

Holiday Garden Hotel Co., Ltd. AND
SUBSIDIARIES
Consolidated Financial Statements and
Independent Auditors' Report
For the Years Ended December 31, 2024
and 2023
(Stock Code: 2702)

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Holiday Garden Hotel Co., Ltd. AND SUBSIDIARIES
Consolidated Financial Statements and Independent Auditors' Report
For the Years Ended December 31, 2024 and 2023
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Holiday Garden Hotel Co., Ltd. AND SUBSIDIARIES

Statement on the Consolidated Financial Statements of Affiliated Enterprises

The companies included in the consolidated financial statements of affiliated enterprises for the year 2024 (from January 1 to December 31, 2024) prepared in accordance with the "Regulations Governing the Preparation of the Business Report, Consolidated Financial Statements of Affiliated Enterprises, and Affiliation Reports" are the same as those companies included in the consolidated financial statements of the parent and subsidiaries prepared in accordance with International Financial Reporting Standard 10 (IFRS 10).

Furthermore, all relevant information required to be disclosed in the consolidated financial statements of affiliated enterprises has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiaries. Therefore, the consolidated financial statements of affiliated enterprises have not been prepared separately.

This statement is hereby made.

Company Name: Holiday Garden Hotel Co., Ltd.

Representative: Hai-Ni, Chen

March 5, 2025

Independent Auditors' Report

(114) Cai-Shen-Bao-Zi No. 24005248

To: Holiday Garden Hotel Co., Ltd.

Opinion

We have audited the consolidated financial statements of Holiday Garden Hotel Co., Ltd. and its subsidiaries (hereinafter referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2024 and 2023, and its consolidated financial performance and consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations, and Interpretations Announcements approved and issued by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Rules Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the section "Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" of our report.

We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China and have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Group's consolidated financial statements for the year ended December 31, 2024.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the audit of the Group's consolidated financial statements for the year ended December 31, 2024 are as follows:

Impairment Assessment of Property, Plant and Equipment and Intangible Assets

Description of Key Audit Matter

For the accounting policies on impairment of non-financial assets, please refer to Note 4(17) of the consolidated financial statements. For the accounting estimates and assumptions of uncertainty regarding the impairment assessment of property, plant and equipment and intangible assets, please refer to Note 5(2). For the explanation of the accounting items related to impairment of non-financial assets, please refer to Note 6(8).

As of December 31, 2024, the carrying amount of property, plant and equipment and intangible assets of the U.S. subsidiaries of Holiday Garden Hotel Co., Ltd. amounted to NT\$4,283,878 thousand, representing 52% of the total consolidated assets. Due to the increasing number of hotels and the fierce competition in the hospitality industry in recent years, management identified that there were indications of impairment in the property, plant and equipment and intangible assets of certain subsidiaries.

Therefore, the subsidiaries estimated the future cash flows generated from these assets and discounted them using appropriate discount rates to determine the recoverable amounts for impairment assessment.

Since the estimation of future cash flows involves multiple assumptions, which may significantly affect the measurement of the recoverable amounts, we considered the impairment assessment of property, plant and equipment and intangible assets to be a key audit matter for the current year.

Audit Procedures Performed

The main audit procedures we performed in response to the above key audit matter included:

1. Understanding and evaluating management's process for estimating

- future cash flows of the subsidiaries, including verifying the consistency of the one-year operational plans with those approved by the Board of Directors.
2. Understanding and evaluating management's process for estimating future cash flows of the subsidiaries, including verifying the consistency of the one-year operational plans with those approved by the Board of Directors.
 3. Assessing the reasonableness of the parameters and discount rates used in the calculation of recoverable amounts.

Other Matter - Parent Company Only Financial Statements

Holiday Garden Hotel Co., Ltd. has also prepared the parent company only financial statements for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion, and such financial statements are available for reference.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations, and Interpretations Announcements approved and issued by the Financial Supervisory Commission of the Republic of China. Management is also responsible for establishing and maintaining the necessary internal controls relevant to the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is

responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

In performing an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a 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. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Holiday Garden Hotel Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We also obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within Holiday Garden Hotel Co., Ltd. to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit and remain solely responsible for

our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control identified during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant ethical requirements regarding independence under the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Group's consolidated financial statements for the year ended December 31, 2024, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers, Taiwan

A-Shen, Liao

Certified Public Accountants

Chien-Chih, Wu

Certified Public Accountant

Former Financial Supervisory Commission,
Executive Yuan
Approval Certificate No. : Jin-Guan-Zheng-Shen
No. 1010015969
Financial Supervisory Commission
Approval Certificate No. : Jin-Guan-Zheng-Shen
No. 1030027246

March 5, 2025

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ Thousands

Assets	Note	December 31, 2024		December 31, 2023		
		A m o u n t	%	A m o u n t	%	
Current Assets						
1100	Cash and Cash Equivalents	6(1)	\$ 2,457,532	30	\$ 2,416,615	29
1110	Financial Assets at Fair Value	6(2)				
	Through Profit or Loss -					
	Current		107,229	1	95,766	1
1136	Financial Assets Measured at	6(1) and 8				
	Amortized Cost - Current		833,647	10	1,031,125	13
1170	Accounts Receivable, Net	6(3)	28,774	1	43,298	1
1200	Other Receivables		11,062	-	15,225	-
1220	Current Tax Assets		10,356	-	7,948	-
130X	Inventories	6(4)	175	-	1,231	-
1410	Prepayments		20,412	-	27,915	-
1479	Other Current Assets - Others		89	-	198	-
11XX	Total Current Assets		<u>3,469,276</u>	<u>42</u>	<u>3,639,321</u>	<u>44</u>
Non-Current Assets						
1535	Financial Assets Measured at	6(1), 8 and 9				
	Amortized Cost - Non-current		213,910	3	134,791	2
1600	Property, Plant and Equipment	5, 6(5)(8) and 8	3,673,018	44	3,568,247	43
1755	Right-of-use Assets	6(6)	85,432	1	94,148	1
1780	Intangible Assets	6 and 6(7)	678,170	8	687,995	8
1840	Deferred Tax Assets	6(24)	132,673	2	169,005	2
1915	Prepayments for Equipment		684	-	558	-
1920	Refundable Deposits		7,893	-	9,588	-
1990	Other Non-current Assets -					
	Others		221	-	207	-
15XX	Total Non-current Assets		<u>4,792,001</u>	<u>58</u>	<u>4,664,539</u>	<u>56</u>
1XXX	Total Assets		<u>\$ 8,261,277</u>	<u>100</u>	<u>\$ 8,303,860</u>	<u>100</u>

(Continued on next page)

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ Thousands

<u>Liabilities and Equity</u>		<u>Note</u>	<u>December 31, 2024</u>		<u>December 31, 2023</u>	
			<u>A</u>	<u>%</u>	<u>A</u>	<u>%</u>
			<u>m</u>		<u>m</u>	
			<u>o</u>		<u>o</u>	
			<u>u</u>		<u>u</u>	
			<u>n</u>		<u>n</u>	
			<u>t</u>		<u>t</u>	
Current Liabilities						
2100	Short-term Borrowings	6(9) and 8	\$ 400,000	5	\$ 400,000	5
2110	Commercial Paper Payables	6(10) and 8	75,500	1	95,000	1
2130	Contract Liabilities -	6(17)				
	Current		6,139	-	4,745	-
2170	Accounts Payable		4,360	-	2,801	-
2200	Other Payables	6(11)	146,907	2	133,299	2
2230	Current Tax Liabilities		-	-	14,268	-
2280	Lease Liabilities - Current		7,227	-	8,115	-
2320	Current Portion of Long-term	6(12) and 8				
	Borrowings		827,677	10	122,430	2
2399	Other Current Liabilities -					
	Others		213	-	397	-
21XX	Total Current Liabilities		<u>1,468,023</u>	<u>18</u>	<u>781,055</u>	<u>10</u>
Non-current Liabilities						
2540	Long-term Borrowings	6(12) and 8	3,140,952	38	4,016,071	48
2570	Deferred Tax Liabilities	6(24)	231,246	3	222,448	3
2580	Lease Liabilities - Non-					
	current		89,718	1	96,859	1
25XX	Total Non-current					
	Liabilities		<u>3,461,916</u>	<u>42</u>	<u>4,335,378</u>	<u>52</u>
2XXX	Total Liabilities		<u>4,929,939</u>	<u>60</u>	<u>5,116,433</u>	<u>62</u>
Equity						
Attributable to Owners of the						
Parent						
	Share Capital	6(14)(16)				
3110	Ordinary Share Capital		1,566,133	19	1,566,133	19
	Capital Surplus	6(15)				
3200	Capital Surplus		2,169	-	2,169	-
	Retained Earnings	6(16)				
3310	Legal Reserve		296,800	4	294,226	3
3320	Special Reserve		4,236	-	5,330	-

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2024 and 2023

Unit: NT\$ Thousands

3350	Unappropriated Earnings	1,362,831	16	1,323,805	16
	Other Equity				
3400	Other Equity	<u>99,169</u>	<u>1</u>	<u>(4,236)</u>	<u>-</u>
31XX	Total Equity Attributable to Owners of the Parent	<u>3,331,338</u>	<u>40</u>	<u>3,187,427</u>	<u>38</u>
3XXX	Total Equity	<u>3,331,338</u>	<u>40</u>	<u>3,187,427</u>	<u>38</u>
	Significant Contingent Liabilities and Unrecognized Contractual Commitments		9		
3X2X	Total Liabilities and Equity	<u>\$ 8,261,277</u>	<u>100</u>	<u>\$ 8,303,860</u>	<u>100</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

(Except for Earnings Per Share, expressed in NT dollars)

Item	Note	2024		2023	
		A m o u n t	%	A m o u n t	%
4000 Operating Revenue	6(17)	\$ 1,441,827	100	\$ 1,433,125	100
5000 Operating Costs	6(4)(22)				
	(23)	(198,723)	(14)	(267,371)	(19)
5900 Gross Profit		<u>1,243,104</u>	<u>86</u>	<u>1,165,754</u>	<u>81</u>
Operating Expenses	6(7)(22)				
	(23)				
6200 General and Administrative Expenses		(1,134,751)	(79)	(1,093,388)	(76)
6450 Expected Credit Impairment Gain (Loss)	12(2)	<u>294</u>	<u>-</u>	<u>(342)</u>	<u>-</u>
6000 Total Operating Expenses		<u>(1,134,457)</u>	<u>(79)</u>	<u>(1,093,730)</u>	<u>(76)</u>
6900 Operating Profit		<u>108,647</u>	<u>7</u>	<u>72,024</u>	<u>5</u>
Non-operating Income and Expenses					
7100 Interest Income	6(18)	150,024	10	118,622	8
7010 Other Income	6(19)	6,179	1	66,274	5
7020 Other Gains and Losses	6(2)(20)	125,821	9	3,245	-
7050 Finance Costs	6(21)	(317,315)	(22)	(335,929)	(23)
7000 Total Non-operating Income and Expenses		<u>(35,291)</u>	<u>(2)</u>	<u>(147,788)</u>	<u>(10)</u>
7900 Profit (Loss) Before Income Tax		73,356	5	(75,764)	(5)
7950 Income Tax Expense (Benefit)	6(24)	<u>(32,850)</u>	<u>(2)</u>	<u>101,513</u>	<u>7</u>
8200 Net Profit for the Year		<u>\$ 40,506</u>	<u>3</u>	<u>\$ 25,749</u>	<u>2</u>
Other Comprehensive Income Items that may be reclassified subsequently to profit or loss:					
8361 Exchange Differences on Translation of Foreign Operations		\$ 129,257	9	\$ 1,368	-
8399 Income Tax Related to Components of Other Comprehensive Income	6(24)	<u>(25,852)</u>	<u>(2)</u>	<u>(274)</u>	<u>-</u>
8300 Other Comprehensive Income,		<u>\$ 103,405</u>	<u>7</u>	<u>\$ 1,094</u>	<u>-</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

(Except for Earnings Per Share, expressed in NT dollars)

	Net of Tax				
8500	Total Comprehensive Income for the Year	<u>\$ 143,911</u>	<u>10</u>	<u>\$ 26,843</u>	<u>2</u>
	Net Profit Attributable to:				
8610	Owners of the Parent	<u>\$ 40,506</u>	<u>3</u>	<u>\$ 25,749</u>	<u>2</u>
	Total Comprehensive Income Attributable to:				
8710	Owners of the Parent	<u>\$ 143,911</u>	<u>10</u>	<u>\$ 26,843</u>	<u>2</u>
	Earnings Per Share				
			6(25)		
9750	Basic Earnings Per Share	<u>\$</u>	<u>0.26</u>	<u>\$</u>	<u>0.16</u>
9850	Diluted Earnings Per Share	<u>\$</u>	<u>0.26</u>	<u>\$</u>	<u>0.16</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

	<u>Equity Attributable to Owners of the Parent</u>						<u>Exchange Differences on Translating the Financial Statements of Foreign Operations</u>	<u>Total</u>
	<u>Not e</u>	<u>Share Capital</u>	<u>Surplus - Share Premium</u>	<u>Legal Reserve</u>	<u>Special Reserve</u>	<u>Unappropriated Earnings</u>		
<u>2023</u>								
Balance as of January 1, 2023		\$1,491,555	\$ 2,169	\$ 254,025	\$ 30,035	\$1,417,961	(\$ 5,330)	\$ 3,190,415
Net Profit for the Year		-	-	-	-	25,749	-	25,749
Other Comprehensive Income		-	-	-	-	-	1,094	1,094
Total Comprehensive Income		-	-	-	-	25,749	1,094	26,843
Appropriation and Distribution of Earnings for the Year Ended 2022 :								
Legal Reserve		-	-	40,201	-	(40,201)	-	-
Special Reserve		-	-	-	(24,705)	24,705	-	-
Stock Dividends	6(16)	74,578	-	-	-	(74,578)	-	-
Cash Dividends	6(16)	-	-	-	-	(29,831)	-	(29,831)
Balance as of December 31, 2023		<u>\$1,566,133</u>	<u>\$ 2,169</u>	<u>\$ 294,226</u>	<u>\$ 5,330</u>	<u>\$1,323,805</u>	<u>(\$ 4,236)</u>	<u>\$ 3,187,427</u>
<u>2024</u>								
Balance as of January 1, 2024		\$1,566,133	\$ 2,169	\$ 294,226	\$ 5,330	\$1,323,805	(\$ 4,236)	\$ 3,187,427
Net Profit for the Year		-	-	-	-	40,506	-	40,506
Other Comprehensive Income		-	-	-	-	-	103,405	103,405

