

【Stock Code:2702】

HOLIDAY GARDEN
G R O U P
HOTELS & RESTAURANTS

Holiday Garden Hotel Co., Ltd

2024 Annual Report

Annual Report Access Website:

<https://mops.twse.com.tw/mops/#/web/home>

Company Website:

<https://www.hotelhg.com.tw/>

Date of Publication: April 25, 2025

1. Company Spokesperson: Ching-Sheng Tu Job Title: Legal Supervisor
Tel: (07) 241-0123
Email: mark.tu@hotelhg.com.tw
Acting Spokesperson: Su-Ling Yu Job Title: Finance Supervisor
Contact Number: (07) 241-0123
Email: weny.yu @hotelhg.com.tw
2. Company Address: Rm. B, 23F., No. 6, Siwei 3rd Rd., Lingya Dist., Kaohsiung City
Tel: (07) 241-0123
Taipei Office: 10F.-2, No. 59, Sec. 4, Zhongxiao E. Rd., Da'an Dist., Taipei City
Tel: (02) 2778-2992
3. Share Transfer Institutions: Department of Stock Affairs Agent, IBF Securities CO LTD
Add: 15F., No. 188, Sec. 5, Nanjing E. Rd., Songshan Dist., Taipei City
Web: [https:// www.ibfs.com.tw](https://www.ibfs.com.tw)
Service Line: (02) 2528-8988
4. Certified Public Accountants: Liao,A-shen, Wang,Kuo-hua
CPA Firm: PwC Taiwan
Add: 22F., No. 95, Minzu 2nd Rd., Xinxing Dist., Kaohsiung City
Web: <https://www.pwc.tw/>
Tel: (07) 237-3116
5. Name of trading place where overseas marketable securities are listed for trading:
None
Information on overseas marketable securities: None
6. Company's Website: <https://www.hotelhg.com.tw/>

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I. Report to Shareholders

Dear Shareholders,

Thank you for attending the 2025 Annual General Meeting and for your continued trust and support. Amidst the challenges posed by global economic volatility, inflationary pressures, and geopolitical uncertainties, your steadfast support remains a key driver in propelling the Company forward.

As Taiwan's tourism industry gradually recovers and the structure of the U.S. hospitality market evolves alongside changing consumer behavior, the Company remains committed to a customer-centric approach. We continue to enhance both software and hardware infrastructure and improve service quality. Additionally, we are actively advancing digital transformation, brand innovation, and expanding both online and offline multi-channel strategies to strengthen our presence in local markets and increase operational resilience.

Although the U.S. region has faced headwinds from slower economic growth and rising labor costs, demand for hospitality and leisure services has remained stable. Sustainability and health and safety have also drawn increased attention. Our senior management team, together with all employees, has been dedicated to implementing energy-saving and carbon-reduction initiatives, plastic reduction policies, and reinforcing traveler health and safety management. These efforts reflect our pursuit of green hospitality and ESG (Environmental, Social, and Governance) goals, aiming to enhance customer loyalty and brand value.

Looking ahead, we will continue to monitor global economic and market trends, adapt our operational strategies with agility, maintain sound business operations, and strive to deliver improved revenue and profitability as a return for your long-term support and confidence.

I. Business Results for 2024

(I) Implementation of Business Plan

The consolidated operating revenue of the Group for 2024 amounted to NT\$1,441,827 thousand, representing an increase of NT\$8,702 thousand or 0.61% compared to the consolidated operating revenue of NT\$1,433,125 thousand in 2023. Net income after tax for 2024 totaled NT\$40,506 thousand, reflecting an increase of NT\$14,757 thousand or 57.31% from NT\$25,749 thousand in 2023.

(II) Budget Implementation

The Company did not publicly disclose any financial forecasts for 2024; therefore, this item is not applicable.

(III) Analysis of Financial Performance and Profitability

Unit: NT\$ thousand; %

Analysis Item		Year		
		2024	2023	
Financial Performance	Operating Revenue	1,441,827	1,433,125	
	Gross Profit	1,243,104	1,165,754	
	Net Income After Tax	40,506	25,749	
Profitability	Return on Assets (%)	3.55	3.48	
	Return on Equity (%)	1.22	0.81	
	Percentage of paid-in capital(%)	Operating Income	6.94	4.60
		Income Before Tax	4.68	-4.84
	Net Profit Margin(%)	2.81	1.80	
	Earnings Per Share(NT\$)	0.26	0.16	

(IV) Research and Development Status

The Company is engaged in the operation of general hotel services; therefore, this item is not applicable.

II. Overview of the 2025 Business Plan

- (I) Diversify dining services and enhance hotel theme features to redefine the hospitality and food service landscape.
- (II) Continuously cultivate marketing talent to increase brand visibility.
- (III) Expand corporate operations and develop new customer sources.
- (IV) Continue expanding overseas business locations to increase revenue.
- (V) Revamp procurement strategies to reduce operating costs.
- (VI) Optimize fund allocation to strengthen the Company's financial structure.

III. Future Development Strategies

The Company's future development strategy focuses on creating local cultural experiences and providing distinctive services to attract international tourists, while strengthening cooperation with tourism industry partners. Investments will be made in digital technology to enhance online brand presence, offer streamlined booking processes, and deliver personalized services. Unique lodging experiences—such as themed suites and cultural packages—will be offered alongside flexible pricing strategies to attract diverse customer segments.

The Company is committed to adopting green technologies and sustainable management practices, such as installing solar energy systems, implementing energy-efficient equipment, and promoting waste recycling

programs. Hygiene and sanitation protocols will be enhanced, and employees will be trained in health and safety standards. Medical assistance and emergency response measures will be provided. The Company ensures full compliance with labor laws, offers fair compensation and benefits, and invests in employee training and development.

Flexible pricing strategies and package options will be provided to adapt to economic fluctuations, while the value proposition will be reinforced to attract budget-conscious consumers. By building a reputable brand, delivering excellent customer service, and proactively responding to consumer feedback, the Company aims to strengthen customer trust. Sustainable tourism practices will be promoted through collaboration with local communities and cultural institutions to offer experiences with educational and cultural value.

To adapt to evolving market dynamics, the Company will continue to revise and adjust its business model, embrace transformation, and diversify its operations to meet the needs of a broad customer base. Through strategic planning and adaptability, the Company strives to maintain a competitive edge and achieve long-term business growth.

Holiday Garden Hotel Co., Ltd.

Chairman: Hai-Ni, Chen

II. Corporate Governance Report

I. Information on Directors, President, Vice Presidents, Assistant Vice Presidents, Department Heads, and Branch Managers

(I) Information on Directors and Independent Directors

1. Directors and Independent Directors

March 31, 2025

Title	Nationality or Registered Location	Name	Gender Age	Date of (Re)election	Term	Date First Elected	Shares Held at Time of Election		Current Shareholding		Shareholding by Spouse and Minor Children		Shares Held Under Others' Names		Major Academic /Professional Background	Current Positions Held in This Company and Other Companies	Other Executives, Directors, or Supervisors with Spouse or Second-Degree Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
Chairman	TW	YENJUAN INTERNATIONAL CO., LTD.	-	111.06.15	3 yrs	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	-	-	-	-	-	-	-	-
	TW	Representative Hai-Ni, Chen	Male 71-80	111.06.15	3 yrs	1965	3,151,505	2.85%	693,120	0.44%	367,811	0.23%	0	0	Tamkang University	Note 1	Note 4			-
Director	TW	YENJUAN INTERNATIONAL CO., LTD.	-	111.06.15	3 yrs	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	0	0	-	-	-	-	-	-

Title	Nationality or Registered Location	Name	Gender Age	Date of (Re)election	Term	Date First Elected	Shares Held at Time of Election		Current Shareholding		Shareholding by Spouse and Minor Children		Shares Held Under Others' Names		Major Academic /Professional Background	Current Positions Held in This Company and Other Companies	Other Executives, Directors, or Supervisors with Spouse or Second-Degree Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
	TW	Representative Shu-Hui, Lin	Female 71-80	2022.06.15	3 yrs	1965	568,064	0.51%	367,811	0.23%	693,120	0.44%	0	0	Tamkang University	Note 2	Note 4			-
Director	TW	YENJUAN INTERNATIONAL CO., LTD.	-	2022.06.15	3 yrs	1965	21,427,377	19.39%	30,373,305	19.39%	-	-	0	0	-	-	-	-	-	-
	TW	Representative Tseng-Tung, Chen	Male 41-50	2022.06.15	3 yrs	1965	4,339,677	3.93%	9,795,628	6.25%	260,000	0.17%	0	0	University of Southern California	Note 3	Note 4			-
Independent Director	TW	Te-Chu, Lee	Female 51-60	2022.06.15	3 yrs	2016	0	0%	0	0%	-	-	0	0	Providenc e University	Note 5	-	-	-	-
Independent Director	TW	Ching-Lin, Lee	Male 51-60	2022.06.15	3 yrs	2019	0	0%	0	0%	-	-	0	0	Tunghai University	Note 6	-	-	-	-
Independent Director	TW	Kuo-Ying, Lu	Male 61-70	2022.06.15	3 yrs	2019	15,946	0.01%	22,603	0.01%	1,680	0.002%	0	0	Yushan Senior High School	Note 7	-	-	-	-

Title	Nationality or Registered Location	Name	Gender Age	Date of (Re)election	Term	Date First Elected	Shares Held at Time of Election		Current Shareholding		Shareholding by Spouse and Minor Children		Shares Held Under Others' Names		Major Academic /Professional Background	Current Positions Held in This Company and Other Companies	Other Executives, Directors, or Supervisors with Spouse or Second-Degree Kinship			Note
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Position	Name	Relationship	
Independent Director	TW	Tien-Tsai, Chien	Male 51-60	2023.05.30	3 yrs	2023	0	0%	0	0%	-	-	0	0	EMBA, National Sun Yat-sen University	Note 8	-	-	-	-

Note 1 : Hai-Ni, Chen: Chairman of the Company; concurrently serves as Chairman of YENJUAN INTERNATIONAL CO., LTD.

Note 2 : Shu-Hui, Lin: Vice President of the Company; concurrently serves as Director of YENJUAN INTERNATIONAL CO., LTD.

Note 3 : Tseng-Tung, Chen: Vice President of HOLIDAY GARDEN U.S. and concurrently Director of YENJUAN INTERNATIONAL CO., LTD.

Note 4 : Chairman Hai-Ni, Chen, Director Shu-Hui, Lin, and Director Tseng-Tung, Chen are in a first-degree kinship relationship. On May 30, 2023, the Company held a shareholders' meeting and elected one independent director to fill a vacancy. The current board comprises four independent directors with expertise in business, finance, and industry.

Note 5 : Te-Chu, Lee: Independent Director of the Company; concurrently Responsible Person of Liang De CPAs, Convener of the Company's Remuneration Committee, and Member of the Audit Committee.

Note 6 : Ching-Lin, Lee: Independent Director of the Company; concurrently CPA at Kuo Fu CPAs, Member of the Company's Remuneration Committee and Audit Committee.

Note 7 : Kuo-Yin, Lü: Independent Director of the Company and Convener of the Company's Audit Committee.

Note 8 : Tien-Tsai, Chien: Chairman of Tien-Tsai Catering Co., Ltd., Tien-Tsai Food Co., Ltd., Tien-Yu Catering Co., Ltd., Tien-Yu Food Co., Ltd., and Tien-Chen Development Co., Ltd.; Supervisor of Bo-Tian-Cheng Co., Ltd.; and Chairman of Tien-Tsai Investment Management Consultant Co., Ltd.

2. Major Shareholders of Institutional Shareholders

March 31, 2025

Name of Institutional Shareholder	Major Shareholder of the Institutional Shareholder	
YENJUAN INTERNATIONAL CO., LTD.	Hai-Ni, Chen	100%

3. Where the Major Shareholder is a Legal Entity: Not Applicable

4. Disclosure of Directors' Professional Qualifications and Information on Independent Directors' Independence

Conditions Name	Professional Qualifications and Experience	Independence Status	Number of Other TWSE/TPEX-Listed Companies Serving as Independent Director
Hai-Ni, Chen	<ul style="list-style-type: none"> ▪ Bachelor's degree in International Trade, Tamkang University ▪ Currently serves as Chairman of Holiday Garden Hotel Co., Ltd. ▪ Possesses extensive knowledge of the hospitality industry, leadership, decision-making, business management, crisis response, and international market expertise. 	Not subject to any of the conditions specified in Article 30 of the Company Act.	0
Shu-Hui, Lin	<ul style="list-style-type: none"> ▪ Bachelor's degree in International Trade, Tamkang University ▪ Currently serves as Deputy General Manager of Holiday Garden Hotel Co., Ltd. ▪ Possesses extensive knowledge of the hospitality industry, operational judgment, and 	Not subject to any of the conditions specified in Article 30 of the Company Act.	0

	management capabilities.		
Tseng-Tung, Chen	<ul style="list-style-type: none"> ▪ Master’s degree, University of Southern California ▪ Currently serves as Vice President of HOLIDAY GARDEN U.S. ▪ Possesses leadership, management, crisis response, and international market expertise. 	Not subject to any of the conditions specified in Article 30 of the Company Act.	0
Te-Chu, Lee	<ul style="list-style-type: none"> ▪ Bachelor’s degree in Accounting, Providence University ▪ Currently the Managing Partner of Liang-De CPAs ▪ Formerly Associate Director at PwC Taiwan ▪ Extensive experience in accounting, financial reporting, and tax audit. 	<p>1. Meets the qualifications for independent directors.</p> <p>2. Fully compliant with independence requirements:</p> <p>(1) Neither the individual nor their spouse or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any affiliated entity.</p> <p>(2) Neither the individual nor their spouse or relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) Has not had any of the circumstances set forth in Paragraph 1, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” during the two years prior to and during the term of office.</p>	0
Ching-Lin, Lee	<ul style="list-style-type: none"> ▪ Bachelor’s degree in Accounting, Tunghai University ▪ Currently a Signing CPA at Grant Thornton Taiwan ▪ Extensive experience in accounting, financial reporting, 	<p>1. Meets the qualifications for independent directors.</p> <p>2. Fully compliant with independence requirements:</p> <p>(1) Neither the individual nor their spouse or relatives within</p>	0

	and tax audit.	<p>the second degree of kinship serve as a director, supervisor, or employee of the Company or any affiliated entity.</p> <p>(2) Neither the individual nor their spouse or relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) Has not had any of the circumstances set forth in Paragraph 1, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” during the two years prior to and during the term of office.</p>	
Kuo-Ying, Lu	<ul style="list-style-type: none"> ▪ Graduate of Yushan Senior High School ▪ Currently an Independent Director of Holiday Garden Hotel Co., Ltd. ▪ Possesses extensive knowledge of the hospitality industry, leadership, decision-making, and business management. 	<p>1. Meets the qualifications for independent directors.</p> <p>2. Fully compliant with independence requirements:</p> <p>(1) Neither the individual nor their spouse or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any affiliated entity.</p> <p>(2) Neither the individual nor their spouse or relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) Has not had any of the circumstances set forth in Paragraph 1, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies”</p>	0

		during the two years prior to and during the term of office.	
Tien-Tsai, Chien	<ul style="list-style-type: none"> ▪ EMBA, National Sun Yat-sen University ▪ Currently the owner of THOMAS CHIEN Group ▪ Professional background and extensive experience in the restaurant industry. 	<p>1. Meets the qualifications for independent directors.</p> <p>2. Fully compliant with independence requirements:</p> <p>(1) Neither the individual nor their spouse or relatives within the second degree of kinship serve as a director, supervisor, or employee of the Company or any affiliated entity.</p> <p>(2) Neither the individual nor their spouse or relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) Has not had any of the circumstances set forth in Paragraph 1, Article 3 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” during the two years prior to and during the term of office.</p>	0

5. Board Diversity and Independence

(1) Implementation of Board Diversity Policy

The Company adopts a “candidate nomination system” for director elections, as explicitly stipulated in the Articles of Incorporation. In accordance with the “Corporate Governance Best Practice Principles” and the “Director Election Regulations,” the composition of the Board of Directors shall take diversity principles into account. The Company has established a diversity policy based on its business model and future development needs, encompassing the following two aspects:

1. Basic attributes and values: including diversity in gender, age, nationality, and cultural background.

2. Professional knowledge and expertise: covering backgrounds, skills, and industry experience from various professional fields to ensure that the Board possesses the competencies required for corporate development.

