Consolidated Financial Statements (Note 6)	y	Consolidated Financial Statements (Note 6)	y	Consolidated Financial Statements (Note 6)			Financial Statements (Note 5)			Consolidated Financial Statements (Note 6)	Other than the Company's Subsidiary (Note 8)
								Cash Bonus Amount	Stock Bonus Amount	Cash Bonus Amount	Stock Bonus Amount			
Chairman of the Board/General Manager	Hai-Ni Chen	1,200	1,200	1,200	0	0	100	100	0	0	0	0	5.05%	None
Deputy General Manager	Shu-Hui Lin	720	720	720	0	0	60	60	0	0	0	0	3.03%	None

Note 1: Names of the General Manager and Deputy General Manager shall be listed separately and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serve as a General Manager or Deputy General Manager, he/she should fill this form and the (1-1) or (1-2) above.

Note 2: It is the latest annual salary and salary of the general manager and deputy general manager.

Note 3: It is the latest annual general manager and deputy general manager's various bonuses, incentives, carriage fees, special expenses, various allowances, dormitory, car allocation and other physical provision and other remuneration amounts. When providing expenditures on houses, cars and other transportation or exclusive individuals, the nature and cost of the assets provided, actual or fair market rents, fuel and other payments should be disclosed. In addition, if there is a driver, please note that the company pays the relevant remuneration for the driver, but it is not included in the remuneration. In addition, the salary expenses recognized in accordance with IFRS 2 "Share-based Payment", including obtaining employee stock option certificates, restricting employee rights new shares and participating in cash capital increase subscription shares, should also be included in the remuneration.

Note 4: It is to fill in the employee compensation amount (including stocks and cash) of the general manager and deputy general manager approved by the board of directors in the most recent year. Fill in Schedule I ter.

Note 5: The total remuneration paid by all companies (including the company) to the general manager and deputy general manager of the company in the consolidated report should be disclosed.

Note 6: The Company pays each general manager and deputy general manager various remunerations, and the names of the general manager and deputy general manager are disclosed in the attribution level.

Note 7: All companies (including the company) in the consolidated report should be disclosed the total remuneration of each general manager and deputy general manager of the company, and the names of the general manager and deputy general manager should be disclosed in the attribution level.

Note 8: After-tax net profit refers to the net profit after tax in individual or individual financial reports in the most recent year.

Note 9: a. This column should clearly list the amount of remuneration received by the general manager and deputy general manager of the company from a subsidiary outside the company or the parent company.

b. If the general manager and deputy general manager of the company receive remuneration from a subsidiary outside the subsidiary or the parent company, they should transfer the general manager and deputy general manager outside the subsidiary to the subsidiary or the parent company. The remuneration received will be included in column E of the remuneration grade distance table, and the name of the column will be changed to "Parent company and all reinvestment businesses".

c. Remuneration refers to the remuneration and remuneration (including the remuneration of employees, directors and supervisors) received by the general manager and deputy general manager of the company as directors, supervisors or managers of non-subsidiary companies or parent companies. Remuneration such as business execution costs.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure, not for tax purposes.

(3) Top five highest remuneration of supervisor of listed and over-the-counter company

December 31, 2023 Unit: NT\$ 1,000

Title	Name (Note 1)	Salary (A) (Note 2)		Retirement Allowance (B)		Bonuses and Special Expenses (C) (Note 3)		Remuneration of Employee (Note 4)				Percentage of Total and Net Profit After Tax of A, B, C, and D (%) (Note 7)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary (Note 8)
		The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company	Companies in the Consolidated Financial Statements (Note 6)	The Company		Companies in the Consolidated Financial Statements (Note 5)		The Company	Companies in the Consolidated Financial Statements (Note 6)	
								Cash Bonus Amount	Stock Bonus Amount	Cash Bonus Amount	Stock Bonus Amount			
Chairman of the Board/General Manager	Hai-Ni Chen	1,200	1,200	0	0	100	100	0	0	0	0	5.05%	5.05%	None
Deputy General Manager	Shu-Hui Lin	720	720	0	0	60	60	0	0	0	0	3.03%	3.03%	None

Note 1: The so-called "top five top remuneration executives", which refers to the company's managers, to the identification standards of the relevant managers, based on the former Taiwan Securities Certificate on March 27, 1992 Circular No. 0920001301 stipulates that "ManagerThe application scope of "people" is handled. As for the calculation and determination principle of "the top five highest remuneration", the company manager receives the salaries, retirement pensions, bonuses and special expenses from all companies in the consolidated financial report, and the total amount of employee compensation (alsoThat is, A + B + C + D four totals), and after the ranking, the top five remunerations are recognized. If the director concurrently serves as the former supervisor, this table and the above table (1-1) should be filled out.

Note 2: It is to fill in the salary, post bonus and severance payment of the top five remuneration supervisors in the most recent year.

Note 3: It is to fill in the various types of bonuses, incentives, carriage fees, special expenses, various allowances, dormitory, car allocation and other physical provision and other remuneration amounts of the top five remuneration supervisors in the most recent year. When providing expenditures for houses, cars and other transportation or exclusive individuals, the nature and cost of the assets provided, actual or fair market rents, fuel and other payments should be disclosed. In addition, if there is a driver, please note that the company pays the relevant remuneration for the driver, but it is not included in the remuneration. In addition, the salary expenses recognized under IFRS 2 "Share-based Payments", including obtaining employee stock option certificates, restricting employee rights new shares and participating in capital increase subscription shares, shall also be included in the remuneration.

Note 4: It is to fill in the employee compensation amount (including stock and cash) of the top five remuneration executives approved by the board of directors in the most recent year Fill in Schedule .

Note 5: The total remuneration of the top five remuneration executives of the company paid by all companies (including the company) in the consolidated report should be disclosed.

Note 6: After-tax net profit refers to the net profit after tax in individual or individual financial reports in the most recent year.

Note 7: a. This column should clearly list the top five remuneration executives of the company who receive remuneration from affiliated companies or parent companies (if

no, please fill in "none").b. Remuneration refers to the remuneration, remuneration (including the remuneration of employees, directors and supervisors) received by the top five remuneration executives of the company as directors, supervisors or managers of non-subsiary companies or parent companies Remuneration such as business execution costs.

* The content of the remuneration disclosed in this table is different from the income concept of the income tax law, so the purpose of this table is for information disclosure, not for tax purposes.

(4) Name of manager and circumstances of distribution of employee bonus: None

G. Analysis of the proportion of the total remuneration paid to the directors, supervisors, general manager and deputy general managers of the Company and the consolidated statements in the net profit after tax in the most recent two years, as well as policies, standards and portfolios for payment of remuneration, procedures for setting remuneration, relevance to business performance and future risks :

Job Title	2023	2022
	The total amount of remuneration paid by the Company and the consolidated statements to the directors, general manager and deputy general managers of the company as a percentage of the net profit after tax.	The total amount of remuneration paid by the Company and the consolidated statements to the directors, supervisors, general manager and deputy general managers of the company as a percentage of the net profit after tax.
Director	3.26%	0.21%
Supervisor	-	-
General Manager and Deputy General Manager	8.08%	0.54%

1. Policies, standards and combinations for payment of remuneration:

- (1) The remuneration of the directors and supervisors of the Company shall include the expenses for traveling and shall be distributed in accordance with Article 31 of the Articles of Association, and shall be paid no more than 1% of the profits of the current year.
- (2) The remuneration and salary of the general manager and deputy general managers of the Company will be based on their professional experience and reference to the general standards of the same sector. In addition, bonuses will be issued according to their achievement rate, growth rate, risk and performance.

2. Procedures for setting remuneration:

In December 2011, the board of directors of the Company approved the "Rules and Regulations for the Organization of the Remuneration Committee", and established the Remuneration Committee according to the organization rules to formulate the remuneration of directors, supervisors and managers.

The Remuneration Committee of the Company shall determine and regularly evaluate the remuneration of directors, supervisors and managers. The remuneration of directors, supervisors and managers shall be approved by the Board of Directors before implementation.

3. Relevance to business performance and future risk:

- (1) The remuneration of the Board of Directors and the Board of Supervisors of the Company shall be paid in accordance with the earnings distribution plan approved by the Board of Shareholders and related to the company's business performance, and the Remuneration Committee shall assess the rationality of the association between the Board of Directors' performance and the company's business performance and future risks to determine their remuneration.

(2)The Remuneration Committee will assess the reasonableness of the association between managers' performance and the company's business performance and future risks to determine their remuneration.

III. Operations of Corporate Governance

A. Operations of the Board of Directors

For the most recent year (2023), the Board of Directors met 6 times (A) and the attendance of directors was as follows:

Job Title	Name	Number of Actual Attendance B	Number of Proxy Attendance	Rate of Actual Attendance (%) [B/A]	Note
Chairman of the Board	Director Representative of Ying Chuan International : Hai-Ni Chen	4	2	67%	
Director	Director Representative of Ying Chuan International : Shu-Hui Lin	2	4	33%	
Director	Director Representative of Ying Chuan International : Tseng-Tung Chen	6	0	100	
Director	Pao-Shang Li	3	0	100	Resigned on 2023.05.29
Independent Director	Te-Chu Li	6	0	100	
Independent Director	Ching-Lin Li	6	0	100	
Independent Director	Kuo-Ying Lu	6	0	100	
Independent Director	Tien-Tsai Chien	3	0	100	Appointed on 2023.05.30

Other items that shall be recorded:

1. If the operation of the board of directors is under any of the following circumstances, the date, stage, contents of the bill of the board of directors, all the opinions of the independent directors and the company's treatment of the opinions of the independent directors shall be clearly stated:

(1) Items listed in Article 14-3 of the Securities and Exchange Act: The provision of Article 14-3 of the Securities and Exchange Act does not apply as the company has established an audit committee. Please refer to pages 27-28 for details of the operation of the audit committee.

(2) Other than the matters mentioned above, the resolutions of the Board of Directors that have been objected or reserved by independent directors and have been documented or issued in writing: No such

situation.

2. Directors abstain from voting as a result of voting proposals, and the name of the Directors, the content of the proposal, reasons for recusal due to conflict of interests and the results of voting counts shall be stated: No such situation.

3. Assessment of the implementation of the Board of Directors:

Assessment Circle	Assessment Period	Assessment Scope	Assessment Measure	Assessment Content
Performed regularly once a year	2023.01.01 ~ 2023.12.31	1.Board of Directors 2.Individual Board Members 3.Functional Committees	1.Board self-assessment 2.Board member self-assessment 3.Functional committee self-assessment.	1.Board self-assessment: (1) Level of involvement in company operations (2) Enhancing the quality of board decision-making (3) Composition and structure of the board (4) Selection and ongoing education of directors (5) Internal controls 2.Board member self-assessment: (1) Understanding of company goals and missions (2) Awareness of director responsibilities (3) Level of involvement in company operations (4) Management of internal relationships and communication (5) Professionalism and continuous education of directors (6) Internal controls 3.Functional committee self-assessment: (1) Level of involvement in company operations (2) Awareness of committee responsibilities (3) Enhancing the quality of committee decision-making (4) Composition and selection of committee members (5) Internal controls

4. Objectives of strengthening board functions in the current and most recent years (e.g., setting up Audit Committee, improving information transparency, etc.) and performance evaluation:

A. The Company established an Audit Committee to replace the Supervisors' duties and responsibilities to strengthen the functions of the Board of Directors following the general re-election of Directors at the Ordinary General Meeting of Shareholders on June 19, 2019.

B. Improve the Transparency of Information

The company is committed to promoting the transparency of information and the shareholder equity, and the important decisions will be published on the company website immediately after the board meeting.

B. Operation of the Audit Committee :

For the most recent year (2023), the Audit Committee met 6 times (A) and the

attendance of directors was as follows:

Job Title	Name	Number of Actual Attendance (B)	Number of Proxy Attendance	Rate of Actual Attendance (%) (B/A)	Note
Independent Director	Te-Chu Li	6	0	100	
Independent Director	Ching-Lin Li	6	0	100	
Independent Director	Kuo-Ying Lu	6	0	100	
Independent Director	Tien-Tsai Chien	3	0	100	Appointed on 2023.05.30

Other items that shall be recorded:

1. The operation of the Audit Committee shall state the call date and period of the Board of Directors, the content of the motion, independent directors' dissenting opinion, reservations or significant proposed project content, the result of the resolution of the Audit Committee and the Company's handling of the Audit Committee's opinion, if any of the following circumstances apply.

(1) Items listed in Article 14-5 of the Securities and Exchange Act:

Date/Period	Motion content	Resolution result	Audit Committee's opinion	The company's handling of independent directors' opinions
2023.03.14 The 5th Meeting of the 2nd Audit Committee	1. 2022 Annual Financial Statements 2. 2022 Earnings Distribution Proposal 3. 2022 Internal Control System Declaration 4. Case of Changing Accountant 5. Case of Appointment of Accountant 6. Supplementary Election of Independent Directors Case 7. Amendment to the "Board Meeting Regulations" of the Company 8. Amendment to the "Guidelines for Acquisition or Disposal of Assets" of the Company 9. Amendment to the "Articles of Association" of the Company 10. Amendment to the "Director Nomination Procedures" of the Company 11. Amendment to the "Guidelines for Establishing Internal	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable

	Control Systems" of the Company 12.Amendment to the "Scope of Duties of Independent Directors" Rules of the Company			
2023.04.18 The 6th Meeting of the 2nd Audit Committee	1.Rescindment of Non-competition Restrictions for Newly Appointed Independent Directors Case 2.Amendment to the "Operating Procedures for Lending Funds to Others" of the Company	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable
2023.05.09 The 7th Meeting of the 2nd Audit Committee	1.2023 First Quarter Consolidated Financial Statements Case 2.Establishment of Corporate Governance Officer Case	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable
2023.08.08 The 8th Meeting of the 2nd Audit Committee	1.2023 Second Quarter Consolidated Financial Statements Case	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable
2023.11.09 The 9th Meeting of the 2nd Audit Committee	1.2023 Third Quarter Consolidated Financial Statements Case	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable
2023.12.20 The 10th Meeting of the 2nd Audit Committee	1.Formulation of Audit Plan for 2023 2.Capital Increase Case for Overseas Subsidiary, Holiday Garden International Ltd. 3.Capital Increase Case for Overseas Subsidiary, Holiday Garden US 4.Internal Audit Supervisor Change Case	After the Chairman consulted all audit members, the proposal was passed without objection	No objections or reservations	Not applicable

(2) Except for the pre-opening matters, other resolutions that have not been approved by the Audit Committee and have been approved by more than two-thirds of all directors: No such situation.

2.The implementation status of the independent director's avoidance of the proposal of interest shall state the name of the independent director, the content of the proposal, the reason for the avoidance of interest and the situation of participation in voting: No such situation.

3.Communication between independent directors and internal audit supervisors and accountants: Regularly review audit reports and financial statements, and contact the audit supervisor and accountants at any time if necessary

C. The operation of corporate governance and the reason of difference between it and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
1. Does the company establish and disclose a code of practice on corporate governance in accordance with the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies"?	V		The Company has adopted the "Corporate Governance Best Practice Principles" by the board of directors on December 5, 2016, in accordance with the "Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies" and disclosed it on the company website (www.hotelhg.com.tw).	No difference.
2. Equity Structure and Stockholders' Equity of the Company				
(I) Does the company have internal procedures in place to handle shareholder suggestions, questions, disputes and lawsuits, and to follow those procedures?	V		(I) The Company has spokespersons and acting spokespersons to deal with shareholders' suggestions, questions, disputes and lawsuits	No difference.
(II) Does the company have a list of the substantial shareholder and the final list of controllers of the substantial shareholder who actually control the company?	V		(II) The Company, in accordance with the relevant laws and regulations, regularly declares to the Market Observation Post System any changes in the equity held by insiders (directors, supervisors, managers and shareholders holding 10% of the total shares)	No difference.
(III) Does the company establish, implement risk	V		(III) The financial and accounting operations of	No difference.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
<p>management and firewall mechanisms with affiliated enterprises?</p> <p>(IV) Does the company have internal rules that prohibit insiders from trading marketable securities using market information that is not publicly available?</p>	V		<p>the affiliated enterprises are operated independently and are under the control and audit of the parent company.</p> <p>(IV) The Company has formulated "Guidelines Governing Internal Major Information" that prohibit insiders from trading marketable securities using market information that is not publicly available.</p>	No difference.
<p>3. Composition and Responsibilities of the Board of Directors</p> <p>(I) Whether the Board of Directors has formulated a diversity policy, specific management objectives and implemented them?</p> <p>(II) Besides the salary and remuneration committee and audit committee, does the company voluntarily set up other functional committees?</p> <p>(III) Does the company formulated the board's</p>	V	V	<p>(I) The Company has adopted a board diversity policy in the "Corporate Governance Best Practice Principles"(Note1)。</p> <p>(II) The company has set up a salary and compensation committee, and an audit committee after the general shareholders' general election in 2019. In the future, the company will establish other functional committees according to business needs.</p> <p>(III) The Company will conduct regular performance evaluation for the attendance</p>	<p>No difference.</p> <p>The Company will proceed according to the plan.</p> <p>No difference.</p>

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
<p>performance appraisal methods and methods, and regularly conduct annual performance appraisals, and report the results of the performance assessment to the board of directors, and apply them to individual directors' salary and nomination renewal?</p> <p>(IV) Does the company regularly assess the independence of CPAs?</p>	V		<p>rate of directors every year, and the Board of Directors has agreed on the performance evaluation method on March 22, 2018. And regularly reviewed by the Salary and Remuneration Committee It is recommended to report to the board of directors for discussion.</p> <p>(IV) The CPA of the Company is PwC Taiwan On December 20, 2023, the board meeting of the accounts, Kuo-Hua Wang and Yung-Chih Lin, approved the independent evaluation of the 2023 CPA (Note2) and obtained the statement issued by the CPA.</p>	No difference.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
4. Do the TWSE & TPEX listed companies set up a corporate governance professional (concurrently serving) unit or personnel responsible for corporate governance related affairs (This includes but is not limited to providing information required by directors and supervisors to carry out business, handling matters related to meetings of the board of directors and board of shareholders in accordance with the law, handling company registration and registration of changes, and making minute book of the board of directors and board of shareholders, etc.)?	V		The company has passed a resolution for the appointment of a new Corporate Governance Supervisor on May 9, 2023, responsible for handling governance-related matters, including processing director requests, conducting board and shareholder meetings in accordance with the law, preparing minutes of board and shareholder meetings, assisting with director changes, continuous education, and compliance with regulations.	No difference.
5. Does the company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers and suppliers, etc.), and set up a special area for stakeholders on the company website, and properly respond to the important issues of corporate social responsibility concerned by stakeholders?	V		The Company has corresponding windows for stakeholders, including employees, consumers, suppliers and community neighbors, etc., and maintains smooth communication channels. In addition, there is a special section for stakeholders on the company website.	No difference.
6. Does the company appoint a professional stock agency to handle the affairs of the Board of	V		The Company has appointed the stock affairs agency department of Waterland Securities Co.,	No difference.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
Shareholders?			Ltd.	
7. Information Disclosure				
(I) Does the company have a website that discloses financial and corporate governance information?	V		(I) The Company has set up a website and disclosed relevant information. The Company's Website: http://www.hotelhg.com.tw	No difference.
(II) Does the company adopt other methods of information disclosure (such as setting up an English website, appointing a person to be responsible for the collection and disclosure of company information, implementing a spokesperson system, and placing judicial person briefings on the company	V		(II)The Company has designated a person to be responsible for the collection and disclosure of company information, and to implement the spokesperson system in accordance with the provisions. The Company's Website: http://www.hotelhg.com.tw	No difference.
(III) Does the company announce and declare the annual financial report within two months after the end of the fiscal year, and announce and declare the first, second, and third quarter financial reports and the monthly operating situation within the prescribed deadline?		V	(III) The company handles announcements and reports to the competent authority in accordance with Article 36 of the Securities and Exchange Act.	The Company will proceed according to the plan.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
8. Does the company have other helps to understand the situation and the importance of corporate governance operation information (including but not limited to employee rights, employee care, investor relations, supplier relations, further education of directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, where the company purchases liability insurance for directors and supervisors, etc.)?	V		<p>1. Employee Equity The Company actively cultivates tourism talents, implements labor laws and regulations, and protects employees' equity, such as labor, health insurance and regular health check for employees.</p> <p>2. Employees Care Communication between employees and the company can be conducted through departmental meetings or suggestion boxes to effectively solve problems and promote harmonious labor relations.</p> <p>3. Investor Relations The Company sets up the investor contact section on the company website, through which investors can communicate with the company.</p> <p>4. Supplier Relations The Company maintains good relationship with suppliers.</p> <p>5. Stakeholder Rights</p>	No difference.