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

	Note	January 1 to December 31, 2024		January 1 to December 31, 2023
<u>Cash flows from operating activities:</u>				
Profit (Loss) before income tax		\$ 73,356		(\$ 75,764)
Adjustments				
Income and Expense Items				
Gain on financial assets at fair value through profit or loss	6(2)(20)	(11,463)		(9,212)
Expected credit impairment gain (loss)	12(2)	(294)		342
Depreciation expense	6(5)(6) (22)	192,060		253,643
Amortization expense	6(7)(22)	55,253		49,759
Lease modification gain	6(6)(20)	(8)		(1)
Interest expense	6(21)	317,315		335,929
Interest income	6(18)	(150,024)		(118,622)
Government grant income	6(12)(19)	-		(62,300)
Gain on disposal of property, plant and equipment	6(20)	(92)		-
Impairment loss on non-financial assets	6(8)(20)	4,750		-
Changes in operating assets and liabilities				
Net Changes in Operating Assets				
Financial assets at fair value through profit or loss - current		-		(55,414)
Accounts receivable		17,218		(14,192)
Other receivables		670		(559)
Inventories		1,056		(522)
Prepayments		9,027		(11,465)
Other current assets - others		109		159
Net Changes in Operating Liabilities				
Contract liabilities - current		1,265		(1,141)
Accounts payable		1,559		92
Other payables		(1,283)		(94)
Other current liabilities - others		(184)		(150)
Cash generated from operations		510,290		290,488
Interest received		153,519		112,677
Interest paid		(322,576)		(333,601)
Income tax refund		-		83,711

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

	<u>Note</u>	<u>January 1 to December 31, 2 0 2 4</u>	<u>January 1 to December 31, 2 0 2 3</u>
Income tax paid		(20,947)	(114,783)
Net cash flows from operating activities		<u>320,286</u>	<u>38,492</u>

(Continued on next page)

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

	<u>Note</u>	<u>January 1 to December 31, 2024</u>	<u>January 1 to December 31, 2023</u>
<u>Cash flows from investing activities</u>			
Decrease (Increase) in financial assets measured at amortized cost - current		\$ 187,478	(\$ 54,158)
Increase in financial assets measured at amortized cost - non-current		(61,052)	(86,849)
Acquisition of property, plant and equipment	6(26)	(45,987)	(2,390)
Proceeds from disposal of property, plant and equipment		976	-
Increase in prepayments for equipment		(126)	(2,741)
Decrease in refundable deposits		<u>2,081</u>	<u>4,618</u>
Net cash flows from (used in) investing activities		<u>83,370</u>	<u>(141,520)</u>
<u>Cash flows from financing activities</u>			
Increase in short-term borrowings	6(27)	350,000	394,000
Decrease in short-term borrowings	6(27)	(350,000)	(478,000)
Increase in commercial paper payables	6(27)	915,500	155,000
Decrease in commercial paper payables	6(27)	(935,000)	(60,000)
Repayment of lease liabilities	6(27)	(7,782)	(8,435)
Proceeds from long-term borrowings	6(27)	35,000	-
Repayments of long-term borrowings	6(27)	(475,113)	(124,184)
Decrease in guarantee deposits received		-	(17)
Cash dividends paid	6(16)	<u>-</u>	<u>(29,831)</u>
Net cash flows used in financing activities		<u>(467,395)</u>	<u>(151,467)</u>

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
January 1 to December 31, 2024 and 2023

Unit: NT\$ Thousands

	<u>Note</u>	<u>January 1 to December 31, 2 0 2 4</u>	<u>January 1 to December 31, 2 0 2 3</u>
Effect of exchange rate changes on cash and cash equivalents		104,656	2,446
Net increase (decrease) in cash and cash equivalents		40,917	(252,049)
Cash and cash equivalents at beginning of year	6(1)	2,416,615	2,668,664
Cash and cash equivalents at end of year	6(1)	\$ 2,457,532	\$ 2,416,615

The accompanying notes to the consolidated financial statements are an integral part of these consolidated financial statements and should be read in conjunction therewith.

CHAIRMAN: Hai-Ni, Chen

Manager: Hai-Ni, Chen

Chief Accountant: Su-Ling, Yu

Holiday Garden Hotel Co., Ltd. and Subsidiaries
Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2024 and 2023

Unit: NT\$ Thousands
(Unless otherwise specified)

I. Company Overview

(I) Holiday Garden Hotel Co., Ltd. (hereinafter referred to as “the Company”) was incorporated in July 1959. Its principal business activities include hotel operations, restaurant services, and the retail of food, general merchandise, and beverages. The Company’ s shares have been listed on the Taiwan Stock Exchange since February 1965.

(II) The principal business activities of the Company and its subsidiaries (collectively referred to as “the Group”) are described in Note 4(3).

II. Approval Date and Procedures of the Financial Statements

These consolidated financial statements were approved for issuance by the Board of Directors on March 5, 2025.

III. Application of New and Amended Standards and Interpretations

(I) Effect of the Adoption of Newly Issued and Amended IFRSs Endorsed by the FSC

The following table summarizes the newly issued and amended International Financial Reporting Standards (IFRSs) that were endorsed by the Financial Supervisory Commission (FSC) and effective for the year 2024.

<u>Newly Issued/Amended/ Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024

The Group has assessed and concluded that the adoption of these standards and interpretations does not have a material impact on its financial position and financial performance.

(II) Effect of the Newly Issued and Amended IFRSs Endorsed by the FSC But Not Yet Effective

<u>Newly Issued/Amended/ Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The following table summarizes the newly issued and amended IFRSs endorsed by the FSC, which will be effective for the year 2025.

The Group has assessed and concluded that the adoption of these standards and interpretations is not expected to have a material impact on its financial position and financial performance.

(III) Effect of IFRSs Issued by the IASB but Not Yet Endorsed by the FSC

The following table summarizes the IFRSs that have been issued by the International Accounting Standards Board (IASB) but have not yet been endorsed by the FSC.

<u>Newly Issued/Amended/Revised Standards and Interpretations</u>	<u>Effective Date as Announced by the IASB</u>
Amendments to IFRS 9 and IFRS 7 "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 9 and IFRS 7 "Contracts Involving Renewable Energy"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards - 2023 Cycle (Cycle 11)	January 1, 2026

Except as described below, the Group has assessed that the adoption

of these standards and interpretations is not expected to have a material impact on its financial position and financial performance. The related impacts will be disclosed upon completion of the assessment.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 replaces IAS 1 and updates the structure of the statement of profit or loss and other comprehensive income. It also introduces disclosure requirements for management performance measures and enhances disaggregation principles for primary financial statements and notes.

IV. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. Unless otherwise stated, these policies have been consistently applied to all reporting periods presented.

(I) Statement of Compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRSs), International Accounting Standards (IASs), IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

(II) Basis of Preparation

1. Except for financial assets measured at fair value through profit or loss, these consolidated financial statements have been prepared on a historical cost basis.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the application of the Group’s accounting policies. Areas involving significant judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 5.

(III) Basis of Consolidation

1. Principles for the Preparation of Consolidated Financial Statements

(1) The Group consolidates all entities it controls. Control exists when the Group is exposed, or has rights, to variable

returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date control is obtained and are excluded from consolidation from the date that control ceases.

- (2) Intercompany transactions, balances, and unrealized gains or losses on transactions between Group companies are eliminated. The accounting policies of subsidiaries have been adjusted where necessary to align with those of the Group.
- (3) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to non-controlling interests, even if this results in a deficit balance for non-controlling interests.
- (4) Changes in a parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.
- (5) When the Group loses control over a subsidiary, the retained interest is remeasured at its fair value, which is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of an investment in an associate or joint venture. The difference between the fair value and the carrying amount is recognized in profit or loss. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for on the same basis as would be required if the Group had directly disposed of the related assets or liabilities. That is, any gain or loss previously recognized in other comprehensive income is reclassified to profit or loss at the time of the loss of control.

2. List of Subsidiaries Included in the Consolidated Financial Statements:

<u>Investor Company</u>	<u>Subsidiary Name</u>	<u>Nature of Business</u>	<u>Ownership Percentage</u>		<u>Notes</u>
			<u>December 31, 2024</u>	<u>December 31, 2023</u>	
Holiday Garden Co., Ltd.	HOLIDAY GARDEN INTERNATIONAL LTD.	Investment Business	100	100	
	Holiday Garden Development Co., Ltd.	Hotel Operation	100	100	
HOLIDAY GARDEN INTERNATIONAL LTD.	HOLIDAY GARDEN U.S.	Investment Business	100	100	
HOLIDAY GARDEN U.S.	HOLIDAY GARDEN SF CORP.	Hotel Operation	100	100	

HOLIDAY GARDEN VC CORP.	Hotel Operation	100	100
HOLIDAY GARDEN WC CORP.	Hotel Operation	100	100
HOLIDAY GARDEN EV CORP.	Hotel Operation	100	100
HOLIDAY GARDEN FM CORP.	Hotel Operation	100	100

3. Subsidiaries Not Included in the Consolidated Financial Statements: Not applicable.
4. Adjustments and Treatment for Subsidiaries with Different Accounting Periods: Not applicable.
5. Significant Restrictions: Not applicable
6. Subsidiaries with Material Non-controlling Interests to the Group: Not applicable.

(IV) Foreign Currency Translation

Each entity within the Group determines its functional currency based on the primary economic environment in which it operates. The consolidated financial statements are presented in New Taiwan Dollars (NTD), which is the functional and presentation currency of the Company.

1. Foreign Currency Transactions and Balances

- (1) Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Exchange differences arising from the settlement of such transactions are recognized in profit or loss.
- (2) Monetary assets and liabilities denominated in foreign currencies are remeasured using the spot exchange rate at the balance sheet date. Any resulting exchange differences from the remeasurement are recognized in profit or loss for the period.
- (3) Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are remeasured using the spot exchange rate at the balance sheet date, and any resulting exchange differences are recognized in profit or loss. Those measured at fair value through other comprehensive income are remeasured using the spot exchange rate at the balance sheet date, with any resulting exchange differences recognized in other comprehensive income. Non-monetary items not measured at fair

value are measured using the historical exchange rate at the date of the initial transaction.

- (4) All exchange gains and losses are presented in the consolidated statement of comprehensive income under "Other Gains and Losses."

2. Translation of Financial Statements of Foreign Operations

- (1) The operating results and financial positions of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- A. Assets and liabilities are translated at the closing rate at the date of each balance sheet;
- B. Income and expenses are translated at average exchange rates for the period;
- C. All resulting exchange differences are recognized in other comprehensive income.

- (2) In the case of a partial disposal or sale of a foreign operation that is a subsidiary, the cumulative exchange differences recognized in other comprehensive income are reattributed to non-controlling interests in that foreign operation on a proportionate basis. However, if the Group loses control over the foreign operation that is a subsidiary, any retained interest is accounted for as a disposal of the entire interest, and the cumulative exchange differences are reclassified to profit or loss.

(V) Classification Criteria for Current and Non-current Assets and Liabilities

1. An asset is classified as current when it satisfies any of the following conditions:

- (1) It is expected to be realized in, or is intended for sale or consumption in, the entity's normal operating cycle.
- (2) It is held primarily for the purpose of trading.
- (3) It is expected to be realized within twelve months after the reporting period.
- (4) It is cash or a cash equivalent, unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets that do not meet the above criteria are classified as non-current.

2. A liability is classified as current when it satisfies any of the following conditions:

- (1) It is expected to be settled in the entity's normal operating cycle.
- (2) It is held primarily for the purpose of trading.
- (3) It is due to be settled within twelve months after the reporting period.
- (4) The entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities that do not meet the above criteria are classified as non-current.

(VI) Cash Equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Time deposits that meet the above criteria and are held for the purpose of meeting short-term cash commitments for operational needs are classified as cash equivalents.

(VII) Financial Assets at Fair Value Through Profit or Loss

1. Refers to financial assets that are neither measured at amortized cost nor at fair value through other comprehensive income.
2. The Group applies trade date accounting for financial assets measured at fair value through profit or loss that are classified as regular way purchases or sales.
3. The Group initially recognizes such financial assets at fair value, with related transaction costs recognized in profit or loss. Subsequently, the assets are measured at fair value, and any gains or losses are recognized in profit or loss.

(VIII) Financial Assets Measured at Amortized Cost

1. Financial assets are classified as measured at amortized cost when they meet both of the following conditions:
 - (1) The assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
 - (2) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. The Group applies trade date accounting for financial assets measured at amortized cost that qualify as regular way purchases.
3. At initial recognition, such financial assets are measured at fair value plus transaction costs. Subsequently, they are measured using the effective interest method. Interest income is recognized over the term of the instrument. Impairment losses are recognized as necessary. Gains or losses arising on derecognition are recognized in profit or loss.
4. Time deposits held by the Group that do not qualify as cash equivalents are measured at cost, as the impact of discounting is considered immaterial due to their short-term nature.

(IX) Accounts Receivable

1. Accounts receivable refer to the contractual right to receive consideration that is unconditional, arising from the transfer of goods or services.
2. For short-term, non-interest-bearing accounts receivable, where the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(X) Impairment of Financial Assets

At each balance sheet date, the Group assesses financial assets measured at amortized cost for impairment by considering all reasonable and supportable information, including forward-looking information. For financial assets where credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit losses. For those where credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to the lifetime expected credit losses. For trade receivables that do not contain a significant financing component, the loss allowance is always measured at an amount equal to the lifetime expected credit losses.

(XI) Derecognition of Financial Assets

The Group derecognizes a financial asset when one of the following conditions is met:

1. The contractual rights to receive the cash flows from the financial asset expire.
2. The contractual rights to receive the cash flows from the financial asset are transferred, and substantially all the risks and rewards of ownership have been transferred.
3. The contractual rights to receive the cash flows from the

financial asset are transferred, and the Group has neither retained control nor continuing involvement in the asset.

(XII)Operating Leases - Lessor

For operating leases, lease income is recognized in profit or loss on a straight-line basis over the lease term, net of any lease incentives provided to the lessee.

(XIII)Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realizable value is made on an item-by-item basis.

(XIV)Property, Plant and Equipment

1. Property, plant and equipment are stated at cost. Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets during the construction period.
2. Subsequent costs are included in the carrying amount of the asset or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced component is derecognized. All other repairs and maintenance are recognized as expenses in profit or loss when incurred.
3. The Group applies the cost model for subsequent measurement of property, plant and equipment. Except for land, which is not depreciated, depreciation is provided on a straight-line basis over the estimated useful lives of the assets. If components of property, plant and equipment are significant and have different useful lives, they are depreciated separately.
4. At the end of each financial year, the Group reviews the residual values, useful lives, and depreciation methods of property, plant and equipment. If expectations differ from previous estimates, changes are accounted for as changes in accounting estimates in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors." The estimated useful lives of the major asset categories are as follows:

Land improvements

2 to 39 years

Buildings and structures	5 to 39 years
Electrical and plumbing equipment	5 to 8 years
Operating equipment	2 to 20 years
Other equipment	2 to 15 years

(XV) Leases - Lessee: Right-of-use Assets and Lease Liabilities

1. The Group recognizes a right-of-use asset and a lease liability at the lease commencement date, which is the date the underlying asset is made available for use by the Group. For short-term leases and leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the lease term.

2. At the commencement date, lease liabilities are measured at the present value of the lease payments not yet paid. The lease payments include fixed lease payments less any lease incentives receivable. The present value is calculated using the Group's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are recognized in each period over the lease term.

When changes in lease payments occur due to modifications not accounted for as separate leases, the lease liability is remeasured, and a corresponding adjustment is made to the right-of-use asset.

3. If the lease liability is remeasured due to changes in lease terms or payment amounts not arising from a lease modification, the adjustment amount is recognized as an adjustment to the carrying amount of the right-of-use asset.