At present, the Company's Board of Directors comprises more than seven members, which is determined based on the Company's scale and the structure of major shareholders. The Company also stipulates that no more than one-third of the Board seats may be held by directors who concurrently serve as managerial officers, thereby preserving the Board's independence and oversight function.

To strengthen the overall function and decision-making quality of the Board, directors shall possess the following capabilities: 1. Operational judgment, 2. Accounting and financial analysis, 3. Leadership, 4. Business management, 5. Crisis response, 6. Industry knowledge and experience, 7. Global market perspective, 8. Decision-making ability

Additionally, all nominations for director candidates are handled in accordance with relevant laws and internal regulations, with qualification reviews conducted to ensure that any future adjustments or expansions to Board membership can be executed effectively and expediently, thereby enhancing the Board's professionalism and diversity.

(2) Assessment of Board Independence

1. Review of Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act: Within the 20th term of the Company's Board of Directors, Chairman Hai-Ni, Chen, Director Shu-Hui, Lin, and Director Tseng-Tung, Chen are first-degree relatives.
2. Ratio of Independent Directors: Of the seven current Board members, four serve as independent directors, representing 57% of the Board.
3. Overall Board Independence: Among the 20th term Board members, two directors concurrently serve as executive officers of the Company, accounting for 29%. The overall composition of the Board is considered independent.

(II) Information on President, Vice Presidents, Assistant Vice Presidents, and Department and Branch Managers

March 31, 2025

Title	Nationality	Gender	Name	Date of Appointment	Shares held		Shares Held by Spouse & Minor Children		Shares Held Under Others' Names		Major Experience / Education	Concurrent Positions in Other Companies	Related Executives (Spouse or Second Degree Kinship)			Note
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman & President	R.O.C.	Male	Hai-Ni, Chen	105.07.14	693,120	0.44%	367,811	0.23%	0	0	Chairman of Holiday Garden Hotel Co., Ltd.	-	Note 1			-
Vice President	R.O.C.	Female	Shu-Hui, Lin	92.07.01	367,811	0.23%	693,120	0.44%	0	0	Vice President of Holiday Garden Hotel Co., Ltd.	-	Note 1			-

Note 1: Chairman and President Hai-Ni, Chen and Vice President Shu-Hui, Lin are first-degree relatives. At the shareholders' meeting held on May 30, 2023, one additional independent director was elected, bringing the number of independent directors to four, each with expertise in business, finance, or the hospitality industry.

II. Remuneration of Directors, President, and Vice Presidents in the Most Recent Fiscal Year

(I) Remuneration of Directors and Independent Directors (Individual Disclosure by Name and Remuneration Type)

Title	Name	Remuneration of Directors								Total Amount of Items A, B, C, and D and Their Percentage of Net Income After Tax				Compensation Received by Directors Also Serving as						Total Amount of Items A, B, C, D, E, and G and Their Percentage of Net Income After Tax		Any Compensation Received from Investee Companies Other Than Subsidiaries	Note
		Remuneration (A)		Retirement Pension (B)		Directors' Compensation (C)		Business Execution Expenses (D)		Salaries, Bonuses and Special Expenses (E)		Retirement Pension (F)		Employees' Compensation (G)		Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements				
		Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Cash Amount	Stock Amount					Cash Amount	Stock Amount		
Director	Hai-Ni, Chen	0	0	0	0	0	0	120	120	0.30%	0.30%	1,300	1,300	0	0	0	0	0	0	3.51%	3.51%	None	-
Director	Shu-Hui, Lin	0	0	0	0	0	0	120	120	0.30%	0.30%	780	780	0	0	0	0	0	0	2.22%	2.22%	None	-
Director	Tseng-Tung	0	0	0	0	0	0	120	120	0.30%	0.30%	2,600	2,600	0	0	0	0	0	0	6.72%	6.72%	None	-
Independent	Te-Chu, Lee	0	0	0	0	0	0	120	120	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None	-
Independent	Ching-Lin, Lee	0	0	0	0	0	0	120	120	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None	-
Independent	Kuo-Ying, Lu	0	0	0	0	0	0	120	120	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None	-

Independent	Tien-Tsai, Chien	0	0	0	0	0	0	120	120	0.30%	0.30%	0	0	0	0	0	0	0	0	0.30%	0.30%	None	-
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1. Remuneration Policy, System, Standards, and Structure for Independent Directors

The remuneration of directors primarily includes compensation, profit-sharing bonuses, and transportation allowances for attending board and committee meetings. During their term of office, directors may receive transportation allowances on a monthly basis. The determination of director compensation is authorized by the Board of Directors and is based on the level of participation in the Company's operations and the value of their contributions, with reference to prevailing industry standards.

2. Remuneration for Services Rendered by Directors Other Than Those Disclosed Above

None of the directors received remuneration in the most recent fiscal year for providing services such as serving as consultants (non-employee roles) to the Company, any entity included in the financial statements, or any investee companies.

(II) Compensation of President and Vice Presidents

Title	Name	Salary (A)		Retirement Pension (B)		Bonus & Special Allowances (C)				Employee Compensation (D)		Total of A, B, C & D and % of Net Income After Tax		Remuneration from Investee Companies Other Than Subsidiaries
		Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company		All Entities Included in the Financial Statements		Parent Company	All Entities Included in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman & President	Hai-Ni, Chen	1,200	1,200	0	0	100	0	0	0	0	0	3.21%	3.21%	None
Vice President	Shu-Hui, Lin	720	720	0	0	60	0	0	0	0	0	1.93%	1.93%	None

(III) Compensation of the Top Five Highest-Paid Executives

Title	Name	Salary(A)		Retirement Pension (B)		Bonus & Special Allowances (C)		Employee Compensation (D)				Total of A, B, C & D and % of Net Income After Tax		Remuneration from Investee Companies Other Than Subsidiaries
		Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company	All Entities Included in the Financial Statements	Parent Company		All Entities Included in the Financial Statements		Parent Company	All Entities Included in the Financial Statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
Chairman & President	Hai-Ni, Chen	1,200	1,200	0	0	100	100	0	0	0	0	3.21%	3.21%	None
Vice President	Shu-Hui, Lin	720	720	0	0	60	60	0	0	0	0	1.93%	1.93%	None

(IV) Names of Managerial Officers Receiving Employee Remuneration and the Distribution Details

For the current fiscal year, all employee remuneration was distributed to non-managerial employees; therefore, this item is not applicable.

(V) Comparative Analysis of Total Compensation Paid to Directors, President, and Vice Presidents of the Company and All Entities Included in the Consolidated Financial Statements Over the Past Two Years, as a Percentage of Net Income After Tax per the Parent Company Only Financial Statements, and Explanation of the Company's Compensation Policy, Standards, Structure, Determination Procedures, and the Correlation with Business Performance and Future Risks

1. Analysis of the Total Compensation Paid to Directors, President, and Vice Presidents of the Company as a Percentage of Net Income After Tax in the Parent Company Only Financial Statements Over the Past Two Years

Title	Percentage of Net Income After Tax – 2024 (%)		Percentage of Net Income After Tax – 2023 (%)	
	The Company	All Entities in Consolidated FS	The Company	All Entities in Consolidated FS
Directors, President, and Vice Presidents	13.63%	13.63%	20.43%	20.43%

2. Remuneration Policy, Standards, and Composition

The Company has established a clear remuneration policy for directors and managerial officers, primarily based on their roles, responsibilities, actual contributions to the Company's operations, prevailing industry practices, and the Company's overall performance.

Director remuneration is determined pursuant to Article 24-1 of the Company's Articles of Incorporation, and is resolved by the Board of Directors with reference to the director's level of involvement in operations, individual contributions, and industry standards. In addition, the Board may, in accordance with Article 31 of the Articles of Incorporation, allocate no more than 1% of the pre-tax profits as director compensation, subject to Board resolution and shareholder meeting reporting.

The remuneration package for managerial officers includes fixed salary (such as base salary and allowances), year-end bonuses, retirement benefits, and other incentive plans. The amount of compensation is adjusted based on market levels, peer comparison, and individual performance. The remuneration structure is designed to be flexible, with the aim of attracting and retaining top talent.

3. Procedure for Determining Remuneration

The remuneration for directors and managerial officers is reviewed by the Remuneration Committee in accordance with internal regulations, and submitted to the Board of Directors for resolution. Director compensation is determined in accordance with the Articles of Incorporation and takes into account annual performance evaluations.

As for managerial officers, the Human Resources Department proposes compensation based on job grade, expertise, and

performance. The proposal must be approved by the immediate supervisor and the Chairman, and subsequently submitted to the Remuneration Committee and the Board of Directors for final approval and implementation.

Performance evaluations are conducted regularly and include both financial metrics (such as revenue, profit, and return on equity) and non-financial metrics (such as corporate governance performance, KPI achievement, meeting attendance, and turnover rates). These evaluations serve as the basis for year-end bonuses and salary adjustments.

4. Correlation Between Business Performance and Future Risk

The Company's remuneration system is closely tied to business performance. In addition to assessing individual and departmental goal achievement, the Company considers its overall financial condition and long-term operating results to avoid incentives based solely on short-term financial gains.

Performance evaluation indicators are reviewed and adjusted annually to ensure alignment with actual performance and potential risks.

To control risks, the Company takes into account internal and external environmental factors (such as market volatility and human resource competition) to avoid overemphasizing short-term targets in incentive mechanisms. This ensures that the compensation policy supports sound management and sustainable development.

III. Corporate Governance Practices

(I) Board of Directors Operatio

In 2024, the Board of Directors convened 7 meetings. The attendance of directors is detailed as follows:

Title	Name	Meetings Attended (B)	Attendance by Proxy	Attendance Rate(%) 【 B / A 】	Note
Chairman	YENJUAN INTERNATIONAL CO., LTD. Representative: Hai-Ni, Chen	6	1	86%	-
Director	YENJUAN INTERNATIONAL CO., LTD. Representative: Shu-Hui, Lin	5	2	71%	-
Director	YENJUAN INTERNATIONAL CO., LTD. Representative: Tseng-Tung, Chen	6	1	86%	-
Independent Director	Te-Chu, Lee	7	0	100%	-
Independent Director	Ching-Lin, Lee	7	0	100%	-
Independent Director	Kuo-Ying, Lu	7	0	100%	-
Independent Director	Tien-Tsai, Chien	6	1	86%	-

Other Disclosures:

I. If any of the following situations occurred in the operation of the Board of Directors, the company shall disclose the meeting date, meeting term, agenda items, opinions of all independent directors, and how the company handled such opinions:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established an Audit Committee, and therefore the provisions of Article 14-3 of the Securities and Exchange Act are not applicable. For relevant information, please refer to pages 24-26 regarding the operation of the Audit Committee.

(II) Other resolutions, aside from the aforementioned, in which independent directors expressed opposition or reserved opinions that were recorded or stated in writing: None.

II. Execution of abstention by directors in matters involving conflicts of interest: The Company shall disclose the name(s) of the director(s), the subject of the proposal, the reason for required abstention, and participation in voting.

Date	Proposal	Directors Required and Recused from Voting			Independent Directors Required and Recused from Voting				Resolution Result
		Hai-Ni, Chen	Shu-Hui, Lin	Tseng-Tung Chen	Te-Chu, Lee	Ching-Lin, Lee	Kuo-Ying, Lu	Tien-Tsai, Chien	
2024/03/13	2023 Employees' and Directors' Remuneration Distribution Proposal	V	V	V					Approved by the Board excluding recused directors
2024/04/19	Correction to 2023 Employees' and Directors' Remuneration Proposal	V	V	V					Approved by the Board excluding recused directors
2024/12/20	Proposal on Directors' Transportation Allowance for 2025	V	V	V					Approved by the Board

										excluding recused directors
2024/12/20	Proposal on Independent Directors' Transportation Allowance for 2025				V	V	V	V		Approved by the Board excluding recused directors
2024/12/20	Proposal on Executives' Compensation Plan for 2025	V	V							Approved by the Board excluding recused directors

III. Board Performance Evaluation: Evaluation Cycle, Period, Scope, Method, and Content

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Conducted annually	2024.01.01 ~ 2024.12.31	1.The Board of Directors 2.Individual Board Members 3 Functional Committees	1. Board self-evaluation 2. Self-evaluation by individual Board members	1. Board Self-Evaluation: Participation in the Company's operations, enhancement of the quality of board decision-making, composition and structure of the board, selection and continuing education of directors, and internal control. 2. Individual Board Member Self-Evaluation: Understanding of the Company's goals and missions, awareness of board responsibilities, participation in the Company's operations, internal relationship management and communication, professional qualifications and continuing education of directors, and

			3. Self-evaluation by functional committees	internal control. 3. Functional Committee Self-Evaluation: Participation in the Company's operations, awareness of committee responsibilities, enhancement of the quality of committee decision-making, composition and selection of committee members, and internal control.
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IV. Goals and Evaluation of Enhancing Board Functionality in the Current and Most Recent Years (e.g., Establishment of the Audit Committee, Enhancement of Information Transparency, etc.):

The operation of the Company's Board of Directors complies with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

(I) The operation of the Board of Directors is conducted in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies."

(II) To enhance information transparency and protect shareholders' rights and interests, the Company promptly discloses significant board resolutions on the Company's website after each board meeting.

(II) Audit Committee Operations

In 2024, the Audit Committee convened 7 meetings (A). The attendance of each Audit Committee member is summarized as follows:

Title	Name	Actual Attendance (B)	Proxy Attendance	Attendance Rate (%) (B / A)	Note
Independent Director	Te-Chu, Lee	7	0	100%	-
Independent Director	Ching-Lin, Lee	7	0	100%	-
Independent Director	Kuo-Ying, Lu	7	0	100%	-
Independent Director	Tien-Tsai, Chien	6	1	86%	-

Other Required Disclosures:

I.If any of the following situations occurred during Audit Committee operations, the meeting date, term, agenda items, dissenting or qualified opinions or major recommendations made by independent directors, the resolutions adopted by the Audit Committee, and the Company’s handling of the Committee’s opinions shall be disclosed:

(I) Matters specified under Article 14-5 of the Securities and Exchange Act:

Meeting Date/ Meeting Date	Agenda Items	Resolution	Audit Committee Opinion	Company’s Response to Independent Director Opinion
2024.03.13 2nd Term, 11th Meeting	1.Adoption of the Company’s 2023 standalone and consolidated financial statements 2.2023 Earnings Distribution Proposal 3.Statement of Internal Control System for 2023 4.Appointment of Independent Auditors	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
2024.04.19 2nd Term, 12th Meeting	1.Termination of loan agreement by overseas subsidiary	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
2024.05.13 2nd Term, 13th Meeting	1.Adoption of 2024 Q1 Consolidated Financial Report 2.Capital increase in overseas subsidiary Holiday Garden U.S.	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
2024.07.09 2nd Term, 14th Meeting	1.Proposal to dissolve the Company’s branch office	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
2024.08.07 2nd Term, 15th Meeting	1.Adoptionof 2024 Q2 Consolidated Financial Report	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
2024.11.08 2nd Term, 16th Meeting	1.Adoption of 2024 Q3 Consolidated Financial Report	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable

2024.12.20 2nd Term, 17th Meeting	1.Proposal for 2025 Annual Audit Plan 2.Loan agreement with overseas subsidiary Holiday Garden SF. 3.Capital increase in overseas subsidiary Holiday Garden International Ltd. 4.Capital increase in overseas subsidiary Holiday Garden U.S.	Approved without objection by all members present	No dissenting or qualified opinions	Not applicable
	5.Capital reduction by subsidiary Holiday Garden Development Co., Ltd. to offset accumulated losses	Committee recommended deferral of execution	Recommended deferral	Deferred

(II) Other Resolutions Not Approved by the Audit Committee but Passed by at Least Two-Thirds of All Directors:None.