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
			<p>The Company and stakeholders, including correspondent banks, employees, consumers, suppliers, etc., have set up corresponding windows and channels to safeguard the equity of stakeholders.</p> <p>6. Further Education of Directors and Supervisors The Company may, from time to time, assign directors and supervisors to attend relevant refresher courses, such as those offered by Taiwan Corporate Governance Association, Taiwan Stock Exchange, Securities and Futures Institute, etc. Please refer to page 65-67 for further information on directors and supervisors' further education.</p> <p>7. Implementation of Risk Management Policies and Risk Measurement Standards: The Company adopts a preventive strategy for risk management, and carries out regular and irregular audits to carry out risk management. In addition, the Company also provides business related insurance, such as public</p>	

Evaluation Items	Operation Status			The Reason of Difference Between It and the Corporate Governance Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
			accident liability insurance, fire insurance...etc. 8. Implementation of Consumer and Customer Protection Policies The amount received by the Company from the sale of the gift certificate has been fully guaranteed by Cathay United Bank.	
9. Please explain the improvement situation of the corporate governance evaluation results issued by the Taiwan Stock Exchange Co., Ltd. Corporate Governance Center in the most recent year, and propose priority enhancement measures and measures for those who have not improved. (If it is not listed in the rated company, it is not required)				
1. The company strengthens director training hours, enhances the provision of training information, and promotes continuous education for directors.				
2. Upload the English version of the meeting notice, agenda, and supplementary materials for the shareholder's regular meeting 30 days prior to the meeting.				
3. Upload the English version of the annual report for the shareholder's regular meeting 14 days prior to the meeting.				

Note1 : Board members implement diversification:

Name	Multiple core Item	gender	Ability of making judgements about operations	Accounting and financial analysis ability	Business management ability	Crisis management ability	Leadership ability	An international market perspective	Leadership ability	Decision-making ability
Hai-Ni Chen		Male	V	V	V	V	V	V	V	V

Shu-Hui Lin	Female	V	V	V	V	V	V	V	V
Tseng-Tung Chen (Note)	Male	V	V	V	V	V	V	V	V
Shih-Yi Chen (Note)	Female	V	V	V	V	V	V	V	V
Pao-Shang Li	Male	V	V	V	V	V	V	V	V
Te-Chu Li	Female	V	V	V	V	V	V	V	V
Kuo-Ying Lu	Male	V	V	V	V	V	V	V	V
Ching-Lin Li	Male	V	V	V	V	V	V	V	V
Tien-Tsai Chien	Male	V	V	V	V	V	V	V	V

Note: Director Pao-Shang Li resigned on 2023.05.29.; Independent Directors Tien-Tsai Chien appointed on 2023.05.30.

Note2 : Accountant independence assessment criteria

Items	Results	Conformity with independence
1. Whether the accountant has a direct or material indirect financial interest in the Company	N	Y
2. Whether the accountant has a financing or assurance practice with the Company or the	N	Y
3. Whether the accountants have a close business relationship with the Company and potential	N	Y
4. whether the accountant and the members of his audit team currently hold, or have held in the last two years, positions as a director, manager or officer of the Company that have a significant impact on the audit	N	Y
5. whether the accountant has provided non-audit services to the Company that may directly affect	N	Y
6. Whether the accountants have an intermediary for shares or other securities issued by the	N	Y
7. Whether the accountant has acted as an advocate for or on behalf of the Company in coordinating conflicts with other third parties	N	Y

8. Whether the accountant is related to a director, manager or officer of the Company who has a significant influence on the audit case	N	Y
---	---	---

D. Operation of the Compensation Committee :

1. Information on the Members of the Remuneration Committee:

Identity (Note 1)	Conditions Name	Does the individual have more than 5 years of work experience and the following professional qualifications?			Conformity to Independence (Note 2)										Number of members who are also members of the remuneration committee of other public owned corporations	Note	
		Lecturer or above in business, legal, finance, accounting or corporate business in public or private tertiary institutions.	Judges, prosecutors, lawyers, accountants or other professionals who have passed the national examinations and obtained certificates necessary for the business of the company	Has experience in business, legal, finance, accounting or corporate business	1	2	3	4	5	6	7	8	9	10			
Independent Director	Te-Chu Li	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Ching-Lin Li	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Others	Chi-Chun Chiu	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	

Note 1: For identity, please state whether the person is a Director, Independent Director or other.

Note 2: For each member who meets the conditions for two years prior to being elected and during his/her term of office, please "✓" the box below the corresponding condition(s)

- (1) An employee who is not an employee of the company or its affiliates.
- (2) A director or supervisor who is not a director or supervisor of the company or its affiliates, but is a director or supervisor of the company and its parent, subsidiary, or subsidiary of the same parent company, in the case of a company and its parent, subsidiary, or subsidiary of the same parent company, in the case of a company and its parent, subsidiary, or subsidiary of the same parent company (Except where independent directors are established by this Law or local laws and regulations, they shall hold office in conjunction with each other).
- (3) The natural person who does not hold more than 1% of the Company's total outstanding shares or the top ten shares in the name of himself or herself, his or her spouse, minor children or otherspeople Shareholders.
- (4) A spouse, a relative within the second degree of consanguinity or an immediate blood relative within the third degree of consanguinity who is not a manager listed in (1) or a spouse, a relative within the second degree of consanguinity or an immediate blood relative within the third degree of consanguinity of a person listed in (2) or (3).
- (5) not directly holding more than 5% of the total issued shares of the company, the top five holders of shares or appointing a proxy in accordance with Article 27, paragraph 1 or 2, of the Companies Act.A director, supervisor or employee of a corporate shareholder who is a director or supervisor of the company (but not a director, supervisor or employee of the company and its parent, subsidiary or other corporate entity)(Unless the independent directors of subsidiaries of the same parent company are appointed in accordance with this Law or local laws and regulations, they shall not hold the same position).
- (6) A director, supervisor or employee of another company controlled by the same person who holds more than half of the directorship or voting rights in the company.(but in the

case of an independent director of a company or its parent, subsidiary or subsidiary of the same parent established under this Act or the laws and regulations of that country)(except where they work in conjunction with each other).

- (7) A director (trustee), supervisor of another company or organization with which the chairman, general manager or equivalent of the company is not the same person or spouse as the chairman, general manager or equivalent of the company.(except where the independent directors are appointed by law).
- (8) a director (director), supervisor (supervisor), manager or 5% shareholder of a specific company or organization other than a company with which the company has financial or business dealings More than one shareholder (but not more than 50% of the total number of issued shares of the company held by a particular company or institution, which is a company and its parent)A company, a subsidiary or a subsidiary of the same parent company which has an independent director established in accordance with this Law or local laws and regulations shall not be subject to the provisions of this Law.(This limit).
- (9) Commercial, legal, and other business activities that are not audited for the Company or its affiliates, or for which the cumulative amount of compensation received in the past two years did not exceed NT\$500,000.Supervisors (Supervisors), managers and their spouses. However, the Board of Directors of the Company is required to perform its duties in accordance with the Securities and Exchange Act or the relevant laws and regulations under the Business Mergers and Acquisitions Act.The Committee, the Public Takeover Review Committee or the Special Committee on Mergers and Acquisitions are not members of the Committee.
- (10) In the absence of one of the subsections of section 30 of the Companies Act.

2. Operation of the Compensation Committee:

- (1) There are 3 members of the Compensation Committee of the Company.
- (2) The term of office of the members of the Compensation Committee is from July 20, 2022 to June 14, 2025.
- (3) In the most recent year (2023), the Compensation Committee met 2 times (A) and the attendance of the Compensation Committee members is as follows:

Job Title	Name	Number of Actual Attendance	Number of Proxy Attendance	Rate of Actual Attendance	Note
Independent Director	Te-Chu Li	2	-	100%	
Independent Director	Ching-Lin Li	2	-	100%	
Others	Chi-Chun Chiu	2	-	100%	

Other Notes:

- If the Board of Directors does not adopt, or amend, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (If the remuneration ratified by the Board of Directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): No such situation.
- For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please

state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: No such situation.

(4) The most recent annual (2023) review and evaluation information is as follows:

Date/Period	Motion content	Compensation Committee's opinion	The company's handling of Compensation Committee' opinions
2023.03.14 The 3th Meeting of the 5th Compensation Committee	1.The Company's 2022 Employee Compensation and Director Compensation Allocation Proposal	No objections or reservations	Not applicable
2023.12.20 The 4th Meeting of the 5th Compensation Committee	1.The Company's directors', independent directors' and managers' salaries for 2024. 2.The managers' year-end bonuses for 2023.	No objections or reservations	Not applicable

E. Promoting sustainable development implementation and Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies of discrepancies and reasons :

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
1.Does the company have a professional (concurrent) unit to promote corporate social responsibility, which is authorized by the board of directors to be handled by senior management and reported to the board of directors?		V	The Company has not set up a professional (concurrent serving) unit to promote corporate social responsibility	The Company will proceed according to the plan.
2. Dose the Company conducts risk assessments related to its operations in accordance with the materiality principle The Company conducts risk assessment of environmental, social and corporate governance issues and establishes What are the relevant risk management policies or strategies?		V	The Company has not yet established a policy on the management of relevant risk assessment.	The Company will proceed according to the plan.
3.Environment issue (1)Does the company have a corporate social responsibility policy or system in place and	V		(1)The Company has established an appropriate environmental management system based	No difference.

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
<p>review its implementation?</p> <p>(2) Does the company organize social responsibility training regularly ?</p>	V		<p>on its industry characteristics to comply with the domestic environmental safety regulations.</p> <p>(2) The Company is committed to improving the efficiency of the use of resources, such as:</p> <p>(1) Implement air conditioning temperature control, change lighting equipment to LED lamps, effectively save energy.</p> <p>(2) The Public Works Department maintains the equipment regularly to improve the utilization efficiency of water, electricity, gas and other resources.</p> <p>(3) Purchase energy saving equipment.</p>	No difference.
<p>(3) Does the company have a professional (concurrent) unit to promote corporate social responsibility, which is authorized by the board of directors to be handled by senior management and reported to the board of directors?</p>	V		<p>(3) Aware of the impact of climate change on business activities, the Company has implemented air conditioning temperature control in the building, promoted paperless e-operation in the office, replaced lighting equipment with LED lamps, and purchased</p>	No difference.

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
(4) Does the company compiled statistics on greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulated policies on energy conservation, carbon reduction, greenhouse gas reduction, water reduction or other waste management?		V	energy-saving equipment. (4) The company has compiled data on greenhouse gas emissions, water usage, and total waste weight over the past year, and is currently developing policies for reducing greenhouse gas emissions, decreasing water usage, or managing other waste..	The Company will proceed according to the plan.
4. Preserving Social Welfare (1)Does the company establish management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1)The Company actively cultivates tourism talents, implements labor laws and regulations, safeguards the equity of employees, and establishes employment policies without discrimination in accordance with the provisions of the Gender Equality in Employment Act, and implements the equality of remuneration, employment conditions, training and promotion opportunities.	No difference.
(2)Does the company establish and implement reasonable employee benefit measures	V		(2)The Company sets the salary and remuneration according to the salary level	No difference.

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
(including compensation, vacation and other benefits, etc.) and properly reflect operating performance or results in employee compensation?			of the same sector and the position of employees. In addition, there are "Working Rules", which shall be delivered to the employees upon their arrival. Besides, there are also "Employee Performance Appraisal Method" and "Employee Rewards and Punishments Method", which specify the contents of rewards and punishments.	
(3)Does the company provide a safe and healthy working environment for employees, and regularly implement safety and health education for employees?	V		(3)The Company provides labor insurance and health insurance for employees in accordance with the provisions, and regularly carries out health checks for employees, and regularly holds safety and health training courses for employees to promote the company's safety and health code of practice	No difference.
(4)Does the company establish effective career development programs for employees?	V		(4) The Human Resources Section of the Company is responsible for the career planning of the employee and arranges training courses for the management trainee.	No difference.

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
(5) Does the company comply with relevant regulations and international standards on customer health and safety, customer privacy, marketing and labeling of its products and services, and has it formulated relevant policies and complaint procedures to protect consumer rights?	V		(5) The Company's marketing and labeling of products and services are in accordance with relevant regulations and international standards. For consumer complaints, in addition to providing a complaint service channel on the website, we ask the relevant departments to provide the best service.	No difference.
(6) Does the company have a supplier management policy that requires suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or human rights in the workplace, and how is it implemented?	V		(6) The Company selects its suppliers in accordance with the Company's rules and regulations and operates in good faith, therefore, the Company will assess whether the supplier has any past record of environmental and social impact before making any transaction.	No difference.
5. Does the company make reference to international standards or guidelines for the preparation of corporate social responsibility reports and other reports that disclose non-financial information about the company? Did you obtain a third-party verification unit's		V	The Company does not currently prepare a CSR report.	The Company will proceed according to the plan.

Promotional Items	Execution Situation			The Reason of Difference Between It and the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies
	Yes	No	Summary/Description	
confirmation or assurance opinion on the previous report?				
<p>6.If the company has its own Code of Ethical Corporate Social Responsibility in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE & TPEX Listed Companies”, please state the difference between its operation and the code: The Company has established a "Code of Practice for Sustainable Development" to promote the implementation of social responsibility. There is no significant difference in the actual operation.</p>				
<p>7.Other important information to help understand corporate social responsibility operations:</p> <p>1.Consumer Equity : The Company pays attention to the equity of consumers and fully discloses the products and services on the Company website,and provides full performance guarantee for the gift certificates sold. In addition, for the complaint of consumers, the Company not only provides a complaints channel on the website, but also requests the relevant departments to provide the best service.</p> <p>2.Employee Equity : The Company shall, in accordance with the provisions of the Gender Equality in Employment Act and the Employment Act,establish non-discriminatory employment policies, and implement equal remuneration, employment conditions, training and promotion opportunities</p>				

E. Climate-related Information :

1. Implementation Status of Climate-related Information

Promotional Items	Operational Status														
	Yes	No	Summary/Description												
1.To describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	V		A climate change response team, composed of the Chairman and the management team, is responsible for delineating the climate change vision, strategies, and objectives, and driving related actions. The Chairman serves as the highest-ranking official, leading department heads in implementing climate change-related management tasks, and reporting to the Board of Directors.												
2.Describe how identified climate risks and opportunities affect the company's operations, strategies, and finances (short-term, medium-term, long-term). 3.Describe the financial impact of extreme weather events and transition actions. 4.Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system. 5.If using scenario analysis to assess resilience to climate change risks, explain the scenarios, parameters, assumptions, analysis factors, and key financial impacts. 6.If there are transformation plans to manage climate-related risks, describe the content of the plan, and indicators and targets used for identifying and managing physical and transition risks.	V		<p>Based on the duration and magnitude of the impact, response measures and strategies are formulated. The analysis of the impact of climate change risks and opportunities is as follows:</p> <table border="1"> <thead> <tr> <th>Risk</th> <th>Impact</th> <th>Duration</th> <th>Response Measures</th> </tr> </thead> <tbody> <tr> <td>Natural disasters (earthquakes, floods)</td> <td>Operation interruption, reduced income, asset loss</td> <td>short, medium-term</td> <td> <ul style="list-style-type: none"> ●Establish a disaster response plan and conduct regular disaster preparedness drills. ●Strengthen the installation of disaster prevention equipment, regularly monitor and maintain it to ensure smooth emergency response. </td> </tr> <tr> <td>Resource shortages</td> <td>Increased operating costs</td> <td>short-term</td> <td> <ul style="list-style-type: none"> ●With rising raw material costs, adjust sales and product processing methods, and collaborate with suppliers to adapt to transformation. ●With increasing energy prices, replace energy-consuming equipment, add energy equipment, and implement </td> </tr> </tbody> </table>	Risk	Impact	Duration	Response Measures	Natural disasters (earthquakes, floods)	Operation interruption, reduced income, asset loss	short, medium-term	<ul style="list-style-type: none"> ●Establish a disaster response plan and conduct regular disaster preparedness drills. ●Strengthen the installation of disaster prevention equipment, regularly monitor and maintain it to ensure smooth emergency response. 	Resource shortages	Increased operating costs	short-term	<ul style="list-style-type: none"> ●With rising raw material costs, adjust sales and product processing methods, and collaborate with suppliers to adapt to transformation. ●With increasing energy prices, replace energy-consuming equipment, add energy equipment, and implement
Risk	Impact	Duration	Response Measures												
Natural disasters (earthquakes, floods)	Operation interruption, reduced income, asset loss	short, medium-term	<ul style="list-style-type: none"> ●Establish a disaster response plan and conduct regular disaster preparedness drills. ●Strengthen the installation of disaster prevention equipment, regularly monitor and maintain it to ensure smooth emergency response. 												
Resource shortages	Increased operating costs	short-term	<ul style="list-style-type: none"> ●With rising raw material costs, adjust sales and product processing methods, and collaborate with suppliers to adapt to transformation. ●With increasing energy prices, replace energy-consuming equipment, add energy equipment, and implement 												

Promotional Items	Operational Status																										
	Yes	No	Summary/Description																								
			<table border="1"> <tr> <td></td> <td></td> <td></td> <td>smart management systems to reduce energy consumption.</td> </tr> <tr> <td>Changes in customer base</td> <td>Consumer preference shifts, reduced income</td> <td>Short, medium-term</td> <td>●Operational departments closely monitor market trends, adjust market strategies, and develop new customer bases.</td> </tr> <tr> <td>Opportunity</td> <td>Impact</td> <td>Duration</td> <td>Response Measures</td> </tr> <tr> <td>Sustainable tourism</td> <td>Diverse consumption Low carbon emissions Increased income</td> <td>Short, medium-term</td> <td>●Emphasize a sustainable tourism model that emphasizes environmental protection and social responsibility, attracting an increasing number of climate-conscious travelers. ●Implement plastic reduction initiatives in hotels and obtain environmental certification.</td> </tr> <tr> <td>Product innovation</td> <td>Sustainable dining Reduced carbon footprint Increased income</td> <td>Short, medium-term</td> <td>●Source local ingredients to preserve authentic flavors, while ensuring food safety with healthy, natural ingredients.</td> </tr> <tr> <td>Improving energy usage efficiency</td> <td>Reduced electricity costs</td> <td>short-term</td> <td>●Install energy-saving equipment and energy management systems to track energy usage in real-time.</td> </tr> </table>				smart management systems to reduce energy consumption.	Changes in customer base	Consumer preference shifts, reduced income	Short, medium-term	●Operational departments closely monitor market trends, adjust market strategies, and develop new customer bases.	Opportunity	Impact	Duration	Response Measures	Sustainable tourism	Diverse consumption Low carbon emissions Increased income	Short, medium-term	●Emphasize a sustainable tourism model that emphasizes environmental protection and social responsibility, attracting an increasing number of climate-conscious travelers. ●Implement plastic reduction initiatives in hotels and obtain environmental certification.	Product innovation	Sustainable dining Reduced carbon footprint Increased income	Short, medium-term	●Source local ingredients to preserve authentic flavors, while ensuring food safety with healthy, natural ingredients.	Improving energy usage efficiency	Reduced electricity costs	short-term	●Install energy-saving equipment and energy management systems to track energy usage in real-time.
			smart management systems to reduce energy consumption.																								
Changes in customer base	Consumer preference shifts, reduced income	Short, medium-term	●Operational departments closely monitor market trends, adjust market strategies, and develop new customer bases.																								
Opportunity	Impact	Duration	Response Measures																								
Sustainable tourism	Diverse consumption Low carbon emissions Increased income	Short, medium-term	●Emphasize a sustainable tourism model that emphasizes environmental protection and social responsibility, attracting an increasing number of climate-conscious travelers. ●Implement plastic reduction initiatives in hotels and obtain environmental certification.																								
Product innovation	Sustainable dining Reduced carbon footprint Increased income	Short, medium-term	●Source local ingredients to preserve authentic flavors, while ensuring food safety with healthy, natural ingredients.																								
Improving energy usage efficiency	Reduced electricity costs	short-term	●Install energy-saving equipment and energy management systems to track energy usage in real-time.																								
7.If internal carbon pricing is used as a planning tool, explain the pricing basis.		V	Our company does not use internal carbon pricing as a planning tool.																								

Promotional Items	Operational Status		
	Yes	No	Summary/Description
<p>8.If climate-related goals are set, provide information on the covered activities, scope of greenhouse gas emissions, planning timeframe, annual progress, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, specify the source and quantity of the carbon offset credits or the number of RECs exchanged.</p> <p>9.Greenhouse gas inventory and verification status, reduction goals, strategies, and specific action plans.</p>			<p>Medium to Long-Term Goals:</p> <ol style="list-style-type: none"> 1. Starting from 2023, conduct carbon inventories at each operating location and continue implementing carbon reduction plans. 2. Plan to complete carbon inventories for all subsidiaries by 2027; achieve ISO14064-1 greenhouse gas inventory verification for domestic and international business locations of the group by 2029. <p>Specific Carbon Reduction Measures:</p> <ol style="list-style-type: none"> 1. Use environmentally friendly bath amenities at operating locations; use large bottles and avoid providing disposable amenities to reduce plastic usage. Implement temperature control for air conditioning; reduce the use of bottled water by installing water dispensers; install charging stations and promote the use of public transportation with a unified card. 2. Participate in the "Earth Hour" event since 2021, recently joined the event on the evening of March 23, 2024, at 8:30. Will continue to participate in the future. 3. Replace old equipment and energy-consuming devices and install energy management systems starting from 2023. <p>Estimated total carbon reduction benefit: 167.95 metric tons CO2e/year.</p> <ol style="list-style-type: none"> 4. Aim to obtain energy-saving benchmark certification by 2023.