(XVI) Intangible Assets

1. Trademarks and Franchise Rights

Trademarks and franchise rights acquired separately are recognized at acquisition cost. Those acquired through business combinations are recognized at fair value on the acquisition date. Trademarks and franchise rights are intangible assets with finite useful lives and are amortized on a straight-line basis over their estimated useful lives, which range from 15 to 22.6 years.

2. Other Intangible Assets

Other intangible assets are initially recognized at cost and

are amortized using the straight-line method over their estimated periods of benefit, which range from 5 to 15 years.

(XVII) Impairment of Non-financial Assets

At each balance sheet date, the Group assesses whether there is any indication that a non-financial asset may be impaired. If any such indication exists, the Group estimates the asset's recoverable amount.

An impairment loss is recognized if the recoverable amount of an asset is less than its carrying amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use.

Except for goodwill, if an impairment loss recognized in prior years no longer exists or has decreased, the previously recognized impairment loss shall be reversed. However, the carrying amount of the asset after the reversal shall not exceed the carrying amount that would have been determined (net of depreciation or amortization) had no impairment loss been recognized in prior years.

(XVIII) Borrowings

Borrowings refer to short-term and long-term loans obtained from banks.

At initial recognition, borrowings are measured at fair value net of transaction costs.

Subsequently, the difference between the amount net of transaction costs and the redemption amount is amortized over the loan period using the effective interest method, and the interest expense is recognized in profit or loss.

(XIX) Accounts Payable

1. Accounts payable represent obligations arising from the purchase of raw materials, merchandise, or services on credit.
2. These are non-interest-bearing short-term payables. As the effect of discounting is immaterial, the Group measures them at the original invoice amount.

(XX) Derecognition of Financial Liabilities

The Group derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled, or expires.

(XXI) Offsetting of Financial Assets and Liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet when there is a

legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXII)Employee Benefits

1. Short-term Employee Benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and are recognized as expenses in the period when the related service is rendered.

2. Pension

Defined Contribution Plans

For defined contribution plans, the Group recognizes contributions payable as pension cost in the period in which the employees render the related service, in accordance with the accrual basis of accounting.

Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available. °

3. Employee and Director Remuneration

Employee remuneration and director compensation are recognized as expenses and liabilities when the Group has a legal or constructive obligation to make such payments and the amounts can be reliably estimated.

Any difference between the amount resolved in the shareholders' meeting and the estimated amount originally accrued is treated as a change in accounting estimates.

If employee remuneration is settled in shares, the number of shares to be issued is based on the closing price on the day before the Board of Directors' resolution.

(XXIII)Income Tax

1. Income tax expense includes both current tax and deferred tax.

Income tax is recognized in profit or loss, except for tax related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively. 於損益。

2. The Group calculates current income tax based on the tax laws and rates that have been enacted or substantively

enacted in the countries where it operates and generates taxable income as of the balance sheet date.

Management periodically evaluates tax filings and recognizes liabilities for income taxes based on the amounts expected to be paid to the tax authorities.

The income tax on undistributed earnings is recognized in the year following the earnings generation, when the appropriation of earnings is approved by the shareholders' meeting.

3. Deferred income tax is recognized using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax liabilities arising from the initial recognition of goodwill are not recognized.

Deferred tax is not recognized on the initial recognition of an asset or liability in a transaction (other than a business combination) that affects neither accounting profit nor taxable profit (or loss), and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

Deferred tax related to temporary differences arising from investments in subsidiaries is not recognized when the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the differences will not reverse in the foreseeable future.

Deferred taxes are measured using the tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and that are expected to apply when the related deferred tax assets are realized or the deferred tax liabilities are settled.

4. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are reassessed at each balance sheet date.

5. Current tax assets and liabilities are offset only when there is a legally enforceable right to offset and the Group intends to settle on a net basis or simultaneously realize the asset and settle the liability.

Deferred tax assets and liabilities are offset only if they relate to the same taxable entity and the same taxation authority, and the entity has the legal right and intention to settle on a net basis or realize and settle simultaneously.

(XXIV)Dividend Distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements upon approval by the shareholders' meeting.

Cash dividends are recognized as liabilities, while stock dividends are recognized as stock dividends to be distributed, which are reclassified to ordinary share capital on the record date for issuing new shares.

(XXV)Revenue Recognition

1. The Group provides accommodation and food and beverage services. Sales revenue is recognized when the service is rendered or the goods are delivered to the customer.
2. Revenue is measured at the transaction price, net of any estimated sales discounts.
3. Accounts receivable are recognized when the goods or services are delivered to the customer, since at that point the Group has an unconditional right to receive consideration and collection is only subject to the passage of time.

(XXVI)Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the Group will comply with the conditions attached to the grants and that the grants will be received.

If the grants are intended to compensate for expenses already incurred, they are recognized in profit or loss on a systematic basis over the periods in which the related expenses are recognized.

(XXVII)Operating Segments

The Group's segment reporting is consistent with the internal management reports provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources to the operating segments and assessing their performance.

V. Major Sources of Estimation Uncertainty, Critical Accounting Judgments, and Assumptions

In preparing the consolidated financial statements, the Group's management makes judgments in applying accounting policies and makes estimates and assumptions concerning the future based on conditions existing as of the balance sheet date and reasonable expectations of future events.

The resulting accounting estimates and assumptions may differ from actual results. These estimates and assumptions are reviewed and adjusted on an ongoing basis considering historical experience and other factors.

The estimates and assumptions are subject to a risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The following is a summary of the major judgments, estimates, and assumptions:

(I) Significant Judgments in the Application of Accounting Policies

The Group has no significant judgments regarding the application of accounting policies.

(II) Key Sources of Estimation Uncertainty

Impairment of Property, Plant and Equipment and Intangible Assets
In assessing asset impairment, the Group must exercise significant judgment in determining independent cash flows for asset groups, useful lives, and future economic benefits and costs. These are based on the use of the assets and industry characteristics.

Changes in estimates caused by shifts in economic conditions or Group strategy may result in significant future impairment losses.

As of December 31, 2024, the carrying amount of the Group's property, plant and equipment and intangible assets totaled NT\$4,351,188 thousand.

VI. Description of Significant Accounting Items

(I) Cash and Cash Equivalents

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Cash:		
Cash on hand and revolving funds	\$ 1,472	\$ 1,065
Checking and demand deposits	<u>771,661</u>	<u>1,331,014</u>
	773,133	1,332,079
Cash Equivalents:		

Time deposits	1,612,622	1,020,588
Bonds under repurchase agreements	<u>71,777</u>	<u>63,948</u>
	<u>\$ 2,457,532</u>	<u>\$ 2,416,615</u>

1. The financial institutions with which the Group conducts business have good credit quality. The Group also maintains banking relationships with multiple institutions to diversify credit risk, and the possibility of default is considered very low.
2. The aforementioned time deposits and repurchase agreements have maturities within three months, and based on their nature, are classified as cash equivalents.
3. As of December 31, 2024 and 2023, certain cash and cash equivalents held by the Group are restricted for pledge purposes or do not possess high liquidity, and are therefore classified as financial assets measured at amortized cost, in the amounts of NT\$1,047,557 thousand and NT\$1,165,916 thousand, respectively. Classification is based on liquidity.

(II) Financial Assets at Fair Value Through Profit or Loss

<u>Item</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Current Items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	\$ 84,736	\$ 84,736
Valuation adjustment	<u>22,493</u>	<u>11,030</u>
	<u>\$ 107,229</u>	<u>\$ 95,766</u>

The net gains recognized from financial assets measured at fair value through profit or loss for the years ended December 31, 2024 and 2023 were NT\$11,463 thousand and NT\$9,212 thousand, respectively.

(III) Accounts Receivable, Net

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Accounts receivable	\$ 28,864	\$ 43,664
Less: Allowance for doubtful accounts	<u>(90)</u>	<u>(366)</u>
	<u>\$ 28,774</u>	<u>\$ 43,298</u>

1. An aging analysis of accounts receivable is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Within 30 days	\$ 25,232	\$ 40,830
31 to 90 days	3,577	2,512
Over 91 days	<u>55</u>	<u>322</u>
	<u>\$ 28,864</u>	<u>\$ 43,664</u>

The above is an aging analysis based on the billing date.

2. As of December 31, 2024, December 31, 2023, and January 1, 2023, the contract balances of accounts receivable were NT\$28,864 thousand, NT\$43,664 thousand, and NT\$30,936 thousand, respectively.
3. The Group does not hold any collateral for accounts receivable.
4. Without considering any collateral or other credit enhancements, the maximum exposure to credit risk as of December 31, 2024 and 2023 was NT\$28,774 thousand and NT\$43,298 thousand, respectively.
5. For further details regarding credit risk related to accounts receivable, please refer to Note 12(2).

(IV) Inventories

	<u>December 31, 2024</u>		
	<u>Cost</u>	<u>Allowance for Inventory Valuation Loss</u>	<u>Book Value</u>
Food, beverage, and alcohol	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 175</u>
	<u>December 31, 2023</u>		
	<u>Cost</u>	<u>Allowance for Inventory Valuation Loss</u>	<u>Book Value</u>
Food, beverage, and alcohol	<u>\$ 1,231</u>	<u>\$ -</u>	<u>\$ 1,231</u>

For the years ended December 31, 2024 and 2023, the Group recognized inventory write-downs to cost of goods sold in the amounts of NT\$6,491 thousand and NT\$10,297 thousand, respectively.

(V) Property, Plant and Equipment

1. The carrying amounts of property, plant and equipment are as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Land	\$ 923,797	\$ 865,197
Land improvements	90,547	92,888
Buildings and structures	2,454,670	2,385,150
Electrical and plumbing equipment	5,678	3,861
Operating equipment	179,726	211,286
Other equipment	18,600	9,865
	<u>\$ 3,673,018</u>	<u>\$ 3,568,247</u>

(Intentionally Left Blank Below)

2. The movements in property, plant and equipment for the current period are as follows:

<u>Cost</u>	<u>Year 2024</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Exchange Rate Effect</u>	<u>Ending Balance</u>
Land	\$ 865,197	\$ -	\$ -	\$ 58,600	\$ 923,797
Land improvements	144,638	-	-	9,797	154,435
Buildings and structures	3,439,144	-	-	231,547	3,670,691
Electrical and plumbing equipment	7,949	2,884 (	128)	-	10,705
Operating equipment	1,326,154	44,215 (	3,235)	88,985	1,456,119
Other equipment	14,218	11,088 (	1,845)	-	23,461
	<u>\$ 5,797,300</u>	<u>\$ 58,187</u>	<u>(\$ 5,208)</u>	<u>\$ 388,929</u>	<u>\$ 6,239,208</u>

<u>Cost</u>	<u>Year 2023</u>					
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Exchange Rate Effect</u>	<u>Ending Balance</u>
Land	\$ 865,197	\$ -	\$ -	\$ -	\$ -	\$ 865,197
Land improvements	144,638	-	-	-	-	144,638
Buildings and structures	3,439,144	-	-	-	-	3,439,144
Electrical and plumbing equipment	7,701	248	-	-	-	7,949
Operating equipment	1,323,150	851	-	2,183 (	30)	1,326,154
Other equipment	14,218	-	-	-	-	14,218
	<u>\$ 5,794,048</u>	<u>\$ 1,099</u>	<u>\$ -</u>	<u>\$ 2,183</u>	<u>(\$ 30)</u>	<u>\$ 5,797,300</u>

<u>Accumulated Depreciation and Impairment</u>	<u>Year 2024</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Exchange Rate Effect</u>	<u>Ending Balance</u>
Land improvements	\$ 51,750	\$ 8,452	\$ -	\$ 3,686	\$ 63,888
Buildings and structures	1,053,994	89,166	-	72,861	1,216,021
Electrical and plumbing equipment	4,088	969 (	30)	-	5,027
Operating equipment	1,114,868	88,003 (	3,059)	76,581	1,276,393
Other equipment	4,353	1,743 (	1,235)	-	4,861
	<u>\$ 2,229,053</u>	<u>\$ 188,333</u>	<u>(\$ 4,324)</u>	<u>\$ 153,128</u>	<u>\$ 2,566,190</u>

<u>Accumulated Depreciation and Impairment</u>	<u>Year 2023</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Exchange Rate Effect</u>	<u>Ending Balance</u>
Land improvements	\$ 43,666	\$ 8,200	\$ -	(\$ 116)	\$ 51,750
Buildings and structures	973,200	81,932	-	(1,138)	1,053,994
Electrical and plumbing equipment	3,207	881	-	-	4,088
Operating equipment	965,549	151,425	-	(2,106)	1,114,868
Other equipment	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>

3. There were no capitalized borrowing costs related to property, plant and equipment during the years ended December 31, 2024 and 2023.

4. The significant components of buildings and structures include main building structures and interior renovations, which are depreciated 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 regarding property, plant and equipment pledged as collateral, please refer to Note 8.

(VI) Lease Transactions - Lessee

1. The Group leases assets including buildings, transportation equipment, and multifunctional office machines. Lease terms range from 2 to 20 years. Each lease agreement is individually negotiated and contains various terms and conditions. Except for restrictions prohibiting the leased asset from being pledged as collateral and subleased without the lessor's consent, there are no other significant restrictions.
2. Some of the Group's leased buildings and company vehicles have lease terms not exceeding 12 months, or are low-value assets such as office equipment.
3. The movements in right-of-use assets during 2024 and 2023 were as follows:

	<u>Year 2024</u>			
	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Operating Equipment</u>	<u>Total</u>
January 1	\$ 93,751	\$ -	\$ 397	\$ 94,148
Depreciation	(8,272)	-	(205)	(8,477)
Disposal	(164)	-	(75)	(239)
December 31	<u>\$ 85,315</u>	<u>\$ -</u>	<u>\$ 117</u>	<u>\$ 85,432</u>

	<u>Year 2023</u>			
	<u>Buildings</u>	<u>Transportation Equipment</u>	<u>Operating Equipment</u>	<u>Total</u>
January 1	\$ 102,575	\$ 196	\$ 759	\$ 103,530
Depreciation	(8,682)	(196)	(362)	(9,240)
Disposal	(142)	-	-	(142)
December 31	<u>\$ 93,751</u>	<u>\$ -</u>	<u>\$ 397</u>	<u>\$ 94,148</u>

4. The Group did not acquire any new right-of-use assets during 2024 and 2023.
5. Information on items affecting profit or loss related to lease contracts is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
<u>Items Affecting Current Profit or Loss</u>		
Interest expense on lease liabilities	\$ 1,688	\$ 1,821
Expenses Relating to Short-term Lease Contracts	132	638

Expense related to leases of low-value assets	1,305	43
Expense related to variable lease payments	388	737
Lease Modification Gain	8	1

6. The total cash outflows related to leases were NT\$11,295 thousand and NT\$11,674 thousand for 2024 and 2023, respectively.

7. Effects of Variable Lease Payments on Lease Liabilities:

(1) Some of the Group's lease contracts involve variable lease payments linked to sales revenues of department store counters. Lease payments for these counters are based on a percentage of sales of related product lines and are recognized as expenses in the period when the triggering events (i.e., sales) occur.

(2) If the sales revenue of the department store counters increases, the variable lease payment expenses will increase proportionally based on the agreed percentage of revenue sharing.