II. Recusal of Independent Directors Due to Conflicts of Interest:None.

III.Communication Between Independent Directors and Internal Audit Officer and Certified Public Accountants:

Independent directors regularly review audit reports and financial statements. They may contact the internal audit officer or certified public accountants at any time if necessary.

(III) Corporate Governance Practices and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
I. Does the Company establish and disclose its Corporate Governance Best-Practice Principles in accordance with the “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V		The Company has established its “Corporate Governance Best-Practice Principles” as approved by the Board of Directors on December 5, 2016, and disclosed them on the Company’s website (www.hotelhg.com.tw) and the Market Observation Post System (MOPS).	No differences.
II. Shareholding Structure and Protection of Shareholders' Rights (I) Has the Company established internal procedures for handling shareholder suggestions, inquiries, disputes, and litigation, and implemented them accordingly?	V		(I) The Company has appointed a spokesperson, deputy spokesperson, and a dedicated stock affairs unit to handle shareholder suggestions, inquiries, disputes, and legal matters, all in accordance with internal	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
(II) Does the Company identify its major shareholders and their ultimate controllers?	V		procedures. (II) The Company identifies its major shareholders and their ultimate controllers based on the shareholder register provided by its stock transfer agent and regularly files reports on insider shareholding changes in accordance with applicable laws.	No differences.
(III) Has the Company established and implemented risk control and firewall mechanisms with affiliated enterprises?	V		(III) Transactions between the Company and its affiliates are handled in accordance with relevant laws and regulations, and the Company has implemented appropriate risk control and firewall mechanisms within its internal control system.	No differences.
(IV) Has the Company established internal policies to prohibit insiders from trading securities using undisclosed material information?	V		(IV) The Company has adopted its “Procedures for Handling Material Internal Information,” which applies to all directors, managerial officers, and employees, and strictly prohibits insiders	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies											
	Y	N	Executive Summary												
			from trading in securities using undisclosed material information.												
III.Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors established a diversification policy, set specific management objectives, and ensured its implementation?	V		(I) The Company has stipulated in its "Corporate Governance Best Practice Principles" that the Board of Directors shall consider diversity and formulate appropriate diversification policies based on the Board's operations, business model, and development needs, and ensure effective implementation. The overall Board members possess capabilities as outlined in Note 1. <table border="1" data-bbox="1070 1225 1751 1374"> <thead> <tr> <th colspan="2">Item</th> <th>Seats</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Gender</td> <td>Female</td> <td>2</td> <td>29%</td> </tr> <tr> <td>Male</td> <td>5</td> <td>71%</td> </tr> </tbody> </table>	Item		Seats	Percentage	Gender	Female	2	29%	Male	5	71%	No differences.
Item		Seats	Percentage												
Gender	Female	2	29%												
	Male	5	71%												

Evaluation Item	Implementation Status				Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies																							
	Y	N	Executive Summary																									
(II) In addition to the legally required Compensation Committee and Audit Committee, has the Company voluntarily established other functional committees?		V	<table border="1"> <tr> <td rowspan="4">Age</td> <td>41–50 years old</td> <td>1</td> <td>14%</td> </tr> <tr> <td>51–60 years old</td> <td>3</td> <td>43%</td> </tr> <tr> <td>61–70 years old</td> <td>1</td> <td>14%</td> </tr> <tr> <td>71–80 years old</td> <td>2</td> <td>29%</td> </tr> <tr> <td rowspan="3">Independent Director Tenure</td> <td>Less than 3 years</td> <td>1</td> <td>25%</td> </tr> <tr> <td>3–6 years</td> <td>2</td> <td>50%</td> </tr> <tr> <td>6–9 years</td> <td>1</td> <td>25%</td> </tr> </table>	Age	41–50 years old	1	14%	51–60 years old	3	43%	61–70 years old	1	14%	71–80 years old	2	29%	Independent Director Tenure	Less than 3 years	1	25%	3–6 years	2	50%	6–9 years	1	25%	(II) The Company has established a Compensation Committee and, following the full re-election of the Board at the Annual General Meeting on June 19, 2019, also established an Audit Committee. The Company will consider establishing other functional committees as needed based on business requirements.	The Company will proceed according to the plan.
Age	41–50 years old	1	14%																									
	51–60 years old	3	43%																									
	61–70 years old	1	14%																									
	71–80 years old	2	29%																									
Independent Director Tenure	Less than 3 years	1	25%																									
	3–6 years	2	50%																									
	6–9 years	1	25%																									
(III) Has the Company established a performance evaluation method for the	V			(III) On March 21, 2018, the Board of Directors	No differences.																							

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
Board of Directors, conducted regular annual assessments, reported the results to the Board, and used the evaluation outcomes as a reference for individual directors' compensation and reappointment nominations?			<p>approved the "Regulations for Board Performance Evaluation." The Company conducts regular annual performance evaluations based on board meeting attendance and reviews the results through the Compensation Committee, which then submits its recommendations to the Board of Directors for discussion.</p> <p>In 2024, according to the self-evaluations of each director, the evaluations of the Board, the Audit Committee, and the Compensation Committee, all scores—calculated using a weighted average—exceeded 95, indicating strong overall performance of the Board members, the Board itself, and each functional committee.</p>	

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
(IV) Does the Company regularly assess the independence of its certified public accountants (CPAs)?	V		(IV) On December 20, 2024, the Board of Directors approved the 2024 assessment of the independence of the Company's CPAs (see Note 2), obtained their independence declarations, and evaluated their independence and suitability based on the Audit Quality Indicators (AQIs). The Company has assessed that Mr. Liao Ah-Shen and Mr. Wu Chien-Chih of PwC Taiwan have no circumstances that would impair their independence or suitability and are therefore qualified to serve as the Company's certifying CPAs.	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
IV. Does the Company appoint an appropriate number of qualified corporate governance officers and designate a corporate governance officer responsible for related matters (including but not limited to providing directors and supervisors with necessary information for performing their duties, handling matters related to Board and shareholders' meetings in accordance with the law, processing company registration and amendment filings, preparing minutes of Board and shareholders' meetings, etc.)?	V		The Company's Board of Directors approved on May 9, 2023 the appointment of Ms. Su-Ling Yu, Manager of the Finance Department, as the new Corporate Governance Officer. She is responsible for handling matters related to corporate governance, including processing requests from directors, legally managing Board and shareholders' meetings, preparing minutes of such meetings, assisting with changes in Board members, facilitating continuing education, and ensuring compliance with relevant laws and regulations. Ms. Yu has more than six years of experience in financial accounting for listed and OTC companies.	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
V. Does the Company establish communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and provide a stakeholder section on the Company's website to appropriately respond to stakeholders' material concerns regarding corporate social responsibility?	V		The Company has established dedicated contact channels for stakeholders, including employees, consumers, suppliers, and neighboring communities, and maintains open communication through designated points of contact. A stakeholder section has also been set up on the Company's website.	No differences.
VI. Does the Company engage a professional stock affairs agent to handle shareholder meeting matters?	V		The Company has engaged Stock Affairs Department of IBF Financial Holdings Co., Ltd. to handle its shareholder meetings and stock-related affairs.	No differences.
VII. Information Disclosure				
(I) Does the Company maintain a website to disclose financial, operational, and corporate governance information?	V		(I) The Company has established an official website to disclose relevant information. Company website: www.hotelhg.com.tw	No differences.
(II) Does the Company adopt other means of information disclosure (such as establishing	V		(II) The Company has appointed designated personnel for information collection and	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
<p>an English website, appointing dedicated personnel for information collection and disclosure, implementing a spokesperson system, posting investor conference materials on the Company's website, etc.)?</p> <p>(III) Does the Company announce and file its annual financial report within two months after the end of the fiscal year, and file its first, second, and third quarterly financial reports as well as monthly operating results in advance of the statutory deadlines?</p>		V	<p>disclosure, and has implemented a spokesperson system in accordance with applicable regulations.</p> <p>Company website: www.hotelhg.com.tw</p> <p>(III) The Company currently complies with Article 36 of the Securities and Exchange Act, as follows:</p> <ol style="list-style-type: none"> 1. Within three months after the end of each fiscal year, the Company announces and files the annual financial report audited and certified by CPAs and approved by the Board of Directors. 2. Within 45 days after the end of the first, second, and third quarters of each fiscal year, the Company announces and files the quarterly financial reports reviewed by CPAs and submitted to the Board. 	The Company will proceed according to the plan.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
			3. By the 10th of each month, the Company announces and files the operating results for the previous month.	
VIII.Does the Company have any other important information that helps to understand the implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, implementation of risk management policies and risk metrics, customer policy implementation, and liability insurance for directors and supervisors)?	V		<p>1. Employee Rights The Company actively cultivates tourism professionals, strictly complies with labor laws, and safeguards employee rights by enrolling employees in labor and health insurance programs and arranging regular health check-ups.</p> <p>2. Employee Care Open communication channels such as departmental meetings and suggestion boxes are provided to facilitate effective problem-solving and promote harmonious labor relations.</p>	No differences.

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
			<p>3. Investor Relations An investor contact section is available on the Company's official website, providing a direct communication channel between the Company and its investors.</p> <p>4. Supplier Relations The Company maintains sound relationships with its suppliers.</p> <p>5. Stakeholder Rights The Company has established designated contact points and communication channels for stakeholders, including banks, employees, consumers, and suppliers, to protect their rights and interests.</p> <p>6. Continuing Education for Directors and Supervisors Directors and supervisors are periodically</p>	

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
			<p>assigned to attend professional development programs organized by institutions such as the Chinese Corporate Governance Association, the Taiwan Stock Exchange, and the Securities and Futures Institute. For details on continuing education activities, please refer to pages 69-70.</p> <p>7. Implementation of Risk Management Policies and Metrics The Company adopts preventive strategies for risk management, with internal audit conducting regular and ad hoc audits. In addition, the Company maintains relevant insurance coverage, including public liability insurance, fire insurance, and other business-related policies.</p> <p>8. Implementation of Customer and Consumer</p>	

Evaluation Item	Implementation Status			Deviations and Reasons for Differences from the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies
	Y	N	Executive Summary	
			Protection Policies Proceeds from gift voucher sales are fully secured by a performance guarantee issued by Cathay United Bank.	

IX. Description of Improvements Based on the Most Recent Corporate Governance Evaluation Results Published by the Taiwan Stock Exchange Corporate Governance Center, and Priority Enhancement Measures for Items Yet to Be Improved (Not applicable to companies not included in the evaluation):

1. The Company has strengthened the continuing education hours of its directors by enhancing access to educational resources and actively promoting participation in relevant training programs.
2. The Company has improved the timely disclosure of English versions of shareholder meeting notices, agenda handbooks, and supplemental materials at least 30 days prior to the meeting.
3. The Company has enhanced its disclosure practices by uploading the English version of the annual report at least 14 days before the date of the shareholders' meeting.
4. The Company continues to maintain and update the corporate governance section of its official website to provide investors with up-to-date information on operational and governance matters.

Note 1: Implementation of Board Diversity among Board Members

Diversity Indicators Director Name	Gender	Operational Judgment	Accounting & Financial Analysis	Business Management	Crisis Management	Industry Knowledge	International Market Perspective	Leadership	Decision-Making Ability
Hai-Ni, Chen	Male	V	V	V	V	V	V	V	V
Shu-Hui, Lin	Female	V	V	V	V	V	V	V	V
Tseng-Tung,	Male	V	V	V	V	V	V	V	V
Te-Chu, Lee	Female	V	V	V	V	V	V	V	V
Ching-Lin, Lee	Male	V	V	V	V	V	V	V	V
Kuo-Yin, Lü	Male	V		V	V	V	V	V	V
Tien-Tsai, Chien	Male	V		V	V	V	V	V	V

Note 2: Independence Assessment Criteria for Certified Public Accountants

Assessment Item	Assessment Result	Meets Independence Requirement
1. Does the CPA have any direct or material indirect financial interest in the	N	Y
2. Has the CPA engaged in financing or guarantee transactions with the Company or its directors?	N	Y
3. Does the CPA have any close business relationship or potential employment relationship with the Company?	N	Y
4. Has the CPA or any audit team member held a position as a director, manager, or any role with significant influence over the audit in the Company	N	Y

currently or in the past two years?		
5. Has the CPA provided non-audit services that may directly affect the audit work for the Company?	N	Y
6. Has the CPA acted as an agent for the issuance of the Company's stock or other securities?	N	Y
7. Has the CPA served as legal counsel for the Company or represented the Company in resolving conflicts with third parties?	N	Y
8. Does the CPA have any family relationship with the Company's directors, managers, or individuals holding positions with significant influence over the audit engagement?	N	Y

(IV) Remuneration Committee Operations

1. Remuneration Committee Members' Information

Title	Name	Professional Qualifications and Experience	Independence Status	Number of Concurrent Memberships in Remuneration Committees of Other Public Companies
Convener (Remuneration Committee Member)	Te-Chu, Lee	<ul style="list-style-type: none"> ▪ Bachelor’s degree in Accounting, Providence University ▪ Currently the Managing Partner of Liang-De CPAs ▪ Formerly Associate Director at PwC Taiwan ▪ Extensive experience in accounting, financial reporting, and tax audit. 	<p>1. Meets the independence criteria for Remuneration Committee members.</p> <p>2. Fully satisfies independence requirements:</p> <p>(1) Neither the member, their spouse, nor relatives within the second degree of kinship hold any position as a director, supervisor, or employee of the Company or its affiliates.</p> <p>(2) Neither the member, their spouse, nor relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) The member has not had any of the situations outlined in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” within the two years prior to appointment or during the term.</p>	0

<p>Remuneration Committee Member</p>	<p>Ching-Lin, Lee</p>	<ul style="list-style-type: none"> ▪ Bachelor’s degree in Accounting, Tunghai University ▪ Currently a Signing CPA at Grant Thornton Taiwan ▪ Extensive experience in accounting, financial reporting, and tax audit. 	<p>1. Meets the independence criteria for Remuneration Committee members.</p> <p>2. Fully satisfies independence requirements:</p> <p>(1) Neither the member, their spouse, nor relatives within the second degree of kinship hold any position as a director, supervisor, or employee of the Company or its affiliates.</p> <p>(2) Neither the member, their spouse, nor relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) The member has not had any of the situations outlined in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” within the two years prior to appointment or during the term.</p>	<p>0</p>
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Remuneration Committee Member	Chi-Chun, Chiu	<ul style="list-style-type: none"> ▪ Doctor of Laws, University of Tübingen, Germany ▪ Currently Managing Partner at Classic and Superior Attorneys at Law ▪ Extensive experience in civil and criminal litigation and corporate legal advisory services 	<p>1. Meets the independence criteria for Remuneration Committee members.</p> <p>2. Fully satisfies independence requirements:</p> <p>(1) Neither the member, their spouse, nor relatives within the second degree of kinship hold any position as a director, supervisor, or employee of the Company or its affiliates.</p> <p>(2) Neither the member, their spouse, nor relatives within the second degree of kinship hold shares in the Company.</p> <p>(3) The member has not had any of the situations outlined in Article 3, Paragraph 1 of the “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” within the two years prior to appointment or during the term.</p>	0
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2. Operation of the Remuneration Committee

(1) The Company’s Remuneration Committee consists of three members.