2. Recent Two-Year Greenhouse Gas Inventory and Verification Status of the Company

(1) Greenhouse Gas Inventory Information

Describe the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e per million dollars), and data coverage scope for the past two years.

The company, with capitalization less than 5 billion NT dollars, is currently conducting greenhouse gas inventory.

(2) Greenhouse Gas Verification Information

Provide an explanation of the verification status for the past two years up to the printing date of the annual report, including the verification scope, verifying entity, verification criteria, and verification opinion.

The company, with capitalization less than 5 billion NT dollars, is currently conducting greenhouse gas inventory.

3. Greenhouse Gas Reduction Goals, Strategies, and Specific Action Plans

Provide an explanation of the verification status for the past two years up to the printing date of the annual report, including the verification scope, verifying entity, verification criteria, and verification opinion.

The company, with a capitalization of less than 5 billion NT dollars, is currently developing plans, policies, and goals for greenhouse gas inventory reduction.

G. The Company's performance and measures to operate in good faith.

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
1. Formulating Policies and Plans for Ethical Corporate Management				
(1) Does the Company have an honest business policy approved by the Board of Directors and express in its regulations and external documents the policy and practice of honest business and the commitment of the Board of Directors and senior management to actively implement the business policy?	V		(1) On December 5, 2016, the Board of Directors of the Company has drawn up the "Code of Ethical Corporate Management", which serves as the standard for directors, supervisors, managers and employees to conduct business in good faith and to be responsible to shareholders, customers, employees and the investing public.	No difference
(2) Does the Company established an assessment mechanism for the risk of dishonest conduct, and regularly analyzed and evaluated the business activities within	V		(2) The Company has established good corporate governance, internal control mechanisms and internal rules and regulations to prevent the situations	No difference

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
<p>the scope of business with a higher risk of dishonest conduct, and formulated a plan to prevent dishonest conduct, covering at least the preventive measures under Article 7(2) of the "Code of Integrity for Listed OTC Companies"?</p> <p>(3) Does the company defined and implemented the operating procedures, conduct guidelines, disciplinary and complaint systems for non-compliance in its dishonest conduct prevention program, and regularly reviewed the revised foreclosure program?</p>	V		<p>described in Article 7, paragraph 2.</p> <p>(3)In order to prevent dishonest behavior, the Company prepares "Personnel Regulations", which will be delivered when the employee reports for duty, and in the regular education and training, strengthens the implementation of the moral concept of ethical management staff and operations.</p>	No difference
<p>2.Implementation of ethical corporate management and measures for implementation</p> <p>(1)Does the company assess the integrity record of its business contacts and specify the terms of good faith conduct in its contracts with its</p>	V		<p>(1)The Company's Procurement Section will verify through the company's database in</p>	No difference

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
business contacts ?			advance whether the transaction object has a record of dishonest conduct, and specify the conditions of dishonest conduct in the contract.	
(2) Does the Company have a dedicated unit under the Board of Directors to promote honest business practices and report to the Board of Directors on a regular basis (at least once a year) on its honest business policies and programs to prevent dishonest practices and monitor their implementation?		V	(2)The Company has not set up a professional (concurrent serving) unit to promote ethical corporate management.	The Company will proceed according to the plan.
(3)Does the company have a code of practice for preventing dishonest conduct, which includes procedures, guidelines for conduct, disciplinary and grievance systems for violations, and which are implemented? ?	V		(3)The Company stipulates in the rules of procedure of the Board of Directors: Where a director has an interest in himself/herself or the legal person he/she represents, he/she shall not participate in the discussion or vote, and shall withdraw from the discussion or vote, and shall not exercise his/her voting rights on behalf of other directors. Employees	No difference

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
(4) Does the Company established an effective accounting system and internal control system for the implementation of good faith operations, and has the internal audit unit drawn up an audit plan based on the results of the assessment of the risk of dishonest conduct, in order to verify compliance with the plan for prevention of dishonest conduct, or has it engaged an accountant to perform the audit?	V		and the company can fully communicate through the departmental meeting channels. (4)The Company has an accounting system and a special accounting unit. The financial reports are checked by CPAs to ensure the fairness of financial statements. The Company's internal audit organization consists of two directors, who check the work of each unit according to the audit plan every month and make records. The audit report shall be submitted to the Chairman of the Board and the supervisor for review before the end of the next month, and the audit director shall present the report to the Board of Directors. At the end of each year, the "Statement of Internal Control System" will be issued by the Audit Department. °	No difference
(5)Does the company regularly conduct internal and external education and training on ethical corporate management?	V		(5)The Company adheres to the principle of good faith, in order to meet the needs of customers for meals and travels, regularly holds staff	No difference

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
			education and training, and formulates various measures to prevent cheating.	
<p>3.Implementation of the Company's Whistleblowing System</p> <p>(1) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate personnel assigned to handle the whistleblowing?</p> <p>(2) Does the company have standard operating procedures and relevant confidentiality mechanisms for the investigation of whistleblowing matters?</p> <p>(3) Does the company take measures to protect the whistleblower against inappropriate disciplinary actions?</p>	V		<p>(1) The Company has an employee complaint system, and employee rewards and punishments as punishment for violating the provisions of ethical corporate management.</p> <p>(2) The Company has an employee complaint system, but no standard operating procedure and relevant confidentiality mechanism have been established for the investigation of the matters reported.</p> <p>(3) The Company has not formulated relevant measures.</p>	<p>No difference</p> <p>The Company will proceed according to the plan.</p> <p>The Company will proceed according to the plan.</p>
4.Strengthening Information Disclosure				

Evaluation Items	Operation Status			Differences and reasons between the Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies
	Yes	No	Summary/Description	
Does the company disclose the content and effectiveness of its Code of Ethical Corporate Management on its website and in its Market Observation Post System?	V		On December 5, 2016, the Board of Directors of the Company has drawn up the "Code of Ethical Corporate Management" and disclosed it on the company website (www.hotelhg.com.tw).	No difference
<p>5.If the company has its own Code of Ethical Corporate Management in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies" please state the difference between its operation and the code: On December 5, 2016, the Board of Directors of the Company has drawn up the "Code of Ethical Corporate Management", and the company has complied with the "Ethical Corporate Management Best Practice Principles for TWSE & TPEX Listed Companies".</p>				
<p>6. Other important information that may help us understand the Company's honest operation: (e.g., the Company's review and revision of its code of ethical conduct, etc.) The Company's core guiding principle is "Conducting Business with Integrity", and it promotes the implementation of this principle in all corporate governance to help investors, employees, consumers and suppliers understand the Company's commitment and policy to conduct business with integrity.</p>				

- H. If the company has established corporate governance guidelines and related regulations, the inquiry methods shall be disclosed: For relevant content, please refer to the company's website (<https://www.hotelhg.com.tw/>).
- I. Other important information that enhances understanding of the operation of corporate governance:
- i. To strengthen the implementation of corporate governance, the Company promptly informs directors and supervisors of updates to relevant corporate governance laws and regulations.
 - ii. The attendance of directors at board meetings in the Company is normal, and directors may not vote on agenda items at the board of directors meeting if they involve conflicts of interest that may harm the interests of the Company.
 - iii. The Company has formulated the "Code of Integrity Operation," "Practical Guidelines for Sustainable Development," and "Practical Guidelines for Corporate Governance" in accordance with the regulations of the competent authority and practical operation considerations, which were implemented after being passed by the board of directors on December 5, 2016.

iv. (9) Implementation of Internal Control System:

1. Statement of Internal Control

Holiday Garden Hotel Co., Ltd.
Statement of Internal Control System

Date: March 13, 2024

The internal control system of the Company in the year of 2023, based on the results of self-inspection, is hereby stated as follows:

- I. It is the responsibility of the board of directors and managers of the Company to establish, implement and maintain the internal control system, which the company has established. The objective is to provide reasonable assurance of the effectiveness and efficiency of operations (including profitability, performance and asset security), the reliability of financial reporting, and compliance with applicable laws and regulations.
- II. The internal control system has its inherent limitation, no matter how perfect the design is, the effective internal control system can only provide reasonable assurance for the above three objectives; moreover, the effectiveness of the internal control system may change with the change of environment and situation. However, the internal control system of the Company is provided with a self-monitoring mechanism, and the company will take corrective actions once the absence is identified.
- III. The Company shall judge whether the design and implementation of the internal control system are effective or not according to the judgment items of the effectiveness of the internal control system stipulated in the "Guidelines for the Establishment of Internal Control System by Public Owned Corporations" (hereinafter referred to as "Handling Guidelines"). The internal control system used in the "Handling Guidelines" is used to determine the item. According to the process of management control, the internal control system is divided into five components: 1. Environment Control, 2. Risk Assessment, 3. Control Operation, 4. Information and Communication, and 5. Supervision. Each constituent element also includes a number of items. For the foregoing items, please refer to the provisions of "Handling Guidelines".
- IV. The Company has adopted the above internal control system to judge items and examine the effectiveness of the design and implementation of the internal control system.
- V. Based on the inspection results set forth in the preceding paragraph, the Company believes that the internal control system (including supervision and management of the subsidiaries) set up by the company on 31 December 2024, including the effectiveness of the design and implementation of the internal control system to understand the effectiveness and efficiency of the operation, the reliability of financial reporting, and the compliance with relevant codes and regulations, will reasonably ensure the achievement of the above objectives.
- VI. This statement will be the primary content of the Company's annual report and public statements and will be made publicly available to the public. If the above-mentioned disclosure is unlawful, such as forgery or concealment, it will involve legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.
- VII. This statement was approved by the Board of Directors of the Company on March 13, 2024, with 0 of the 7 directors present holding dissenting views and the rest agreeing with the contents of this statement.

Holiday Garden Hotel Co., Ltd.

58

Chairman of the Board: Chen Hai-Ni(signature)

2. If an accountant is entrusted to examine the internal control system, the audit report shall be disclosed: N/A

(10) Penalties imposed on the Company and its internal staff, penalties imposed on its internal staff, and any status of improvements made in the internal control system, major deficiencies and improvements in the most recent year up to the publication date of this annual report: No such situation.

(11) Important resolutions of the shareholders' meeting and the board of directors as of the date of publication of the annual report in the most recent year (year 2023):

1. Important Resolutions and Execution Situation of the Shareholders' Meeting

The Meeting Name	The Meeting Date	Important Resolutions	Execution Situation
Shareholders' Meeting	2023.05.30	1. Approval of the Financial Statements for the Year 2022	This case has been considered and approved. Implemented in accordance with the resolution.
		2. Approval of the Profit Distribution Proposal for the Year 2022	
		3. Proposal for Increasing Capital by Transferring Profits to New Share Issuance	
		4. Amendment of the Company's "Guidelines for Acquiring or Disposing of Assets"	
		5. Amendment of the Company's Articles of Association	
		6. Amendment of the Company's Procedures for Director Appointment	
		7. Amendment of the Company's Rules for Shareholders' Meetings	
		8. Amendment of the Company's Procedures for Loaning Funds to Others	
		9. Supplementary Election of Independent Directors	The list of directors elected has been announced according to the election results.
		10. Approval of the Release of Newly Appointed Independent Directors from Non-competition Restrictions	This case has been considered and approved. Implemented in accordance with the resolution.

2. Important Resolutions of the Board of Directors

The Meeting Name	The Meeting Date	Important Resolutions	Matters Specified in Article 14-5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee and approved by more than 2/3 of all directors
The 20th Meeting of the 6th Board of Directors	2023.03.14	1. Proposal for the Distribution of Employee Remuneration and Director's Fees for the Fiscal Year 2022		No such situation
		2. Approval of the Financial Statements for the Fiscal Year 2022	√	
		3. Proposal for Profit Distribution for the Fiscal Year 2022	√	
		4. Proposal for Increasing Capital by Transferring Profits to New Share Issuance		
		5. Internal Control System Statement for the Year 2022	√	
		6. Renewal of Financing Contracts with Financial Institutions		
		7. Proposal to Change the Auditor of the Company	√	
		8. Proposal to Appoint the Auditor of the Company	√	
		9. Proposal to Pre-approve the Auditor, its Firm, and Affiliated Enterprises to Provide Non-audit Services to the Company and its Subsidiaries		
		10. Supplementary Election of Independent Directors	√	
		11. Calling for the Annual Shareholders' Meeting for the Year 2023		
		12. Establishment of Procedures for Handling Proposals from Shareholders Holding 1% or More of the Company's Shares		
		13. Establishment of Procedures for Handling Nominations of Independent Directors by Shareholders Holding 1% or More of the Company's Shares		
		14. Amendment of the Company's "Rules of Procedure for Board Meetings"	√	
		15. Amendment of the Company's "Guidelines for Acquiring or Disposing of Assets"	√	
		16. Amendment of the Company's Articles of Association	√	
		17. Amendment of the Company's Procedures for Director Appointment	√	
		18. Amendment of the Company's "Guidelines for	√	

The Meeting Name	The Meeting Date	Important Resolutions	Matters Specified in Article 14-5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee and approved by more than 2/3 of all directors	
		Establishing Internal Control Systems"			
		19. Amendment of the Company's "Practical Guidelines for Governance of Listed and OTC Companies"			
		20. Amendment of the Company's "Rules on the Responsibilities of Independent Directors"	v		
		21. Amendment of the Company's "Code of Business Ethics"			
		22. Amendment of the Company's "Rules for Shareholders' Meetings"			
		23. Amendment of the Company's "Practical Guidelines for Sustainable Development"			
		24. Amendment of the Company's "Procedures for Applying for Suspension and Resumption of Trading"			
		Results of Audit Committee Resolutions (2023.03.14) : All members present agreed to approve			
		The Company's handling of the Audit Committee's opinion : None			
		Resolution of the Board of Directors : All the directors present agreed to approve the proposal and acted accordingly.			
The 7th Meeting of the 20th Board of Directors	2023.04.18	1. Proposal for Nomination of Independent Director Candidates		No such situation	
		2. Resolution to Lift Restrictions on Newly Appointed Independent Directors from Engaging in Competing Businesses	v		
		3. Report on Cash Dividends for the Fiscal Year 2022			
		4. Amendment of the Company's "Procedures for Lending Funds to Others"	v		
		5. Proposal to Add Agenda Items and Discussion Topics for the 2023 Annual Shareholders' Meeting			
		Results of Audit Committee Resolutions (2023.04.18) : All members present agreed to approve			
		The Company's handling of the Audit Committee's opinion : None			
Resolution of the Board of Directors : All the directors present agreed to approve the proposal and acted accordingly.					
The 8th Meeting of	2023.05.09	1. Proposal for the Consolidated Financial Statements for the First Quarter of the Year 2023	v	No such situation	

The Meeting Name	The Meeting Date	Important Resolutions	Matters Specified in Article 14-5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee and approved by more than 2/3 of all directors
the 20th Board of Directors		2. Proposal to Establish the Corporate Governance Supervisor Position	V	
		3. New Addition to Financial Institution Financing Contracts		
		Results of Audit Committee Resolutions (2023.05.09) : All members present agreed to approve		
		The Company's handling of the Audit Committee's opinion : None		
		Resolution of the Board of Directors: All the directors present agreed to approve the proposal and acted accordingly.		
The 9th Meeting of the 20th Board of Directors	2023.08.08	1. Proposal for the Consolidated Financial Statements for the Second Quarter of the Year 2023	V	No such situation
		2. Proposal to Establish the Record Date for Cash Dividend Distribution, Rights Offering, and Issuance of New Shares for the Year 2022		
		Results of Audit Committee Resolutions (2023.08.08) : All members present agreed to approve		
		The Company's handling of the Audit Committee's opinion : None		
		Resolution of the Board of Directors: All the directors present agreed to approve the proposal and acted accordingly.		
The 10th Meeting of the 20th Board of Directors	2023.11.09	1. Proposal for the Consolidated Financial Statements for the Third Quarter of 2023	V	No such situation
		2. Renewal of Directors' and Officers' Liability Insurance for All Directors and Managers		
		3. Proposal for Charging Management Service Fees to Overseas Subsidiaries Wholly Owned by the Company		
		Results of Audit Committee Resolutions (2023.11.09) : All members present agreed to approve		
		The Company's handling of the Audit Committee's opinion : None		
Resolution of the Board of Directors : All the directors present agreed to approve the proposal and acted accordingly.				
The 11th Meeting of the 20th	2023.12.20	1. Proposal to Establish the 2024 Director, Independent Director, and Managerial Compensation Plan		No such situation

The Meeting Name	The Meeting Date	Important Resolutions	Matters Specified in Article 14-5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee and approved by more than 2/3 of all directors		
Board of Directors		2. Proposal to Establish the 2023 Managerial Year-End Bonus Plan				
		3. Proposal to Establish the 2024 Audit Plan for the Company	√			
		4. Proposal to Establish the 2024 Operating Plan for the Company				
		5. Independent Assessment of the Independence of the Signing Accountant				
		6. Proposal for Capital Increase for Overseas Subsidiary, Holiday Garden International Ltd.	√			
		7. Proposal for Capital Increase for Overseas Subsidiary, Holiday Garden US	√			
		8. Internal Audit Manager Change Proposal for the Company	√			
		9. Appointment of New Information Security Manager for the Company				
		Results of Audit Committee Resolutions (2023.12.20) : All members present agreed to approve				
		The Company's handling of the Audit Committee's opinion : None				
Resolution of the Board of Directors: All the directors present agreed to approve the proposal and acted accordingly.						
The 12th Meeting of the 20th Board of Directors	2024.03.13	1. Proposal for Distribution of Employee Remuneration and Director Remuneration for the Fiscal Year 2023		No such situation		
		2. Proposal for the Fiscal Year 2023 Financial Statements of the Company	√			
		3. Proposal for Distribution of Profits for the Fiscal Year 2023 of the Company	√			
		4. Declaration of Internal Control System for the Fiscal Year 2023 of the Company	√			
		5. Renewal Proposal for Financial Institution Financing Contracts Expiring				
		6. Appointment of Signing Accountant for the Company	√			
		7. Proposal to Convene the Shareholders' Annual				

The Meeting Name	The Meeting Date	Important Resolutions	Matters Specified in Article 14-5 of the Securities Exchange Act	Resolutions not approved by the Audit Committee and approved by more than 2/3 of all directors	
		Meeting for the Year 2024			
		8. Establishment of Procedures for Handling Shareholder Proposals Holding More Than 1% of Shares			
		9. Amendment of Certain Articles of the "Board Meeting Regulations" of the Company	V		
		10. Amendment of Certain Articles of the "Audit Committee Organization Rules" of the Company			
		11. Amendment of Certain Articles of the "Shareholders' Meeting Regulations" of the Company			
		Results of Audit Committee Resolutions (2024.03.13) : All members present agreed to approve			
		The Company's handling of the Audit Committee's opinion : None			
		Resolution of the Board of Directors: All the directors present agreed to approve the proposal and acted accordingly.			
The 13th Meeting of the 20th Board of Directors	2024.04.19	1. Correction of the Proposal for Distribution of Employee Remuneration and Director Remuneration for the Fiscal Year 2023 of the Company		No such situation	
		2. Proposal for New Financial Institution Financing Contract			
		3. Termination of Funding Agreement with Overseas Subsidiary Company	V		
		Results of Audit Committee Resolutions (2024.04.19) : All members present agreed to approve			
		The Company's handling of the Audit Committee's opinion : None			
		Resolution of the Board of Directors: All the directors present agreed to approve the proposal and acted accordingly.			

(12) In the most recent year and up to the date of publication of the annual report, the directors have different opinions on the important resolutions adopted by the board of directors and have recorded or written statements: No such situation.