(VII) Intangible Assets

	<u>Year 2024</u>		<u>Total</u>
	<u>Trademarks and Franchise Rights</u>	<u>Other Intangible Assets</u>	
January 1			
Cost	\$ 976,940	\$ 3,714	\$ 980,654
Accumulated Amortization and Impairment	(289,553)	(3,106)	(292,659)
	<u>\$ 687,387</u>	<u>\$ 608</u>	<u>\$ 687,995</u>
January 1	\$ 687,387	\$ 608	\$ 687,995
Current Amortization	(54,774)	(479)	(55,253)
Exchange Rate Effect	45,397	31	45,428
December 31	<u>\$ 678,010</u>	<u>\$ 160</u>	<u>\$ 678,170</u>
December 31			
Cost	\$ 1,043,109	\$ 3,965	\$ 1,047,074
Accumulated Amortization and Impairment	(365,099)	(3,805)	(368,904)
December 31	<u>\$ 678,010</u>	<u>\$ 160</u>	<u>\$ 678,170</u>

	<u>Year 2023</u>		
	<u>Trademarks and Franchise Rights</u>	<u>Other Intangible Assets</u>	<u>Total</u>
January 1			
Cost	\$ 976,940	\$ 3,714	\$ 980,654
Accumulated Amortization and Impairment	(240,955)	(2,648)	(243,603)
	<u>\$ 735,985</u>	<u>\$ 1,066</u>	<u>\$ 737,051</u>
January 1	\$ 735,985	\$ 1,066	\$ 737,051
Current Amortization	(49,294)	(465)	(49,759)
Exchange Rate Effect	696	7	703
December 31	<u>\$ 687,387</u>	<u>\$ 608</u>	<u>\$ 687,995</u>
December 31			
Cost	\$ 976,940	\$ 3,714	\$ 980,654
Accumulated Amortization and Impairment	(289,553)	(3,106)	(292,659)
December 31	<u>\$ 687,387</u>	<u>\$ 608</u>	<u>\$ 687,995</u>

Details of amortization of intangible assets are as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
Operating Expenses	<u>\$ 55,253</u>	<u>\$ 49,759</u>

(VIII) Impairment of Non-financial Assets

In 2020, the Group recognized impairment losses on buildings and structures due to a decline in occupancy rates resulting from the COVID-19 pandemic.

In 2024, the shift toward remote work during the pandemic led to a reduced demand for business travel, which also caused a decline in occupancy rates, resulting in further impairment of buildings and structures.

The Group has adjusted the carrying amounts of these assets to their recoverable amounts, and cumulatively recognized an impairment loss of NT\$152,406 thousand in its U.S. operations.

The recoverable amount was determined based on the fair value less costs of disposal, using the income approach, and is classified as a Level 3 fair value measurement.

The movement in cumulative impairment losses is as follows:

	<u>January</u> <u>1, 2024</u>	<u>Additions</u> <u>During the</u> <u>Year</u>	<u>Disposals</u> <u>During the</u> <u>Year</u>	<u>Exchange</u> <u>Rate Effect</u>	<u>December</u> <u>31, 2024</u>
Buildings and Structures	<u>\$ 138,195</u>	<u>\$ 4,750</u>	<u>\$ -</u>	<u>\$ 9,461</u>	<u>\$ 152,406</u>

	<u>January</u> <u>1, 2023</u>	<u>Additions</u> <u>During the</u> <u>Year</u>	<u>Disposals</u> <u>During the</u> <u>Year</u>	<u>Exchange</u> <u>Rate Effect</u>	<u>December</u> <u>31, 2023</u>
Buildings and Structures	<u>\$ 138,195</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,195</u>

(IX) Short-term Borrowings

<u>Nature of Borrowings</u>	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Short-term Bank Loans		
Secured Loans	<u>\$ 400,000</u>	<u>\$ 400,000</u>
Interest Rate Range	<u>1.95%~2.11%</u>	<u>1.68%~1.89%</u>

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

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

(X) Short-term Commercial Paper Payable

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Commercial Paper Payable	<u>\$ 75,500</u>	<u>\$ 95,000</u>
Interest Rate Range	<u>2.07%~2.08%</u>	<u>1.32%~1.41%</u>

The aforementioned short-term commercial papers are guaranteed by bills finance companies and other financial institutions.

(XI) Other Payables

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Salaries Payable	\$ 27,926	\$ 23,031
Taxes Payable	12,006	12,755
Interest Payable	17,343	21,289
Management Fees Payable	3,753	3,724

Royalties Payable	3,396	3,482
Equipment Payables	12,200	-
Others	70,283	69,018
	<u>\$ 146,907</u>	<u>\$ 133,299</u>

(XII) Long-term Borrowings

<u>Nature of Loan</u>	<u>Loan Term and Repayment Terms</u>	<u>Interest Rate Range</u>	<u>Collateral</u>	<u>December 31, 2024</u>
Long-term Bank Loans				
Unsecured Loan	From May 30, 2024 to May 30, 2029; interest payable monthly; principal repayment begins on May 30, 2026, in 36 monthly installments	2.22%	None	\$ 35,000
Secured Loan Note 2, 3		6.70%	Note 1	735,484
Secured Loan Note 2, 4		6.75%	Note 1	734,943
Secured Loan Note 2, 5		6.70%	Note 1	1,013,053
Secured Loan Note 2, 6		6.90%	Note 1	641,726
Secured Loan Note 2, 7		6.90%	Note 1	808,423
				<u>3,968,629</u>
Less: Current portion of long-term loans				<u>(827,677)</u>
				<u>\$ 3,140,952</u>

<u>Nature of Loan</u>	<u>Loan Term and Repayment Terms</u>	<u>Interest Rate Range</u>	<u>Collateral</u>	<u>December 31, 2023</u>
Long-term Bank Loans				
Secured Loan Note 2, 3		7.45%	Note 1	\$ 712,667
Secured Loan Note 2, 4		7.75%	Note 1	708,799
Secured Loan Note 2, 5		7.75%	Note 1	1,315,727
Secured Loan Note 2, 6		7.90%	Note 1	620,157
Secured Loan Note 2, 7		7.90%	Note 1	781,151
Unsecured Loan	註 8	-	None	-
				<u>4,138,501</u>
Less: Current portion of long-term loans				<u>(122,430)</u>
				<u>\$ 4,016,071</u>

Note 1: For details regarding collateral provided for the

aforementioned long-term borrowings, please refer to Note 8.

Note 2: For information about financial ratio covenants, please refer to Note 9(2).

Note 3: This loan has a 5-year term with a floating interest rate. Beginning in March 2017, the subsidiary repaid principal in fixed monthly installments of USD 130,000. Upon loan maturity in February 2021, the remaining balance was repaid in full.

An extension agreement was signed in February 2020 for a period of one year, under similar monthly repayments.

In May 2020, a deferred repayment agreement was signed, allowing interest-only payments until April 2021.

In April 2022, a new 3-year extension was signed with monthly repayments of USD 64,683, with full settlement of remaining balance in February 2025.

A further 3-month extension was signed in February 2025, with final repayment due in May 2025.

Note 4: This loan has a 7-year term with a floating interest rate. From April 2020, the subsidiary repaid principal in fixed monthly installments of USD 55,565, with final payment due in March 2027.

In June 2020, a deferred repayment agreement was signed allowing interest-only payments until November 2020.

Subsequent modifications required principal repayments of USD 11,250 per month from January to June 2021, and USD 17,750 from July to December 2021. Deferred balances will be settled upon loan maturity.

Note 5: This loan has a 7-year term with a floating interest rate. From May 2019, the subsidiary repaid principal of USD 10,000 per month, with a final balloon payment in April 2026.

In May 2020, a deferred repayment agreement allowed interest-only payments until April 2021.

From May 2021 to June 2024, monthly principal repayments were USD 94,887, followed by an early principal repayment of USD 11,009,178 in June 2024.

Thereafter, monthly repayments were adjusted to USD 61,652 until maturity in April 2026.

Note 6: This loan has a 5-year term with a floating interest rate.

From August 2021, the subsidiary repaid principal in monthly installments of USD 51,934, with full repayment due in August 2026.

Note 7: This loan has a 5-year term with a floating interest rate. From December 2021, the subsidiary repaid principal in monthly installments of USD 65,151, with full repayment due in December 2026.

Note 8: This loan has a 5-year term with a fixed interest rate, obtained by the subsidiary in April 2021 under the Small Business Administration (SBA) Paycheck Protection Program (PPP) in response to COVID-19, with a principal amount of NT\$62,300 thousand (USD 2 million).

Key conditions include:

- (1) No principal or interest payment is required prior to forgiveness determination.
- (2) Under the PPP, qualified businesses may use the funds for operating expenses within a 24-week covered period and apply for forgiveness within 10 months after the covered period ends.

As of December 31, 2024, the Group had applied for full loan forgiveness in the amount of NT\$62,300 thousand, which was approved in July 2023 and recognized as government grant income in 2023.

For interest expense recognized on bank borrowings, please refer to Note 6(21).

(XIII) Pension

1.(1) Starting from July 1, 2005, the Company and its domestic subsidiaries adopted a defined contribution pension plan under the "Labor Pension Act," applicable to employees who are nationals of the Republic of China.

Under this plan, the Company and its domestic subsidiaries contribute 6% of each employee's monthly salary to the individual pension accounts at the Bureau of Labor Insurance.

Employees may receive their pension benefits in monthly installments or as a lump-sum payment, depending on the amount accumulated in their individual accounts, including investment returns.

(2) For the years ended December 31, 2024 and 2023, the pension costs recognized by the Company and its domestic

subsidiaries under the aforementioned plan were NT\$1,582 thousand and NT\$1,771 thousand, respectively.

2. The foreign subsidiaries have defined contribution plans, under which they make monthly contributions to retirement funds in accordance with local government regulations.

The related pension costs recognized by the foreign subsidiaries for the years ended December 31, 2024 and 2023 were NT\$2,695 thousand and NT\$1,704 thousand, respectively.

(XIV) Capital Stock

1. As of December 31, 2024, the Company's authorized capital was NT\$2,500,000 thousand, and the paid-in capital was NT\$1,566,133 thousand, divided into 156,613 thousand common shares, each with a par value of NT\$10.

All capital contributions for issued shares have been fully collected.

The reconciliation of outstanding shares of common stock at the beginning and end of the year is as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
January 1	156,613	149,156
Capitalized Retained Earnings	-	7,457
December 31	<u>156,613</u>	<u>156,613</u>

2. On May 30, 2023, the Company's shareholders resolved to capitalize earnings of NT\$74,578 thousand to issue 7,457 thousand new shares.

The capital increase was approved by the Financial Supervisory Commission on August 7, 2023, and the Company completed the registration for the capital change accordingly.

(XV) Capital Surplus

In accordance with the Company Act, capital surplus arising from the issuance of shares in excess of par value and from donations received may be used to offset accumulated deficits.

When the Company has no accumulated deficits, such capital surplus may also be distributed as stock dividends or cash dividends in proportion to their shareholdings.

In addition, under the Securities and Exchange Act, the total amount of capital surplus capitalized into common shares shall not exceed 10% of the paid-in capital in any given year.

Capital surplus may not be used to cover capital losses unless all legal reserves have first been exhausted.

(XVI) Retained Earnings

1. According to the Company's Articles of Incorporation, if there is net income after the annual final accounts, the earnings shall first be used to pay income taxes and offset prior years' accumulated deficits.

If there is any remaining balance, 10% shall be appropriated as legal reserve, unless the legal reserve has reached the Company's total paid-in capital.

After setting aside or reversing a special reserve as required by law, and combining with the undistributed earnings at the beginning of the period, the Board of Directors shall propose an earnings distribution plan to be approved by the shareholders' meeting.

Of the distributable earnings, no less than 10% shall be distributed as dividends, and cash dividends shall not be less than 10% of the total dividends declared.

The distribution of dividends, legal reserve, or capital surplus in whole or in part in the form of cash may be authorized by a resolution of at least two-thirds of the Board of Directors with more than half of the directors present, and reported to the shareholders' meeting. This distribution is not subject to approval by the shareholders' meeting.

2. The legal reserve may only be used to offset deficits or to be distributed as stock dividends or cash dividends in proportion to shareholders' shareholdings. However, distribution is limited to the portion of legal reserve in excess of 25% of the paid-in capital.
3. In accordance with laws and regulations, when distributing earnings, the Company must appropriate a special reserve from undistributed earnings for any debit balance under other equity items as of the balance sheet date. Upon reversal of such debit balance, the reversed amount may be included in distributable earnings.
4. On March 13, 2024, the Company's Board of Directors resolved not to distribute dividends for the 2023 earnings.

On March 14, 2023, the Board resolved to distribute cash dividends of NT\$29,831 thousand (NT\$0.2 per share) from 2022 earnings.

On May 30, 2023, the shareholders' meeting resolved to distribute stock dividends of NT\$74,578 thousand (NT\$0.5 per share) from 2022 earnings.

For further details on the dividend distribution resolutions passed by the Board of Directors and shareholders' meeting, please refer to the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

5. On March 5, 2025, the Company's Board of Directors resolved not to distribute dividends for the 2024 earnings.

(XVII) Operating Revenue

	<u>Year 2024</u>	<u>Year 2023</u>
Revenue from Customer Contracts	<u>\$ 1,441,827</u>	<u>\$ 1,433,125</u>

1. Disaggregation of Revenue from Customer Contracts

The Group's revenue is disaggregated by major product lines and geographic regions as follows:

<u>Year 2024</u>	<u>Taiwan</u>			<u>United States</u>		<u>Total</u>
	<u>Room Revenue</u>	<u>F&B Revenue</u>	<u>Other Revenue</u>	<u>Room Revenue</u>	<u>Revenue</u>	
External Customer Contract Revenue	<u>\$ 44,432</u>	<u>\$ 16,983</u>	<u>\$ 4,082</u>	<u>\$1,376,330</u>		<u>\$1,441,827</u>
Timing of Revenue Recognition						
Revenue recognized at a point in time	\$ -	\$ 16,983	\$ 4,082	\$ -		\$ 21,065
Revenue recognized over time	<u>44,432</u>	<u>-</u>	<u>-</u>	<u>1,376,330</u>		<u>1,420,762</u>
	<u>\$ 44,432</u>	<u>\$ 16,983</u>	<u>\$ 4,082</u>	<u>\$1,376,330</u>		<u>\$1,441,827</u>
<u>Year 2023</u>	<u>Taiwan</u>			<u>United States</u>		<u>Total</u>
	<u>Room Revenue</u>	<u>F&B Revenue</u>	<u>Other Revenue</u>	<u>Room Revenue</u>	<u>Revenue</u>	
Revenue from contracts with external customers	<u>\$ 48,043</u>	<u>\$ 27,873</u>	<u>\$ 3,698</u>	<u>\$1,353,511</u>		<u>\$1,433,125</u>
Timing of Revenue Recognition						
Revenue recognized at a point in time	\$ -	\$ 27,873	\$ 3,698	\$ -		\$ 31,571
Revenue recognized over time	<u>48,043</u>	<u>-</u>	<u>-</u>	<u>1,353,511</u>		<u>1,401,554</u>
	<u>\$ 48,043</u>	<u>\$ 27,873</u>	<u>\$ 3,698</u>	<u>\$1,353,511</u>		<u>\$1,433,125</u>

2. Contract Liabilities

The Group recognizes contract liabilities related to revenue from customer contracts as follows:

December 31, 2024 December 31, 2023 January 1, 2023

Contract Liabilities:

Contract Liability				
- Room Service	\$	6,139	\$	3,571
			\$	5,212
Contracts				
Contract Liability				
- Food & Beverage				
Service Contracts		-		1,174
				654
	\$	6,139	\$	4,745
			\$	5,866

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

	<u>Year 2024</u>	<u>Year 2023</u>
Revenue Recognized from Beginning Contract Liabilities:		
Room Service Contracts	\$ 3,571	\$ 5,212
Food & Beverage Contracts	1,174	654
	<u>\$ 4,745</u>	<u>\$ 5,866</u>

(XVIII) Interest Income

	<u>Year 2024</u>	<u>Year 2023</u>
Interest income from bank deposits	\$ 26,917	\$ 27,228
Interest income from financial assets measured at amortized cost	119,246	87,712
Other interest income	3,861	3,682
	<u>\$ 150,024</u>	<u>\$ 118,622</u>

(XIX) Other Income

	<u>Year 2024</u>	<u>Year 2023</u>
Government grant income	\$ 1,824	\$ 62,943
Other income - others	4,355	3,331
	<u>\$ 6,179</u>	<u>\$ 66,274</u>

To mitigate the impact of the COVID-19 pandemic, a subsidiary applied for a Paycheck Protection Program (PPP) loan in April 2021. Under the PPP, the subsidiary applied for a loan forgiveness amount of NT\$62,300 thousand, which was fully approved in July

2023. The amount was recognized as government grant income in 2023.

Please refer to Note 6(12), item 8 for further details.