(2) Current term of the committee: From July 20, 2022 to June 14, 2025.

In 2024, the Remuneration Committee held 3 meetings (A), and the attendance of each member is as follows:

Title	Name	Meetings Attended (B)	Meetings Attended by Proxy	Attendance Rate (B/A)	Note
Convener	Te-Chu, Lee	3	3	100%	-
Member	Ching-Lin, Lee	3	3	100%	-

Member	Chi-Chun, Chiu	2	1	67%	-
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Other Disclosures:

I.If the Board of Directors does not adopt or modifies the recommendations of the Remuneration Committee, the Company shall disclose the date, term, agenda items, resolution results of the Board meeting, and how the Board handled the Remuneration Committee’s recommendations (e.g., if the Board-approved compensation is more favorable than that recommended by the Remuneration Committee, the difference and reasons must be explained): None.

II.Where any member of the Remuneration Committee has expressed dissenting or qualified opinions on the resolutions of the Committee and such opinions are recorded or stated in writing, the Company shall disclose the date, term, agenda items of the Remuneration Committee meeting, all members’ opinions, and how such opinions were handled: None.

(V) Implementation of Sustainable Development and Differences with the “Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
I. Has the company established a governance structure for promoting sustainable development, designated dedicated (or concurrent) units for sustainability efforts, and authorized senior management to handle related matters under the supervision of the Board of Directors?		V	The Company established a Sustainability Task Force in February 2025 as the dedicated unit responsible for advancing sustainability-related initiatives. Furthermore, the Company plans to establish a Sustainability Development Committee in the third quarter of 2025 to enhance the governance structure and implement a mechanism whereby senior management executes sustainability matters under the authorization and supervision of the Board of Directors.	The Company will proceed according to the plan.
II. Has the company, based on the principle of materiality, conducted risk assessments on environmental, social, and		V	The Company has not yet established relevant risk management policies or procedures.	The Company will proceed according to the plan.

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
corporate governance (ESG) issues relevant to its operations, and formulated corresponding risk management policies or strategies?				
<p>III. Environmental Issues</p> <p>(I) Has the company established an appropriate environmental management system based on the characteristics of its industry?</p> <p>(II) Has the company made efforts to improve energy efficiency and utilize</p>	<p>V</p> <p>V</p>		<p>(I) The Company has established an appropriate environmental management system in accordance with the characteristics of its industry to comply with relevant domestic environmental safety regulations.</p> <p>(II) The Company is committed to improving the efficiency of resource utilization through the following measures:</p>	<p>No differences.</p> <p>No differences.</p>

Promotion Item	Implementation Status			Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																						
	Y	N																									
renewable materials with low environmental impact?				<p>1. Implementing air conditioning temperature controls and replacing lighting with LED fixtures to effectively conserve energy.</p> <p>2. Conducting regular maintenance of all equipment by the Engineering Department to enhance the efficiency of electricity, water, and gas usage.</p> <p>3. Procuring energy-saving equipment.</p> <p>4. In 2024, the Company achieved a reduction in energy intensity compared to 2023, primarily due to the replacement of energy-efficient chiller units and the introduction of an AI smart energy management system, which significantly reduced the use of purchased electricity.</p> <p>Energy Consumption Analysis Table (Unit: Gigajoules, GJ)</p> <table border="1"> <thead> <tr> <th colspan="2" rowspan="2">Energy Item</th> <th colspan="3">Energy Consumption (Note)</th> <th colspan="3">Energy Consumption Percentage</th> </tr> <tr> <th>2022</th> <th>2023</th> <th>2024</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Purchased Non-</td> <td>Fossil Fuels</td> <td>68</td> <td>67</td> <td>65</td> <td>1.65%</td> <td>1.5%</td> <td>1.74%</td> </tr> </tbody> </table>	Energy Item		Energy Consumption (Note)			Energy Consumption Percentage			2022	2023	2024	2022	2023	2024	Purchased Non-	Fossil Fuels	68	67	65	1.65%	1.5%	1.74%	
Energy Item		Energy Consumption (Note)					Energy Consumption Percentage																				
		2022	2023	2024	2022	2023	2024																				
Purchased Non-	Fossil Fuels	68	67	65	1.65%	1.5%	1.74%																				

Promotion Item	Implementation Status								Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons		
	Y	N	Executive Summary								
(III) Has the company evaluated the potential	V	V	renewable Energy	Purchased Electricity	4042.51	4393.08	3674.40	98.35%	98.5%	98.26%	No differences.
			Total Energy Consumption (GJ per NT\$1 million revenue)		4110.51	4460.08	3739.4	Note: The calorific values are based on the latest unit heat value table of energy products published by the Bureau of Energy, Ministry of Economic Affairs. Energy consumption is calculated by multiplying the amount of energy used by its unit heat value and converting it to gigajoules (GJ).			
			(III) The Company recognizes the impact of climate change on its operations, We have implemented various measures across all facilities to address energy efficiency								

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
<p>risks and opportunities posed by climate change to its current and future operations, and adopted relevant response measures?</p> <p>(IV) Has the company compiled statistics over the past two years on its</p>			<p>and environmental sustainability, including air conditioning temperature control, paperless office digitalization, replacement of lighting systems with LED fixtures, and acquisition of energy-efficient equipment.</p> <p>Key actions taken in 2024 (Year 113) include:</p> <ol style="list-style-type: none"> 1. In January, replaced the chiller unit with a Grade 1 energy-efficient mod 2. In January, launched an upgraded AI-based centralized intelligent monitoring system. 3. In January, replaced two old heat pumps with Grade 1 energy-efficient models. 4. In June, fully replaced all curtains with blackout curtains to reduce solar heat transmission and alleviate the air conditioning system load. 5. In November, retrofitted all guestroom lighting fixtures with LED energy-saving bulbs by phasing out traditional lighting. <p>These measures help reduce greenhouse gas emissions.</p> <p>(IV) The Company has compiled data on greenhouse gas (GHG) emissions, water consumption, and total waste volume for the past year</p> <ol style="list-style-type: none"> 1. Statistics on emissions of the seven major greenhouse gases 	<p>The Company will proceed according to the plan.</p>

Promotion Item	Implementation Status									Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons																					
	Y	N	Executive Summary																												
greenhouse gas emissions, water consumption, and total waste volume, and formulated policies to reduce greenhouse gas emissions, water usage, or other waste management initiatives?			Item	CO2	CH4	N2O	HFCs	PFCs	SF6	NF3	Total GHG Emissions	Biogenic Emiss																			
			Emissions Equivalent (tCO2e/year)	5.5332	5.0296	0.0016	57.1997	0.0000	0.0000	0.0000	64.7641	0																			
			Percentage (%)	3.911%	7.766%	0.002%	88.320%	0.000%	0.000%	0.000%	100.000%																				
			<p>2. Water Consumption (Unit: Thousand Cubic Meters / Million Liters)</p> <table border="1"> <thead> <tr> <th rowspan="2">Item</th> <th>2023</th> <th>2024</th> </tr> <tr> <th>All Regions</th> <th>All Regions</th> </tr> </thead> <tbody> <tr> <td>Total Water Withdrawal</td> <td>12,661</td> <td>11,667</td> </tr> <tr> <td>Total Water Discharge</td> <td>12,661</td> <td>11,667</td> </tr> </tbody> </table> <p>3. Waste Disposal Volume</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Unit</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>General Waste</td> <td>Metric Tons</td> <td>37.73</td> <td>27.83</td> </tr> </tbody> </table>											Item	2023	2024	All Regions	All Regions	Total Water Withdrawal	12,661	11,667	Total Water Discharge	12,661	11,667	Category	Unit	2023	2024	General Waste	Metric Tons	37.73
Item	2023	2024																													
	All Regions	All Regions																													
Total Water Withdrawal	12,661	11,667																													
Total Water Discharge	12,661	11,667																													
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General Waste	Metric Tons	37.73	27.83																												

Promotion Item	Implementation Status			Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N	Executive Summary	
<p>compensation, leave, and other benefits), and appropriately reflected business performance or results in employee compensation?</p> <p>(III) Does the company provide employees with a safe and healthy working environment, and conduct regular safety and health education for employees?</p> <p>(IV) Has the company established effective career development and training programs for</p>	V		<p>(III) In accordance with regulations, the Company provides labor and health insurance, conducts regular employee health checkups, and holds regular occupational safety and health training courses to promote internal safety guidelines.</p> <p>(IV) The Human Resources Department is responsible for employee career development planning and arranges training courses to nurture future managerial talent.</p>	<p>No differences.</p> <p>No differences.</p>

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
<p>employees? (V) In terms of customer health and safety, customer privacy, marketing, and labeling regarding its products and services, does the company comply with relevant regulations and international standards, and establish policies and complaint procedures to protect consumer or customer rights?</p> <p>(VI) Has the company formulated supplier</p>	<p>V</p> <p>V</p>		<p>(V) The Company complies with all relevant regulations and international standards in its marketing and labeling of products and services. It also provides complaint channels on its website and designates relevant personnel to deliver the best customer service.</p> <p>(VI) In accordance with internal regulations, the Company upholds integrity in supplier selection. Prior to establishing partnerships, it evaluates suppliers for any</p>	<p>No differences.</p> <p>No differences.</p>

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
management policies that require suppliers to comply with relevant standards on environmental protection, occupational safety and health, or labor and human rights, and how are these policies implemented?			past records of environmental or social violations.	
V.Has the company prepared sustainability reports or other reports disclosing non-financial information with reference to internationally recognized reporting standards or guidelines? Have		V	The Company plans to complete the preparation of its 2024 Sustainability Report in the third quarter of 2025, and simultaneously carry out third-party assurance procedures to ensure the accuracy and reliability of the disclosed information.	The Company will proceed according to the plan.

Promotion Item	Implementation Status		Executive Summary	Differences with the Corporate Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and Reasons
	Y	N		
such reports been assured or verified by a third-party organization?				
<p>VI. If the company has established its own sustainability guidelines in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies,” please explain the implementation status and any material differences from the established guidelines: The Company has adopted the “Sustainability Best Practice Principles” to implement various corporate social responsibility initiatives. There are no material differences between its actual implementation and the prescribed guidelines.</p>				
<p>VII. Other material information helpful for understanding the implementation of corporate social responsibility:</p> <p>(I) Consumer Rights: The Company places great emphasis on consumer rights by fully disclosing information regarding its products and services on the corporate website. All gift certificates sold are covered by adequate performance guarantees. In addition, complaint channels are provided on the website, and relevant departments are assigned to deliver optimal customer service.</p> <p>(II) Employee Rights: In accordance with the Act of Gender Equality in Employment and the Employment Service Act, the Company has established a non-discriminatory hiring policy and ensures equality in compensation, employment terms, training, and promotion opportunities.</p>				

(VI) Climate-Related Information

1. Implementation of Climate-Related Measures

Evaluation Item	Implementation Status										
	Y	N	Executive Summary								
I. Describe the oversight and governance of climate-related risks and opportunities by the Board of Directors and management.	V		A Climate Change Response Task Force has been established to formulate the Company’s climate vision, strategy, and targets, and to implement corresponding actions. The task force is led by the Chairman, who serves as the highest-level responsible person, and coordinates with heads of all departments to ensure the effective execution of climate-related management tasks. Progress and key matters are reported to the Board of Directors.								
II. Explain how identified climate-related risks and opportunities affect the company’s business, strategy, and financial planning (short, medium, and long term). III. Disclose the financial impacts of extreme weather events and transition-related actions. IV. Describe how the processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management framework. V. If scenario analysis is used to assess climate resilience, specify the scenarios, parameters, assumptions, analytical factors, and key financial impacts.	V		Analysis of Climate-related Risks and Opportunities Based on Duration and Impact Level <table border="1" data-bbox="1086 829 2094 1404"> <thead> <tr> <th>Risk</th> <th>Impact</th> <th>Timeframe</th> <th>Response Measures</th> </tr> </thead> <tbody> <tr> <td>Natural disasters (e.g., earthquakes, flooding)</td> <td>Operational disruption, revenue decline, asset losses</td> <td>Short to medium term</td> <td> <ul style="list-style-type: none"> Establish disaster contingency plans and conduct regular emergency drills. Enhance disaster prevention facilities and conduct routine monitoring and maintenance to ensure effective emergency response. </td> </tr> </tbody> </table>	Risk	Impact	Timeframe	Response Measures	Natural disasters (e.g., earthquakes, flooding)	Operational disruption, revenue decline, asset losses	Short to medium term	<ul style="list-style-type: none"> Establish disaster contingency plans and conduct regular emergency drills. Enhance disaster prevention facilities and conduct routine monitoring and maintenance to ensure effective emergency response.
Risk	Impact	Timeframe	Response Measures								
Natural disasters (e.g., earthquakes, flooding)	Operational disruption, revenue decline, asset losses	Short to medium term	<ul style="list-style-type: none"> Establish disaster contingency plans and conduct regular emergency drills. Enhance disaster prevention facilities and conduct routine monitoring and maintenance to ensure effective emergency response. 								

Evaluation Item	Implementation Status					
	Y	N	Executive Summary			
VI. If the company has a transition plan to address and manage climate-related risks, disclose the content of the plan, as well as the indicators and targets used to identify and manage physical and transition risks.			Resource shortages	Increased operating costs	Short term	<ul style="list-style-type: none"> • Adjust product pricing and production methods in response to rising raw material costs; collaborate with suppliers on transition strategies. • Replace energy-intensive equipment and install new energy-efficient systems and smart management tools to reduce energy consumption.
			Customer base shifts	Changes in consumer preferences leading to revenue loss	Short to medium term	<ul style="list-style-type: none"> • The Operations Department closely monitors market trends, adjusts marketing strategies accordingly, and actively develops new customer segments.