(13) In the most recent year and up to the date of the publication of the annual

report, the summary of the resignation and dismissal of the Chairman of the Board, general manager, accounting supervisor, finance supervisor, internal audit supervisor and R&D supervisor of the company:

Title	Name	Date of Appointment	Date of Resignation/Termination	Reason for Resignation/Termination
Internal Audit Manager	Ching-Sheng Tu	2013.04.17	2024.01.15	Job Change

(14) Further Education of Directors

December 31, 2023

Title	Name	Appointed Date	Further Education Date		Organizer	Course Name	Study Hours
			起	迄			
Representative of Judicial Person Director	Hai-Ni Chen	Jun 15 2022	Oct 26 2022	Oct 26 2022	Securities and Futures Institute	2022 Legal Compliance Briefing for Insider Stock Transactions	3.0
			Nov 14 2022	Nov 14 2022	Taiwan Stock Exchange Corporation	2022 Cathay United Bank Summit on Sustainable Finance and Climate Change	3.0
			Apr 10 2023	Apr 10 2023	Taiwan Investor Relations Institute	2023 Anhui Jianye Leadership Academy Forum "Opportunities and Challenges in the Net Zero Heatwave"	3.0
			Dec 08 2023	Dec 08 2023	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Stock Transactions	3.0
Representative of Judicial Person Director	Shu-Hui Lin	Jun 15 2022	Oct 26 2022	Oct 26 2022	Securities and Futures Institute	2022 Legal Compliance Briefing for Insider Stock Transactions	3.0
			Apr 10 2023	Apr 10 2023	Taiwan Investor Relations Institute	2023 Anhui Jianye Leadership Academy Forum "Opportunities and Challenges in the Net Zero Heatwave"	3.0
			Jul 04 2023	Jul 04 2023	Taiwan Stock Exchange Corporation	2023 Cathay United Bank Summit on Sustainable Finance and Climate Change	3.0
Representative of Judicial Person Director	Tseng-Tung Chen	Jun 15 2022	Oct 26 2022	Oct 26 2022	Securities and Futures Institute	2022 Legal Compliance Briefing for Insider Stock Transactions	3.0
			Oct 28 2022	Oct 28 2022	Securities and Futures Institute	2022 Insider Trading Prevention Seminar	3.0
			Nov 14 2022	Nov 14 2022	Taiwan Stock Exchange	2022 Cathay United Bank Summit on Sustainable	6.0

					Corporation	Finance and Climate Change	
			Apr 10 2023	Apr 10 2023	Taiwan Investor Relations Institute	2023 Anhui Jianye Leadership Academy Forum "Opportunities and Challenges in the Net Zero Heatwave"	3.0
			Nov 20 2023	Nov 20 2023	Taiwan Corporate Governance Association	Constructing Sustainable Resilience with Dynamic Thinking	3.0
			Nov 20 2023	Nov 20 2023	Taiwan Corporate Governance Association	Enterprise Risk Management and Investment Financing Tools	3.0
Director	Pao-Shang Li	Jun 15 2022	Nov 13 2022	Nov 14 2022	Taiwan Stock Exchange Corporation	2022 Cathay United Bank Summit on Sustainable Finance and Climate Change	9.0
Independent Director	Te-Chu Li	Jun 15 2022	Oct 07 2022	Oct 07 2022	Taiwan Stock Exchange Corporation	Release of Reference Guidelines on the Exercise of Powers and Functions by Independent Directors and the Audit Committee and Director and Supervisor Briefing	3.0
			Nov 14 2022	Nov 14 2022	Taiwan Stock Exchange Corporation	2022 Cathay United Bank Summit on Sustainable Finance and Climate Change	6.0
			Nov 29 2023	Nov 29 2023	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Stock Transactions	3.0
Independent Director	Ching-Lin Li	Jun 15 2022	Oct 07 2022	Oct 07 2022	Taiwan Stock Exchange Corporation	Release of Reference Guidelines on the Exercise of Powers and Functions by Independent Directors and the Audit Committee and Director and Supervisor Briefing	3.0
			Nov 16 2023	Nov 16 2023	The National Federation of CPA Associations of the R.O.C	Theory and Practice of Tax Evasion	3.0
			Nov 22 2023	Nov 22 2023	The National Federation of CPA Associations of the R.O.C	Latest Trends in Anti-Money Laundering Measures	3.0
			Dec 07 2023	Dec 07 2023	The National Federation of CPA Associations of the R.O.C	Practical Analysis of Corporate Mergers and Divisions	3.0
			Dec 08 2023	Dec 08 2023	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Stock Transactions	3.0
			Dec 13 2023	Dec 13 2023	The National Federation of CPA	Latest Tax Regulations and Practices	7.0

					Associations of the R.O.C		
Independent Director	Kuo-Ying Lu	Jun 15 2022	Oct 07 2022	Oct 07 2022	Taiwan Stock Exchange Corporation	Release of Reference Guidelines on the Exercise of Powers and Functions by Independent Directors and the Audit Committee and Director and Supervisor Briefing	3.0
			Apr 10 2023	Apr 10 2023	Taiwan Investor Relations Institute	2023 Anhui Jianye Leadership Academy Forum "Opportunities and Challenges in the Net Zero Heatwave"	3.0
			May 22 2023	May 22 2023	Taiwan Stock Exchange Corporation	Promotion Seminar on Sustainable Development Action Plan for Listed Companies	3.0
			Nov 22 2023	Nov 22 2023	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Stock Transactions	3.0
Independent Director	Tien-Tsai Chien	May 30 2023	Dec 08 2023	Dec 08 2023	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Stock Transactions	3.0

IV 、 CPA Fee Information :

(1) Table of Information on CPA Fee

Monetary Unit: NT\$ 1,000

Name of CPA Firm	Name of CPA	Audit Period	Audit Fee	Non-audit fee	Total	Note
PwC Taiwan	A-Shen Liao	Jan 1, 2023 to Dec 31, 2023	3,350	265	3,615	-
	Kuo-Hua Wang					

Note: Non-audit expenses amounted to NT\$265,000, of which NT\$130,000 was for registration fee changes, NT\$127,000 was for advance payment for account verification, and NT\$8,000 was for foreign exchange rate adjustment.

(2) The amount, ratio and reason of the reduction in the audit fee for the replacement of CPA

firm should be disclosed if the replacement fee is less than that of the preceding year:
N/A.

(3) The amount, ratio and reason of the reduction in the audit fee should be disclosed for the case that the audit fee is over 10% reduction than that of the preceding year: N/A.

V. Information on replacement of CPAs: The original signing CPAs were Accountants Kuo-Hua Wang and Yung-Chih Lin Due to an internal job transfer within PricewaterhouseCoopers, the CPAs were changed to Accountants A-Shen Liao and Kuo-Hua Wang in 2023.

VI. The Company's Chairman of the Board, general manager, manager in charge of financial or accounting affairs, who has worked in the CPA firm or its affiliated enterprises in the recent one year: No such situation.

VII. Changes in the equity of directors, supervisors, managers and major shareholders:

(1) Changes in directors, executives, and major shareholders' equity.

Job Title	Name	2023		As of April 24	
		Shares Held Increase (Decrease)	Pledge Shares Held Increase (Decrease)	Shares Held Increase (Decrease)	Pledge Shares Held Increase (Decrease)
Chairman of the Board and Director	Company Legal Person Representative of Ying Chuan International Enterprise CO LTD: Hai-Ni Chen	1,446,347	0	0	0
Director	Company Legal Person Representative of Ying Chuan International Enterprise CO LTD: Shu-Hui Lin	1,446,347	0	0	0
Director	Company Legal Person Representative of Ying Chuan International Enterprise CO LTD: Tseng-Tung Chen	1,446,347			
Director	Pao-Shang Li(Note1)	4,587	0	0	0
Independent Director	Te-Chu Li	0	0	0	0

Independent Director	Ching-Lin Li	0	0	0	0
Independent Director	Kuo-Ying Lu	1,076	0	0	0
Independent Director	Tien-Tsai Chien(Note2)	0	0	0	0
Chairman of the Board/General Manager	Hai-Ni Chen	82,726	0	0	0
Deputy General Manager	Shu-Hui Lin	-91,656	0	0	0

Note 1: Resigned on 2023.05.29.

Note 2: Appointed on 2023.05.30

(2) Information of equity transfer to affiliate:

Name	Reason for Equity Transfer	Transaction Date	Counterparty	Relationship between Counterparty and Company, Directors, Executives, and Shareholders Holding More Than Ten Percent of Shares	Number of Shares	Transaction Price
Hai-Ni Chen	Gift	2023.12.05	Minor children of legal representatives	Grandchildren	130,000	19.05
Shu-Hui Lin	Gift	2023.12.05	Minor children of legal representatives	Grandchildren	130,000	19.05

(3) Information of equity pledge to affiliate: No such situation.

VIII. Information of the top ten shareholders who are affiliates to each other:

April 24, 2024

Name	Own Shares Held		Shares Held by Spouses and Minor Children		Total Shares Held in the Name of Other Persons		The titles or names and relationships of the top ten shareholders who are affiliates in Financial Accounting Standards Bulletin No. 6 or are related to their spouses or relatives within the second degree of kinship.		Note
	Shares	Share holding Ratio %	Shares	Share holding Ratio %	Shares	Share holding Ratio %	Name	Relationship	
Ying Chuan International Enterprise CO LTD	30,373,305	19.39	—	—	—	—	Hai-Ni Chen	Chairman of the Board of the Company	Representative: Hai-Ni Chen
Legal Person Representative: Hai-Ni Chen	4,337,257	2.77	675,230	0.43	—	—	—	—	—
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of Z.P. INVESTMENT CORPORATION	15,462,772	9.87	—	—	—	—	—	—	—
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of S & D.C. CO., LTD.	14,862,966	9.49	—	—	—	—	—	—	—
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of ZOTO HOLDINGS LIMITED	14,687,124	9.38	—	—	—	—	—	—	—
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of TOZAI HOLDINGS LIMITED	12,401,650	7.92	—	—	—	—	—	—	—
Tseng-Tung Chen	6,151,491	3.93	260,000	0.17%	—	—	Hai-Ni Chen Wei-Yu Chen	Father/Son Brother/Sister	-
Lanxin Investment Co.	6,127,747	3.91	—	—	—	—	—	—	—
Hai-Ni Chen	4,337,257	2.77	—	—	—	—	Tseng-Tung Chen Wei-Yu Chen	Father/Son Father/Daughter	—

Wei-Yu Chen	2,458,095	1.57	—	—	—	—	Hai-Ni Chen Tseng-Tung Chen	Father/Daughter Brother/Sister	—
Zhen-Hua Yu	1,835,922	1.17	-	-	-	-	-	-	-

IX. The shares held by the company, its directors, supervisors, managers and enterprises directly or indirectly controlled in the same reinvested enterprise, and the comprehensive shareholding ratio shall be calculated on a consolidated basis.

Consolidated Shareholding Ratio

Unit: Shares; %

Reinvestment in Other Companies	Investment in the Company		Investments of Directors, Supervisors, Managers and Businesses Directly or Indirectly Controlled		Consolidated Investments	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
HOLIDAY GARDEN INTERNATIONAL LTD. (Note)	12,000	100.00	—	—	12,000	100.00

Note: long-term investment of the company.

Chapter 4. Funding Status

I. Share Capital and Shares

(1) Source of Share Capital

December 31, 2023

Year / Month	Issuance Price	Authorized Capital		Paid-In Capital		Note		
		Shares	Amount	Shares	Amount	Source of Share Capital	Equity-Settled Share-Based Payment	Others
2014.09	NT\$ 10	93,787,066	937,870,660	90,079,444	900,794,440	Surplus transferred to capital increase: 2,623,674 shares	None	Sep 18, 2014 Commerce Letter No. 10301193390
2015.10	NT\$ 10	150,000,000	1,500,000,000	94,583,417	945,834,170	Surplus transferred to capital increase: 4,503,973 shares	None	Sep 01, 2015 Commerce Letter No. 10401183470
2016.10	NT\$ 10	150,000,000	1,500,000,000	98,366,754	983,667,540	Surplus transferred to capital increase: 3,783,337 shares	None	Sep 08, 2016 Commerce Letter No. 10501221110
2017.09	NT\$ 10	150,000,000	1,500,000,000	102,301,424	1,023,014,240	Surplus transferred to capital increase: 3,934,670 shares	None	Sep 15, 2017 Commerce Letter No. 10601131090
2019.09	NT\$ 10	150,000,000	1,500,000,000	110,485,538	1,104,855,380	Surplus transferred to capital increase: 8,184,114 shares	None	Sep 16, 2019 Commerce Letter No. 10801125480
2022.09	NT\$ 10	250,000,000	2,500,000,000	149,155,476	1,491,554,760	Surplus transferred to capital increase: 38,669,938 shares	None	Sep 21, 2022 Commerce Letter No. 11101178370
2023.09	NT\$ 10	250,000,000	2,500,000,000	156,613,249	156,613,249	Surplus transferred to capital increase: 7,457,773 shares	None	Sep 18, 2023 Commerce Letter No. 11230176840

December 31, 2023

Shares Category	Authorized Capital			Note
	Outstanding Shares(TWSE Listed)	Unissued Shares	Total	
Ordinary Share	156,613,249 Shares	93,386,751 Shares	250,000,000 Shares	

(II) General information to be disclosed in the issuance of marketable securities under the declaration system: No such situation.

(III) Shareholder Structure

Shareholder Structure

April 24, 2024

Shareholder Structure	Government Agencies	Financial Institutions	Other Legal Persons	Personal	Foreign Institutions and Foreigners	Total
Number of Persons	0	2	17	12,558	38	12,615
Shares Held	0	6,216	36,714,970	58,579,276	61,312,787	156,613,249
Shareholding Ratio	0.00%	0.00%	23.44%	37.41%	39.15%	100%

(IV) Shareholding Distribution Status

1. Ordinary Share

April 24, 2024

Shareholding Class	Number of Shareholders	Shares Held	Shareholding Ratio
1 to 999	6,352	1,257,619	0.80%
1,000 to 5,000	4,581	9,449,389	6.02%
5,001 to 10,000	788	5,482,722	3.50%
10,001 to 15,000	335	4,007,846	2.56%
15,001 to 20,000	148	2,595,728	1.66%
20,001 to 30,000	173	4,184,568	2.67%
30,001 to 40,000	73	2,500,366	1.60%
40,001 to 50,000	36	1,616,709	1.03%
50,001 to 100,000	71	5,007,649	3.20%
100,001 to 200,000	32	4,125,198	2.63%
200,001 to 400,000	11	3,110,463	1.99%
400,001 to 600,000	1	591,412	0.38%
600,001 to 800,000	2	1,387,177	0.89%
800,001 to 1,000,000	1	856,234	0.55%
1,000,001 or More	11	110,440,169	70.52%
Total	12,615	156,613,249	100.00%

2. Preferred stock: N/A

(V) List of Substantial Shareholders

April 24, 2024

Shares Substantial Shareholder Name	Shares Held	Shareholding Ratio
Ying Chuan International Enterprise CO LTD	30,373,305	19.39%
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of Z.P. INVESTMENT CORPORATION	15,462,772	9.87%
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of S & D.C. CO., LTD.	14,862,966	9.49%
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of ZOTO HOLDINGS LIMITED	14,687,124	9.38%
HSBC (Taiwan) Commercial Bank is entrusted to hold the investment account of TOZAI HOLDINGS LIMITED	12,401,650	7.92%
Tseng-Tung Chen	6,151,491	3.93%
Lanxin Investment Co.	6,127,747	3.91%
Hai-Ni Chen	4,337,257	2.77%
Wei-Yu Chen	2,458,095	1.57%
Zhen-Hua Yu	1,835,922	1.17%

(VI) Market Price Per Share, Net Value, Surplus, Dividends and Related Information for the Latest Two Years

Item		Year		Current Year Up To March 31, 2024(Note 8)	
		2022	2023		
Market Price Per Share (Note 1)	Highest	33.50	31.75	19.80	
	Lowest	18.45	18.80	18.70	
	Average	25.34	22.97	19.20	
Net Worth Per Share (Note 2)	Before Distribution	21.39	20.35	—	
	After Distribution	20.37	—	—	
Earnings Per Share	Weighted Average Shares	149,155,476	156,613,249	156,613,249	
	Earnings Per Share (Note 3) Before Adjustment	2.70	0.16	—	
	Earnings Per Share (Note 3) After Adjustment	2.57	—	—	
Dividend Per Share	Cash Dividend	0.2	0	—	
	Unrequited Stock Dividends	Surplus Stock Dividends	0.5	0	—
		Capital Surplus Distribution	0	0	—
	Accumulated Unpaid Dividend (Note 4)	0	0	—	
Analysis of Return on Investment	Price-to-Earnings Ratio (Note 5)	9.39	143.56	—	
	Price-to-Dividend Ratio (Note 6)	12.67	0	—	
	Cash Dividend Yield Ratio (Note 7)	0.01	0	—	

Note 1: List the highest and lowest market prices of ordinary shares for each year, and calculate the average market price for each year based on the transaction value and volume of the year.

Note 2: Fill the shares based on the shares that have been issued by the end of the year and the distribution from the resolution of shareholders' meeting in the following year.

Note 3: If there is any retrospective adjustment required due to unrequited stock dividends, the earnings per share before and after adjustment should be listed.

Note 4: If there is any requirement for issuing equity securities that require undistributed dividends for the current year to be accumulated to the annual distribution of the retained earnings, it shall separately disclose the accumulated undistributed dividends as of that year.

Note 5: P/E Ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: P/D = Average closing price for each share for the current fiscal year/cash dividend per share.

Note 7: Cash dividend yield ratio = Cash dividend per share/average closing price per share for the current year.

Note 8: Net worth per share and earnings per share shall be filled with the data of the most recent quarter that has been verified (examined) by CPAs up to the date of printing of this annual report: The rest of the columns should be filled.

(VI) Dividend Policy and Implementation

1. The Company is in the changing industrial environment, and the enterprise life cycle is in a stable growth stage. The Board of Directors shall consider the company's future capital expenditure budget and capital demand, and shall measure the necessity of surplus fund

demand, so as to determine the amount of surplus retention or distribution and the amount of dividend or bonus distributed to shareholders in cash.

If the Company has any surplus in the annual accounts, it shall first set aside the business income tax in accordance with the law and make up for the losses in the past years. If there is any balance, it shall itemize 10% of the statutory surplus reserve in accordance with the law, except when the statutory surplus reserve has reached the total capital of the company. In addition, after the special surplus reserve is itemized or turned over according to law, and the undistributed surplus at the beginning of the same period accumulates the distributable surplus for shareholders, the Board of Directors shall draw up a proposal for surplus allocation and submit it to the Board of Shareholders for allocation.

As for the preceding item, more than 10% of the distributable surplus shall be allocated for the distribution of dividends and shareholders' dividends, and the cash dividend shall not be less than 10% of the total dividends and shareholders' dividends.

The Company shall distribute remuneration to employees at the rate of 0.1% to 1% and remuneration to directors and supervisors at the rate of 1% or less for the current year's profit. However, if the company has accumulated losses, it shall make up for them.

Employee compensation may be in the form of stock or cash, and may be paid in the form of stock or cash to employees of a subsidiary company who meet certain conditions.

The said "profit situation of the current year" as mentioned in the first paragraph shall mean the profit before the deduction of the pretax profit of the current year from the bonus to the employees and the bonus to the directors and supervisors.

The bonus for employees and the bonus for directors and supervisors shall be allocated by the Board of Directors upon the attendance of more than two-thirds of the directors and the consent of more than half of the directors present, and shall be reported to the shareholders' meeting.

2. The proposed dividend distribution for the shareholders' meeting is as follows:

The Board of Directors resolved on March 13, 2024, to approve the profit distribution plan for the fiscal year 2023: There will be no dividend distribution for this year.

(VII) The impact of the stock dividends on the company's operating performance, earnings per share and return on investment of shareholders: N/A.

(VIII) Remuneration of employees and remuneration of directors and supervisors:

1. Information about employee remuneration and remuneration of the Board of Directors contained in the Articles of Association, as shown in page 76-77 (VI) Company Dividend Policy.
2. Employee bonus plan and remuneration of directors and supervisors in this year:

Unit: Dollars

Item	Board Resolution Distribution Amount	Expense Recognition Amount	Difference Amount	Distribution Method
Employee Remuneration	209,160	0	209,160	Cash
Director Remuneration	0	0	0	N/A

Note: The difference is an estimated variance, which is treated as profit or loss in the following year according to accounting estimate changes.

3. Employee bonus plan and remuneration of directors and managers in last year:

Unit: Dollars

Item	Board Resolution Distribution Amount	Expense Recognition Amount	Difference Amount	Distribution Method
Employee Remuneration	572,972	0	572,972	Cash
Director Remuneration	0	0	0	N/A

Note: The difference is an estimated variance, which is treated as profit or loss in the following year according to accounting estimate changes.

(IX) The company buys back the shares of the Company: None.

II. Issuance of corporate bonds: None.

III. Issuance of preferred stocks: None.

IV. Issuance of overseas depository receipts: None.

V. Handling of employee stock options: None.

VI. Handling of restricted employee shares: None.

VII. Handling of merger & acquisition: None.

VIII. Plan of application of funds: None

Chapter 5. Operation Overview

I. Operation of the Company

(I) Business Scope

(1) The main contents of the Company's business

1. General hotel, restaurant, grocery and beverage retail businesses.
2. Except for permitted business, the company may engage in business not prohibited or restricted by law.

(2) Operating ratio

Items	Percentage of operating revenue in 2023
Room Revenue	97.80%
Dining Revenue	1.94%
Other Revenue	0.26%
Total	100%

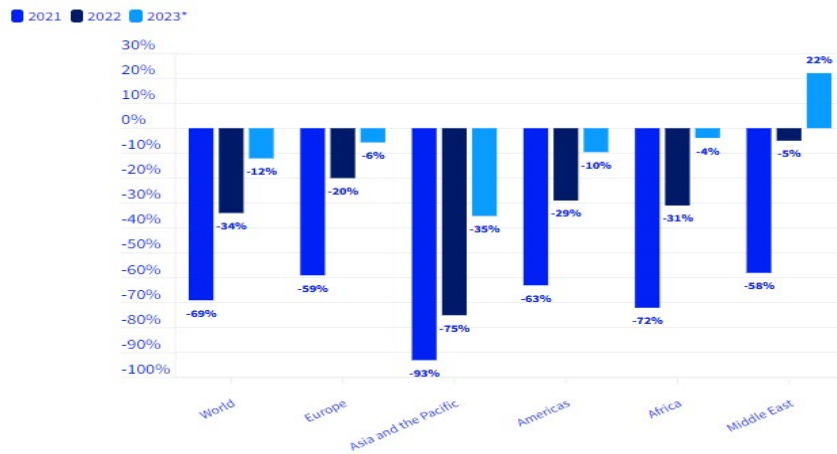
- (3). The Company's current product items and planned development of new products: hotel rental and catering services.