(XX) Other Gains and Losses

	<u>Year 2024</u>		<u>Year 2023</u>
Net gains on financial assets at fair value through profit or loss	\$ 11,463	\$	9,212
Net gains on disposal of property, plant, and equipment	92		-
Foreign exchange gains (losses)	119,008	(	5,966)
Gain on lease modifications	8		1
Impairment losses on non-financial assets	(4,750)		-
Other losses	-	(	2)
	<u>\$ 125,821</u>	<u>\$</u>	<u>3,245</u>

(XXI) Finance Costs

	<u>Year 2024</u>		<u>Year 2023</u>
Interest expense			
Bank borrowings	\$ 315,627	\$	334,108
Lease liabilities	1,688		1,821
	<u>\$ 317,315</u>	<u>\$</u>	<u>335,929</u>

(XXII) Additional Information on the Nature of Expenses

	<u>Year 2024</u>		<u>Year 2023</u>
Employee benefits expense	\$ 436,828	\$	395,804
Depreciation expense - Property, plant and equipment	183,583		244,403
Depreciation expense - Right-of-use assets	8,477		9,240
Amortization expense - Intangible assets	55,253		49,759
	<u>\$ 684,141</u>	<u>\$</u>	<u>699,206</u>

(XXIII) Employee Benefits Expense

	<u>Year 2024</u>		<u>Year 2023</u>
Salary expenses	\$ 365,337	\$	338,612
Labor and health insurance	66,275		52,618

expenses

Pension expenses	4,277	3,475
Other employee welfare expenses	939	1,099
	<u>\$ 436,828</u>	<u>\$ 395,804</u>

1. According to the Company's Articles of Incorporation, if there is a profit for the year, 0.1% to 1% of the profit shall be distributed as employee remuneration, and no more than 1% shall be distributed as director remuneration. However, if the Company still has accumulated losses, such losses must be offset before any distributions are made.
2. For the years ended December 31, 2024 and 2023, the accrued amounts for employee and director remuneration were both NT\$0.

For 2024, the estimation of remuneration was based on the Company's profitability and the percentage specified in the Articles of Incorporation.

Upon resolution of the Board of Directors, the actual distributed amounts for 2024 was NT\$208 for employee remuneration and NT\$0 for director remuneration, with the employee remuneration to be paid in cash.

The differences between the estimated and actual amounts were NT\$208 and NT\$0, respectively, and such differences will be adjusted in the 2025 financial statements as changes in accounting estimates.

For 2023, the Board of Directors resolved that the actual amounts distributed for employee and director remuneration were NT\$209 and NT\$0, respectively.

The difference from the previously recognized amounts of NT\$0 for both employee and director remuneration in the 2023 financial statements was considered an adjustment due to a change in estimate, and was recognized in 2024 profit or loss.

Information related to employee and director remuneration approved by the Board of Directors is available on the Market Observation Post System (MOPS) of the Taiwan Stock Exchange.

(XXIV) Income Tax

1. Income Tax Expense (Benefit)

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

	<u>Year 2024</u>	<u>Year 2023</u>
Current Income Tax:		
Income tax for the current period	\$ 3,981	(\$ 55,064)
Additional tax on undistributed earnings	1,213	14,105
Overestimation of prior year income tax	<u>(903)</u>	<u>(7,696)</u>
Total Current Income Tax	4,291	(48,655)
Deferred Income Tax:		
Origination and reversal of temporary differences	<u>28,559</u>	<u>(52,858)</u>
Total Income Tax Expense (Benefit)	<u>\$ 32,850</u>	<u>(\$ 101,513)</u>

(2) Income tax amounts related to other comprehensive income:

	<u>Year 2024</u>	<u>Year 2023</u>
Exchange differences on translation of foreign operations	<u>\$ 25,852</u>	<u>\$ 274</u>

2. Relationship Between Income Tax Expense (Benefit) and Accounting Profit :

	<u>Year 2024</u>	<u>Year 2023</u>
Income tax calculated at statutory rate on pre-tax net loss (Note)	(\$ 48,478)	(\$ 51,098)
Tax effect of adjustments in accordance with tax laws	101,327	(8,235)
Tax-exempt income under tax regulations	-	(2)
Tax effect of deductible temporary differences on tax loss carryforwards	<u>(20,309)</u>	<u>(48,587)</u>
Additional tax on undistributed earnings	1,213	14,105
Overestimation of prior years' income tax	<u>(903)</u>	<u>(7,696)</u>
Income Tax Expense (Benefit)	<u>\$ 32,850</u>	<u>(\$ 101,513)</u>

Note: The applicable tax rates are based on the tax laws and

regulations of each relevant jurisdiction.

3. Deferred Tax Assets and Liabilities Arising from Temporary Differences and Tax Losses:

	<u>Year 2024</u>				
	<u>January 1</u>	<u>Recognized in profit or loss</u>	<u>Recognized in other comprehensive income</u>	<u>Effect of exchange rate changes</u>	<u>December 31</u>
Deferred Tax Assets:					
Temporary Differences:					
Accrued unused vacation bonus	\$ 117	(\$ 38)	\$ -	\$ -	\$ 79
Depreciation - tax vs book difference	9,623	14,203	-	952	24,778
U.S. state tax impact	47,826	(19,389)	-	2,828	31,265
Estimated penalty/liquidation costs	7,331	-	-	497	7,828
Unrealized accrued interest	-	-	-	-	-
Unrealized accrued expenses	663	2,490	-	97	3,250
Tax loss carryforwards	<u>103,445</u>	<u>(44,046)</u>	<u>-</u>	<u>6,074</u>	<u>65,473</u>
	<u>169,005</u>	<u>(46,780)</u>	<u>-</u>	<u>10,448</u>	<u>132,673</u>
Deferred Tax Liabilities:					
Temporary Differences:					
Unrealized gains on financial assets	(2,205)	(2,292)	-	-	(4,497)
Investment income Recognized under equity method (overseas)	(187,251)	46,674	-	-	(140,577)
Exchange differences arising from foreign operations	(5,553)	-	(25,852)	-	(31,405)
Depreciation - tax vs book difference	-	-	-	-	-
Amortization - intangible assets	(16,418)	(2,636)	-	(1,167)	(20,221)
Unrealized exchange gains	<u>(11,021)</u>	<u>(23,525)</u>	<u>-</u>	<u>-</u>	<u>(34,546)</u>
	<u>(222,448)</u>	<u>18,221</u>	<u>(25,852)</u>	<u>(1,167)</u>	<u>(231,246)</u>
	<u>(\$ 53,443)</u>	<u>(\$ 28,559)</u>	<u>(\$ 25,852)</u>	<u>\$ 9,281</u>	<u>(\$ 98,573)</u>

	<u>Year 2023</u>					
	<u>January 1</u>	<u>Recognized in Profit or loss</u>	<u>Recognized in other Comprehensive income</u>	<u>Effect of exchange Rate changes</u>	<u>Other (Note)</u>	<u>December 31</u>
Deferred Tax Assets:						
Temporary Differences:						
Accrued unused	\$ 159	(\$ 42)	\$ -	\$ -	\$ -	\$ 117

vacation bonus					
Depreciation - tax vs book difference	-	9,760	-	(137)	- 9,623
U.S. state tax impact	5,456	42,977	-	(607)	- 47,826
Estimated penalty/liquidation costs	-	7,436	-	(105)	- 7,331
Unrealized accrued interest	60,757	(61,627)	-	870	- -
Unrealized accrued expenses	8,656	(8,108)	-	115	- 663
Tax loss carryforwards	128,554	22,546	-	359 (48,014)	103,445
	<u>203,582</u>	<u>12,942</u>	<u>-</u>	<u>495 (48,014)</u>	<u>169,005</u>

Deferred Tax Liabilities:

Temporary Differences:

Unrealized gains on financial assets	(374)	(1,831)	-	-	- (2,205)
Investment income Recognized under equity method (foreign)	(206,624)	19,373	-	-	- (187,251)
Translation differences on foreign operations	(5,279)	-	(274)	-	- (5,553)
Depreciation - tax vs book difference	(25,539)	25,905	-	(366)	- -
Amortization - intangible assets	(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>- (222,448)</u>
	<u>(\$ 58,214)</u>	<u>\$ 52,858</u>	<u>(\$ 274)</u>	<u>\$ 201 (\$48,014)</u>	<u>(\$ 53,443)</u>

Note: In 2020, a subsidiary applied for a tax refund by carrying back tax losses to offset taxable income for 2018.

4. Unused Tax Losses and Unrecognized Deferred Tax Assets - Parent Company:

December 31, 2024

<u>Year Incurred</u>	<u>Filed/ Approved Amount</u>	<u>Deductible Amount</u>	<u>Amount Not Yet Deducted</u>	<u>Deferred Tax Asset Not Recognized</u>	<u>Final Deduction Year</u>
2020	Approved	47,245	42,371	42,371	2030
2021	Approved	107,265	107,265	107,265	2031
2022	Approved	2,027	2,027	2,027	2032
		<u>\$ 156,537</u>	<u>\$ 151,663</u>	<u>\$ 151,663</u>	

December 31, 2023

<u>Year Incurred</u>	<u>Filed/ Approved Amount</u>	<u>Deductible Amount</u>	<u>Amount Not Yet Deducted</u>	<u>Deferred Tax Asset Not Recognized</u>	<u>Final Deduction Year</u>
2017	Approved	\$ 72,817	\$ 16,785	\$ 16,785	2027

2018	Approved	56,901	56,901	56,901	2028
2019	Approved	40,604	40,604	40,604	2029
2020	Approved	47,245	47,245	47,245	2030
2021	Approved	107,265	107,265	107,265	2031
		<u>\$ 324,832</u>	<u>\$ 268,800</u>	<u>\$ 268,800</u>	

5. Unused Tax Losses and Unrecognized Deferred Tax Assets -
U. S. Subsidiary:

December 31, 2024

<u>Year Incurred</u>	<u>Filed/ Approved</u>	<u>Available tax credits</u>	<u>Unutilized tax credits</u>	<u>Deferred tax assets not recognized</u>	<u>Creditable Period</u>
2017 - State Tax	Filed	\$ 1,188	\$ 1,188	\$ 1,188	2015 - 2037
2019 - State Tax	Filed	6,896	6,896	6,896	2020 - 2039
2020 - State Tax	Filed	37,315	37,315	37,315	2021 - 2040
2021 - Federal Tax	Filed	15,719	15,719	-	No expiration
2021 - State Tax	Filed	17,692	17,692	4,356	2022 - 2041
2023 - State Tax	Filed	18,932	18,932	-	2024 - 2043
2024 - State Tax	Filed	17,486	17,486	-	2025 - 2044
		<u>\$ 115,228</u>	<u>\$115,228</u>	<u>\$ 49,755</u>	

December 31, 2023

<u>Year Incurred</u>	<u>Filed/ Approved</u>	<u>Available tax credits</u>	<u>Unutilized tax credits</u>	<u>Deferred tax Assets not recognized</u>	<u>Creditable Period</u>
2017 - State Tax	Filed	\$ 1,113	\$ 1,113	\$ -	2015 - 2037
2019 - State Tax	Filed	6,459	6,459	-	2020 - 2039
2020 - State Tax	Filed	34,948	34,948	-	2021 - 2040
2021 - Federal Tax	Filed	25,635	25,635	-	No expiration
2021 - State Tax	Filed	16,570	16,570	-	2022 - 2041
2023 - State Tax	Filed	18,720	18,720	-	2024 - 2043
		<u>\$ 103,445</u>	<u>\$103,445</u>	<u>\$ -</u>	

6. Unused Tax Losses and Unrecognized Deferred Tax Assets -
Holiday Garden Hotel Development Co., Ltd.:

December 31, 2024

<u>Year Incurred</u>	<u>Filed/ Approved</u>	<u>Deductible Amount</u>	<u>Amount Not Yet Deducted</u>	<u>Deferred Tax Asset Not Recognized</u>	<u>Final Deduction Year</u>
2019	Approved	4,413	1,356	1,356	2029
2020	Approved	5,858	5,858	5,858	2030
2021	Approved	8,147	8,147	8,147	2031
2022	Approved	5,250	5,250	5,250	2032

\$ 23,668 \$ 20,611 \$ 20,611

December 31, 2023

<u>Year Incurred</u>	<u>Filed/ Approved</u>	<u>Amount</u>	<u>Deductible Amount</u>	<u>Amount Not Yet Deducted</u>	<u>Deferred Tax Asset Not Recognized</u>	<u>Final Deduction Year</u>
2018	Approved		\$ 12,843	\$ 2,713	\$ 2,713	2018
2019	Approved		4,413	4,413	4,413	2029
2020	Approved		5,858	5,858	5,858	2030
2021	Approved		8,147	8,147	8,147	2031
2022	Filed		5,250	5,250	5,250	2032
			<u>\$ 36,511</u>	<u>\$ 26,381</u>	<u>\$ 26,381</u>	

7. Due to the impact of the COVID-19 pandemic, the Group incurred operating losses over the past two years.

However, the Group expects its revenues to recover in the near future, resulting in taxable income.

It is highly probable that there will be sufficient taxable profit in the future to utilize deductible temporary differences and tax loss carryforwards.