Evaluation Item	Implementation Status					
	Y	N	Executive Summary			
			Opportunity	Impact	Timeframe	Response Measures
			Sustainable tourism	Diversified consumption, low carbon emissions, increased revenue	Short to medium term	<ul style="list-style-type: none"> Promote sustainable tourism models that emphasize environmental protection and social responsibility to attract climate-conscious travelers. Implement plastic reduction initiatives and pursue eco-hotel certifications.
			Product innovation	Sustainable diets, reduced carbon footprint, increased revenue	Short to medium term	<ul style="list-style-type: none"> Utilize locally sourced ingredients to maintain authentic flavors and ensure food safety through natural and healthy ingredients.
			Improved energy efficiency	Reduced electricity costs	Short term	<ul style="list-style-type: none"> Install energy-saving equipment and energy management

Evaluation Item	Implementation Status		
	Y	N	Executive Summary
			systems to monitor energy consumption in real time.
VII. If internal carbon pricing is used as a planning tool, explain the basis for price setting.		V	The Company does not currently utilize internal carbon pricing as a planning tool.
VIII. If climate-related targets have been set, specify the covered activities, GHG emission scopes, target timeline, and annual progress. If carbon offsets or renewable energy certificates (RECs) are used to meet such targets, disclose the sources and volumes of offsets or RECs. IX. Greenhouse gas (GHG) inventory and assurance status, reduction targets, strategies, and specific action plans.			<p>Mid- to Long-Term Goals:</p> <ol style="list-style-type: none"> 1. Complete greenhouse gas (GHG) inventory for Taiwan business locations in 2025 and obtain third-party assurance. 2. Plan to complete GHG inventories for all subsidiaries by 2027; achieve ISO 14064-1 verification for GHG inventories covering all domestic and overseas operations by 2029. <p>Concrete Carbon Reduction Actions:</p> <ol style="list-style-type: none"> 1. Use of low-carbon, eco-friendly branded toiletries at business locations; bulk dispensers replace single-use amenities as part of plastic reduction efforts. Implement temperature control for air conditioning; install water dispensers to reduce bottled water usage; provide EV charging stations and EasyCard incentives to promote public transportation use. 2. Since 2021, participate in the “Earth Hour” global lights-off campaign. Most recently, the Company joined the event on March 23, 2024, at 8:30 PM, and will continue to support the initiative in the future. 3. In 2023, replaced outdated and energy-intensive equipment and installed an energy management system. <p>Estimated Total Carbon Reduction Benefit: 167.95 metric tons CO₂e</p>

Evaluation Item	Implementation Status		
	Y	N	Executive Summary
			<p>per year.</p> <p>4. Nominated for the 2023 Energy Saving Benchmark Recognition.</p> <p>5. Awarded the Silver Award of the Energy Saving Benchmark by the Ministry of Economic Affairs in 2024.</p> <p>(For more information, please visit the official website:https://www.hotelhg.com.tw/esg/)</p>

2. Greenhouse Gas (GHG) Inventory and Assurance Status for the Most Recent Two Years

(1) Greenhouse Gas Inventory Information

The table below presents the GHG emissions (in metric tons of CO₂e), intensity (in metric tons of CO₂e per NT\$1 million), and data coverage for the past two years.

Year	Scope 1 (metric tons CO ₂ e)	Scope 2 (metric tons CO ₂ e)	Total Emissions (metric tons CO ₂ e)	Emissions Intensity (metric tons CO ₂ e / NT\$ million)	Coverage Scope
2024	64.7641	504.1190	568.8831	8.68	Headquarters Office+Holiday Garden Hotel Kaohsiung Taroko Park
2023	12.1447	571.2696	583.4143	7.32	Headquarters Office+Holiday Garden Hotel Kaohsiung Taroko Park

(2) Greenhouse Gas Assurance Information

As of the date of this annual report, the Company has not yet undergone external assurance for its greenhouse gas inventory for the most recent two fiscal years.

The Company is currently in the process of conducting GHG inventory and assurance, as it is classified as a company with paid-in capital of less than NT\$5 billion.

3. GHG Reduction Targets, Strategies, and Action Plans

Please disclose the base year and data for GHG reduction, targets, strategies, specific action plans, and progress toward achieving the reduction goals.

The Company is currently implementing GHG inventory procedures, as it is classified as a company with paid-in capital of less than NT\$5 billion.

(VII) Implementation of Ethical Corporate Management and Differences Between the Company’s Ethical Corporate Management Guidelines and the TWSE/TPEX Guidelines

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
I. Establishment of Ethical Corporate Management Policies and Programs				
(I) Has the company formulated an ethical corporate management policy approved by the board of directors, and clearly disclosed the policy and practices in its internal regulations and external documents, along with the board and senior management’s commitment to implementing the policy?	V		(I) The Company adopted its “Ethical Corporate Management Best Practice Principles” by resolution of the Board of Directors on December 5, 2016, to serve as the standard of conduct for directors, managerial officers, and employees. The Company upholds an attitude of integrity in management and takes full responsibility toward shareholders, customers, employees, and the investing public.	No differences.
(II) Has the company established a	V		(II) The Company has established sound	No differences.

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
<p>mechanism for assessing risks of unethical conduct, regularly analyzed and assessed business activities with higher risks of unethical behavior, and developed preventive programs accordingly, which at least include the preventive measures set forth in Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies”?</p> <p>(III) Does the company clearly define operational procedures, behavioral guidelines, disciplinary measures, and grievance mechanisms in its prevention programs for unethical conduct, and ensure effective implementation with regular reviews and updates?</p>	V		<p>corporate governance, internal control mechanisms, and internal regulations to prevent the circumstances listed under Article 7, Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p> <p>(III) To prevent unethical conduct, the Company has formulated an “Employee Code of Conduct,” which is distributed upon onboarding. Regular training sessions are conducted to reinforce the ethical values and behavior aligned with integrity management.</p>	No differences.
<p>II. Implementation of Ethical Corporate Management</p> <p>(I) Does the company evaluate the integrity records of counterparties and explicitly</p>	V		<p>(I) Prior to engaging in transactions, the Company’s Procurement Department verifies</p>	No differences.

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
<p>include clauses on ethical conduct in contracts signed with transaction counterparties?</p> <p>(II) Has the company established a dedicated unit under the board of directors to promote ethical corporate management, and does the unit regularly (at least once a year) report to the board on the implementation of the ethical corporate management policy, the prevention programs against unethical conduct, and the oversight results?</p> <p>(III) Has the company formulated a policy to prevent conflicts of interest, provided appropriate reporting channels, and ensured effective implementation?</p>		V	<p>the integrity records of counterparties through the internal database and includes clauses related to ethical conduct in contractual agreements.</p> <p>(II) The Company has not yet established a dedicated (full-time or part-time) unit responsible for promoting ethical corporate management.</p> <p>(III) According to the Company's Rules of Procedure for Board Meetings, any director who has a conflict of interest in a matter under discussion or voting must refrain from participating and shall not act on behalf of other directors. Communication channels such as departmental meetings are available to facilitate sufficient communication between</p>	<p>The Company will proceed according to the plan.</p> <p>No differences.</p>

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
(IV) To implement ethical corporate management, has the company established effective accounting and internal control systems, and has the internal audit unit formulated relevant audit plans based on the assessment of risks of unethical conduct and conducted audits accordingly, or engaged certified public accountants to conduct such audits?	V		<p>the Company and its employees.</p> <p>(IV) The Company has an accounting system and a dedicated accounting unit in place. Its financial statements are audited by independent certified public accountants to ensure fair presentation. The Internal Audit Department comprises two personnel (including the supervisor) and conducts audits of operational units monthly in accordance with the audit plan. Audit reports are submitted to the Chairperson and Supervisors by the end of the following month. The head of internal audit attends Board meetings to deliver reports. An “Internal Control System Statement” is issued annually by the Internal Audit Department.</p>	No differences.
(V) Does the company regularly conduct internal and external training on ethical corporate management?	V		(V) The Company upholds the principle of integrity in fulfilling customer needs in hospitality services. It regularly conducts employee training and has implemented various anti-	No differences.

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
			fraud measures.	
<p>III. Operation of the Whistleblowing System</p> <p>(I) Has the company established a concrete whistleblowing and reward system, provided accessible whistleblowing channels, and designated appropriate personnel to handle reported cases?</p> <p>(II) Has the company established standard operating procedures for the investigation of reported matters, post-investigation follow-up actions, and relevant confidentiality mechanisms?</p> <p>(III) Has the company adopted protective measures to ensure that whistleblowers do not suffer improper treatment as a result of reporting?</p>	V		<p>(I) The Company has established an employee grievance mechanism and formulated employee reward and disciplinary regulations, which serve as the basis for imposing disciplinary action for violations of ethical conduct regulations.</p> <p>(II) While the Company has implemented an employee grievance mechanism, it has not yet established standard operating procedures for handling whistleblower cases or related confidentiality mechanisms.</p> <p>(III) The Company has not yet implemented relevant protective measures for whistleblowers.</p>	<p>No differences.</p> <p>The Company will proceed according to the plan.</p> <p>The Company will proceed according to the plan.</p>
<p>IV. Enhanced Information Disclosure</p> <p>Does the company disclose the content and implementation status of its Ethical Corporate</p>	V		The Company adopted the “Ethical Corporate Management Best Practice Principles” by	No differences.

Evaluation Item	Implementation Status			Differences from the TWSE/TPEX Ethical Corporate Management Best Practice Principles and Reasons
	Y	N	Executive Summary	
Management Best Practice Principles on its website and the Market Observation Post System (MOPS)?			resolution of the Board of Directors on December 5, 2016, and has disclosed the policy on its official website (www.hotelhg.com.tw).	
<p>V. If the company has established its own Ethical Corporate Management Best Practice Principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies,” please explain its implementation and any differences: The Company adopted its “Ethical Corporate Management Best Practice Principles” through a resolution of the Board of Directors on December 5, 2016. The Company currently complies with all relevant internal regulations and procedures, which are aligned with the core principles of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies.”</p>				
<p>VI. Other important information to enhance understanding of the company’s ethical corporate management practices (e.g., revision and review of the company's ethical corporate management principles): The Company regards “ethical corporate management” as its fundamental and guiding principle and promotes its implementation throughout all aspects of corporate governance, aiming to reinforce stakeholder confidence—including that of investors, employees, customers, and suppliers—in the Company’s commitment to integrity and ethical conduct.</p>				

(VIII) Other Important Information Enhancing Understanding of Corporate
Governance Practices

1. Director Training Records

Title	Name	Date of Appointment	Training Date		Organizer	Course Title	Hours	Total Annual Hours
			Start	End				
Representative of Corporate Director	Hai-Ni, Chen	2022/06/15	2024/09/20	2024/09/20	Securities and Futures Institute (SFI)	2024 Seminar on Prevention of Insider Trading	3	6
			2024/11/29	2024/11/29	Securities and Futures Institute (SFI)	2024 Legal Compliance Seminar on Insider Shareholding Transactions	3	
Representative of Corporate Director	Shu-Hui, Lin	2022/06/15	2024/09/06	2024/09/06	Securities and Futures Institute (SFI)	2024 Seminar on Prevention of Insider Trading	3	6
			2024/11/29	2024/11/29	Securities and Futures Institute (SFI)	2024 Legal Compliance Seminar on Insider Shareholding Transactions	3	
Representative of Corporate Director	Tseng-Tung, Chen	2022/06/15	2024/04/12	2024/04/12	Taiwan Investor Relations Institute	Steering Enterprise Wisdom – Corporate Governance Leading the Way	3	6
			2024/11/29	2024/11/29	Securities and Futures Institute (SFI)	2024 Legal Compliance Seminar on Insider Shareholding Transactions	3	
Independent Director	Te-Chu, Lee	2022/06/15	2024/09/11	2024/09/11	Industrial Technology Research Institute (ITRI)	Net-Zero Sustainability 2024: Key Action Forum	6	6

Title	Name	Date of Appointment	Training Date		Organizer	Course Title	Hours	Total Annual Hours
			Start	End				
Independent Director	Ching-Lin, Lee	2022/06/15	2024/10/04	2024/10/04	Securities and Futures Institute (SFI)	2024 Seminar on Prevention of Insider Trading	3	6
			2024/12/25	2024/12/25	Securities and Futures Institute (SFI)	Seminar on Expanding Asia's Asset Management through Derivatives for TWSE Companies	3	
Independent Director	Kuo-Yin, Lu	2022/06/15	2024/09/11	2024/09/11	Industrial Technology Research Institute (ITRI)	Net-Zero Sustainability 2024: Key Action Forum	6	6
Independent Director	Tien-Tsai, Chien	2023/05/30	2024/11/29	2024/11/29	Securities and Futures Institute (SFI)	2024 Legal Compliance Seminar on Insider Shareholding Transactions	3	6
					Securities and Futures Institute (SFI)	Seminar on Expanding Asia's Asset Management through Derivatives for TWSE Companies	3	

(IX) Implementation Status of the Internal Control System

1. Statement on Internal Control System

Holiday Garden Hotel Co., Ltd.

Date: March 5, 2025

Based on the results of our self-assessment, we hereby declare the Statement on Internal Control System for the fiscal year 2024 as follows:

- I. The Company acknowledges that the establishment, implementation, and maintenance of an internal control system is the responsibility of the Board of Directors and management. The Company has already established such a system. Its purpose is to provide reasonable assurance regarding the achievement of objectives in the following areas: operational effectiveness and efficiency (including profitability, performance, and safeguarding of assets), the reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws.
- II. An internal control system has inherent limitations. Regardless of how well designed, even an effective internal control system can only provide reasonable assurance regarding the achievement of the aforementioned objectives. Moreover, the effectiveness of an internal control system may change due to evolving circumstances. However, the Company's internal control system includes a self-monitoring mechanism. Any identified deficiencies are promptly corrected.
- III. The Company evaluates the design and operational effectiveness of its internal control system based on the criteria set forth in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The internal control evaluation framework prescribed in the Regulations classifies the internal control system into five components in accordance with the process of management control: (1) Control Environment, (2) Risk Assessment, (3) Control Activities, (4) Information and Communication, and (5) Monitoring Activities. Each component includes several evaluation items as detailed in the Regulations.
- IV. The Company has adopted the above criteria to assess the design and operational effectiveness of its internal control system.
- V. Based on the results of the aforementioned evaluation, the Company concludes that, as of December 31, 2024, its internal control system (including supervision and management of subsidiaries), covering operational effectiveness and efficiency, reliability, timeliness, and transparency of reporting, and compliance with applicable regulations and laws, was effectively designed and implemented to provide reasonable assurance regarding the achievement of the stated objectives.
- VI. This Statement will be included as a key section in the Company's Annual Report and Public Disclosure, and will be publicly disclosed. Any misrepresentation, concealment, or other unlawful act in connection with the disclosed contents shall bear the legal consequences

stipulated in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This Statement has been approved by the Board of Directors in the meeting held on March 5, 2025. Of the seven directors in attendance, none raised any objection, and all agreed with the contents of this Statement.

Holiday Garden Hotel Co., Ltd.
Chairman: Hai-Ni, Chen

2. If a CPA was engaged to conduct a special review of the internal control system, the CPA's review report shall be disclosed: None.