(II) Industry Overview:

(1) Current Situation:

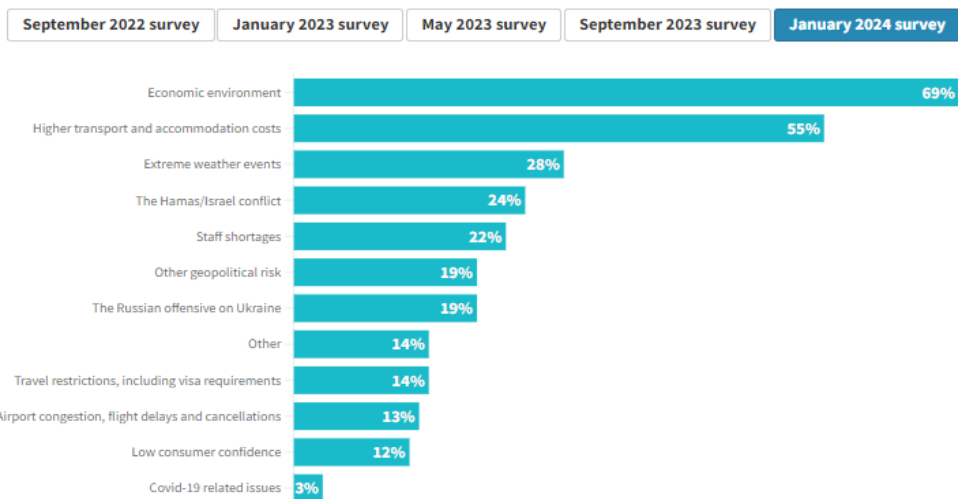
According to the data report from the United Nations World Tourism Organization, the global tourism volume reached 1.286 billion people in 2023, an increase of 34% compared to 2022. The international tourism industry has recovered to 88% of pre-pandemic levels in 2023. The Asia-Pacific region has recovered to 65% of pre-pandemic levels, and the Americas have recovered to 90% of pre-pandemic levels. According to the latest survey of the United Nations Tourism Confidence Index, 67% of tourism professionals believe that the outlook for 2024 is better than 2023, and it is expected to fully recover to pre-pandemic levels in 2024. However, economic and geopolitical factors remain the most significant influences on the recovery of international tourism.

International Tourist Arrivals, World and Regions



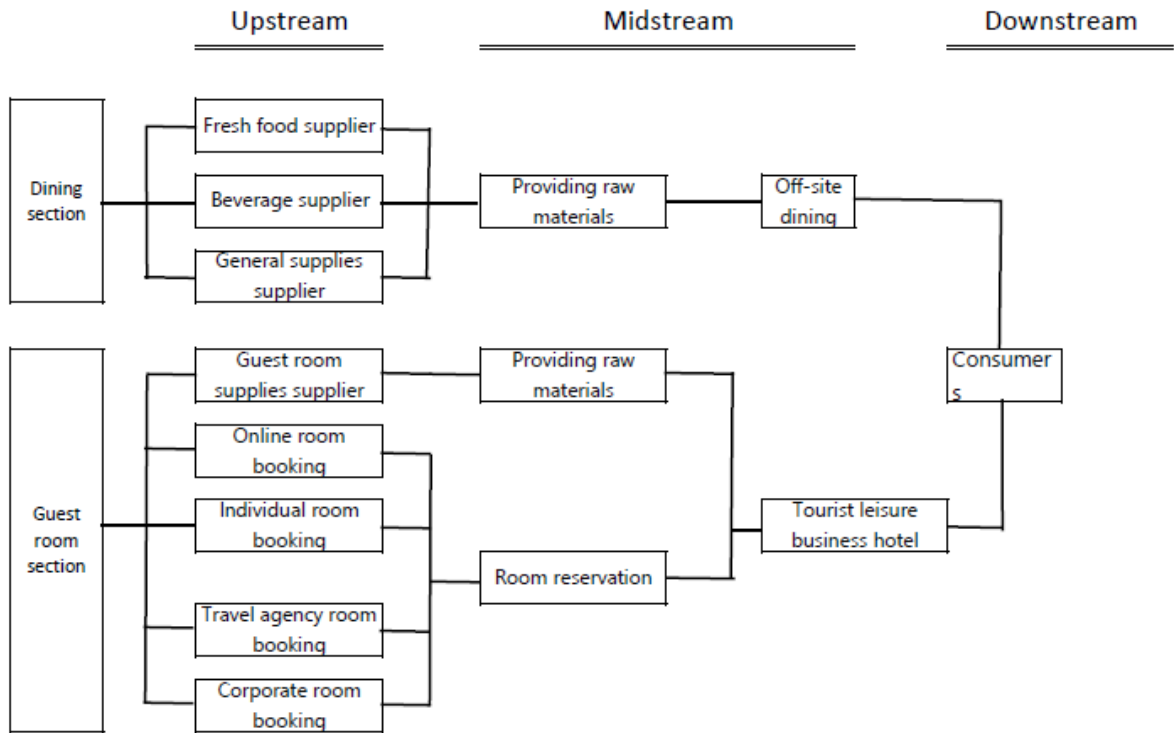
Source: UN Tourism | World Tourism Organization © - % change over 2019 | *Preliminary figures
Data as collected by UN Tourism, January 2024. Published: 19/01/2024

What are the main factors weighing on the recovery of international tourism?



UN Tourism conducted a global survey among its UN Tourism Panel of Tourism Experts on the impact of COVID-19 on tourism and the expected time of recovery.
Data as collected by UN Tourism, December 2023. Published: 19/01/2023

(2) Relationship between Upstream, Midstream, and Downstream Industries:
Our company operates in the provision of accommodation, dining, and related services outside the hotel. Regarding the analysis of industry relationships, we are positioned in the midstream of the industry.



(3) Development Trends and Competitive Landscape of Products:

After the epidemic, refined and localized deep travel has become another trend in tourism. The global impact of climate change on the environment has led to increasing attention to sustainable tourism, green tourism, and low-carbon tourism models. The company's strategy involves developing local cultural experiences and providing personalized services to attract tourists.

Investment in digital technology is being made to enhance the online brand image and offer convenient booking processes. Green technology and management practices, such as solar energy systems, energy-efficient equipment, and waste recycling programs, are being implemented. Hotels will diversify their product offerings to capture various market segments, aiming to consolidate existing customer bases and actively develop new ones. The diversified operation development enriches the business model and meets the diverse needs of consumers.

(III) Technology and Research and Development Overview: N/A.

(IV) Long-Term and Short-Term Business Development Plans:

1. Continuously plan renovations and refurbishments of internal facilities and operating premises to provide customers with a more

- comfortable accommodation and dining experience.
2. Enhance service quality through active training of hospitality management professionals.
 3. Expand consumer outreach by partnering with other credit card companies, online multimedia platforms, and other industries, and attract customers through special offers.
 4. Partner with online vendors and develop high-quality promotional materials to cater to customer preferences.
 5. Participate in tourism exhibitions and business expansion activities organized by the Ministry of Transportation and Communications Tourism Bureau and tourism associations, both domestically and internationally.
 6. Continuously develop new locations to offer higher-quality accommodation and dining services.

II. Market and Production/Sales Overview:

1. Market Analysis

The tourism industry is a comprehensive sector that caters to various needs, including accommodation, dining, socializing, meeting venues, health, entertainment, and shopping. Our company has a long-standing history and a distinguished reputation in operating hotels and restaurants. To meet the evolving needs of the market, we continuously expand and upgrade our facilities while enhancing service quality. The analysis of domestic and international markets is as follows:

Domestic Situation: With the increasing quality of life among Taiwanese citizens, there is a growing emphasis on leisure travel. Additionally, the Kaohsiung City Government's proactive promotion of tourism and improvement of tourism services and facilities has led to a trend of domestic tourists traveling to Kaohsiung. Our company is located in the central district of Kaohsiung City, which has convenient transportation, further attracting visitors for consumption. We continue to focus on expanding both domestic and international customer bases

and remain flexible to adjust according to future trends. Simultaneously, we are continuously developing our restaurant business.

International Situation: The U.S. market is experiencing rapid development despite economic slowdowns and increased costs. Accommodation and tourism remain sustainable sectors. In the future, our hotel operation investments will not be limited to the California region. If there are investment targets that meet the predetermined return rate, we may consider expanding into other areas.

2. Important Uses and Production Processes:

Our company primarily operates by renting out guest rooms, providing dining services, and offering meeting facilities, all with the aim of maximizing customer satisfaction.

3. Supply Status of Key Raw Materials:

Our company primarily operates by renting out guest rooms and providing dining services. The main raw materials include guest supplies and fresh food ingredients, and their supply status remains stable.

4. Name of customers accounted for more than 10% of the total purchase and sale volume in the last two years:

(1) Main Purchase Customers: The Company has no customers accounted for 10% of purchase volume, so it is not applicable.

(2) Main Sale Customers: The Company has no customers accounted for 10% of sale volume, so it is not applicable.

5. Table of production volume and value of the latest two years:

Unit: NT\$ 1,000

Year Product	2022		2023	
	Production Value	Percentage %	Production Value	Percentage %
Guest Room Costs	248,969	93.76%	248,425	92.91%
Catering Costs	16,574	6.24%	18,945	7.09%
Total	265,543	100%	267,371	100%

6. Table of sale volume and value of the latest two years:

Unit: NT\$ 1,000

Year Product	2022		2023	
	Amount	Percentage %	Amount	Percentage %
Guest Room Income	1,334,087	97.80%	1,401,554	97.80%
Catering Income	27,520	2.02%	27,873	1.94%
Other Income	2,601	0.19%	3,698	0.26%
Total	1,364,208	100%	1,433,125	100%

III. Number of Employees in the Past Two Years

Employee Information for the Past Two Years Up to the Publication Date of This Annual Report

Year		2022	2023	Current Year Up to T April 24, 2024
Number of Employees	Direct Labor	34	34	18
	Indirect Labor	26	31	25
	Total	60	65	43
Average Age		41	40	42
Average Years of Service		5	4	5
Ratio on Distribution of Academic Qualification	Doctor	0	0	0
	Master	3	4	4
	Bachelor	37	42	29
	Senior High School	14	16	9
	Under Senior High School	6	3	1

IV. Information on Environmental Protection Expenditure

1. The most recent year and up to the date of the publication of the annual report, total amount of losses and penalties due to environmental pollution: None.
2. Future countermeasures and possible expenditure: None.

V. Labor Relations:

1. Employee Welfare Measures: The company forms a "Welfare Committee" composed of representatives appointed by each department, which deducts a

certain amount from employees' salaries each month to fund various employee welfare activities.

The existing welfare system of the company is as follows:

- Salary allowances are adjusted based on individual annual performance evaluations, industry salary levels, and the consumer price index. Additional allowances are provided for job duties, skills, certifications, and duties.
- Employees are enrolled in labor and health insurance from the date of joining the company.
- Regular health check-ups are arranged for employees every year.
- Domestic travel tours are organized annually for employees.
- Cash or gifts are given for employee birthdays, marriages, funerals, and childbirths.
- An annual dinner party with a grand lucky draw is held, featuring abundant prizes.
- Year-end bonuses and employee remuneration are distributed based on the company's profitability.

2. Employee Continuing Education, Training, Retirement System, and Implementation Status:

(1) To maintain hotel safety and enhance employee service quality, the following programs were conducted in the current year:

Completed Programs:

- Customer communication and complaint handling
- Service excellence and customer relationship management
- Time management and productivity improvement
- Standard operating procedure (SOP) establishment skills
- Hospitality procurement practices
- Digital marketing in the hospitality industry
- Corporate succession practices
- Job analysis and job description drafting
- Excellence in leadership and supervisory courses
- Food safety and sanitation in food and beverage operations

Planned Programs (Scheduled for Implementation in Fiscal Year 2024):

- Service sensitivity training
- High-performance managerial practices
- Optimization of food and beverage service processes
- Questionnaire design and analysis practices
- Goal management leadership
- Strengthening internal communication skills in the workplace

- Service marketing
-
- Practical writing for online brand communities
- Interview techniques for talent recruitment

(2) Since July 1, 2005, the company has established a defined contribution retirement scheme in accordance with the "Labor Pension Act," applicable to employees of Taiwanese nationality. Under the portion of the labor retirement pension system defined by the "Labor Pension Act" chosen by employees, the company contributes not less than 6% of the monthly salary to the individual accounts of employees at the Labor Insurance Bureau. The payment of employee retirement benefits is made either monthly based on the individual retirement account and accumulated earnings or as a lump sum retirement benefit.

3. For the most recent fiscal year and up to the date of the annual report, the company has not incurred any losses due to labor disputes, and there are no estimated amounts for current or future occurrences. As the company's management and welfare systems are considered sound, and there are communication channels through the Welfare Committee to address issues promptly, it is anticipated that no disputes will arise. Additionally, there have been no labor disputes in the past two fiscal years.

VI. Information Security Management:

1. Information Security Policy:

To ensure the security of company software, equipment, and the Internet, this information security management policy is established as the basis for all employees to follow regarding information security. It aims to prevent information systems from being improperly used or intentionally damaged by internal or external parties. In case of emergencies such as unauthorized use or intentional sabotage, swift response measures will be taken to restore normal operations within the shortest time possible, thereby minimizing potential damage or operational disruptions.

This policy applies to all employees of the company. To mitigate the impact of internal factors on information security, information security awareness training will be provided to new employees to enhance their awareness and understanding of information security.

2. Information Security Management Framework:

(1) The Information Department is responsible for coordinating information security, establishing management control procedures, executing related matters, and conducting regular internal audits supervised by the audit department.

(2) Proactively defend against internal and external network attacks to prevent damage; regularly review information security and

information protection policies to ensure the effectiveness of information security management measures.

(3) Prevent operational losses caused by power outages, viruses, and equipment failures.

3. Specific Management Plan:

(1) Handling Procedures for Account and Password Management: Strict control is exercised over employee requests for computer login and system accounts, which require authorization from supervisors. All computer permissions are revoked immediately upon employee departure. A mandatory password update cycle of three months is established to enhance information security.

(2) Network Security Management Procedures: Dedicated personnel manage network devices and continuously monitor network status. Firewalls are installed for external network connections to defend against network intrusion and attacks.

(3) Security Controls for Network Access: Network services and data access provided to internal personnel are subject to two-factor authentication for remote access to internal network systems. Firewalls are employed for security management.

(4) Uninterruptible power systems are installed for critical network hardware to prevent abnormal power outages.

(5) Computer host systems and related storage and network connection equipment are housed in dedicated rooms with secure access control measures for strict personnel monitoring.

(6) Daily backups of ERP system databases are performed to ensure rapid data recovery in the event of disasters, maintaining normal company operations.

4. Resource Allocation for Information Security Management:

Dissemination of information security awareness to new employees.

5. Risk and Response Measures for Information Security:

To prevent and mitigate damage caused by attacks, the company strengthens network firewalls and network controls to prevent the spread of computer viruses.

VII. Important Contracts: None

Chapter 6. Financial Overview

I. Concise balance sheets, comprehensive income statements, and auditor's opinions for the past five fiscal years.

(I) Concise Condensed Balance Sheet

Unit: NT\$ 1,000

Item	Annual	Financial Information for the Most Recent 5 Years (Note 1)					Current Year Up To March 31, 2024 Financial Information (Note 2)
		2019	2020	2021	2022	2023	
Current Assets		2,213,406	1,968,214	3,197,765	3,735,216	3,639,321	—
Real Estate, Plant and Equipment		4,279,580	3,947,433	4,001,582	3,806,038	3,568,247	—
Intangible Assets		750,664	664,991	791,315	737,051	687,995	—
Other Assets		402,775	452,122	616,772	370,629	408,297	—
Total Assets		7,646,425	7,032,760	8,607,434	8,648,934	8,303,860	—
Current Liability	Before Distribution	2,956,059	2,568,912	1,864,630	1,511,968	781,055	—
	After Distribution	2,956,059	2,568,912	1,864,630	1,511,968	Note 3	—
Non-Current Liability		3,401,101	3,501,897	3,984,606	3,946,551	4,335,378	—
Total Liabilities	Before Distribution	6,357,160	6,070,809	5,849,236	5,458,519	5,116,433	—
	After Distribution	6,357,160	6,070,809	5,849,236	5,458,519	Note 3	—
Equity Attributable to Owners of Parent Company		1,289,265	961,951	2,758,198	3,190,415	3,187,427	—
Share Capital		1,104,856	1,104,856	1,104,856	1,491,555	1,566,133	—
Capital Surplus		2,169	2,169	2,169	2,169	2,169	—
Retained Earnings	Before Distribution	241,231	(29,078)	1,797,204	1,702,021	1,623,361	—
	After Distribution	241,231	(29,078)	1,797,204	1,702,021	Note 3	—
Other Equities		(58,991)	(115,996)	(146,031)	(5,330)	(4,236)	—
Treasury Stock		-	-	-	-	-	—
Non-Controlling Interest		-	-	-	-	-	—
Equities Total Amount	Before Distribution	1,289,265	961,951	2,758,198	3,190,415	3,187,427	—
	After Distribution	1,289,265	961,951	2,758,198	3,190,415	Note 3	—

Note 1: Financial information for each year has been audited by CPAs

Note 2: The Company's consolidated financial report for the first quarter of 2024 has been reviewed by the accountant.

Note 3: The Board of Directors of the Company resolved on March 13, 2024, not to distribute the earnings for the fiscal year 2023. Therefore, there is no post-distribution information available.

(II) Concise Individual Balance Sheet

Unit: NT\$ 1,000

Annual Item		Financial Information for the Most Recent 5 Years (Note 1)				
		2019	2020	2021	2022	2023
Current Asset		1,104,734	1,042,292	2,239,984	1,844,160	1,884,336
Real Estate, Plant and Equipment		686,263	662,177	9,440	8,234	6,409
Permanent Investment		1,654,003	1,332,315	1,529,304	2,108,096	2,023,166
Other Assets		59,256	59,256	67,520	8,938	5,956
Total Assets		3,504,256	3,131,608	3,846,248	3,969,428	3,919,867
Current Liability	Before Distribution	1,743,381	1,789,045	955,237	549,495	523,959
	After Distribution	1,743,381	1,789,045	955,237	549,495	Note 2
Non-Current Liability		471,610	380,612	132,813	229,518	208,481
Total Liabilities	Before Distribution	2,214,991	2,169,657	1,088,050	779,013	732,440
	After Distribution	2,214,991	2,169,657	1,088,050	779,013	Note 2
Equity Attributable to Owners of Parent Company		1,289,265	961,951	2,758,198	3,190,415	3,187,427
Share Capital		1,104,856	1,104,856	1,104,856	1,491,555	1,566,133
Capital Surplus		2,169	2,169	2,169	2,169	2,169
Retained Earnings	Before Distribution	241,231	(29,078)	1,797,204	1,702,021	1,623,361
	After Distribution	241,231	(29,078)	1,797,204	1,702,021	Note 2
Other Equities		(58,991)	(115,996)	(146,031)	(5,330)	(4,236)
Treasury Stock		-	-	-	-	-
Non-Controlling Interest		-	-	-	-	-
Equities Total Amount	Before Distribution	1,289,265	961,951	2,758,198	3,190,415	3,187,427
	After Distribution	1,289,265	961,951	2,758,198	3,190,415	Note 2

Note 1: Individual financial report certified by an accountant.

Note 2: The Board of Directors of the Company resolved on March 13, 2024, not to distribute the earnings

for the fiscal year 2023. Therefore, there is no post-distribution information available.

(III) Concise Composite Income Statement

Unit: NT\$ 1,000

Year Items	Financial Information for the Most Recent 5 Years (Note 1)					Current Year Up To March 31, 2024 Financial Information (Note 3)
	2019	2020	2021 (Note 2)	2022	2023	
Operating Income	1,520,242	741,703	821,146	1,364,208	1,433,125	—
Operating Margin	1,287,691	513,685	627,732	1,098,665	1,165,754	—
Operating Profit and Loss	219,650	(199,426)	(105,332)	51,243	72,024	—
Non-Operating Income and Expenditure	(191,358)	(294,434)	(138,784)	675,600	(147,788)	—
Net Profit Before Tax	28,292	(493,860)	(244,116)	726,843	(75,764)	—
Continuing Operation Unit Current Net Profit	(4,692)	(270,309)	(153,931)	402,002	25,749	—
Loss from Discontinued Operations	-	-	1,980,213	-	-	—
Current Net Profit (Loss)	(4,692)	(270,309)	1,826,282	402,002	25,749	—
Current Other Comprehensive Profit and Loss (Net Amount After Tax)	(34,651)	(57,005)	(30,035)	140,701	1,094	—
Current Total Comprehensive Profit and Loss	(39,343)	(327,314)	1,796,247	542,703	26,843	—
Net Profit Attributable to Owners of the Parent Company	(4,692)	(270,309)	1,826,282	402,002	25,749	—
Net Profit Attributable to Non-Controlling Interests	-	-	-	-	-	—

Total Comprehensive Profit and Loss Attributable to Owners of Parent Company	(39,343)	(327,314)	1,796,247	542,703	26,843	—
Total Comprehensive Income Attributable to Non-Controlling Interests	-	-	-	-	-	—
Earnings Per Share	(0.04)	(2.45)	16.53	2.70	0.16	—

Note 1: Financial information for each year has been audited by accountants.