8. The Company's income tax returns have been assessed and approved by the tax authorities through the year 2022.

(XXV) Earnings Per Share

1. Basic Earnings Per Share

Year 2024

	<u>Amount After Tax</u>	<u>Weighted Average Number of Ordinary Shares Outstanding (Thousands of Shares)</u>	<u>Earnings Per Share (NT\$)</u>
<u>Basic Earnings Per Share</u>			
Profit attributable to ordinary shareholders of the parent company	<u>\$ 40,506</u>	<u>156,613</u>	<u>\$ 0.26</u>

Diluted Earnings Per Share

Profit attributable to ordinary shareholders of the parent company	\$ 40,506	156,613
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Effect of dilutive potential ordinary shares			
- Employee Remuneration	-	<u>4</u>	
Profit attributable to ordinary shareholders and effect of dilutive potential ordinary shares	<u>\$ 40,506</u>	<u>156,617</u>	<u>\$ 0.26</u>

Year 2023

	<u>Amount After Tax</u>	<u>Weighted Average Number of Ordinary Shares Outstanding (Thousands of Shares)</u>	<u>Earnings Per Share (NT\$)</u>
<u>Basic Earnings Per Share</u>			
Profit attributable to ordinary shareholders of the parent company	<u>\$ 25,749</u>	<u>156,613</u>	<u>\$ 0.16</u>

Diluted Earnings Per Share

Profit attributable to ordinary shareholders of the parent company	\$ 25,749	156,613	
Effect of dilutive potential ordinary shares			
- Employee Remuneration	-	<u>5</u>	
Profit attributable to ordinary shareholders and effect of dilutive potential ordinary shares	<u>\$ 25,749</u>	<u>156,618</u>	<u>\$ 0.16</u>

2. The aforementioned weighted-average number of ordinary shares outstanding has been retrospectively adjusted for the stock dividend arising from the capitalization of earnings in 2023.

(XXVI) Supplementary Information on Cash Flows

1. Investing Activities Involving Partial Cash Payments Only:

	<u>Year 2024</u>	<u>Year 2023</u>
Acquisition of Property, Plant and Equipment	\$ 58,187	\$ 1,099

Add: Beginning Balance of Equipment Payables (Presented under “Other Payables”)	-	1,291
Less: Ending Balance of Equipment Payables (Presented under “Other Payables”)	(12,200)	-
Cash Paid During the Period	<u>\$ 45,987</u>	<u>\$ 2,390</u>

2. Investing and Financing Activities Not Affecting Cash Flows:

	<u>Year 2024</u>	<u>Year 2024</u>
Reclassification of Long-term Borrowings to Current Portion	<u>\$ 827,677</u>	<u>\$ 122,430</u>
Reclassification of Long-term Borrowings to Government Grant Income	<u>\$ -</u>	<u>\$ 62,300</u>
Reclassification of Prepayments for Equipment to Property, Plant and Equipment	<u>\$ -</u>	<u>\$ 2,183</u>

(XXVII) Changes in Liabilities Arising from Financing Activities

	<u>Year 2024</u>				<u>Total</u>
	<u>Short-term</u>	<u>Short-term</u>	<u>Lease</u>	<u>Long-term</u>	<u>Liabilities</u>
	<u>Borrowings</u>	<u>Notes Payable</u>	<u>Liabilities</u>	<u>Borrowings</u>	<u>from Financing</u>
					<u>Activities</u>
January 1	\$ 400,000	\$ 95,000	\$ 104,974	\$4,138,501	\$ 4,738,475
Changes from Financing Cash Flows	-	(19,500)	(7,782)	(440,113)	(467,395)
Other Non-cash Changes (Note)	-	-	(247)	-	(247)
Effect of Exchange Rate Changes	-	-	-	270,241	270,241
December 31	<u>\$ 400,000</u>	<u>\$ 75,500</u>	<u>\$ 96,945</u>	<u>\$3,968,629</u>	<u>\$ 4,541,074</u>
	<u>Year 2023</u>				
	<u>Short-term</u>	<u>Short-term</u>	<u>Lease</u>	<u>Long-term</u>	<u>Total</u>
	<u>Borrowings</u>	<u>Notes Payable</u>	<u>Liabilities</u>	<u>Borrowings</u>	<u>Liabilities</u>
					<u>from Financing</u>
					<u>Activities</u>
January 1	\$ 484,000	\$ -	\$ 113,552	\$4,322,351	\$ 4,919,903
Changes from Financing	(84,000)	95,000	(8,435)	(124,184)	(121,619)

Cash Flows					
Other Non-cash					
Changes (Note)	-	-	(143)	(62,300)	(62,443)
Effect of					
Exchange	-	-	-	2,634	2,634
Rate Changes					
December 31	<u>\$ 400,000</u>	<u>\$ 95,000</u>	<u>\$ 104,974</u>	<u>\$4,138,501</u>	<u>\$ 4,738,475</u>

Note: Non-cash changes are mainly due to the disposal of right-of-use assets and lease modifications.

VII. Related Party Transactions

Key Management Personnel Compensation:

	<u>Year 2024</u>	<u>Year 2023</u>
Short-term Employee Benefits	<u>\$ 3,660</u>	<u>\$ 3,590</u>

VIII. Pledged Assets

The details of the Group's assets pledged as collateral are as follows:

<u>Asset Item</u>	<u>Book Value</u>		<u>Purpose of Collateral</u>
	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>	
Land and land improvements	\$ 1,014,344	\$ 958,085	Long-term borrowings
Buildings and structures	2,419,708	2,370,387	Long-term borrowings
Operating equipment	171,656	203,752	Long-term borrowings
Time deposits (classified under "Financial assets measured at amortized cost - current")	698,278	886,325	Short-term borrowings and short-term bills facility
Demand deposits (classified under "Financial assets measured at amortized cost - non-current")	-	77,830	Long-term borrowings
Time deposits (classified under "Financial assets measured at amortized cost")	183,910	56,961	Long-term borrowings

- non-current")		
Bonds under repurchase Agreements (classified under "Financial assets measured at amortized cost - non-current")	30,000	- Short-term bills facility
	<u>\$ 4,517,896</u>	<u>\$ 4,553,340</u>

IX. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(I) Contingent Liabilities

None.

(II) Commitments

1. The subsidiaries that acquired Clementine Inn Anaheim, Embassy Suites Valencia, Holiday Inn Express Walnut Creek, Hyatt Place Emeryville, and SpringHill Suites by Marriott San Jose Fremont have entered into hotel management agreements with Aimbridge (formerly Interstate). According to the agreements (with expiration dates of November 19, 2027, August 31, 2027, June 22, 2025, April 11, 2026, and December 7, 2031, respectively), the subsidiaries are required to pay Aimbridge monthly management fees and incentive bonuses, calculated based on certain percentages specified in the contracts.
2. In accordance with the management agreements with Aimbridge, the subsidiaries are required to allocate a specified percentage of total gross revenue into a designated account monthly for the purchase or repair of hotel-related assets (excluding office equipment). If the balance in the account is insufficient, the subsidiaries must make up the shortfall.
3. HOLIDAY GARDEN VC CORP. entered into a royalty agreement with Hilton, under which Embassy Suites Valencia is required to pay Hilton royalties based on a certain percentage of total room revenue for the use of Hilton's management and maintenance systems until September 10, 2030.
4. HOLIDAY GARDEN WC CORP. entered into a royalty agreement with IHG, under which Holiday Inn Express Walnut Creek is required to pay IHG royalties based on a certain percentage of total room revenue until July 11, 2031.
5. HOLIDAY GARDEN EV CORP. entered into a royalty agreement with Hyatt, under which Hyatt Place Emeryville is required to pay Hyatt royalties based on a certain percentage of total room revenue until 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 royalties based on a certain percentage of total room revenue until August 26, 2041.
7. HOLIDAY GARDEN SF CORP. entered into a long-term loan agreement with CTBC BANK CO., LTD. on February 11, 2016, with a total credit line of USD 31,000 thousand. HOLIDAY GARDEN SF CORP. has committed to maintain an interest coverage ratio of no less than 1.3 times during the loan period.
8. HOLIDAY GARDEN VC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. on March 6, 2020, with a total credit line of USD 24,850 thousand. The company is required to maintain an interest coverage ratio of no less than 1.15 times during the loan period. Due to a breach of this covenant in 2024, HOLIDAY GARDEN VC CORP. intends to pledge a time deposit of NT\$30,004 thousand to obtain a waiver.
9. HOLIDAY GARDEN WC CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. on August 29, 2016, with a total credit line of USD 23,300 thousand. The company is required to maintain an interest coverage ratio of no less than 1.15 times during the loan period. Due to a breach of this covenant in 2024, HOLIDAY GARDEN WC CORP. intends to pledge a time deposit of NT\$26,037 thousand to obtain a waiver.
10. HOLIDAY GARDEN EV CORP. entered into a long-term loan agreement with CTBC BANK CO., LTD. on April 12, 2019, with a total credit line of USD 46,000 thousand. The company is required to maintain an interest coverage ratio of no less than 1.2 times during the loan period. Due to a breach of this covenant in 2024, HOLIDAY GARDEN EV CORP. intends to pledge a time deposit of NT\$86,304 thousand to obtain a waiver.
11. HOLIDAY GARDEN FM CORP. entered into a long-term loan agreement with FIRST COMMERCIAL BANK, LTD. on December 6, 2021, with a total credit line of USD 27,000 thousand. The company is required to maintain an interest coverage ratio of no less than 1.15 times starting from 2023. Due to a breach of this covenant in 2024, HOLIDAY GARDEN FM CORP. intends to pledge a time deposit of NT\$41,566 thousand to obtain a waiver.
12. As of December 31, 2024 and 2023, the total contract prices for uncompleted construction projects and purchases of equipment for which contracts have been signed amounted to NT\$38,085 thousand and NT\$1,048 thousand, respectively, of which NT\$15,129 thousand and NT\$629 thousand had not yet been recognized.

X. Significant Losses from Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The Group's objectives in capital management are to ensure its ability to continue as a going concern, to maintain an optimal capital structure to minimize the cost of capital, and to provide returns to shareholders.

To maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with industry practices, the Group monitors its capital based on the debt-to-asset ratio.

The Group's policy is to maintain a stable debt-to-asset ratio. The ratio is as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Total Liabilities	\$ 4,929,939	\$ 5,116,433
Total Assets	\$ 8,261,277	\$ 8,303,860
Liabilities to Assets Ratio (%)	<u>60</u>	<u>62</u>

(II) Financial Instruments

1. Categories of Financial Instruments

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
<u>Financial Assets</u>		
Financial assets at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	\$ 107,229	\$ 95,766
Financial assets measured at amortized cost		
Cash and cash equivalents	2,457,532	2,416,615
Financial assets measured at amortized cost	1,047,557	1,165,916
Accounts receivable	28,774	43,298

Other receivables	11,062	15,225
Refundable deposits	7,893	9,588
	<u>\$ 3,660,047</u>	<u>\$ 3,746,408</u>
<u>Financial Liabilities</u>		
Financial liabilities measured at amortized cost		
Short-term borrowings	\$ 400,000	\$ 400,000
Commercial paper payable	75,500	95,000
Accounts payable	4,360	2,801
Other payables	146,907	133,299
Long-term borrowings (including current portion)	<u>3,968,629</u>	<u>4,138,501</u>
	<u>\$ 4,595,396</u>	<u>\$ 4,769,601</u>
Lease liabilities	<u>\$ 96,945</u>	<u>\$ 104,974</u>

2. Risk Management Policies

- (1) The Group's daily operations are exposed to various financial risks, including market risk (such as foreign exchange risk, interest rate risk, and price risk), credit risk, and liquidity risk.
- (2) The risk management function is carried out by the Group's Finance Department in accordance with approved policies. The Finance Department works closely with each operating unit within the Group to identify, evaluate, and mitigate financial risks.

3. Nature and Extent of Major Financial Risks

(1) Market Risk

Foreign Exchange Risk

- A. As the Group operates internationally, it is exposed to foreign exchange risk arising from transactions denominated in currencies other than the functional currencies of the Company and its subsidiaries, primarily the US dollars. This foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in foreign currencies.
- B. The Group's management has established policies requiring each company within the Group to manage its foreign exchange risk against its functional currency. Companies are required to hedge their overall foreign

exchange risk through the Group' s Finance Department.

- C. Since the Group conducts business involving several non-functional currencies (with the functional currency of the Company being New Taiwan Dollars and that of its subsidiaries being US Dollars), the Group is subject to foreign exchange rate fluctuations. The information on foreign-currency-denominated assets and liabilities significantly affected by exchange rate fluctuations is as follows:

		<u>December 31, 2024</u>					<u>Sensitivity Analysis</u>	
		<u>Foreign</u>	<u>Exchange</u>	<u>Carrying</u>	<u>Change</u>	<u>Impact</u>	<u>Impact on Other</u>	
		<u>Currency</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>on</u>	<u>Comprehensive</u>	
		<u>(Thousan</u>	<u>)</u>	<u>(Thousand</u>	<u>or</u>	<u>Profit</u>	<u>Income</u>	
		<u>d)</u>	<u>)</u>	<u>)</u>	<u>Loss</u>	<u>or</u>	<u>Loss</u>	
(Foreign Currencies: Functional Currency)								
<u>Financial Assets</u>								
<u>Monetary Items</u>								
USD : NTD	\$58,423	32.79	\$1,915,691	1%	\$19,157		\$	-

		<u>December 31, 2023</u>					<u>Sensitivity Analysis</u>	
		<u>Foreign</u>	<u>Exchange</u>	<u>Carrying</u>	<u>Change</u>	<u>Impact</u>	<u>Impact on Other</u>	
		<u>Currency</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>	<u>on</u>	<u>Comprehensive</u>	
		<u>(Thousan</u>	<u>)</u>	<u>(Thousand</u>	<u>or</u>	<u>Profit</u>	<u>Income</u>	
		<u>d)</u>	<u>)</u>	<u>)</u>	<u>Loss</u>	<u>or</u>	<u>Loss</u>	
(Foreign Currencies: Functional Currency)								
<u>Financial Assets</u>								
<u>Monetary Items</u>								
USD : NTD	\$56,177	30.71	\$1,725,199	1%	\$17,252		\$	-

- D. For the years ended December 31, 2024 and 2023, the Group' s total foreign exchange gains (losses) on monetary items (including realized and unrealized)

significantly affected by exchange rate fluctuations amounted to NT\$119,008 thousand and NT\$(5,966) thousand, respectively.

Price Risk

The Group invests in open-end mutual funds. The prices of these equity instruments are subject to future valuation uncertainties of the underlying investments.

Assuming that all other factors remain unchanged, a 1% increase or decrease in the price of these equity instruments would result in an increase or decrease in the Group's pre-tax profit for the years ended December 31, 2024 and 2023, by NT\$1,072 thousand and NT\$958 thousand, respectively, due to gains or losses from financial assets measured at fair value through profit or loss.

Cash Flow and Fair Value Interest Rate Risk

- A. The Group's interest rate risk arises from short-term and long-term borrowings at floating interest rates, which expose the Group to cash flow interest rate risk. As of December 31, 2024 and 2023, the Group's borrowings at floating interest rates were mainly denominated in New Taiwan Dollars (NTD) and US Dollars (USD).
- B. The Group's borrowings are measured at amortized cost. The interest rates are reset annually in accordance with contractual terms, thus exposing the Group to the risk of future changes in market interest rates.
- C. Assuming all other factors remain constant, a 1% increase or decrease in interest rates would result in a decrease or increase in the Group's pre-tax profit for the years ended December 31, 2024 and 2023, by NT\$43,686 thousand and NT\$45,385 thousand, respectively, primarily due to the impact on interest expenses from floating-rate borrowings.