(X) Significant Resolutions of the Most Recent Shareholders' Meeting and Board Meetings up to the Date of Publication of the Annual Report

1. Significant Resolutions of the 2024 Shareholders' Meeting and Implementation Status

Meeting Title	Date Held	Significant Resolutions	Implementation Status
2024 Annual Shareholders' Meeting	May 30, 2024	1. Approval of the 2023 financial statements	Approved as proposed and implemented accordingly.
		2. Approval of the 2023 earnings distribution proposal	
		3. Amendment to the Company's "Rules of Procedure for Shareholders' Meetings"	

2. Significant Resolutions of the Board of Directors in the Most Recent Year and up to the Date of Publication of the Annual Report

Meeting Title	Meeting Date	Significant Resolutions
20th Board, 12th Meeting	2024.03.13	01. 2023 Employee and Director Remuneration Distribution Proposal
		02. 2023 Financial Statements
		03. 2023 Earnings Distribution Proposal
		04. 2023 Statement on Internal Control
		05. Renewal of Financial Institution Loan Agreement
		06. Appointment of Certified Public Accountants
		07. Convening of 2024 Annual General Shareholders' Meeting
		08. Proposal Handling Procedure for Shareholders Holding Over 1% of Shares
		09. Partial Amendments to the Rules of Procedure for Board Meetings
		10. Partial Amendments to the Audit Committee Charter
		11. Partial Amendments to the Rules of Procedure for Shareholders' Meetings
20th Board, 13th	2024.04.19	01. Correction of 2023 Employee and Director Remuneration Distribution Proposal
		02. Addition of Financial Institution Loan Agreement

Meeting Title	Meeting Date	Significant Resolutions
Meeting		03. Termination of Loan Agreement by Overseas Subsidiary
20th Board, 14th Meeting	2024.05.13	01. Q1 2024 Consolidated Financial Statements
		02. Pre-approval for CPAs and Related Parties to Provide Non-assurance Services
		03. Capital Increase in Overseas Subsidiary Holiday Garden U.S.
20th Board, 15th Meeting	2024.07.09	01. Deregistration of Branch Office
		02. Issuance of Letter of Support to Financial Institutions on Behalf of Subsidiary
20th Board, 16th Meeting	2024.08.07	01. Q2 2024 Consolidated Financial Statements
20th Board, 17th Meeting	2024.11.08	01. Q3 2024 Consolidated Financial Statements
		02. Renewal of Liability Insurance for Directors and Managers
20th Board, 18th Meeting	2024.12.20	01. 2025 Transportation Allowance for Directors, Independent Directors, and Managerial Officers
		02. 2024 Year-end Bonus for Managerial Officers
		03. 2025 Audit Plan
		04. 2025 Business Plan
		05. Independence Evaluation of CPA
		06. Loan to Overseas Subsidiary Holiday Garden SF.
		07. Capital Increase in Holiday Garden International Ltd.
		08. Capital Increase in Holiday Garden U.S.
20th Board, 19th Meeting	2025.03.05	01. 2024 Employee and Director Remuneration Distribution Proposal
		02. 2024 Financial Statements
		03. 2024 Earnings Distribution Proposal
		04. 2024 Statement on Internal Control
		05. Renewal and Addition of Financial Institution Loan Agreements
		06. Participation in Cash Capital Increase of Subsidiary Holiday Garden International Ltd.
		07. Capital Increase in Holiday Garden International Ltd.

Meeting Title	Meeting Date	Significant Resolutions
		08. Full Re-election of Directors (Including Independent Directors)
		09. Release of Non-compete Restrictions for New Directors (Including Independent Directors) and Their Representatives
		10. Partial Amendments to the Articles of Incorporation
		11. Convening of 2025 Annual General Shareholders' Meeting
		12. Proposal Handling Procedure for Shareholders Holding Over 1% of Shares
		13. Director Nomination Procedure for Shareholders Holding Over 1% of Shares
		14. Definition of Rank-and-file Employees
		15. Partial Amendments to the Corporate Governance Best Practice Principles
		16. Partial Amendments to the Internal Control System Guidelines
20th Board, 20th Meeting	2025.04.10	01. Appointment of CPA
		02. Nomination of Director (Including Independent Director) Candidates
		03. Merger with 100%-owned Subsidiary Holiday Garden Development Co., Ltd.
		04. Establishment of New Branch Office
		05. Partial Amendments to the Articles of Incorporation

(XI) Any Dissenting Opinions or Written Statements by Directors on Significant Resolutions Passed by the Board of Directors in the Most Recent Year and up to the Date of Publication of the Annual Report:None.

IV. Audit Fees Paid to Certified Public Accountants

(I) Audit Fees

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees (NT\$ thousand)	Non-audit Fees (NT\$ thousand)	Total Fees (NT\$ thousand)	Note
PricewaterhouseCoopers	A-Shen, Liao		3,380	0	3,380	-

Taiwan (PwC)	Chien-Chih, Wu	2024.01.01 to 2024.12.31				
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(II) If the CPA Firm Was Changed and the Audit Fees Paid for the Year of the Change Were Lower Than Those Paid for the Previous Year, the Amount, Percentage of Decrease, and Reason Shall Be Disclosed: Not applicable.

(III) If the Audit Fees Decreased by More Than 10% Compared to the Previous Year, the Amount, Percentage of Decrease, and Reason Shall Be Disclosed: Not applicable.

V. Information on Change of CPA

(I) Regarding the Former CPA

Date of Change	Approved by the Board of Directors on March 13, 2024		
Reason and Explanation for Change	Due to internal personnel adjustments at PricewaterhouseCoopers Taiwan, CPA A-Shen, Liao remains unchanged; CPA Kuo-Hua, Wang is replaced by CPA Chien-Chih, Wu.		
Explanation of Whether the Engagement Was Terminated by the Appointer or the CP	Parties Involved	CPA	Appointer
	Circumstance	Not applicable	
	Voluntary termination of engagement		
Discontinued acceptance of the engagement			
Any Audit Reports Issued with Opinions Other than Unqualified Opinions in the Last Two Years and Reasons	None		
Any Disagreements with the Issuer	Yes	Not applicable	Accounting Principles or

			Practices
			Disclosure in Financial Statements
			Scope or Procedures of the Audit
			Others
	None	V	
	Explanation		
Other Disclosures (Items 1.4 to 1.7 of Article 10, Paragraph 6 of the Regulations)	None		

(II) Information on the Successor CPA

Name of CPA Firm	PricewaterhouseCoopers, Taiwan
Names of CPAs	CPA A-Shen, Liao and CPA Chien-Chih, Wu
Date of Appointment	Approved by the Board of Directors on March 13, 2024
Consultations conducted prior to appointment regarding accounting treatment of specific transactions or accounting principles and the resulting opinions on financial statements	None
Written opinions from the successor CPA regarding disagreements with the predecessor CPA	None

(III) Reply from the Predecessor CPA regarding the matters under Article 10, Paragraph 6, Subparagraphs 1 and 2 of these Guidelines: Not applicable.

VI. Disclosure of Any Directors, President, or Managers Responsible for Financial or Accounting Matters Having Worked at the CPA Firm or Its Affiliates in the Most Recent Year : There are no such instances.

VII. Shareholding Transfers and Pledge Changes of Directors, Managers, and Shareholders Holding More Than 10% of the Company's Shares as of and up to the Annual Report Publication Date

(I) Changes in Shareholding of Directors, Managers, and Major Shareholders

Title	Name	2024		as of April 25, 2025	
		Change in Shares Held in	Change in Pledged Shares	Change in Shares Held in	Change in Pledged Shares
Chairman	YENJUAN INTERNATIONAL CO., LTD. Representative: Hai-Ni, Chen	0	0	0	0
Director	YENJUAN INTERNATIONAL CO., LTD. Representative: Shu-Hui, Lin	0	0	0	0
Director	YENJUAN INTERNATIONAL CO., LTD. Representative: Tseng-Tung, Chen	0	0	0	0
Independent Director	Te-Chu, Lee	0	0	0	0
Independent Director	Ching-Lin, Lee	0	0	0	0
Independent Director	Kuo-Yin, Lü	0	0	0	0
Independent Director	Tien-Tsai, Chien	0	0	0	0
Chairman & President	Hai-Ni, Chen	(1,673,170)	0	(3,644,137)	0
Vice President	Shu-Hui, Lin	(150,000)	0	(307,419)	0

(II) Share Transfers

Name	Reason for Share Transfer	Transaction Date	Counterparty	Relationship with the Company, Directors, Managers, or Shareholders with More Than 10% Ownership	Number of Shares	Transaction Price(NTD)
Hai-Ni, Chen	Gift	2024/09/26	Tseng-Tung, Chen	First-degree relative	1,673,170	16.40
Shu-Hui, Lin	Gift	2024/09/26	Shih-Yi, Chen	First-degree relative	150,000	16.40
Hai-Ni, Chen	Gift	2025/03/12	Tseng-Tung, Chen	First-degree relative	1,970,967	15.50
Shu-Hui, Lin	Gift	2025/03/12	Shih-Yi, Chen	First-degree relative	157,419	15.50

(III) Pledged Shares: None.

VIII. Information on Relationships Among Top Ten Shareholders, Including Related Parties or Spousal/Second-Degree Kinship

Name	Shares Held in Own Name		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		If any of the top ten shareholders are related parties as defined under Statement of Financial Accounting Standards No. 6, or are spouses or relatives within the second degree of kinship, please provide their names and relationships.		N o t e
	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %	Name of Related Party	Relationship	
YENJUAN INTERNATIONAL CO., LTD.	30,373,305	19.39	—	—	—	—	Tseng-Tung, Chen Wei-Yu, Chen	First-degree relative of company representative First-degree relative of company representative	
Representative: Hai-Ni, Chen	693,120	0.44	367,811	0.23	—	—	—	—	—
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	9.38	—	—	—	—	—	—	—
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of	12,401,650	7.92	—	—	—	—	—	—	—

Name	Shares Held in Own Name		Shares Held by Spouse and Minor Children		Shares Held Under Others' Names		If any of the top ten shareholders are related parties as defined under Statement of Financial Accounting Standards No. 6, or are spouses or relatives within the second degree of kinship, please provide their names and relationships.		Notes
	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %	Name of Related Party	Relationship	
TOZAI HOLDINGS LIMITED									
Tseng-Tung, Chen	9,795,628	6.25	260,000	0.17%	—	—	YENJUAN INTERNATIONAL CO., LTD. Wei-Yu, Chen	First-degree relative of company representative Mutual second-degree relatives	—
LANSIN INVESTMENT CO., LTD.	6,127,747	3.91	—	—	—	—	—	—	—
Wei-Yu, Chen	2,458,095	1.57	—	—	—	—	YENJUAN INTERNATIONAL CO., LTD. Tseng-Tung, Chen	First-degree relative of company representative Mutual second-degree relatives	—
Zhen-Hua, Yu	1,835,922	1.17							
Yu-Ping, Yang	1,059,840	0.68							

IX. The number of shares and combined shareholding percentage held in the same investee company by the Company, its directors, supervisors, managers, and enterprises directly or indirectly controlled by the Company

Unit: Shares; %

Investee Company	Investment by the Company		Investment by Directors, Supervisors, Managers, and Controlled Entities		Combined Investment	
	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %	Number of Shares	Shareholding Percentage %
HOLIDAY GARDEN INTERNATIONAL LTD. (Note 1)	12,000	100.00	—	—	12,000	100.00

Note 1: This is a long-term investment of the Company.

III. Capital Raising Status

I. Sources of Capital Stock

March 31, 2025

Year/Month	Issue Price	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount (NT\$)	Shares	Amount (NT\$)	Source of Capital	Contribution in Kind (Non-cash Assets)	Other
2014.09	NT\$10	93,787,066	937,870,660	90,079,444	900,794,440	Capitalized earnings of 2,623,674 shares	None	MOEA Approval No. 10301193390 dated Sep. 18, 2014
2015.10	NT\$10	150,000,000	1,500,000,000	94,583,417	945,834,170	Capitalized earnings of 4,503,973 shares	None	MOEA Approval No. 10401183470 dated Sep. 1, 2015
2016.10	NT\$10	150,000,000	1,500,000,000	98,366,754	983,667,540	Capitalized earnings of 3,783,337 shares	None	MOEA Approval No. 10501221110 dated Sep. 8, 2016
2017.09	NT\$10	150,000,000	1,500,000,000	102,301,424	1,023,014,240	Capitalized earnings of 3,934,670 shares	None	MOEA Approval No. 10601131090 dated Sep. 15, 2017
2019.09	NT\$10	150,000,000	1,500,000,000	110,485,538	1,104,855,380	Capitalized earnings of 8,184,114 shares	None	MOEA Approval No. 10801125480 dated Sep. 16, 2019
2022.09	NT\$10	250,000,000	2,500,000,000	149,155,476	1,491,554,760	Capitalized earnings of 38,669,938 shares	None	MOEA Approval No. 11101178370 dated Sep. 21, 2022
2023.09	NT\$10	250,000,000	2,500,000,000	156,613,249	1,566,132,490	Capitalized earnings of 7,457,773 shares	None	MOEA Approval No. 11230176840 dated Sep. 18, 2023

March 31, 2025

Type of Shares	Authorized Capital			Note
	Outstanding Shares (Listed)	Unissued Shares	Total	
Common Shares	156,613,249 shares	93,386,751 shares	250,000,000 shares	-

Information on the Consolidated Reporting System: Not Applicable.

II. List of Major Shareholders

March 31, 2025

Shareholding Name of Major Shareholder	Number of Shares Held	Shareholding Percentage
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	9.38%
HSBC (Taiwan) Commercial Bank Co., Ltd. as Trustee for the Investment Account of TOZAI HOLDINGS LIMITED	12,401,650	7.92%
Tseng-Tung, Chen	9,795,628	6.25%
LANSIN INVESTMENT CO., LTD.	6,127,747	3.91%

Wei-Yu, Chen	2,458,095	1.57%
Zhen-Hua, Yu	1,835,922	1.17%
Yu-Ping, Yang	1,059,840	0.68%

III. Dividend Policy and Its Execution

(I) Dividend Policy as Stipulated in the Articles of Incorporation

Considering the rapidly changing environment of the industry in which the Company operates and that the Company is currently in a stable growth phase of its corporate lifecycle, the Board of Directors shall take into account the future budget and capital requirements when proposing the earnings distribution plan. It shall also evaluate the necessity of retaining earnings to meet funding needs in order to determine the amount of earnings to be retained or distributed and the portion of shareholder dividends or bonuses to be paid in cash.

At the close of each fiscal year, if there is any net profit, the Company shall first pay corporate income tax as required by law and make up accumulated deficits from previous years. Any remaining amount shall be appropriated as a legal reserve at 10% of the net profit, unless the legal reserve has already reached the amount of the paid-in capital, in which case this requirement may be waived. The Company shall also make or reverse appropriations to special reserves in accordance with laws and regulations. The remaining balance, combined with undistributed earnings from prior years, constitutes distributable earnings, for which the Board of Directors shall prepare a distribution proposal and submit it to the shareholders' meeting for resolution.

At least 10% of the distributable earnings mentioned above shall be

allocated as shareholder dividends and bonuses. Of this amount, the cash dividend shall not be less than 10% of the total amount of shareholder dividends and bonuses.

Where two-thirds or more of the directors are present and a majority of the attending directors resolve to distribute all or part of the dividends, bonuses, capital reserves, or legal reserves in cash, such distribution may be made by a resolution of the Board of Directors and reported to the shareholders' meeting, without being subject to the requirement of shareholders' meeting approval as set forth in the preceding paragraph.

(II) Proposed Earnings Distribution for This Shareholders' Meeting

On March 5, 2025, the Board of Directors resolved the earnings distribution plan for fiscal year 2024. There will be no dividend distribution for this year.

IV. Impact of the Proposed Capital Increase by Earnings on Business Performance and Earnings Per Share: Not applicable.

V. Employee and Director Remuneration

(I) Provisions in the Articles of Incorporation Regarding Employee and Director Remuneration

The Company shall allocate 0.1% to 1% of the annual profit as employee remuneration and no more than 1% of the annual profit as director remuneration, based on the Company's profitability for the year. However, if the Company has accumulated losses, such losses must first be offset.

Employee remuneration may be distributed in the form of stock or cash,

and the recipients of such stock or cash may include employees of the Company's parent or subsidiary companies who meet specific criteria. The term "annual profit" refers to the profit before tax and before deducting employee and director remuneration.

The distribution of employee and director remuneration shall be resolved by the Board of Directors with the attendance of at least two-thirds of the directors and the approval of a majority of the attending directors, and shall be reported to the shareholders' meeting.