Note 2: The Company's financial information for fiscal 2021 is based on the discontinued operations department and the continuing operations department.

Note 3: The Company's consolidated financial report for the first quarter of 2024 has been reviewed by the accountant.

(IV) Concise Individual Income Statement

Unit: NT\$ 1,000

Year Items	Financial Information for the Most Recent 5 Years (Note 1)				
	2019	2020	2021 (Note 2)	2022	2023
Operating Income	1,520,242	741,703	821,146	21,990	20,919
Operating Margin	1,287,691	513,685	627,732	7,686	4,996
Operating Profit and Loss	219,650	(199,426)	(105,332)	(46,197)	(37,732)
Non-Operating Income and Expenditure	(191,358)	(294,434)	(138,784)	611,483	58,648
Net Profit Before Tax	28,292	(493,860)	(244,116)	572,972	20,916
Continuing Operation Unit Current Net Profit	(4,692)	(270,309)	(153,931)	402,002	25,749
Loss from Discontinued Operations	-	-	1,980,213	-	-
Current Net Profit (Loss)	(4,692)	(270,309)	1,826,282	402,002	25,749

Current Other Comprehensive Profit and Loss (Net Amount After Tax)	(34,651)	(57,005)	(30,035)	140,701	1,094
Current Total Comprehensive Profit and Loss	(39,343)	(327,314)	1,796,247	542,703	26,843
Net Profit Attributable to Owners of the Parent Company	(4,692)	(270,309)	1,826,282	402,002	25,749
Net Profit Attributable to Non-Controlling Interests	-	-	-	-	-
Total Comprehensive Profit and Loss Attributable to Owners of Parent Company	(39,343)	(327,314)	1,796,247	542,703	26,843
Total Comprehensive Income Attributable to Non-Controlling Interests	-	-	-	-	-
Earnings Per Share	(0.04)	(2.45)	16.53	2.70	0.16

Note 1: Individual financial report certified by an accountant.

Note 2: The Company's financial information for fiscal 2021 is based on the discontinued operations department and the continuing operations department.

(V) Name and Opinion of the Accountant

Year	CPA Firm	Name of CPA	Auditor's Opinion
2019	PwC Taiwan	A-Shen Liao, Chien-Chih Wu	Unqualified Opinion
2020	PwC Taiwan	Chien-Chih Wu Kuo-Hua Wang	Unqualified Opinion
2021	PwC Taiwan	Kuo-Hua Wang Yung-Chih Lin	Unqualified Opinion
2022	PwC Taiwan	Kuo-Hua Wang Yung-Chih Lin	Unqualified Opinion
2023	PwC Taiwan	A-Shen Liao Kuo-Hua Wang	Unqualified Opinion

II. Financial Analysis for the Most Recent 5 Years

(I) Consolidated Financial Analysis

Year (Note 1) Analysis Items (Note 4)		Financial Analysis for the Most Recent 5 Years					Current Year Up To March 31, 2024 (Note 2)	
		2019	2020	2021	2022	2023		
Financial Structure (%)	Ratio of Liabilities to Assets	83.14	86.32	67.96	63.11	61.62	—	
	Ratio of Long-Term Capital to Real Estate Plant, and Equipment	109.60	113.08	168.50	187.52	210.83	—	
Debt-Paying Capacity (%)	Current Ratio	74.88	76.62	171.50	247.04	465.95	—	
	Quick Ratio	74.54	76.15	170.92	245.90	462.22	—	
	Interest Coverage Ratio	114.12	(252.22)	1331.20	458.56	77.45	—	
Operating Capacity	Receivables Turnover Rate (Times)	43.31	24.49	29.84	44.77	39.30	—	
	Average Collection Days	8.43	14.90	12.23	8.15	9.29	—	
	Inventory Turnover Rate (Times)	44.47	23.36	23.35	24.61	19.53	—	
	Payables Turnover Rate (Times)	43.44	64.65	77.09	117.39	97.05	—	
	Average Days for Sale	8.21	15.62	15.63	14.83	18.69	—	
	Real Estate Plant, and Equipment Turnover Rate (Times)	0.36	0.18	0.21	0.35	0.39	—	
	Total Asset Turnover Rate (Times)	0.22	0.10	0.11	0.16	0.17	—	
Profitability Capacity	Rate of Return on Assets (%)	2.28	(5.21)	0.11	6.54	3.47	—	
	Rate of Return on Equity (%)	(0.36)	(24.01)	24.64	13.52	0.81	—	
	Paid-In Capital Ratio (%)	Operating Profit	19.88	(18.05)	(12.94)	3.44	4.60	—
		Net Profit Before Tax	2.56	(44.7)	162.26	48.73	(4.84)	—
	Profit Margin (%)	(0.31)	(36.44)	213.81	29.47	1.80	—	
	Earnings Per Share (NT\$)	(0.04)	(2.45)	16.53	2.70	0.16	—	
Cash Flow	Cash Flow Ratio (%)	9.52	(5.10)	(4.40)	29.70	4.93	—	
	Cash Flow Adequacy Ratio (%)	320.50	264.30	89.56	121.30	163.72	—	
	Cash Flow Reinvestment Ratio (%)	3.99	(1.86)	(0.98)	3.75	0.09	—	
Degree of Leverage	Degree of Operating Leverage	6.77	(0.69)	(0.72)	7.17	5.22	—	
	Degree of Financial Leverage	11.40	0.59	0.53	(0.34)	(0.27)	—	

Reasons for changes in various financial ratios in the last two years (increased or decreased changes of more than 20%):

1. The significant reduction in current liabilities is due to the exemption of interest coverage multiples for overseas subsidiaries, resulting in a substantial increase in the current ratio and quick ratio.
2. The interest coverage ratio, return on assets, return on equity, net profit ratio, and earnings per share were affected by the disposal of overseas subsidiaries in 2022, leading to a substantial increase in both pre-tax and after-tax net profits.
3. The cash flow ratio is attributed to the average decrease in net cash flows from operating activities over the past five years.

(II) Individual Financial Analysis

1) Analysis Items (Note 3)		Financial Analysis for the Most Recent 5 Years					
		2019	2020	2021	2022	2023	
Financial Structure (%)	Ratio of Liabilities to Assets	63.21	69.28	28.29	19.63	18.69	
	Ratio of Long-Term Capital to Real Estate Plant, and Equipment	256.59	202.75	30,625.12	41534.28	52,986.55	
Debt-Paying Capacity (%)	Current Ratio	63.37	58.26	234.5	335.61	359.63	
	Quick Ratio	63.18	58.06	234.32	335.42	359.31	
	Interest Coverage Ratio	104.27	-1458.4	8,066.47	9003.00	335.46	
Operating Capacity	Receivables Turnover Rate (Times)	22.73	16.72	13.65	14.88	19.48	
	Average Collection Days	16.06	21.83	26.75	24.53	18.74	
	Inventory Turnover Rate (Times)	44.90	23.24	25.21	31.03	20.40	
	Payables Turnover Rate (Times)	10.73	13.92	11.30	9.96	8.55	
	Average Days for Sale	8.13	15.71	14.48	11.76	17.89	
	Real Estate Plant, and Equipment Turnover Rate (Times)	0.22	0.14	0.13	2.49	2.86	
	Total Asset Turnover Rate (Times)	0.03	0.03	0.01	0.01	0.01	
Profitability Capacity	Rate of Return on Assets (%)	(7.62)	(7.62)	52.88	10.42	0.83	
	Rate of Return on Equity (%)	(24.01)	(24.01)	98.18	13.52	0.81	
	Paid-in Capital Ratio (%)	Operating Profit	(0.44)	(3.69)	(6.7)	(2.58)	(2.41)
		Net Profit Before Tax	0.08	(30.79)	167.76	38.41	1.34
	Profit Margin (%)	(3.05)	(281.96)	4,182.48	1828.11	123.09	
	Earnings Per Share (NT\$)	(0.04)	(2.45)	16.53	2.70	0.16	

Cash Flow	Cash Flow Ratio (%)	(0.45)	(3.24)	(19.70)	23.18	(2.69)
	Cash Flow Adequacy Ratio (%)	(26.75)	(164.65)	67.36	133.33	148.24
	Cash Flow Reinvestment Ratio (%)	(0.98)	(4.56)	(6.52)	3.73	(1.29)
Degree of Leverage	Degree of Operating Leverage	(25.35)	0.36	0.87	0.86	0.86
	Degree of Financial Leverage	0.19	0.65	0.76	0.86	0.81

Reasons for changes in various financial ratios in the last two years (increased or decreased changes of more than 20%):

1. The significant reduction in current liabilities is due to the exemption of interest coverage multiples for overseas subsidiaries, resulting in a substantial increase in the current ratio and quick ratio.
2. The interest coverage ratio, return on assets, return on equity, net profit ratio, and earnings per share were affected by the disposal of overseas subsidiaries in 2022, leading to a substantial increase in both pre-tax and after-tax net profits.
3. The cash flow ratio is attributed to the average decrease in net cash flows from operating activities over the past five years.

Note 1: The year in which has not been certified by an accountant shall be indicated.

Note 2: The Company's consolidated financial report for the first quarter of 2024 has been reviewed by the accountant

Note 4: The Company's financial information for fiscal 2021 is based on the discontinued operations department and the continuing operations department.

Note 3: At the end of this table of the annual report, the following calculation formula should be listed:

1. Financial Structure

(1) Liabilities to Assets Ratio = Total Liabilities / Total Assets.

(2) Long-Term Capital to Property, Plant, And Equipment Ratio = (Total Equity + Non-Circulating Liability) / Net Amount of Property, Plant and Equipment.

2. Solvency

(1) Current Ratio = Circulating Asset / Circulating Liability.

(2) Quick Ratio = (Circulating Asset – Inventory – Prepaid Expense) / Circulating Asset.

(3) Interest Coverage Ratio = Net Profit Before Income Tax and Interest Expense / Current Interest Expenditure

3. Operating Performance

(1) Accounts Receivable (including receivable and bills receivable arising from business operations) Turnover Rate = Net Sales / Balance of Average Receivable in Various Periods (including accounts receivable and bills receivable arising from business operations).

(2) Average Collection Days = 365 / Receivables Turnover Rate.

(3) Inventory Turnover Rate = Cost of Sales / Average Inventory Value.

(4) Accounts Payable (including payable and bills payable arising from business operations) Turnover Rate = Cost of Sales / Balance of Average Payable in Various Periods

(including accounts payable and bills payable arising from business operations).

(5) Average Days of Sales = $365 / \text{Inventory Turnover Rate}$.

(6) Property, Plant and Equipment Turnover Rate = $\text{Net Sales} / \text{Average Net Amount of Property, Plant and Equipment}$.

(7) Total Asset Turnover Rate = $\text{Net Sales} / \text{Average Total Assets}$.

4. Profitability Capacity

(1) Return on Asset = $[\text{Post-Tax Profit or Loss} + \text{Interest Expense} (1 - \text{Tax Rate})] / \text{Average Total Assets}$.

(2) Return on Equity = $\text{Post-Tax Profit or Loss} / \text{Average Total Equity}$.

(3) Profit Margin = $\text{Post-Tax Profit or Loss} / \text{Net Sales}$.

(4) Earnings Per Share = $(\text{Gain or Loss Attributable to Owners of the Parent Company} - \text{Preference Dividend}) / \text{Weighted Average Number of Issued Shares}$.

(Note 4)

5. Cash Flow

(1) Cash Flow Ratio = $\text{Net Cash Flow from Operating Activities} / \text{Circulating Liability}$.

(2) Net Cash Flow Adequacy Ratio = $\text{Net Cash Flow from Operating Activities for the Past 5 Years} / (\text{Capital Expenditure} + \text{Inventory Increase} + \text{Cash Dividends})$ for the Past 5 Years.

(3) Cash Flow Reinvestment Ratio = $(\text{Net Cash Flow from Operating Activities} - \text{Cash Dividend}) / (\text{Gross Property, Plant and Equipment} + \text{Permanent Investment} + \text{Other Non-Current Assets} + \text{Operating Capital})$. (Note 5)

6. Degree of Leverage

(1) Degree of Operating Leverage = $(\text{Net Operating Income} - \text{Variable Operating Costs and Expenses}) / \text{Operating Profit}$

(2) Degree of Financial Leverage = $\text{Operating Profit} / (\text{Operating Profit} - \text{Interest Expense})$.

3. Audit Committee's audit report of the most recent annual financial report

Hotel Holiday Garden Audit Report from the Auditing Committee

The Board is expected to send the 2023 company's annual business report including the individual financial report, the consolidated financial report, and the proposal of surplus distribution. Upon the inspection of the Audit Committee, and no discrepancy found, and the report is prepared according to Article 14-4 of the Securities & Exchange Act and Article 219 of the Company Act, the aforementioned financial statements and documents are fairly presented as stated.

Regards

The 2024 Annual Meeting of Shareholders of Hotel Holiday Garden

Auditing Committee

GUO-YIN LU, Convener

March 13,2024

4. Annual Financial Report

Independent Accountant's Report

(2024) Tsai Shen Pao Tzu No.23004084

Holiday Garden International Ltd :

Opinion

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

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

Basis for opinion

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

Key audit matters

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

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

Evaluation of investment impairment accounted for using the equity method :

Assessment of investment impairment using the equity method

Description

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

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

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

Corresponding audit program

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PwC Taiwan

Independent accountants

Wang Guo Hua

Lin Yong Zhi

Former Ministry of Finance Securities and Futures
Commission

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

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

Approval certificate No.: Chin Kuan Cheng Shen Tzu No.1010015969

March 13 2024

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

Unit: NT\$, 000

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

(Next page)

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

Unit: NT\$1,000

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

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

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

Accounting Director: Yu Su-ling

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

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

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

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

Accounting Director : Yu Su-ling

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

Unit: NT\$1,000

	<u>R e t a i n e d e a r n i n g s</u>					Exchange differences o n translation	Exchange differences o n translation	T o t a l
	S h a r e s c a p i t a l	S t a t u t o r y r e s e r v e	S p e c i a l s u r p l u s	S t a t u t o r y u n d i s t r i b u t e d p r o f i t s	S u p p l y o f f i n a n c i a l s t a t e m e n t s			
2022								
Balance on January 1, 2022	\$ 1,104,856	\$ 2,169	\$ 82,561	-	-	\$ 1,714,643	(\$ 146,031)	\$ 2,758,198
Current net profit	-	-	-	-	-	402,002	-	402,002
Other comprehensive income for the period	-	-	-	-	-	-	140,701	140,701
Total consolidated profit or loss for the period	-	-	-	-	-	402,002	140,701	542,703
Allocation and Distribution of Profits for the 110th Year of the Republic of China:								
Statutory Surplus Reserve			171,464			(171,464)		
Special Surplus Reserve					30,035	(30,035)		
Stock Dividends 6(13)	386,699					(386,699)		
Cash Dividends 6(13)	-					(110,486)	(110,486)	
Balance, December 31, 2022	<u>\$ 1,491,555</u>	<u>\$ 2,169</u>	<u>\$ 254,025</u>	<u>\$ 30,035</u>	<u>\$ 1,417,961</u>	<u>(\$ 5,330)</u>	<u>\$ 3,190,415</u>	
2023								
Balance on January 1, 2023	<u>\$ 1,491,555</u>	<u>\$ 2,169</u>	<u>\$ 254,025</u>	<u>\$ 30,035</u>	<u>\$ 1,417,961</u>	<u>(\$ 5,330)</u>	<u>\$ 3,190,415</u>	
Current net profit	-	-	-	-	-	25,749	-	25,749
Other comprehensive income for the period	-	-	-	-	-	-	1,094	1,094
Total consolidated profit or loss for the period	-	-	-	-	-	25,749	1,094	26,843
Allocation and Distribution of Profits for the 111th Year of the Republic of China:								

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu
Su-ling

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

Unit: NT\$1,000

	Notes	<u>R e t a i n e d e a r n i n g s</u>					Exchange differences translation of foreign financial statements	Exchange differences translation of foreign financial statements	T o t a l
		Statutory Reserve	Special Surplus Reserve	Statutory Reserve	Undistributed Profits	Retained Earnings			
Statutory Surplus Reserve				40,201		(40,201)			
Special Surplus Reserve					(24,705)	24,705			
Stock Dividends	6(13)	74,578				(74,578)			
Cash Dividends	6(13)					(29,831)		(29,831)	
Balance, December 31, 2023		\$1,566,133	\$ 2,169	\$ 294,226	\$ 5,330	\$ 1,323,805	(\$ 4,236)	\$ 3,187,427	

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

Chairperson of the Board: Chen Hai-ni

Manager: Chen Hai-ni

Accounting Director: Yu Su-ling

Holiday Garden International Ltd.
Independent company only statements of cash flows
January 1 to December 31 of 2023 and 2022 Unit: NT\$1,000

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

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

Accounting Director : Yu Su-ling

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

Unit: NT\$, 000

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

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

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

Accounting Director : Yu Su-ling

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

Unit: NT\$1,000

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

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

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

Accounting Director : Yu Su-ling

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

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

1. Company milestones

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

2. Date and procedure of approval of the financial report

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

3. Applicability of newly issued and revised standards and interpretations

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

The following table summarizes the latest, amended and revised IFRS standards and interpretations applicable for 2023 approved by the Financial Supervisory Commission:

<u>Newly issued/revised/amended standards and interpretations</u>	<u>Effective date of issuance by International Accounting Standards Board</u>
Amendment to IFRS 1: Disclosure of Accounting Policies	January 1, 2023
Amendment to IFRS 8: Definition of Accounting Estimates	January 1, 2023
Amendment to IFRS 12: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	January 1, 2023
Amendment to IFRS 12: International Tax Reform - Pillar Two Rules Template	May 1, 2023

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

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

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

issuance by International

Newly issued/revised/amended standards and interpretations

Standards Board

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

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

International Accounting Standards Board but not yet endorsed by the FSC

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

Effective date of

issuance by International

Accounting

Newly issued/revised/amended standards and interpretations Standards Board

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

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

4. Summary of significant accounting policies

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

(1) Statement of compliance

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

(2) Basis of preparation

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

(3) Foreign currency conversion

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

1. Foreign currency transactions and balances

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

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

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

2. Conversion of foreign operating agencies

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

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

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

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

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

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

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

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

(2) Liabilities held primarily for transaction purposes.

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

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

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

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

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

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

(2) Liabilities held primarily for transaction purposes.

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

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

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

(5) Cash equivalents

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

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

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

(7) Financial assets measured at amortized cost

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

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

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

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

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

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

(8) Accounts and notes receivable

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

(9) Impairment loss on financial assets

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

(10) Derecognition of financial assets

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

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

(11) Operating lease (lessor)

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

(12) Inventories

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

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

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

(14) Property, plants, and equipment

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

property, plants, and equipment should be depreciated separately.

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

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

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

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

(16) Impairment of non-financial assets

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

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

(17) Loans

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

(18) Accounts and notes payable

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

(19) Delisting of financial liabilities.

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

(20) Offset of financial assets and liabilities

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

(21) Employee benefits

1. Short-term employee benefits

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

2. Pensions

Defined contribution plans (DCP)

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

3. Employee compensation and director and supervisor remuneration

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

(22) Income tax

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

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

(23) Dividend distribution

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

(24) Revenue recognition

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

(25) Government subsidies

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

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

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

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

(1) Critical judgments adopted by accounting policies

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

(2) Critical accounting estimates and assumptions

Evaluation of investment impairment accounted for using the equity method

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

6. Details of significant accounts

(1) Cash and cash equivalents

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

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

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

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

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

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

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

(3) Net amount of accounts and notes receivable

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

1. Aging analysis of accounts and notes receivable :

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

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

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

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

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

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

(4) Inventories

	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for price decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	\$ 1,074	\$ -	\$ 1,074
	<u>December 31, 2022</u>		
	<u>Cost</u>	<u>Allowance for price decline in inventories</u>	<u>Carrying amount</u>
Foods and non-alcoholic and alcoholic beverages	\$ 487	\$ -	\$ 487

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

(5) Investments accounted for using the equity method

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

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

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

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

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

(6) Property, plants, and equipment

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

	<u>December 31, 2023</u>	<u>December 31, 2021</u>
Water and electricity equipment	\$ 109	
Business fixtures and fittings	3,940	5,020
Other Equipment	<u>2,360</u>	<u>3,214</u>
	<u>\$ 6,409</u>	<u>\$ 8,234</u>

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

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

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

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

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

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

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

(7) Lease transaction – Lessee

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

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

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

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

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

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

7. Effect of variable lease payments on lease liability

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

(8) Sort-term notes payable

Nature of Loans

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

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

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

(9) Short-term Promissory Notes Payable

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

(10) Pensions

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

respectively.