(2) Credit Risk

- A. The Group's credit risk arises from the risk of financial loss due to the failure of customers or counterparties of financial instruments to fulfill their contractual obligations, primarily from trade receivables and financial assets measured at amortized cost.
- B. The Group manages credit risk on a Group-wide basis. In accordance with internal credit policies, each operating

entity within the Group is required to assess the creditworthiness of each new customer before setting payment and service terms. The internal risk control process evaluates the credit quality of customers by considering their financial position, historical experience, and other factors.

- C. The Group applies the presumption under IFRS 9 that a financial asset's credit risk has significantly increased since initial recognition when contractual payments are more than 30 days past due.
- D. The Group applies the presumption under IFRS 9 that a default has occurred when contractual payments are more than 90 days past due.
- E. The Group groups trade receivables based on the characteristics of customer types and applies a simplified approach using a loss rate to estimate expected credit losses (ECL).
- F. The Group adjusts the loss rates established based on historical and current information to incorporate forward-looking factors when estimating the allowance for trade receivables. The provision matrix of expected credit losses as of December 31, 2024 and 2023 is as follows:

	<u>Within 30 Days</u>	<u>31-90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
<u>December 31, 2024</u>				
Expected Credit Loss Rate	1.22%	1.69%	100.00%	
Total Carrying Amount	\$ 25,232	\$ 3,577	\$ 55	\$ 28,864
Loss Allowance	24	11	55	90
	<u>Within 30 Days</u>	<u>31-90 Days</u>	<u>Over 91 Days</u>	<u>Total</u>
<u>December 31, 2023</u>				
Expected Credit Loss Rate	1.09%	1.56%	100.00%	
Total Carrying Amount	\$ 40,830	\$ 2,512	\$ 322	\$ 43,664
Loss Allowance	36	8	322	366

- G. The movements in the allowance for impairment of accounts

receivable recognized by the Group using the simplified approach are as follows:

	<u>Year 2024</u>	<u>Year 2023</u>
	<u>Accounts Receivable</u>	<u>Accounts Receivable</u>
January 1	\$ 366	\$ 1,299
Provision for impairment loss	83	349
Reversal of impairment loss (	377)	(7)
Amounts written off as uncollectible	-	(1,289)
Exchange rate effect	<u>18</u>	<u>14</u>
December 31	<u>\$ 90</u>	<u>\$ 366</u>

(3)Liquidity Risk

- A. Cash flow forecasting is carried out by each operating entity within the Group and consolidated by the Group's Finance Department. The Group's Finance Department monitors rolling forecasts of the Group's liquidity requirements to ensure that the Group has sufficient cash to meet its operational needs and to maintain adequate unused borrowing facilities at all times.
- B. Surplus cash held by operating entities, over and above the balance required for working capital management, is transferred to the Group's Finance Department. The Finance Department invests surplus cash in interest-bearing demand deposits, checking accounts, time deposits, and marketable securities, selecting instruments with appropriate maturities or sufficient liquidity to meet the aforementioned forecasts and to provide adequate levels of cash reserves. As of December 31, 2024 and 2023, the Group held cash and cash equivalents of NT\$2,563,289 thousand and NT\$2,511,316 thousand, respectively, which are readily available to generate cash flows to manage liquidity risk.
- C. The following table analyzes the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2024

<u>Non-derivative Financial</u>	<u>Within 1 Year</u>	<u>1 to 2 Years</u>	<u>Over 2 Years</u>
---------------------------------	----------------------	---------------------	---------------------

Liabilities:

Short-term borrowings	\$ 401,755	\$ -	\$ -
Commercial paper payable	75,500	-	-
Accounts payable	4,360	-	-
Other payables	146,907	-	-
Lease liabilities	8,879	8,930	90,060
Long-term borrowings (including current portion)	1,051,321	2,585,435	719,652

Derivative Financial

Liabilities: None

December 31, 2023

Non-derivative Financial

Liabilities:

	<u>Within 1 Year</u>	<u>1 to 2 Years</u>	<u>Over 2 Years</u>
Short-term borrowings	\$ 401,110	\$ -	\$ -
Commercial paper payable	95,000	-	-
Accounts payable	2,801	-	-
Other payables	133,299	-	-
Lease liabilities	9,804	8,794	98,990
Long-term borrowings (including current portion)	1,106,186	984,476	2,863,438

Derivative Financial

Liabilities: None

(III)Fair Value Information

1. Definition of the Fair Value Hierarchy for Valuation Techniques Used in Measuring Financial and Non-financial Instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of beneficiary certificates invested by the Group belongs to this category.

Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

2. Financial Instruments Not Measured at Fair Value:

The carrying amounts of the Group's financial instruments not

measured at fair value, including cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits, short-term borrowings, short-term notes payable, accounts payable, other payables, lease liabilities, and long-term borrowings (including current portions), approximate their fair values.

3. Financial and Non-financial Instruments Measured at Fair Value: The Group classifies its assets and liabilities based on their nature, characteristics, and risks of the assets and liabilities, as well as the basis of the fair value hierarchy. Relevant information is as follows:

(1) Classification of Assets and Liabilities by Nature:

December 31, 2024	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring Fair Value Measurements</u>				
Financial assets at fair value through profit or loss - Beneficiary certificates	<u>\$107,229</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,229</u>
Liabilities: None.				

December 31, 2023	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring Fair Value Measurements</u>				
Financial assets at fair value through profit or loss - Beneficiary certificates	<u>\$ 95,766</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,766</u>
Liabilities:None				

(2) Valuation Techniques and Assumptions Used for Measuring Fair Value:

The Group uses quoted market prices as fair value inputs (i.e., Level 1), and the instruments are categorized by their characteristics as follows:

Open-end Funds

XIII. Disclosure of Additional Information(I) Information on Significant Transactions

1. Loans to Others: Please refer to Schedule 1.
2. Endorsements and Guarantees for Others: None.
3. Securities Held at Period-End (excluding investments in subsidiaries, associates, and joint ventures): Please refer to Schedule 2.
4. Total Purchases or Sales of the Same Marketable Security Amounting to NT\$300 Million or 20% of Paid-in Capital or More: Please refer to Schedule 3.
5. Acquisition of Real Estate Amounting to NT\$300 Million or 20% of Paid-in Capital or More: None.
6. Disposal of Real Estate Amounting to NT\$300 Million or 20% of Paid-in Capital or More: None.
7. Purchases or Sales of Goods with Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More: None.
8. Receivables from Related Parties Amounting to NT\$100 Million or 20% of Paid-in Capital or More: Please refer to Schedule 4.
9. Derivative Financial Instrument Transactions: None.
10. Business Relationships and Significant Transactions between the Parent Company and Subsidiaries or Among Subsidiaries: Please refer to Schedule 5.

(II) Information on Investments in Subsidiaries and Associates

Information on investee companies, including the name, location, and other relevant details (excluding investee companies in Mainland China): Please refer to Schedule 6.

(III) Information on Investments in Mainland China

1. Basic Information: None.
2. Significant transactions conducted through third-area companies involving investee companies in Mainland China, either directly or indirectly: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Schedule 7.

XIV. Segment Information

(I) General Information

The Group operates and makes decisions based on geographic segments. Accordingly, the management uses this model to identify reportable segments.

The Group has two reportable segments:

Taiwan Segment: Mainly engaged in hotel operations, including lodging, restaurants, and swimming pool services in the tourism industry.

U.S. Segment: Mainly engaged in hotel operations in the tourism industry.

(II) Measurement of Segment Information

The Group evaluates the performance of its operating segments based on their respective operating profit or loss.

(III) Segment Information

The segment information provided to the chief operating decision maker is as follows:

	<u>Year 2024</u>		
	<u>Taiwan Segment</u>	<u>U.S. Segment</u>	<u>Total</u>
Revenue			
Revenue from external customers	<u>\$ 65,497</u>	<u>\$ 1,376,330</u>	<u>\$ 1,441,827</u>
Segment profit	<u>\$ 35,001</u>	<u>\$ 73,646</u>	<u>\$ 108,647</u>
Interest income			150,024
Other income			6,179
Other gains and losses			125,821
Interest expense			<u>(317,315)</u>
Profit before tax			<u>\$ 73,356</u>
Segment assets	<u>\$ 67,310</u>	<u>\$ 3,605,708</u>	<u>\$ 3,673,018</u>
Corporate assets			<u>4,588,259</u>
Total assets			<u>\$ 8,261,277</u>
Depreciation and amortization expense	<u>\$ 14,825</u>	<u>\$ 232,488</u>	<u>\$ 247,313</u>
Capital expenditure	<u>\$ 38,518</u>	<u>\$ 19,669</u>	<u>\$ 58,187</u>
Segment liabilities	<u>\$ 848,719</u>	<u>\$ 4,081,220</u>	<u>\$ 4,929,939</u>
	<u>Year 2023</u>		
	<u>Taiwan Segment</u>	<u>U.S. Segment</u>	<u>Total</u>
Revenue			
Revenue from external customers	<u>\$ 79,614</u>	<u>\$ 1,353,511</u>	<u>\$ 1,433,125</u>
Segment profit	<u>\$ 36,196</u>	<u>\$ 35,828</u>	<u>\$ 72,024</u>
Interest income			118,622
Other income			66,274
Other gains and losses			3,245
Interest expense			<u>(335,929)</u>
Profit before tax			<u>(\$ 75,764)</u>
Segment assets	<u>\$ 36,024</u>	<u>\$ 3,532,223</u>	<u>\$ 3,568,247</u>
Corporate assets			<u>4,735,613</u>
Total assets			<u>\$ 8,303,860</u>
Depreciation and amortization expense	<u>\$ 15,730</u>	<u>\$ 287,672</u>	<u>\$ 303,402</u>

Capital expenditure	\$	1,099	\$	-	\$	1,099
Segment liabilities	\$	840,445	\$	4,275,988	\$	5,116,433

(IV) Reconciliation of Segment Profit or Loss

The totals of the relevant information of reportable segments disclosed in (3) above and other significant items are consistent with the amounts of profit or loss before tax, assets, liabilities, and corresponding items presented in the Group's financial statements, and have been measured on the same basis as that of the financial statements.

(V) Information on Products and Services

Please refer to Note 6(17).

(VI) Geographical Information

The geographical information of the Group for the years ended December 31, 2024 and 2023 is as follows:

	<u>Year 2024</u>		<u>Year 2023</u>	
	<u>Revenue</u>	<u>Non-current Assets</u>	<u>Revenue</u>	<u>Non-current Assets</u>
United States	\$ 1,376,330	\$ 4,284,099	\$ 1,353,511	\$ 4,220,425
Taiwan	<u>65,497</u>	<u>153,426</u>	<u>79,614</u>	<u>130,730</u>
	<u>\$ 1,441,827</u>	<u>\$ 4,437,525</u>	<u>\$ 1,433,125</u>	<u>\$ 4,351,155</u>

(VII) Information about Major Customers

For the years ended December 31, 2024 and 2023, no revenue from a single customer accounted for 10% or more of the Group's total revenue in the consolidated statements of comprehensive income. Therefore, this disclosure is not applicable.

(Intentionally Left Blank Below)

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Schedule of Loans to Others

For the Year Ended December 31, 2024

Unit: NT\$ Thousand

(Unless Otherwise Specified)

Schedule 1

<u>No.</u>	<u>Lender</u>	<u>Borrower</u>	<u>Nature of</u>	<u>Related</u>	<u>Maximum</u>	<u>Ending</u>	<u>Amount</u>	<u>Interest</u>	<u>Nature of</u>	<u>Transaction</u>	<u>Reason for</u>	<u>Allowance</u>	<u>Collateral</u>		<u>Limit on</u>	<u>Total Loan</u>	<u>Note</u>
<u>(Note</u>			<u>Relationship</u>	<u>Party</u>	<u>Balance</u>	<u>Balance</u>	<u>Actually</u>	<u>Rate</u>	<u>Loan</u>	<u>Amount</u>	<u>Short-term</u>	<u>for</u>			<u>Loans to</u>	<u>Limit</u>	
<u>1)</u>			<u>(Note 2)</u>		<u>for the</u>	<u>(Note</u>	<u>Drawn</u>	<u>Range</u>	<u>(Note 4)</u>	<u>(Note 5)</u>	<u>Financing</u>	<u>Doubtful</u>			<u>Individual</u>	<u>(Note 7)</u>	
					<u>Period</u>	<u>8)</u>					<u>(Note 6)</u>	<u>Accounts</u>	<u>Name</u>	<u>Value</u>	<u>Counterparty</u>		
					<u>(Note</u>										<u>(Note 7)</u>		
					<u>3)</u>												
1	HOLIDAY GARDEN INTERNATIONAL	Holiday Garden U.S.	Accounts receivable - related parties	Yes	\$ 1,448,560	\$ -	\$ -	-	Short- term financing	\$ -	Working capital	\$ -	None	\$ -	\$ -	\$ -	Note 9
2	Holiday Garden U.S.	Holiday Garden VC CORP.	Accounts receivable - related parties	Yes	194,610	-	-	-	Short- term financing	-	Hotel acquisition	-	None	-	-	-	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Accounts receivable - related parties	Yes	584,820	-	-	-	Short- term financing	-	Hotel acquisition	-	None	-	-	-	Note 9
2	Holiday Garden U.S.	Holiday Garden WC CORP.	Accounts receivable - related parties	Yes	64,980	-	-	-	Short- term financing	-	Hotel acquisition	-	None	-	-	-	Note 9

2	Holiday Garden U.S.	Holiday Garden EV CORP.	Accounts receivable - related parties	Yes	559,362	-	-	-	Short-term financing	-	Hotel acquisition	-	None	-	-	-	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Accounts receivable - related parties	Yes	94,950	-	-	-	Short-term financing	-	Working capital	-	None	-	-	-	Note 9
2	Holiday Garden U.S.	Holiday Garden EV CORP.	Accounts receivable - related parties	Yes	84,030	-	-	-	Short-term financing	-	Working capital	-	None	-	-	-	Note 9
2	Holiday Garden U.S.	Holiday Garden FM CORP.	Accounts receivable - related parties	Yes	430,900	-	-	-	Short-term financing	-	Working capital and Hotel acquisition	-	None	-	-	-	Note 9
3	Holiday Garden SF CORP.	Holiday Garden VC CORP.	Accounts receivable - related parties	Yes	154,200	-	-	-	Short-term financing	-	Hotel acquisition	-	None	-	-	-	Note 9
3	Holiday Garden SF CORP.	Holiday Garden U.S.	Accounts receivable - related parties	Yes	1,368,666	981,150	-	-	Short-term financing	-	Working capital	-	None	-	10,402,950	20,805,900	Note 10

Note 1: The explanation of the numbering column is as follows:

(1) The Company is denoted as "0" .

(2) Investee companies are numbered sequentially starting from "1" based on each company. The same company should use the same number consistently.

Note 2 : Items recorded under accounts such as receivables from related parties, receivables from affiliates, due from shareholders, prepayments, temporary payments, etc., if they are in the nature of loans, should be included in this column.

Note 3 : The highest balance of loans to others accumulated during the current year up to the reporting month.

Note 4 : The nature of the loan should be specified as either arising from business transactions or due to short-term financing needs.

Note 5 : If the loan is due to business transactions, the transaction amount should be entered.