(II) Basis for Accrual of Employee, Director, and Supervisor Remuneration for the Current Period, Calculation Basis for Stock-Based Employee Remuneration, and Accounting Treatment of Differences Between Actual and Accrued Amounts

If the amount proposed by the Board of Directors differs from the amount accrued for the current year, the difference shall be accounted for as a change in accounting estimate and recognized in the profit or loss of the subsequent year.

(III) Remuneration Distribution Approved by the Board of Directors

Unit: NT\$

Item	Amount Approved by the Board	Amount Recognized as Expense	Difference	Method of Distribution
Employee Remuneration	207,625	0	207,625	Cash
Director Remuneration	0	0	0	Not applicable

(IV) Actual Distribution of Employee and Director Remuneration for the Previous Year

Unit: NT\$

Item	Amount Approved by the Board	Amount Recognized as Expense	Difference	Method of Distribution
Employee Remuneration	209,160	0	209,160 (Note 1)	Cash
Director Remuneration	0	0	0	Not applicable

Note 1: The difference is due to estimation variance, which was accounted for as a change in accounting estimate and recognized in the following year's profit or loss.

VI. Repurchase of Company Shares: Not applicable.

VII. Corporate Bonds Issuance: Not applicable.

VIII. Preferred Shares Issuance: Not applicable.

IX. Issuance of Overseas Depositary Receipts: Not applicable.

X. Issuance of Employee Stock Warrants: Not applicable.

XI. Issuance of New Restricted Employee Shares: Not applicable.

XII. Issuance of New Shares for Mergers or Acquisitions of Other Companies' Shares: Not applicable.

XIII. Status of Implementation of Capital Utilization Plans: Not applicable.

IV. Business Overview

I. Business Activities

(I) Scope of Business

1. Primary Business Activities

(1) Hotel operations, restaurant services, retail sale of food, groceries, and beverages.

(2) In addition to licensed businesses, the Company may also engage in businesses not prohibited or restricted by law.

2. Revenue Composition

Unit: NT\$ thousands; %

Item	2024	
	Sales Amount	Sales Percentage
Room Revenue	1,420,762	98.54%
Food & Beverage Revenue	16,983	1.18%
Other Revenue	4,082	0.28%
Total	1,441,827	100%

3. Current Services and Planned New Services: Hotel room rental and food and beverage services.

(II) Industry Overview

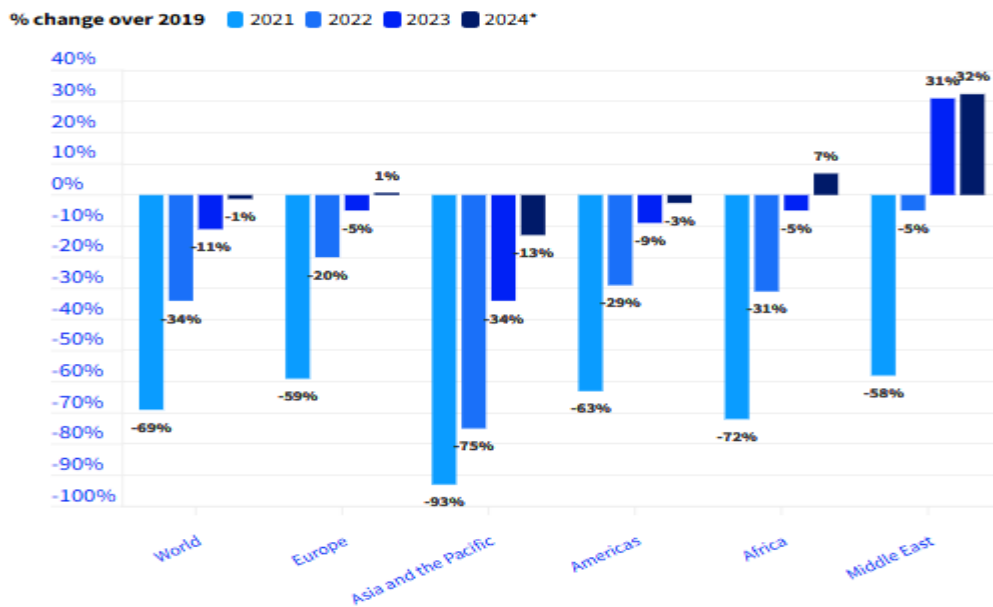
1. Current Status and Development of the Industry

According to data from the United Nations World Tourism Organization (UNWTO), global tourism reached 1.4 billion international tourist arrivals in 2024, representing an 11% increase compared to 2023. International tourism has recovered to 99% of pre-pandemic levels. The Asia-Pacific region has recovered to 87% of pre-pandemic levels, while

the Americas have recovered to 97%.

Approximately 64% of experts from the UNWTO Panel of Tourism Experts believe that the outlook for 2025 will be "better" or "much better" compared to 2024. International tourist arrivals are expected to grow by 3% to 5% compared to 2024. However, economic conditions and geopolitical tensions will continue to be significant factors affecting international tourism.

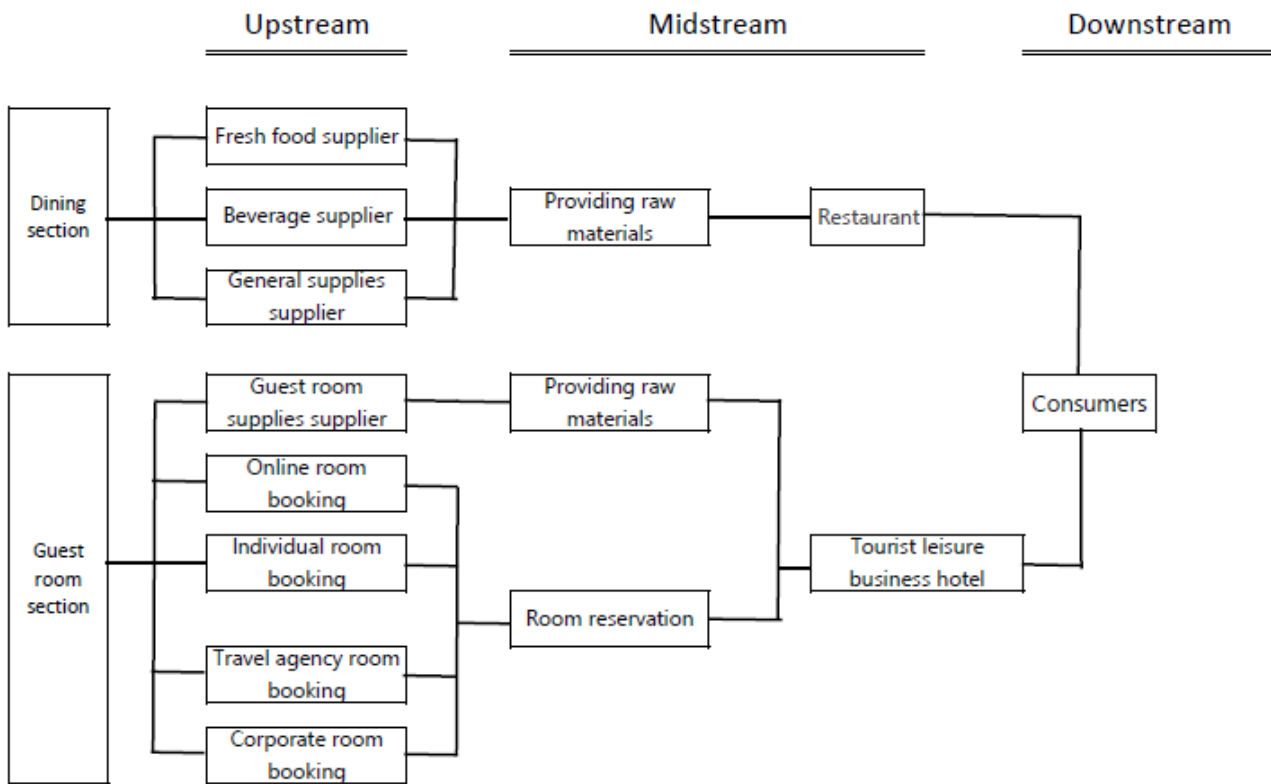
Number of International Tourist Arrivals – Global and by Region



Source: UN Tourism | World Tourism Organization © - % change over 2019 | *Preliminary figures
Data as collected by UN Tourism, January 2025. Published: 20/01/2025

2. Relationship Among Upstream, Midstream, and Downstream Segments of the Industry

The Company operates in the hospitality industry, primarily providing accommodation and dining services. In terms of industry value chain analysis, the Company is positioned in the midstream segment of the industry.



3. Product Development Trends and Competitive Landscape

(1) Development Trends

With global tourism demand fully rebounding post-pandemic, 2025 marks a new phase of transformation and upgrade for the hospitality industry. The development of hotel services reflects the following key trends:

- **Experiential and In-Depth Travel:** Travelers increasingly favor immersive experiences that incorporate local culture, ecology, and lifestyle. Hotel services must go beyond providing "accommodation" and evolve into an extension of the "destination experience."
- **Digital Transformation and Smart Hotels:** With the integration of AI and automation, features such as smart check-in, self-service kiosks, digital customer service, and personalized recommendation systems are becoming standard, enhancing both customer satisfaction and operational efficiency.

- **Sustainability and ESG as Core Strategies:** Global consumers place greater importance on corporate sustainability efforts, including green buildings, energy-saving equipment, waste management, and community engagement programs. ESG performance has become a key competitive factor for international hospitality brands.
- **Rise of Hybrid Hospitality Models:** To meet diverse traveler needs, the industry is moving toward integrated operations—combining hotels with co-working spaces, exhibition venues, themed restaurants, etc.—to improve space utilization and boost average spend per guest.
- **Dynamic Pricing and Membership Programs as Key Profit Drivers:** The use of big data to implement real-time dynamic pricing and loyalty programs enhances customer retention and stabilizes revenue streams.

(2) Competitive Landscape

- **Intensified Local Market Competition:** The hotel supply in Kaohsiung continues to increase, with the local government actively attracting investment and international brands (e.g., InterContinental, Hyatt, Marriott) entering the market. The mid-range segment is particularly competitive. Holiday Garden Hotel positions itself on the strengths of location, cultural identity, and high cost-performance value.
- **Ongoing Impact of Shared Accommodation Platforms:** Platforms like Airbnb continue to appeal to younger travelers and small groups by offering flexible pricing and localized experiences. Hotels must respond with superior service quality, differentiated

design, and safety assurances.

- Pressure from Online Travel Agencies (OTAs) and Profit Margin Erosion: OTAs such as Agoda and Booking.com charge high commission fees and exert strong pricing control, squeezing hotel profit margins. The Company is enhancing its direct booking functionality via its own website to reduce reliance on third-party platforms.
- Rising Competition for Talent and Service Quality: The hospitality industry relies heavily on human resources. With challenges such as declining birth rates and service labor shortages, only through robust internal training systems and flexible benefit programs can service quality and corporate culture continuity be maintained.

(III) Technology and R&D Overview: Not applicable.

(IV) Short- and Long-term Business Development Plans

1. Short-term Development Plan (within 1–2 years)

- (1)Enhancing Facilities and Guest Experience:Continually upgrade room types, public areas, and dining spaces to enhance overall comfort. Introduce smart hotel technologies such as self check-in, digital room keys, room control systems, and multilingual digital guides to improve operational efficiency and customer experience.
- (2)Strengthening Digital Marketing and Direct Booking Channels:Optimize the company’s official booking website and mobile reservation process to reduce reliance on OTA platforms. Leverage social media, KOLs, and SEO strategies for targeted advertising and expanded brand exposure.
- (3)Expanding Cross-industry Partnerships and Sales Channels:Collaborate with credit card companies, well-known

brands, and tourist attractions to launch co-branded promotions and bundled packages to attract new customers. Participate in domestic and international travel exhibitions hosted by the Tourism Administration and industry associations to broaden market reach.

(4)Initial Sustainability and ESG Implementation:Establish energy-saving procedures, introduce LED lighting, water resource management, and waste sorting systems. Promote guest participation in green hotel initiatives to enhance the company’s corporate social image.

2. Mid- to Long-term Development Plan (within 3–5 years)

(1)Developing a Culturally-Themed Hotel Brand:Create unique room types and experience packages centered on Kaohsiung harbor culture, indigenous elements, or Taiwanese festivals. Integrate local tours, arts partnerships, and educational activities to differentiate the brand with cultural depth.

(2)Expanding Overseas Operations:Evaluate the potential for establishing new branches in other promising regions of the U.S. based on financial returns and market potential.

(3)Upgrading Sustainable Hospitality and Pursuing ESG Certifications:Conduct carbon inventory assessments, track energy usage, and publish annual improvement reports to move toward green building labels or ESG rating certifications. Establish standard operating procedures for “green hotel” operations and embed them into daily practices.

(4)Talent Development and Organizational Enhancement:Set up an internal training center to strengthen talent development in hospitality and elevate frontline service and managerial capabilities.

Promote cross-departmental rotation and digital skill integration to foster a flexible team culture.

(5) Developing a CRM and Dynamic Pricing System: Build a customer relationship management (CRM) platform to deliver personalized promotions and exclusive offers based on customer preferences, increasing repeat visits and word-of-mouth. Implement dynamic pricing to optimize seasonal resource allocation and maximize revenue.

II. Market and Sales Overview

(I) Market Analysis

The tourism industry is a service-oriented sector with diverse objectives and interdisciplinary integration, encompassing accommodation, dining, conferences, leisure and entertainment, wellness, and cultural shopping. With global shifts in travel behavior and evolving consumer needs, the Company leverages years of experience and a strong brand reputation in the hotel and restaurant sectors to continue upgrading both software and hardware, while adhering to high service quality standards to respond proactively to market changes.

• Domestic Market Overview:

In 2025, with the pandemic under control and borders fully reopened, domestic demand for “in-depth travel” and “local experiences” has significantly increased. Kaohsiung City, driven by government efforts to promote "harbor tourism," "smart cities," and "international MICE economy," has seen a surge in tourism and business travelers. As the tourism hub of southern Taiwan, Kaohsiung benefits from robust transportation infrastructure (e.g., high-speed rail, metro system, cruise

ports) and emerging attractions (e.g., Pop Music Center, Pier-2 Art Center), making it an increasingly popular destination for both domestic and international visitors.

Located in a prime district of Kaohsiung with convenient transportation access, the Company benefits from the tourism rebound and city branding efforts. In addition to maintaining its existing customer base, the Company actively expands into corporate travel, MICE, and FIT (Free Independent Traveler) markets, while also developing affiliated dining brands to enhance customer loyalty through diversified services.

- International Market Overview:

The U.S. hospitality market has recently faced challenges from slowing economic growth and rising operating costs. However, travel accommodation demand remains structurally stable, with growing focus on sustainable tourism and heightened awareness of health and safety. In the post-pandemic era, consumers place greater emphasis on the holistic value of their stay, including eco-friendly facilities, personalized service, and hygiene standards.

The Company's current operations in the United States remain steadily growing. Going forward, the Company will assess investment opportunities in regions beyond California based on macroeconomic trends and consumer behaviors. If suitable targets meet the required return thresholds and align with long-term strategic synergies, the Company will pursue expansion to broaden its international footprint, mitigate risks, and generate future growth momentum.

(II) Primary Products, Uses, and Production Process

The Company's core operations include room rentals, food and beverage services, and provision of meeting venues. These services are designed to

deliver the highest level of customer satisfaction.

(III) Key Raw Material Supply

The Company primarily operates in room rental and food and beverage services. Major raw materials include guest supplies and fresh ingredients, which are currently in stable supply.