(11) Share Capital

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

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

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

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

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

(12) Capital Fund

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

(13) Retained earnings

1.In accordance with the Company's Articles of Incorporation, if there are earnings upon the Company's final account at the end of the year, the Company shall first pay

profit-seeking enterprise income tax, make up the deficits for the preceding years and then set aside a legal reserve of 10% of the remainder (not applicable if the legal reserve has reached the total capital amount of the Company). After appropriating or reversing a special reserve in accordance with laws, the balance and the unallocated accumulated earnings from the previous years are the accumulated, distributable earnings for shareholders, for which the Board of Directors shall propose an earning distribution plan to be resolved at the shareholders' meeting. More than 10% of the aforementioned allocable earnings are provided for dividends and shareholders' bonuses, and the cash dividends should be no less than 10% of the total amount of shareholders' dividends and bonuses. The attendance of two-thirds or more of the directors of the Board of Directors and the approval of a majority of the attending directors shall be required for resolutions regarding the distribution of dividends, bonuses, capital surplus, or legal reserve surplus, whether in whole or in part, in the form of cash, and shall be reported to the shareholders' meeting. The provisions requiring resolutions by the shareholders' meeting do not apply in this case.

2. The legal reserve cannot be used for purposes other than offsetting the company's deficits or providing new stock or cash to shareholders in proportion to their original shareholding. If the reserve is used for distributing new stock or cash, it has to be more than 25% of the Company's paid-in capital.
3. (1) The Company shall first set aside a special reserve from the debit balance on the "other equity" item at the balance sheet date before distributing earnings, and later when this debit balance on the "other equity" item is reversed, the reversed amount can be included in distributable earnings.
(2) Upon the initial adoption of IFRSs, the special surplus reserve set aside in accordance with the letter No. 1090150022 issued by the Financial Supervisory Commission on March 31, 2021, should be reversed by the proportion when the Company subsequently uses, disposes of, or reclassifies related assets. If the aforementioned assets are investment properties, the land portion shall be reversed upon disposal or reclassification, while the portion excluding land shall be reversed progressively throughout the term of use.
4. On March 14, 2023, the Board of Directors resolved to distribute cash dividends of \$29,831 (NT\$0.2 per share) from the earnings, and on May 30, 2023, the shareholders' meeting approved the distribution of stock dividends of \$74,578 (NT\$0.5 per share) from the earnings of 2021. On March 24, 2022, the Board of Directors resolved to distribute cash dividends of \$110,486 (NT\$1 per share) from the earnings of 2021, and on June 15, 2022, the shareholders' meeting approved the distribution of stock dividends of \$386,699 (NT\$3.5 per share) from the earnings of 2020. For information on the aforementioned resolutions regarding the distribution of earnings by the Board of Directors and shareholders' meetings, please refer to the "Public Information

Observation Station" of the Taiwan Stock Exchange.

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

(14) Operating income

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

1. Revenue from customer contracts

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

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

Revenue Recognition Timing					
Revenue is recognized at a certain point in time	\$	21,268	\$	722	\$ 21,990

2. Contract liabilities

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

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

Initial contract liabilities recognized as revenue in the current period.

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

(15) Interest income

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

(16) Other income

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

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

(17) Other interests and losses

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

(18) Financial cost

	<u>2023</u>	<u>2022</u>
Interest expense		
Borrowings from banks	\$ 8,799	\$ 23,212
Interest on lease liability	<u>84</u>	<u>54</u>
	<u>\$ 8,883</u>	<u>\$ 6,436</u>

(19) Addition information on expenses

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

(20) Employee benefit expense

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

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

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

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

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

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

(21) Income tax

1. Income tax expense (benefit)

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

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

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

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

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

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

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

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

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

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

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

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

5. The company's profit-seeking business income tax has been approved by the tax collection authority until 2021.

December 31, 2023

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

December 31, 2022

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

(22) Earnings (loss) per share

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

2022

1

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

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

(26) Supplementary information on cash flow

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

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

activities that do not affect
cash flows:

(24) Change of liabilities from financing activities

	<u>2023</u>				1
	<u>Short-term</u> <u>borrowings</u>	<u>Short-term</u> <u>notes payable</u>	<u>Lease</u> <u>Liabilities</u>	<u>Long-term</u> <u>liabilities</u>	<u>Total</u> <u>liabilities from</u> <u>financing activities</u>
January 1	\$484,000	\$	\$ 7,641	\$	\$ 491,641
Change of cash flows from Financing activities	(84,000)	95,000	(2,732)		8,268
Other non-cash changes (Note)			<u>(143)</u>		<u>(143)</u>
December 31	<u>\$ 400,000</u>	<u>\$ 95,000</u>	<u>\$ 4,766</u>	<u>\$ -</u>	<u>\$ 499,766</u>
	<u>2022</u>				0
	<u>Short-term</u> <u>borrowings</u>	<u>Short-term</u> <u>notes payable</u>	<u>Lease</u> <u>Liabilities</u>	<u>Long-term</u> <u>liabilities</u>	<u>Total</u> <u>liabilities from</u> <u>financing activities</u>
January 1	\$ 884,000	\$ 30,000	\$ 10,625	\$ 13,948	\$ 938,573
Change of cash flows from Financing activities	(400,000)	(30,000)	(2,984)	(13,948)	<u>(446,932)</u>
December 31	<u>\$ 484,000</u>	<u>\$ -</u>	<u>\$ 7,641</u>	<u>\$ -</u>	<u>\$ 491,641</u>

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

7. Transactions with related parties

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

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

("EV CORP.)

Holiday Garden FM CORP.

("FM CORP.)

Subsidiaries directly held by U.S.

(2)Material Transactions with related parties

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

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

2. Primary management remuneration and compensation information

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

8. Collateralized assets

The Company's collateralized assets are listed below:

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

9. Significant contingent liabilities and unrecognized contractual commitments

(1) Contingency

None

(2) Undertakings

No undertakings

10. Significant casualty losses

None

11. Major events after the reporting period

None

12. Others

(1) Capital management

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

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

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

(2) Financial instruments

1. Types of financial instruments

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

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

2 Risk management policies

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

3 Nature and level of significant financial risk

(1) Market risk

Foreign exchange rate risk

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

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

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

Price risk

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

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

(2) Credit risk

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

have happened.

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

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

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

	<u>Not past due and past due for 1 to 30 days</u>	<u>Past due for 31 to 90 days</u>	<u>Past due for more than 91 days</u>	<u>Total</u>
<u>December 31, 2022</u>				
Expected loss rate	0.97%	0.81%	100%	
Total book value	\$ 1,221	\$ 38	\$	\$ 1,259
Loss allowance	1	1		2

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

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

(3) Liquidity risk

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

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

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

December 31, 2023

<u>Non-derivative financial liabilities:</u>	<u>In 1 year</u>	<u>1 to 2 years</u>	<u>More than 2 years</u>
Short-term borrowings	\$ 485,109	\$ -	\$ -
short-term notes payable	95,000		
Accounts payable	1,798	-	-
Other accounts payable	9,239	-	-
Lease liabilities	2,364	1,354	1,130

Derivative financial liabilities: None

December 31, 2022

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

Derivative financial liabilities: None

(3) Value Informationary

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

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

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

Level 3: Unobservable input value of assets or liabilities.

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

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

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

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

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

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

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

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

Open-Ended Funds

Market Quote	Net value
--------------	-----------

13. Note Disclosure

(1). Information on significant transactions

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

(2) Information about the investment business

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

(3) Mainland China investment information

1. Basic information: None.

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

(4) Major Shareholders' Information

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

14. Department Information

Not applicable

Holiday Garden International Ltd. and subsidiaries

Loan funds

2023

Table 1

Unit: NTS1,000

(Unless otherwise noted)

No. (Note.1)	Company providing the loan	Borrower	Transaction item(Note2)	A related party yes or not	The maximum amount of this period (Note3)	Closing balance (Note 8)	Actual drawing amount	Range of interest rate	Type of loan fund (Note 4)	Business transaction amount (Note 5)	Reasons for short-term financing (Note6)	Recognized amount of loss allowance	Collaterals Name Value	Maximum amount of loans permitted to a single borrower(Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
1	Holiday Garden International Ltd.	Holiday Garden U.S.	Receivable from related companies	yes	\$ 1,448,560	\$ 1,448,560			Short-term financing funds	\$ -	Operational needs	\$ -	None \$ -	\$ 99,068,300	\$ 207,686,300	Note 9
2	Holiday Garden U.S.	Holiday Garden NW CORP.	Receivable from related companies	yes	240,870	240,870			Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden VC CORP.	Receivable from related companies	yes	194,610	194,610	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	584,820	584,820	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Receivable from related companies	yes	64,980	64,980	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	559,362	559,362	-		Short-term financing funds	-	Hotel acquisition	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	94,950	94,950	-		Short-term financing funds	-	Operational needs	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Receivable from related companies	yes	84,030	84,030	-		Short-term financing funds	-	Operational needs	-	None -	3,798,750	7,597,500	Note 9
2	Holiday Garden SF U.S.	Holiday Garden FM CORP.	Receivable from related companies	yes	430,900	430,900	-		Short-term financing funds	-	Hotel acquisition Operational needs	-	None -	3,798,750	7,597,500	Note 9
3	Holiday Garden SF SF CORP.	Holiday Garden VC CORP.	Receivable from related companies	yes	154,200	154,200	-		Short-term financing funds	-	Hotel acquisition	-	None -	12,859,750	25,719,500	Note 9
3	Holiday Garden SF SF CORP.	Holiday Garden U.S.	Receivable from related companies	yes	387,516	387,516	-		Short-term financing funds	-	Operational needs	-	None -	12,859,750	25,719,500	Note 9

Note 1: See the footnotes below

(1) 0 for the Company

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

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

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

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

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

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

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

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

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

Table 2

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

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

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

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

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

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

Holiday Garden International Ltd. and subsidiaries

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

Table 3

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

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

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

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

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

Holiday Garden International Ltd. and subsidiaries

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

2023

Table 4

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

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

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

(1) 0 for the parent company.

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

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

(1) The parent company to a subsidiary

(2) A subsidiary to the parent company

(3) A subsidiary to another subsidiary

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

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

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

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

Table 5

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

Investor	Investee (Notes 1 and 2)	Location	Primary business items	Initial investment amount		End of the reporting period			Investee's current profit and loss (Notes 2(2))	Recognized current investment gain or loss (Note 2(3))	Note
				Ending of reporting period	Previous year end	Number of shares	Ratio	Carrying amount			
Holiday Garden International Ltd.	Holiday Garden	Taiwan	Tourism hotels	\$ 65,000	\$ 65,000	6,500,000	100	\$ 31,233	(\$ 5,252)	(\$ 5,252)	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden	Bermuda	Investment business	977,650	977,650	12,000	100	2,076,863	(408,168)	(408,168)	The Company's subsidiary
Holiday Garden International Ltd.	International Holiday Garden U.S.	USA	Investment business	585,961	585,961	18,000	100	561,937	(288,527)	(125,434)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden SF CORP.	USA	Tourism hotels	84,662	84,662	170,000	100	201,426	48,107	48,107	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden NW CORP.	USA	Tourism hotels	81,250	81,250	150,000	100	(109,067)	(130,576)	(130,576)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden VC CORP.	USA	Tourism hotels	81,250	81,250	150,000	100	(17,051)	(8954)	(8954)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden WC CORP.	USA	Tourism hotels	80,700	80,700	150,000	100	(277,832)	(46,274)	(46,274)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden EV CORP.	USA	Tourism hotels	77,188	77,188	150,000	100	(328,677)	(59,808)	(59,808)	The Company's subsidiary
Holiday Garden U.S.	Holiday Garden FM CORP.	USA	Tourism hotels	69,263	69,263	- 150,000	100	(4,433)	(67,207)	(67,207)	The Company's subsidiary

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

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

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

Holiday Garden International Ltd. and subsidiaries

Table 6

Major Shareholder Information
December 31, 2023

Main shareholder name	Shares	
	Shares held	Shareholding ratio
YENJUAN INTERNATIONAL CO., LTD.	30,373,305	19.39%
CATHAY UNITED BANK is entrusted with custody of GIPPER CO., LTD. investment account	15,462,772	9.87%
CATHAY UNITED BANK is entrusted with custody of ESSIDIY Co., Ltd. investment account	14,862,966	9.49%
CATHAY UNITED BANK is entrusted with custody of CHUN TAO KOO (HOLDINGS) LTD. investment account	14,687,124	9.37%
CATHAY UNITED BANK is entrusted with custody of KDX HOLDING LTD. investment account	12,401,650	7.91%

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

List 1.

Item	Abstract	Amount
Cash in hand and working capital		\$ 371
Cheque Deposit		1,557
Demand Deposit - New Taiwan Dollar Deposit		13,3559
Demand Deposits-US Dollar Deposits	USD158,000, exchange rate 30.7	76,665
Time Deposit - New Taiwan Dollar Deposit	interest rate range:0.65% · Maturity period: January 2 2024	15,000
Time Deposit - USD Deposit	USD18,300,000, exchange rate 30.71, interest rate range: 5.10%-5.70% Maturity period: January 8, 2024 to December 28, 2024	561,889
U.S. Dollar Bonds with Buyback	USD2,083,000, exchange rate 30.71, interest rate range: 5.60 Maturity period:March 15,2024	63,948
		<u>\$ 732,789</u>

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

Unit: NT\$1,000

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

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

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

List 3

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

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

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

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

List 4

Unit: NT\$1,000

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

Blank Below

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

List 5

Unit: NT\$1,000

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

Holiday Gardens International Ltd.
Schedule of Cost of Operations
2023

List 6

Unit: NT\$1,000

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

Holiday Gardens International Limited and Subsidiaries

Statement of Operating Expenses

2023

List 7

Unit: NT\$1,000

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

Holiday Gardens International, Inc.

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

2023

List 8

Unit: NT\$1,000

<i>Function</i>	2023			2021		
	Operating Cost	Operating Expenses	Total	Operating Cost	Operating Expenses	Operating Expenses To
<i>Properties</i>						
Employee Benefit Expenses	\$ 7,229	\$ 23,809	\$ 31,038	\$ 6,040	\$ 26,553	\$32,593 54
Salary Cost	6,216	17,033	23,249	5,172	19,110	24,282
Labor and health insurance costs	584	1,902	2,486	447	2,088	2,535
Superannuation Expenses	311	855	1,166	247	921	1,168
Director's Remuneration	—	3,590	3,590	—	3,810	3,810
Other Employee Benefit Expenses	118	429	547	174	624	798
Depreciation Expense	253	4,965	5,218	253	5,135	5,388

Notes:

1. The number of employees for the current year and the previous year was 52 and 93, respectively, of which the number of directors who were not also employees was 3, respectively.

2. For companies whose shares are listed on a stock exchange or traded on an OTC stock exchange, the following information should be disclosed:

(1) The average employee benefit cost for the current year was \$587; the employee benefit cost for the previous year was \$513.

(2) The average employee salary cost for the current year is \$496; the employee salary cost for the previous year is \$436.

(3) The adjustment and change in average employee salary cost was 13.76%.

(4) The Company has established an audit committee to replace the supervisor as required, so no supervisor's remuneration was recognized

(5) Salary Compensation Policy

1. Policies, criteria and mix of remuneration:

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

(2). The remuneration and salary of the Company's executives will be paid in accordance with the individual's professional experience and the usual standards of the industry, and bonuses

will

be paid according to the individual's performance, in accordance with his or her rate of achievement, growth rate, risk and performance.

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

2. Procedures for setting salaries

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

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

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

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	D e c e m b e r 3 1 2 0 2 3 Amount	2 0 2 3 %	D e c e m b e r 3 1 2 0 2 2 Amount	2 0 2 2 %
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	1
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\$, 000

Liabilities and equity	Notes	D e c e m b e r 3 1 2 0 2 3 Amount	%	D e c e m b e r 3 1 2 0 2 2 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	1	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	3,579,761	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	1
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\$, 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	

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)		
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)
38								
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
Impairment losses on non-financial assets	6(8)(21)		2,083
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Financial assets at fair value through profit or loss - current		(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		<u>290,488</u>	<u>545,697</u>
Interest Received		<u>112,677</u>	<u>24,536</u>
Interest paid		(<u>333,601</u>)	(<u>190,979</u>)
Refund of income tax		<u>83,711</u>	<u>70,627</u>
Income tax paid		(<u>114,783</u>)	(<u>847</u>)
Net cash inflow from operating activities		<u><u>38,492</u></u>	<u><u>449,034</u></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
		(2,741)	
Increase in prepayments for equipment		4,618	(3,038)
Decrease (increase) in deposits for guarantees			46
Decrease in other non-current assets – other decrease		(141,520)	(1,087,076)
Net cash outflow (inflow) from investing activities			
<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)
<u>Net cash outflow from financing activities</u>		(151,467)	(1,132,996)
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)	2,668,664	2,145,257
Ending balance of cash and cash equivalents	6(1)	2,416,615	2,668,664

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"	January 1, 2023
- Amendment to International Financial Reporting Standard (IFRS) 12 "International Tax Reform - Pillar Two Rules Template"	May 23, 2023

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:-----|-----
-----|

<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, 2022and January 1, 2021, the balances of receivables (including notes receivable) under the Group's contracts with customers were \$43,664and \$30936 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 \$1,0927 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 :

<u>Cost</u>	2023						
	<u>Opening balance</u>	<u>Current addition</u>	<u>Current reduction</u>	<u>Current transfer</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>	
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	-	(2,813)	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>	<u>\$.</u>
<u>Cost</u>	2022						
	<u>Opening balance</u>	<u>Current addition</u>	<u>Current reduction</u>	<u>Current transfer</u>	<u>Exchange rate affected Amount</u>	<u>Closing balance</u>	
Land	\$ 893,818	\$ -	\$ 122,716	-	\$ 94,095	(\$865,197)	\$
Land improvements	148,779	-	19,822	-	15,681	(144,638)	
Buildings and structures	3,411,837	-	333,735	-	361,042	(3,439,144)	
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>\$ 2,8103</u>	<u>\$ 582,649</u>	<u>- 13,043</u>	<u>\$ 604,693</u>	<u>(\$ 5,794,048)</u>	

	2023				
<u>Accumulated depreciation and impairment</u>	<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>
	2022				
<u>Accumulated depreciation and impairment</u>	<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>\$ 175,929</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:

2 0 2 3				
	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	93,751	\$	\$ 397	\$ 94,148

2 0 2 2				
	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	102,575	\$ 196	\$ 759	\$ 103.530

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	(-)	(-)

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	\$ 687,387	\$ 608	\$ 687,995

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>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	(290,081)	(3,022)	(293,103)
	<u>\$ 786,296</u>	<u>\$ 5,019</u>	<u>\$ 791,315</u>
Jan. 01	\$ 786,296	\$ 5,019	\$ 791,315
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	(240,955)	(2,648)	(243,603)
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	\$ <u>138,195</u>	\$ _	\$ _	(\$)	\$ <u>138,195</u>
	Jan.01.2022				Dec.31.2022
Housing and Construction	<u>\$124,560</u>			- \$ <u>13,635</u>	<u>138,195</u>

(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	\$ <u>95,000</u>	\$ _____
Interest rate range	<u>1.32%~1.41%</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>

(13)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, 202</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			
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	(<u>742,587</u>)
	<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	<u>7,457</u>	386,670
December 31	<u><u>156,613</u></u>	<u><u>149,156</u></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	
	<u>Room Revenue</u>	<u>Food & Beverage Income</u>	<u>Other Income</u>	<u>Room Revenue</u>	<u>Total</u>
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	
	<u>Room Revenue</u>	<u>Food & Beverage Income</u>	<u>Other Income</u>	<u>Room Revenue</u>	<u>Total</u>
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	\$ 27,228	\$ 1,927
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)	5,305
Overestimation of income tax in previous years.	<u>7,696</u>	<u>(2,902)</u>
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)	-	60,757
Unrealized expenses payable	8,656	(8,108)	-	(115)	-	663
Tax losses	<u>128,554</u>	<u>22,546</u>	<u>-</u>	<u>(359)</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"	5279		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</u>	<u>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
2017		\$72,817	\$16,785	\$16,785	2027
2018		56,901	56,901	56,901	2028
2019		40,604	40,604	40,604	2029
2020		\$ 47,245	\$ 47,245	\$ 47,245 -	2030
2021		107,265	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	2030
2021		107,265	\$ 107,265	\$ 107,265	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		2015-2037
2019-State tax	Number of declarations	\$6,459	\$6,459		2020-2039
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		
2021-State tax	Number of declarations	16,570	16,570	-	2024-2043
2023- State tax	Number of declarations	18,720	18,720		
		<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	<u>14,280</u>	<u>14,280</u>	-	2021~2040 No deduction period
2021- Federal tax	Number of declarations	81,398	81,398		
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	<u>8,147</u>	<u>8,147</u>	<u>8,147</u>		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	<u>25,749</u>	156,613	<u> </u>
Potential ordinary shares with diluting effect			
Effect of dilutive potential ordinary shares			
Employee remuneration	<u>\$ </u>	5	<u>\$ </u>
Attributable to ordinary shareholders of the parent			
Net profit for the period plus potential Effect of ordinary shares	<u>\$ 25,749</u>	<u>\$156,618</u>	<u>\$0.16</u>

	<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	<u>(\$ 402,002)</u>	156,627	<u>(\$ 2.57)</u>

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 度</u>	<u>2022 度</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

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				
	\$ 95,766			<u>\$95,766</u>

Liabilities:None

Dec. 31. 2022	<u> </u> Grade 1	<u> </u> Grade 2	<u> </u> Grade 3	<u> </u> total
Assets				
Repetitive fair value				
through profit or loss Financial				
assets measured				
at fair value Beneficiary				
certificates	<u>\$31,140</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>		
	Taiwan business	USA business	Total
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>			118,622	
<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			(333,929)	(
Net (loss)				
profit before				
tax			\$ 75,765	\$
Departmental				
Assets	\$ 36,024	\$ 3,532,223	\$ 3,568,247	
Company				
general assets			4,735,613	
Total assets			\$ 8,303,860	
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>	<u>\$</u>
Divisional profit & loss	<u>(\$ 39,001)</u>	<u>(\$ 90,244)</u>	<u>(\$ 51,243)</u>	<u>(\$ \$</u>
Interest income			31,868	
Company general revenue			70,556	
Other company profits & losses			(775,887)	(
Interest expense			(202,711)	(
Net (loss) profit before tax			<u>\$ 726,843</u>	<u>\$ \$</u>
Departmental Assets	<u>\$ 41,415</u>	<u>\$ 3,764,623</u>	<u>\$ 3,806,038</u>	<u>\$</u>
Company general assets			4,842,896	—
Total assets			<u>\$ 8,648,934</u>	<u>\$</u>
Depreciation & Amortization Expenses	<u>\$ 15,315</u>	<u>\$ 300,025</u>	<u>\$ 315,340</u>	<u>\$ \$</u>
Amount of capital expenditure	<u>\$ 5,130</u>	<u>\$ 22,973</u>	<u>\$ 28,103</u>	<u>\$</u>
Departmental Liabilities	<u>\$ 894,344</u>	<u>\$ 4,564,175</u>	<u>\$ 5,458,519</u>	<u>\$</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 Name Value	Maximum amount of loans permitted to a single borrower(Note 7)	Total amount permitted for loaning of funds (Note 7)	Note
1	Holiday Garden International Ltd.	Holiday Garden U.S.	Receivable from related companies	yes	\$ 1,448,560	\$ 1,448,560	\$ -	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_ the reporting period	Amount of loss allowance recognized
					<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	55,413	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%

5. In the latest fiscal year and up to the date of the annual report's publication, if there have been financial difficulties affecting the company and its related enterprises, their impact on the financial condition of the company should be disclosed: No such situation.