Note 6 : If the loan is due to short-term financing needs, specific reasons for the necessity of the loan and the intended use of funds by the borrower should be stated, such as repayment of loans, acquisition of equipment, working capital turnover, etc.

Note 7 : The loan limit for each counterparty and the total loan limit established in accordance with the Company' s Procedures for Lending Funds to Others should be entered. The calculation method for the loan limit of each counterparty and the total limit should be explained in the remarks column.

Note 8 : The balance of loans to others that remains effective up to the reporting month should be entered. (If a public company resolves, pursuant to Article 14, Paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, that each loan should be individually approved by the Board of Directors, the amount approved by the Board should still be included in the disclosed balance, even if the funds have not yet been disbursed, to reflect the associated risk. However, if the loan is subsequently repaid, the balance disclosed should reflect the reduced risk. If the Board of Directors, pursuant to Article 14, Paragraph 2 of the Regulations, authorizes the Chairman to disburse loans within a certain limit and period, the approved loan limit by the Board shall still be used as the disclosed balance for reporting purposes, even if the loan is repaid subsequently, considering the possibility of future disbursement.)

Note 9 : According to the Company' s Procedures for Lending Funds to Others, loans between the Company and its directly and indirectly wholly-owned foreign subsidiaries shall be limited to an amount not exceeding 50 times the lender' s net worth for each loan, and the total loan amount shall not exceed 100 times the lender' s net worth, with a loan term not exceeding 15 years. However, the Company resolved at its Board meeting in 2024 to terminate the loan limits for such foreign subsidiaries; therefore, the loan limits are zero.

Note 10 : According to the Company' s Procedures for Lending Funds to Others, loans between the Company and its directly and indirectly wholly-owned foreign subsidiaries shall be limited to an amount not exceeding 50 times the lender' s net worth for each loan, and the total loan amount shall not exceed 100 times the lender' s net worth, with a loan term not exceeding 15 years.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Schedule of Securities Held at the End of the Period (Excluding Investments in Subsidiaries, Associates, and Joint Ventures)

December 31, 2024

Unit: NT\$ Thousand

(Unless Otherwise Specified)

Schedule 2

<u>Holder</u>	<u>Type and Name of Securities</u> <u>(Note 1)</u>	<u>Relationship</u> <u>with the</u> <u>Issuer</u> <u>(Note 2)</u>	<u>Account Name</u>	<u>Ending Balance</u>		<u>Fair Value</u>	<u>Note</u> <u>(Note</u> <u>4)</u>
				<u>Number of</u> <u>Shares</u>	<u>Book Value</u> <u>(Note 3)</u> <u>Ownership</u> <u>Percentage</u>		
Holiday Garden Co., Ltd.	GDDAAU - Global Dividend Accumulation Fund (USD)	None	Financial assets at fair value through profit or loss - current	-	\$ 9,423	\$ 9,423	Note 5
Holiday Garden Co., Ltd.	GLIAAU - Multi-Income Accumulation Fund (USD)	None	Financial assets at fair value through profit or loss - current	-	8,895	8,895	Note 5
Holiday Garden Co., Ltd.	Western Asset Global Blue Chip Bond Fund Class A USD Accumulation	None	Financial assets at fair value through profit or loss - current	-	44,548	44,548	Note 5
Holiday Garden Co., Ltd.	0426 Selected Income Fund - USD	None	Financial assets at fair value through profit or loss - current	-	42,845	42,845	Note 5

Holiday Garden Co., Ltd.	0788 USD Short-term Note Fund	None	Financial assets at fair value through profit or loss - current	1,518	-	1,518	Note 5
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Note 1 : The term "marketable securities" in this schedule refers to stocks, bonds, beneficiary certificates, and derivative securities arising from the aforementioned items that fall within the scope of International Financial Reporting Standard No. 9 "Financial Instruments."

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

Note 3 : For those measured at fair value, the book value column should state the carrying amount after fair value adjustments and deducting accumulated impairment. For those not measured at fair value, the book value column should state the carrying amount at original acquisition cost or amortized cost after deducting accumulated impairment.

Note 4 : If the listed marketable securities are pledged, used as collateral for borrowings, or otherwise restricted in use according to contractual agreements, the remarks column should disclose the number of shares pledged or borrowed, the amount of collateral or borrowing, and the details of the restriction on use.

Note 5 : For open-end mutual funds, the market value refers to the net asset value (NAV) of the fund on the balance sheet date.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Schedule of Marketable Securities Acquired or Disposed of Amounting to NT\$300 Million or 20% of Paid-in Capital

For the Year Ended December 31, 2024

Unit: NT\$ Thousand
(Unless Otherwise Specified)

Schedule 3

Buyer/Seller	Type and Name of Securities (Note 1)	Account Name	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisitions (Notes 3, 5)		Disposals (Notes 3, 5)			Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Selling Price	Book Cost	Gain (Loss) on Disposal	Shares	Amount
Holiday Garden US.	Holiday Garden EV CORP.	Investment accounted for using the equity method	Capital increase in cash	Subsidiary of the Company	150,000	\$ 828,388	-	\$ 324,150	-	-	-	-	150,000	\$1,152,538

Note 1: The term "marketable securities" in this schedule refers to stocks, bonds, beneficiary certificates, and derivative securities arising from the aforementioned items.

Note 2: For investments in marketable securities accounted for using the equity method, these two columns must be completed. Other investments are exempt from filling in these columns.

Note 3: The cumulative purchase and sale amounts shall be calculated separately based on market value to determine whether they reach NT\$300 million or 20% of paid-in capital.

Note 4: Paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not NT\$10, the transaction amount corresponding to 20% of paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 5: This includes the increase or decrease in capital during the current period, the share of profit or loss of subsidiaries, associates, and joint ventures recognized using the equity method, the distribution of earnings from investments accounted for using the equity method, the fair value adjustment of available-for-sale financial assets of investees, and the exchange differences on translating the financial statements of foreign operations.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Schedule of Receivables from Related Parties Reaching NT\$100 Million or 20% of Paid-in Capital

For the Year Ended December 31, 2024

Schedule 4

Unit: NT\$ Thousand

(Unless Otherwise Specified)

<u>Company with Recorded</u>	<u>Name of Counterparty</u>	<u>Relationship</u>	<u>Ending Balance of</u>	<u>Turnover</u>	<u>Overdue Receivables from Related Parties</u>		<u>Subsequent</u>	<u>Allowance for</u>
<u>Receivables</u>			<u>Receivables from Related</u>	<u>Rate</u>	<u>Amount</u>	<u>Treatment / Handling</u>	<u>Collections of</u>	<u>Doubtful Accounts</u>
			<u>Parties</u>			<u>Method</u>	<u>Receivables from</u>	
			<u>(Note1)</u>				<u>Related Parties</u>	
Holiday Garden SF CORP.	Holiday Garden U.S.	Note3	Other receivables : \$304,353	Note4	\$ -	-	\$ -	\$ -

Note 1 : Please provide details separately based on accounts receivable from related parties, notes receivable, other receivables, etc.

Note 2 : Paid-in capital refers to the paid-in capital of the parent company. If the issuer's shares have no par value or the par value per share is not NT\$10, the transaction amount corresponding to 20% of paid-in capital shall be calculated as 10% of the equity attributable to owners of the parent company in the balance sheet.

Note 3 : Both the investee company and the counterparty of the transaction are subsidiaries of the Company.

Note 4 : Since the majority relates to other receivables, the calculation of turnover days is not applicable.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Business Relationships and Significant Transactions between the Parent Company and Subsidiaries and among Subsidiaries

For the Year Ended December 31, 2024

Schedule 5

Unit: NT\$ Thousand

(Unless Otherwise Specified)

<u>No.</u> (Note1)	<u>Transaction Party</u>	<u>Counterparty</u>	<u>Relationship</u> with the <u>Transaction</u> <u>Party</u> (Note2)	<u>Account Title</u>	<u>Amount</u>	<u>Transaction Details</u> <u>Transaction Terms</u>	<u>Percentage of Consolidated</u> <u>Total Revenue or Total Assets</u> (Note3)
0	Holiday Garden Co., Ltd.	Holiday Garden SF CORP.	(1)	Other income	16,055	As agreed by both parties	1.11%
0	Holiday Garden Co., Ltd.	Holiday Garden VC CORP.	(1)	Other income	12,844	As agreed by both parties	0.89%
0	Holiday Garden Co., Ltd.	Holiday Garden WC CORP.	(1)	Other income	9,633	As agreed by both parties	0.67%
0	Holiday Garden Co., Ltd.	Holiday Garden EV CORP.	(1)	Other income	12,844	As agreed by both parties	0.89%
0	Holiday Garden Co., Ltd.	Holiday Garden FM CORP.	(1)	Other income	9,633	As agreed by both parties	0.67%
1	Holiday Garden U.S.	Holiday Garden SF CORP.	(3)	Other receivables	80,072	As agreed by both parties	0.97%
2	Holiday Garden SF CORP.	Holiday Garden U.S.	(3)	Other receivables	304,353	As agreed by both parties	3.68%
2	Holiday Garden SF CORP.	Holiday Garden WC CORP.	(3)	Other receivables	7,814	As agreed by both parties	0.09%
3	Holiday Garden VC CORP.	Holiday Garden SF CORP.	(3)	Other receivables	18,414	As agreed by both parties	0.22%
4	Holiday Garden FM CORP.	Holiday Garden SF CORP.	(3)	Other receivables	29,322	As agreed by both parties	0.35%
5	Holiday Garden EV CORP.	Holiday Garden SF CORP.	(3)	Other receivables	16,653	As agreed by both parties	0.20%

Note1: The business transactions between the parent company and its subsidiaries should be separately disclosed in the numbering column. The method for filling in the numbers is as follows:

(1)The parent company should enter "0".

(2)Subsidiaries should be numbered sequentially starting from "1" based on each company.

Note2: There are three types of relationships with the counterparties. Only the type should be indicated (If the transaction occurs between the parent and subsidiary companies or among subsidiaries, it need not be disclosed repeatedly. For example, if the parent company has disclosed a transaction with the subsidiary, the subsidiary' s portion does not need to be disclosed again; if a transaction occurs between subsidiaries, once one subsidiary has disclosed it, the other subsidiary need not repeat the disclosure):

(1)Parent company to subsidiary.

(2)Subsidiary to parent company.

(3)Subsidiary to subsidiary.

Note3: The calculation of the transaction amount as a percentage of total consolidated revenue or total assets should be done as follows: If it is an asset or liability item, the calculation should be based on the year-end balance as a percentage of total consolidated assets. If it is a profit or loss item, the calculation should be based on the cumulative amount during the period as a percentage of total consolidated revenue.

Note4: The significant transactions listed in this schedule are those with transaction amounts reaching NT\$5 million or more.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Investee Company Names, Locations, and Related Information (Excluding Mainland China Investee Companies)

For the Year Ended December 31, 2024

Schedule 6

Unit: NT\$ Thousand
(Unless Otherwise Specified)

<u>Investor Company</u>	<u>Investee Company Name</u> (Note 1、2)	<u>Location</u>	<u>Main Business</u> <u>Activity</u>	<u>Original Investment Amount</u>		<u>Ending Balance of Holding</u>			<u>Income (Loss)</u>	<u>Investment</u>	<u>Note</u>
				<u>Ending</u> <u>Balance of</u> <u>the Period</u>	<u>Last Year-End</u>	<u>Number of</u> <u>Shares</u>	<u>Ownership</u> <u>Percentage</u>	<u>Book Value</u>	<u>of Investee</u> <u>for the</u> <u>Current Period</u> (Note 2(2))	<u>Income (Loss)</u> <u>Recognized for</u> <u>the Current</u> <u>Period</u> (Note 2(3))	
Holiday Garden Co., Ltd.	Holiday Garden Development Co., Ltd.	Taiwan	Hotel operations in the tourism industry	\$ 65,000	\$ 65,000	6,500,000	100	\$ 47,568	\$ 5,770	\$ 5,770	Subsidiary of the Company
Holiday Garden Co., Ltd.	Holiday Garden International Ltd.	Bermuda	Investment business	977,650	977,650	12,000	100	1,877,254	(233,370)	(233,370)	Subsidiary of the Company
Holiday Garden International Ltd.	Holiday Garden U.S.	U.S.	Investment business	1,963,161	1,963,161	18,000	100	(134,158)	(233,292)	Note 3	Subsidiary of the Company
Holiday Garden U.S.	Holiday Garden SF CORP.	U.S.	Hotel operations in the tourism industry	84,662	84,662	170,000	100	208,059	(65,176)	"	Subsidiary of the Company

Holiday Garden U.S.	Holiday Garden VC CORP.	U.S.	Hotel operations in the tourism industry	128,200	128,200	150,000	100	(2,247)	(13,142)	"	Subsidiary of the Company
Holiday Garden U.S.	Holiday Garden WC CORP.	U.S.	Hotel operations in the tourism industry	612,800	612,800	150,000	100	270,209	(11,993)	"	Subsidiary of the Company
Holiday Garden U.S.	Holiday Garden EV CORP.	U.S.	Hotel operations in the tourism industry	1,152,538	828,388	150,000	100	695,725	(69,011)	"	Subsidiary of the Company
Holiday Garden U.S.	Holiday Garden FM CORP.	U.S.	Hotel operations in the tourism industry	554,413	554,413	150,000	100	378,084	(63,051)	"	Subsidiary of the Company

Note1: If a public company has a foreign holding company and, according to local regulations, the consolidated financial statements are the primary financial report, the disclosure of information regarding the foreign investee companies may be limited to the relevant information of the holding company.

Note2: For situations not covered in Note 1, the following provisions should apply:

- (1) The columns for "Name of Investee Company," "Location," "Primary Business Activities," "Original Investment Amount," and "End of Period Shareholding" should be filled in based on the direct or indirect investment situations of the public company and its investee companies. Additionally, the relationship between each investee company and the public company (such as being a subsidiary or a subsidiary of a subsidiary) should be disclosed in the remarks column.
- (2) The column for "Profit or Loss of the Investee Company for the Period" should list the profit or loss amounts of each investee company for the period.

(3) The column for "Investment Income or Loss Recognized for the Period" should only include the profit or loss recognized by the public company from its direct investments in subsidiaries and investee companies accounted for using the equity method. The remaining items may be left blank. When filling in "Profit or Loss of Direct Investments in Subsidiaries for the Period," it should be confirmed that the profit or loss amount of each subsidiary already includes the investment income or loss that should be recognized from its further investments in accordance with regulations.

Note3 : The profit or loss of the investee company is already included in the financial statements of the investing company and is therefore not disclosed separately.

Holiday Garden Hotel Co., Ltd. and Subsidiaries

Major Shareholder Information

December 31, 2024

Schedule 7

<u>Major Shareholder Name</u>	<u>Share(s)</u>	
	<u>Number of Shares</u>	<u>Ownership Percentage</u>
YENJUAN INTERNATIONAL CO., LTD.	30,373,305	19.39%
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of Z.P. INVESTMENT CORPORATION	15,462,772	9.87%
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of S & D.C. CO., LTD.	14,862,966	9.49%
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of ZOTO HOLDINGS LIMITED	14,687,124	9.37%
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of TOZAI HOLDINGS LIMITED	12,401,650	7.91%