(IV) Customers Accounting for Over 10% of Total Purchases or Sales in the Past Two Fiscal Years

1. Major Purchase Clients: Not applicable as no single supplier accounted for over 10% of purchases.
2. Major Sales Clients: Not applicable as no single customer accounted for over 10% of sales

III. Employee Overview for the Past Two Fiscal Years and as of the Date of the Annual Report

Year		2024	2023	As of April 25, 2025
Number of Employees	Direct Labor	34	31	24
	Indirect Labor	31	16	0
	Total	65	47	24
Average Age		40	41	40
Average Years of Service		4	5	7
Educational Background Distribution	Doctorate	0	0	0
	Master's Degree	4	4	4
	Bachelor's Degree	42	31	18
	High School	16	11	2
	Below High School	3	1	0

IV. Environmental Protection Expenditures

(I) Losses Incurred Due to Environmental Pollution in the Most Recent Fiscal Year and as of the Date of the Annual Report: None.

(II) Estimated Amounts That May Occur Currently or in the Future and Response Measures: Not applicable.

V. Labor Relations

(I) Employee Welfare Measures: The Company has established a "Welfare Committee" composed of representatives from each department. A fixed amount is deducted from employees' monthly salaries to fund various welfare activities. The current welfare system includes the following:

- Salary and allowances are adjusted annually based on individual performance reviews, industry benchmarks, and cost-of-living indices. Allowances include those for position, skills, certifications, and duty performance.
- Regular annual health checkups for employees.
- Company-sponsored domestic travel annually.
- Gifts or cash allowances for birthdays, weddings, funerals, and childbirth.
- Year-end banquet with a grand lucky draw and generous prizes.
- Year-end bonuses and employee remuneration are distributed based on the Company's profit performance.

(II) Employee Training, Development, and Retirement System and Its Implementation:

1. To maintain hotel safety and improve service quality, the following training programs were conducted during the year:

Implemented Training Programs:

- Implemented Training Programs:
- Charismatic Service and Customer Relationship Management
- Time Management and Work Efficiency
- SOP Development Techniques
- Hospitality Procurement Practices
- Digital Marketing
- Corporate Succession Planning

- Job Analysis and Job Description Drafting
- Leadership Excellence Training
- Food Safety and Hygiene in F&B Services

Planned Training Programs (Scheduled for 2025) :

- Service Sensitivity Training
- Practical Management for High-Performance Supervisors
- Optimization of F&B Service Processes
- Questionnaire Design and Analysis
- Leadership Through Management by Objectives
- Internal Communication Skills Enhancement
- Service Marketing
- Digital Marketing
- Copywriting for Online Branding and Social Media
- Interview Skills for Competency-Based Recruitment

2. Since July 1, 2005, the Company has adopted a defined contribution retirement plan in accordance with the Labor Pension Act, applicable to employees with ROC nationality. The Company contributes no less than 6% of the employee's monthly salary to their individual pension account with the Bureau of Labor Insurance. Retirement payments are made either in monthly installments or as a lump sum based on the accumulated amount and investment earnings in the employee's account.

(III) Losses Due to Labor Disputes in the Most Recent Year and as of the Date of the Annual Report, Estimated Amounts That May Occur, and Response Measures:

The Company has established sound management and welfare systems, as well as open communication through the Welfare Committee. Any

issues are promptly coordinated and resolved. Therefore, no labor disputes have arisen in the past two years.

VI. Information Security Management

(I) Information Security Risk Management Framework

To ensure the safety of customer data and the Company's operations, a dedicated Information Security Team has been established, responsible for the implementation, supervision, and updating of information security policies. The Company adheres to the "Regulations for Personal Data File Security Maintenance" to safeguard customer information from unauthorized access, alteration, or disclosure.

(II) Information Security Policy

To enhance information security management and ensure the availability, integrity, and confidentiality of information, while preventing internal and external intentional or accidental threats, the objectives of the information security policy are as follows:

1. Establishment of information security policies and dedicated management.
2. Strengthening of information infrastructure.
3. Execution and monitoring of security measures.
4. Data backup and information security protection.
5. Assurance of business continuity.
6. External professional audits and continuous improvement.

(III) Specific Management Measures and Resources Allocated for Information Security

1. Veeam Backup System: Ensures data integrity and disaster recovery

capability.

2. Forti Firewall Monitoring: Strengthens network protection against external attacks and internal threats.
3. NAS Synchronization Monitoring: Real-time monitoring of data synchronization to prevent loss or corruption.
4. Antivirus Software Deployment: Endpoint protection to effectively prevent malware attacks.
5. Server Room Management: Daily inspection and log management to maintain stable equipment operations.
6. Uninterruptible Power Supply (UPS): Maintains system operations during power outages to prevent data loss.
7. Environmental Monitoring: Regular inspection of server room temperature and humidity to ensure compliance with operational standards.
8. Virtual Machine Backup: Ensures timely and complete backup of virtual machines to mitigate business disruptions.
9. Data Loss Prevention (DLP): Deployment of DLP systems to prevent data leakage risks.
10. Network Firewall: Quarterly reviews and optimization of firewall settings to protect the corporate network.
11. AutoFax Service: Ensures stable operation of internal and external communication systems.
12. Virtual Machine Status Monitoring: Real-time monitoring to avoid disruptions in business operations.

(IV) Major Information Security Incidents and Losses in the Most Recent Year and as of the Annual Report Publication Date: Not applicable.

V. Financial Condition and Operating Performance

I. Financial Condition

Unit: NT\$ Thousands; %

Item	2024	2023	Difference	
			Amount	%
Current Assets	3,469,276	3,639,321	(170,045)	4.67
Property, Plant and Equipment	3,673,018	3,568,247	104,771	2.94
Other Assets	1,118,983	1,096,292	22,691	2.07
Total Assets	8,261,277	8,303,860	(42,583)	0.51
Current Liabilities	1,468,023	781,055	686,968	87.95
Non-current Liabilities	3,461,916	4,335,378	(873,462)	20.15
Capital Stock	1,566,133	1,566,133	0	0
Capital Surplus	2,169	2,169	0	0
Retained Earnings	1,663,867	1,623,361	40,506	2.50
Other Equity	99,169	(4,236)	103,405	2441.10
Total Equity	3,331,338	3,187,427	143,911	4.51
Material Explanations:				
1. Current and Non-current Liabilities: The increase in current liabilities and decrease in non-current liabilities was mainly due to the reclassification of long-term borrowings due within one year to current liabilities. The related credit agreements have been successfully renewed in 2025.				
2. Other Equity: The difference was mainly attributable to the cumulative translation adjustment.				

II. Financial Performance

Unit: NT\$ Thousands; %

Item	2024	2023	Difference	
			Amount	%
Operating Revenue	1,441,827	1,433,125	8,702	0.61
Operating Costs	198,723	267,371	(68,648)	(25.68)
Gross Profit	1,243,104	1,165,754	77,350	6.64
Operating Expenses	1,134,457	1,093,730	40,727	3.72
Operating Income (Loss)	108,647	72,024	36,623	50.85

Non-operating Income and Expenses	(35,291)	(147,788)	112,497	76.12
Income Tax Benefit (Expense)	(32,850)	101,513	(134,363)	(132.36)
Net Income (Loss) After Tax	40,506	25,749	14,757	57.31
Material Explanations:				
1. Operating Costs and Operating Income (Loss): Operating costs decreased due to a downsizing of the catering business; increased room revenue and effective control of operating expenses contributed to an increase in operating income compared to the previous year.				
2. Non-operating Income and Expenses: The change was mainly due to differences in foreign exchange gains (losses) resulting from fluctuations in exchange rates.				
3. Income Tax Benefit (Expense): The difference was due to the origination or reversal of temporary differences.				

III. Cash Flows

(I) Analysis of Changes in Cash Flows in the Most Recent Fiscal Year

Unit: NT\$ Thousands; %

Beginning Cash Balance	Net Cash Inflows from Operating Activities	Net Cash Outflows from Investing and Financing Activities	Ending Cash Balance	Remedial Measures for Cash Shortfalls	
				Investment Plan	Financial Plan
2,416,615	320,286	(384,025)	2,457,532	-	-

(II) Analysis of Cash Flow Changes in the Last Two Fiscal Years

Unit: NT\$ Thousands; %

Item	2024	2023	Difference	Change Rate
Operating Activities	320,286	38,492	281,794	732.08
Investing Activities	83,370	(141,520)	224,890	158.91
Financing Activities	(467,395)	(151,467)	(315,928)	208.58

Summary of Differences: Operating performance improved compared to the previous period. However, investing and financing activities continued to be impacted by relatively high financial costs.

(III) Remedial Measures for Cash Shortfalls and Liquidity Analysis: Not applicable.

(IV) Cash Liquidity Analysis for the Coming Year

Unit: NT\$ Thousands; %

Beginning Cash Balance (1)	Estimated Annual Net Cash Inflows from Operating Activities (2)	Estimated Annual Cash Outflows (3)	Ending Cash Surplus (Deficit) (1) + (2) - (3)	Remedial Measures for Cash Shortfall	
				Investment Plan	Financial Plan
2,457,532	395,453	306,000	2,546,952	—	—

IV. Impact of Major Capital Expenditures in the Most Recent Year on Financial and Operating Results

The Company's recent major capital expenditures have primarily been funded through operating capital and bank financing. Related financial risks have been properly planned and regularly monitored, and thus have not had any material impact on the overall financial position of the Company.

V. Investment Policy, Major Causes of Gains or Losses from Long-term Investments, Improvement Plans, and Investment Plans for the Coming Year

Item	Explanation	Amount (NT\$ Thousands)	Policy	Major Causes of Gains or Losses	Improvement Plan	Investment Plans for the Coming Year
	Holiday Garden International Ltd.	(233,370) (FY2024)	Overseas holding company	Operating losses from subsidiary-	The Company continues to	No major investment plans at

			owned hotel properties in the U.S., including Clementine Hotel & Suites Anaheim, invested via Holiday Garden International.	implement strict financial controls and adjust the financial structure with a focus on achieving profitability.	present
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VI. Risk Factors – Analysis and Assessment for the Most Recent Year and as of the Date of Annual Report Publication

(I) Impact of Changes in Interest Rates, Exchange Rates, and Inflation on the Company’s Profit or Loss and Future Countermeasures

The Company’s short-term and long-term borrowings are primarily based on floating interest rates. Therefore, fluctuations in market rates affect the effective interest rates of the Company's debt. The Company manages this risk by adjusting its funding strategies in a timely manner and maintaining a positive relationship with its banking partners to secure favorable loan terms and minimize the impact of interest rate volatility on interest expenses.

While fluctuations in USD and JPY exchange rates are relatively high, the majority of the Company’s guests are domestic travelers; therefore, exchange rate movements have limited impact on business operations.

In response to inflationary pressures, the Company adopts a strategy of multiple quotations and suitability assessments to reduce costs and avoid waste, while adjusting sales policies to mitigate inflation risks.

(II) Policies, Major Causes of Gains or Losses, and Countermeasures for High-

Risk or Highly Leveraged Investments, Loans to Others, Endorsements/Guarantees, and Derivative Transactions

The Company adheres to prudent financial management principles and has not engaged in high-risk or highly leveraged investments. Activities such as loans to others, endorsements/guarantees, and derivative transactions are conducted in accordance with internal policies, including the “Procedures for Acquisition and Disposal of Assets” and “Operational Procedures for Loaning of Funds and Endorsements/Guarantees.” Prior to execution, all activities are subject to thorough risk evaluation, and appropriate risk management measures are implemented to ensure financial stability and sound business operations.

(III) Future R&D Plans and Estimated R&D Expenditures

The Company operates in the general hotel industry and currently has no research and development plans.

(IV) Impact of Significant Domestic or Foreign Policies and Legal Changes on the Company’s Financial and Business Operations and Related Measures

As of the publication date of this annual report, there has been no significant impact on the Company’s financial or operational performance due to changes in major domestic or international policies or laws. All business activities are conducted in compliance with applicable regulations. The Company continues to closely monitor policy, regulatory, and market changes and will assess potential impacts on operations in a timely manner. Where necessary, the Company will seek advice from legal and accounting professionals to ensure compliance and mitigate any potential risks to financial and business operations.

(V) Impact of Technological Changes (Including Information Security Risks) and Industry Transformations on the Company’s Financial and Business

Operations, and Countermeasures

1. Potential Impacts of Technological Changes and Information Security Risks on the Company

- (1) **Increased Risk of Customer Data Breaches:**The hotel industry relies heavily on membership systems and online transactions. If information security is not properly managed, there is a risk of unauthorized access to or leakage of customer data, which could harm brand trust and lead to potential fines or litigation.
- (2) **System Interruptions Impacting Operations:**Cyberattacks (e.g., ransomware) or anomalies in server environments may disrupt booking, payment, or customer service systems, resulting in operational downtime and revenue loss.

2. Countermeasures

- (1) **Establishment of a Robust Information Security Management System:**The Company has formed a dedicated information security team to implement policies and regularly review risks and update control measures.
- (2) **Implementation of Technical Protection and Monitoring Mechanisms:**Key technologies such as Veeam backup systems, Forti firewalls, and Data Loss Prevention (DLP) systems have been deployed to ensure data security and uninterrupted operations.
- (3) **Enhancement of Operational Resilience and Continuity:**The Company strengthens emergency response capabilities through virtual machine backups, uninterruptible power supplies (UPS), and routine data center inspections.
- (4) **Optimization of IT Investment and Efficiency Evaluation:**When introducing new technologies and security equipment, the

Company conducts prudent assessments of their effectiveness in enhancing operational efficiency and customer experience, while maintaining sound financial principles.

(VI) Impact of Corporate Image Changes on Crisis Management and Countermeasures

The Company has always adhered to the core business philosophy of “friendly service and customer first,” striving to create a warm, safe, and culturally distinctive lodging experience, which has been well recognized by guests. In today’s fast-paced media environment and real-time customer feedback era, maintaining a positive corporate image has become an integral part of crisis management. The Company views a solid corporate reputation as the cornerstone of stable operations and sustainable growth. Going forward, the Company will continue to enhance risk prevention and brand resilience, safeguard shareholder interests, fulfill corporate social responsibility, and strive toward a more transparent, credible, and sustainable model of corporate governance.

(VII) Expected Benefits, Potential Risks, and Countermeasures of Mergers and Acquisitions: None.

(VIII) Expected Benefits, Potential Risks, and Countermeasures of Plant Expansion: None.

(IX) Risks and Countermeasures Relating to Supplier or Customer Concentration in Procurement or Sales: None.

(X) Impact, Risks, and Countermeasures of Large Transfers or Changes in Equity Held by Directors, Supervisors, or Major Shareholders Holding More Than 10% of Shares: None.

(XI) Impact, Risks, and Countermeasures of Changes in Control of the Company: None.

(XII) Litigation or Non-Litigation Matters: None.

(XIII) Other Significant Risks and Countermeasures: None.

VII. Other Material Matters: None.

VI. Special Disclosures

I. Information on Affiliates

Please refer to the Market Observation Post System (MOPS) via the following path:

MOPS > Individual Company > Electronic Documents Download > Affiliate Disclosures Section.

II. Private Placement of Securities for the Most Recent Year and Up to the Date of Annual Report Publication: None.

III. Other Required Supplementary Disclosures: None.

VII. Significant Matters Occurred During the Most Recent Year and Up to the Date of Annual Report Publication That May Have a Material Impact on Shareholders' Equity or Securities Prices as Specified in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act

None.

HOLIDAY GARDEN
GROUP
HOTELS & RESTAURANTS

Holiday Garden Hotel Co., Ltd.



Chairman: Hai-Ni, Chen