Chapter 7. Review Analysis and Risk Assessment of Financial Position and Operating Results

I. Financial Position - Consolidated

Unit: NT\$ 1,000

Year Items	2022	2023	Difference	
			Amount	%
Current Asset	3,735,216	3,639,321	(95,895)	(2.57)
Real Estate, Plant and Equipment	3,806,038	3,568,247	(237,791)	(6.25)
Intangible Assets	737,051	687,995	(49,056)	(6.66)
Other Assets	370,629	408,297	37,668	10.16
Total Assets	8,648,934	8,303,860	(345,074)	(3.99)
Current Liability	1,511,968	781,055	(730,913)	(48.34)
Non-Current Liability	3,946,551	4,335,378	388,827	9.85
Total Liabilities	5,458,519	5,116,433	(342,086)	(6.27)
Equity Attributable to Owners of Parent Company	3,190,415	3,187,427	(2,988)	(0.09)
Share Capital	1,491,555	1,566,133	74,578	5.00
Capital Surplus	2,169	2,169	0	0.00
Retained Earnings	1,702,021	1,623,361	(78,660)	(4.62)
Other Equities	(5,330)	(4,236)	1,094	20.53
Treasury Stock	-	-	-	-
Non-Controlling Interest	-	-	-	-
Total Equity	3,190,415	3,187,427	(2,988)	(0.09)

Reasons for the difference:

1. The significant reduction in current liabilities is due to the exemption of interest coverage ratio requirements for overseas subsidiaries, resulting in a substantial increase in current ratio and quick ratio.

II. Financial Performance - Consolidated

(I) Financial Performance Comparative Analysis

Unit: NT\$ 1,000

Items	2022	2023	Increase (Decrease) Amount	Variable Proportion %
Operating Income	1,364,208	1,433,125	68,917	5.05
Operating Margin	265,543	1,165,754	67,089	6.11
Operating Profit and Loss	51,243	72,024	20,781	40.55
Non-Operating Income and Expenditure	675,600	(147,788)	(823,388)	(121.88)
Net Profit Before Tax	726,843	(75,764)	(802,607)	(110.42)
Continuing Operations Net Income	402,002	25,749	(376,253)	(93.59)
Loss from Discontinued Operations	0	0	0	0
Current Net Profit (Loss)	402,002	25,749	(376,253)	(93.59)
Current Other Comprehensive Profit and Loss (Net Amount After Tax)	140,701	1,094	(139,607)	(99.22)
Current Total Comprehensive Profit and Loss	542,703	26,843	(515,860)	(95.05)
Net Income Attributable to Owners of Parent Company	402,002	25,749	(376,253)	(93.59)
Net Profit Attributable to Non-Controlling Interests	-	-	-	-
Total Comprehensive Profit and Loss Attributable to Owners of the Parent Company	542,703	26,843	(515,860)	(95.05)
Total Comprehensive Profit and Loss Attributable to Non-Controlling Interest	-	-	-	-
Earnings Per Share	2.70	0.16	(2.54)	(94.07)

Explanation analysis:

1. Operating profit increased by 1% compared to last year.

2. The decrease in non-operating income, pre-tax net profit, current net profit, and other comprehensive income for the period compared to 2022 was due to the disposal of overseas subsidiaries in 2022.

(II) Expected sales quantities and their basis, potential impacts on the company's future financial operations, and response plans: The company sets annual sales targets based on annual budgets, operational plans, and past actual performance.

III. Cash Flow – Consolidated

(I) Review and Analysis of Cash Flow

Unit: NT\$ 1,000

Beginning Cash Balance	Net Cash Flow from Operating Activities Throughout the Year	Cash Outflows (Inflows) from Investment and Financing Activities Throughout the Year	Cash Balance Amount	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
\$2,668,664	\$38,492	(\$292,987)	\$2,416,615	—	—

(II) Changes in Cash Flow Items between Current and Prior Periods

Unit: NT\$ 1,000

Items	2022	2023	Changes in the Amount	Rate of Change %
Operating Activities	449,034	38,492	(410,542)	(91.43)
Investment Activities	1,087,076	(141,520)	(1,228,596)	(113.02)
Financing Activities	(1,132,996)	(151,467)	981,529	86.63

Difference in Changes between Investment Activities and Fundraising Activities: Mainly due to increased financial costs.

(III) Remedial measures for insufficient cash and liquidity analysis: N/A

(IV) Analysis of cash liquidity in the next year:

Unit: NT\$ 1,000

Beginning Cash Balance (1)	Expected Full-Year Net Cash Flow from Operating Activities (2)	Expected Full-Year Net Cash Flow Amount (3)	Cash Balance (Insufficient) Amount (1) +(2)-(3)	Remedial Measures for Cash Inadequacy	
				Investment Plan	Financial Plan
2,416,615	384,215	300,000	2,500,830	—	—

IV. The Impact of Recent Material Capital Expenditures on Financial Operations: None

V. Recent Annual Reinvestment Policy, Main Reason for Income or Loss, Its Improvement Plan and Investment Plan for the Next Year

Unit: NT\$ 1,000

Explanations Items	Amount	Policies	Main Cause of Profit or Loss	Improvement Plan	Other Future Investment Plans
Holiday Garden International Ltd.	(96,864) (2023)	Offshore Holding Company	Operating profit of Clementine Hotel & Suites Anaheim, California, a hotel invested through Holiday Garden International's subsidiary in the United States	The Company is still strengthening various controls to achieve greater profits.	None

VI. Risk Items and Assessment

(I) Impact of Interest Rates, Exchange Rates, and Inflation on Company Profit and Loss, and Future Responses:

1. The short-term and long-term borrowings of the company are subject to floating interest rates, hence fluctuations in market rates will result in corresponding changes in the effective interest rates of short-term and long-term borrowings. The company will maintain good interaction with partner banks to secure favorable loan conditions, thereby minimizing the risk of interest expense due to interest rate fluctuations.
2. Recently, there have been significant fluctuations in the exchange rates of the US dollar and the Japanese yen. However, as the majority of the company's customers are domestic travelers, the impact on the company is limited.
3. Under the pressure of rising prices, the company engages in multiple price negotiations and conducts applicability assessments to reduce costs and minimize waste. Simultaneously, adjustments are made to sales policies to cope with inflation.

(II) Policies, Main Reasons for Profit or Loss, and Future Responses in High-Risk, High-Leverage Investments, Lending Funds to Others, Endorsement Guarantees, and Derivative Transactions:

The company prohibits engaging in high-risk, high-leverage investments. Regarding lending funds to others and providing endorsement guarantees, it is limited to entities related to 50% equity investments. As of the printing date, there have been no instances of lending funds. The company currently prohibits engaging in derivative transactions.

(III) Future Research and Development Plans and Expected Research and Development Expenditure:

The company, operating in the tourism and hospitality industry, currently has no such plans.

(IV) Impact of Significant Policy and Legal Changes at Home and Abroad on

Company Financial Operations, and Response Measures:

The company operates in compliance with laws and regulations and closely monitors significant policy and legal changes at home and abroad. When necessary, expert opinions are sought, and appropriate response measures are taken. As of the printing date of the annual report, there have been no significant events affecting the financial operations of the company due to changes in significant policies or laws at home and abroad.

(V) Impact of Technological Changes and Industry Transformations on Company Financial Operations, and Response Measures:

Online booking has become a new trend. The company strengthens this business channel and simultaneously formulates standard operating procedures to enhance cybersecurity education and training, ensuring stable and normal system operation.

To enhance cybersecurity management, in addition to setting up firewalls and backup systems, the company is currently evaluating the security management of core business-related information assets and personal data, obtaining information security protection insurance to reduce the risk of cybersecurity vulnerabilities.

(VI) Impact of Corporate Image Changes on Crisis Management and Response Measures:

The company has always upheld a customer-first and service-oriented approach, ensuring that customers feel welcomed and valued. Any customer complaints are promptly addressed and improved upon to maintain a law-abiding and trustworthy corporate image. While maximizing shareholder interests, the company fulfills its corporate social responsibility for sustainable and stable development.

(VII) Expected Benefits, Risks, and Response Measures of Mergers and Acquisitions:

The company's merger and acquisition policy is conservative, and measures are taken based on capacity without additional borrowing. Mergers and acquisitions are pursued only when the expected benefits are foreseeable, and risks are minimal.

(VIII) Expected Benefits, Risks, and Response Measures of Expanding Facilities:

Continuous room renovations are planned from 2024 to 2026 to attract new and existing customers and increase revenue.

(IX) Risks and Response Measures Faced in Concentrated Procurement or Sales:

As a service industry, procurement and sales are diversified and multi-faceted, resulting in minimal risk of concentrated procurement or sales.

(X) Impact and Risks of Changes in Directors, Supervisors, Shareholders Holding Over Ten Percent of Shares, and Response Measures:

All directors of the company are appointed by Yingchuan International Enterprise Co., Ltd., which is also the only shareholder holding over ten percent of shares. Therefore, the risk of a significant transfer of equity is minimal.

(XI) Impact and Risks of Changes in Operating Rights and Response Measures:

As of now, there have been no changes in the company's operating rights.

(XII) Disclosure of Significant Lawsuits or Non-litigious Events:

There have been no significant lawsuits or non-litigious events involving the company, directors, supervisors, general managers, substantial responsible persons, shareholders holding over ten percent of shares, or subsidiary companies.

(XIII) Other Significant Risks and Response Measures:

Climate change and changes in energy supply have led to a gradual increase in electricity prices, resulting in higher operating costs.

Response Measures: Through the Ministry of Economic Affairs' Commercial Services System energy-saving subsidy program, significant energy-consuming equipment will be updated, and energy management systems will be replaced, with an estimated energy saving rate of 30%.

VII. Other important items: None

Chapter 8. Special Noted Items

1. Related Information on Affiliated Enterprises

(I) Consolidated Business Report of Affiliated Enterprises: Please refer to pages 255~258.

(II) Consolidated Financial Statement of Affiliated Enterprises: Please refer to pages 167~246.

(III) Relationship report: None.

2. For the most recent year and up to the date of publication of the annual report, the status of private offering of marketable securities: None.

3. For the most recent year and up to the date of publication of the annual report, the status of holding or disposing of the Company's shares by a subsidiary: None.

4. Other necessary supplementary notes: None.

Chapter 9. For the Most Recent Year and up to the Date of Publication of the Annual Report, There are Matters that Have a Material Impact on The Shareholders' Equity or the Securities Price as Provided for in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act:None

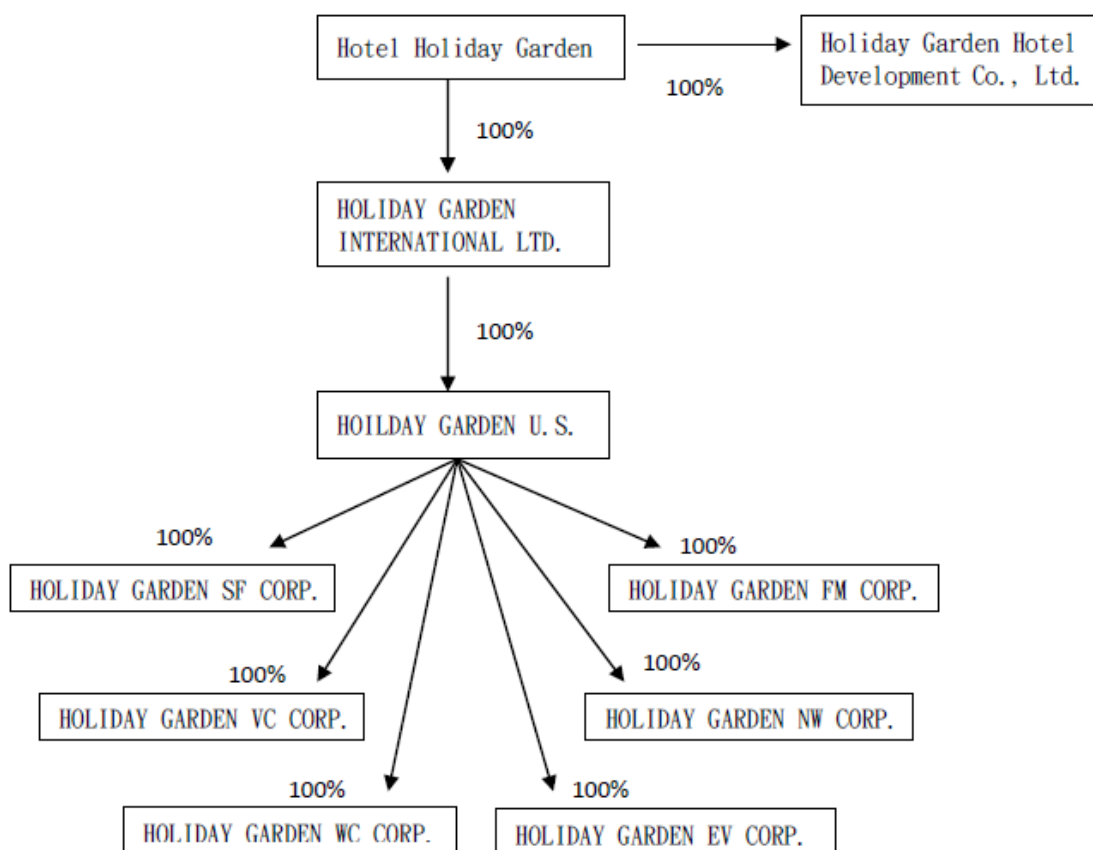
Holiday Garden Hotel Co., Ltd.

Consolidated Business Report of Affiliated Enterprises

I. Affiliated Enterprise Profile

I. Organizational Profile of the Affiliated Enterprises

(I) Organization Chart of the Affiliated Enterprises



(II) A company presumed to have a controlling and subordinate relationship under Article 369-3 of the Company Act: No such situation.

(III) A company which has a controlling and subordinate relationship as provided for in Article 6 of the preparation guidelines for the Consolidated Business Report of Affiliated Enterprises, Consolidated Financial Statement of Affiliated Enterprises, and Relationship Report: No such situation.

II. Basic Information on Affiliated Enterprises

Unit: NT\$ 1,000

Enterprise Name	Date of Incorporation	Address	Paid-In Capital (Note)	Major Business or Production Items
HOLIDAY GARDEN INTERNATIONAL LTD.	March 14, 1997	Canon's Court, 22 Victoria Street, PO Box 1624, Hamilton HM EX ,Bermuda	USD 12	Investment Business
HOILDAY GARDEN U.S.	January 22, 1997	202 S. Minnesota Street, Carson City, NV 89703, U.S.A.	USD 180	Investment Business
HOLIDAY GARDEN SF CORP.	January 21, 1997	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 170	Operating Tourist Hotel Business
HOLIDAY GARDEN VC CORP.	July 8, 2015	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 150	Operating Tourist Hotel Business
HOLIDAY GARDEN NW CORP.	July 20, 2015	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 150	Operating Tourist Hotel Business
HOLIDAY GARDEN WC CORP.	May 18, 2016	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 150	Operating Tourist Hotel Business
Holiday Garden Hotel Development Co., Ltd.	September 28, 2017	No. 1, Zhong'an Rd., Qianzhen Dist., Kaohsiung City	NT 65,000	Operating Tourist Hotel Business
HOLIDAY GARDEN EV CORP.	April 12, 2019	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 150	Operating Tourist Hotel Business
HOLIDAY GARDEN FM CORP.	December 8, 2021	1540 W. Artesia Sq., Unit D Gardena, CA, U.S.A. 90248	USD 150	Operating Tourist Hotel Business

III. The same shareholder information is presumed to be controlled and affiliated: None.

IV. Sectors covered by the overall business operation of the affiliated enterprise: The business of the company and its affiliated enterprises mainly involves the investment and operation of tourist hotels and restaurants.

V. Information on Directors and General Manager of Affiliated Enterprises:

Unit: Shares; %

Enterprise Name	Title	Name or Representative	Shares Held	
			Number of Shares (shares)	Shareholding Percentage (%)
Holiday Garden Hotel Development Co., Ltd.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	Holiday Garden Hotel Co., Ltd. Hai-Ni Chen	6,500,000 -	100 -
HOLIDAY GARDEN INTERNATIONAL LTD.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	Holiday Garden Hotel Co., Ltd. Hai-Ni Chen	12,000 -	100 -
HOLIDAY GARDEN U.S.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN INTERNATIONAL LTD. Hai-Ni Chen	18,000 -	100 -
HOLIDAY GARDEN SF CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	170,000 -	100 -
HOLIDAY GARDEN VC CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	150,000 -	100 -
HOLIDAY GARDEN NW CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	150,000 -	100 -
HOLIDAY GARDEN WC CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	150,000 -	100 -
HOLIDAY GARDEN EV CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	150,000 -	100 -
HOLIDAY GARDEN FM CORP.	Director Chairman of the Board (Representative of Hotel Holiday Garden)	HOLIDAY GARDEN U.S. Hai-Ni Chen	150,000	100

Note 1: If the affiliated enterprise is a foreign company, its equivalent position shall be listed.

Note 2: If the investee company is a company limited by share, the number of shares and shareholding ratio shall be filled in.

II. Operating Profile of Affiliated Enterprises

The Financial Position and Operating Results of the Relevant Enterprises (Note)

Unit: NT\$ 1,000

Enterprise Name	Capital	Total Value of Assets	Total Liabilities	Net Value	Operating Income	Operating (Loss) Profit	Current (Loss) Profit (After Tax)	Earnings Per Share(NT\$) (After Tax) (Note)
Holiday Garden Hotel Development Co., Ltd.	65,000	150,363	108,565	41,798	58,696	11,431	10,566	1.63
HOLIDAY GARDEN INTERNATIONAL LTD.	332	1,971,467	-	1,981,366	-	(1,047)	(96,864)	(8,071.98)
HOLIDAY GARDEN U.S.	4,982	3,082,949	314,491	75,975	-	(29,384)	(134,699)	7,483.29
HOLIDAY GARDEN SF CORP.CORP.	4,706	1,031,286	779,993	257,195	12,997,246	122,593	56,569	332.76
HOLIDAY GARDEN VC CORP.CORP.	4,152	740,640	746,376	10,465	9,210,053	22,649	(18,814)	(125.43)
HOLIDAY GARDEN NW CORP.CORP.	4,152	-	-	0	-	(1,229)	5,804	38.70
HOLIDAY GARDEN WC CORP.CORP.	4,152	919,804	636,133	264,539	6,244,513	1,247	20,592	137.28
HOLIDAY GARDEN EV CORP.CORP.	4,152	1,785,132	1,374,637	410,495	9,263,657	(28,674)	2,163	14.42
HOLIDAY GARDEN FM CORP.CORP.	4,152	1,245,421	831,019	414,403	5,735,941	(35,805)	(57,988)	(386.59)

Note: Average buy/sell rate of reporting date on December 29, 2023 was USD1 = NTD30.71. Average exchange rate from January 1 to December 31, 2023 was USD1 =NTD31.15.

Holiday Garden Hotel

Signature and seal of the person in charge:

Hai-Ni Chen