Stock-code：2704

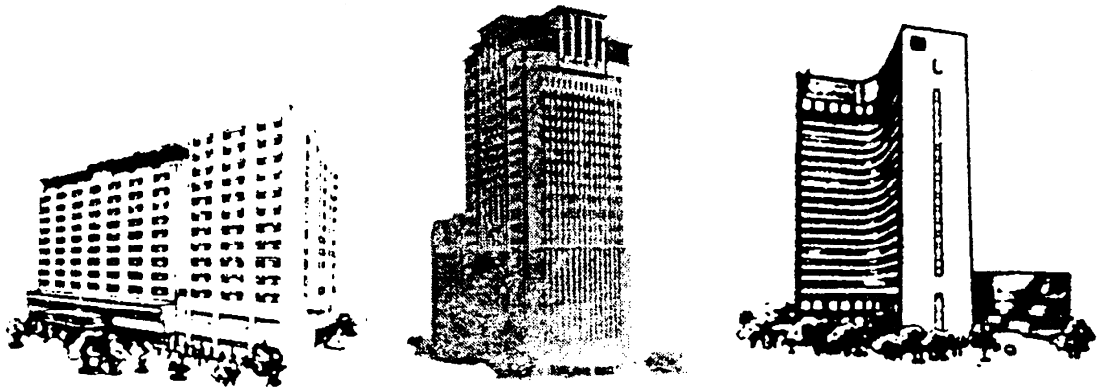
國賓大飯店股份有限公司

THE AMBASSADOR HOTEL

TAIPEI・HSINCHU・KAOHSIUNG

2022

Annual Report



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◎**Overseas Securities Exchange**：N/A

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I. Report to Shareholders

I. Dedication

Dear shareholders, ladies, and sirs:

In 2022, the COVID-19 pandemic greatly impacted the business of **THE AMBASSADOR HOTEL**. However, as the situation improved, people in Taiwan have adapted to living with the pandemic, and the government has loosened its border control measures. This has helped to boost the overall occupancy rate of hotels and revive the domestic food and beverage market. Additionally, in order to revitalize the assets of the Company and increase the value, **THE AMBASSADOR HOTEL** has transitioned to a light-asset management model. In the second quarter of 2022, **THE AMBASSADOR HOTEL Hsinchu** completed a sale-and-leaseback transaction. While the renovation and reconstruction of **THE AMBASSADOR HOTEL Taipei** started at the end of the year. The Taipei restaurants has been smoothly relocated to the Liaoning Restaurant to optimize operations. **THE AMBASSADOR HOTEL Kaohsiung** continued its operations until the end of January 2023, the cooperation and development projects are being accelerated. In the future, **THE AMBASSADOR HOTEL** will present itself with a brand-new image. Despite the challenges posed by the pandemic in the past three years, the Company is undergoing a transformation process with the support and encouragement of the Directors and shareholders. The Company will continue to work hard to create a new era for **THE AMBASSADOR HOTEL**.

Looking forward to 2023, as the impact of the COVID-19 pandemic gradually subsides, the performance of the Taipei Liaoning restaurants and **THE AMBASSADOR HOTEL Hsinchu** has been growing. The Company's various transformation initiatives are continuing to be actively promoted, with the key to success being attracting and retaining high-quality talent. To inherit the business wisdom and cultivate talent to optimize the team, the Company has proposed relevant retention incentives and training programs to stabilize employees, stimulate their performance, enhance the Company's competitiveness, and create maximum shareholders' value. In addition, the Company continues to uphold its original intention of giving back to society, implementing corporate social responsibility and ESG goals for good corporate governance, and creating sustainable business value to meet the expectations of shareholders. The Company welcome any feedback from the shareholders.

Chairman : Emmet Hsu

II. Operating Results

1. Guest Rooms:

   The Guest Room Department received a total of 258,202passengers from January to December 2022, an increase of 26,008 from 232,194 in the same period last year, an increase of 11.2%. Among all the tourists, Japanese tourists accounted for 2.0%, Chinese tourists accounted for 90.9%, mainland China Regional travelers accounted for 0.1%, American travelers accounted for 1.3%, and travelers from other regions accounted for 5.7%. The room occupancy rate was 48.9% in Hsinchu, and 51.4% in Kaohsiung. The revenue of the Guest Room Department was NT$335,606 thousand, an increase of 68,009 thousand from the267,597 thousand in the same period in 2021, an increase rate 25.4%.

2. Catering Service:

   The total revenue of the Catering Department from January to December of 2022 was NT$1,089,317 thousand, a decrease of NT$142,829 thousand from NT$1,232,146 thousand in the same period last year, a decrease rate of 11.6%.

3. The Company's annual revenue is NT$1,449,384 thousand from January to December of 2022. Compared with NT$1,518,343 thousand in the same period in 2021, there was a decrease of NT$68,959 thousand, a decrease rate 4.5%.

III. Financial Report

1. BALANCE SHEETS

The total assets of the Company as of December 31, 2022, was NT$18,642,822 thousand, of which total liabilities was NT$5,217,447 thousand, accounting for 28% of total assets, and total shareholders' equity was NT$13,425,375 thousand (including non-controlling interests NT$ 4,473 thousand), accounting for 72% of total assets.

2. STATEMENTS OF COMPREHENSIVE INCOME

The Company's operating income from January to December of 2022 was NT$1,449,384 thousand, a decrease of NT$68,959 thousand, 4.5% compared with NT$1,518,343 thousand in the same period last year. Operating costs were NT$1,442,934 thousand, operating expenses were NT$742,114 thousand. The operating loss was NT$735,664 thousand. the net non-operating income and expenses was NT$1,837,588 thousand. The pre-tax profit for the current period was NT$1,101,924 thousand, an increase of NT$1,185,155thousand compared with the same period last year NT$83,231 thousand.

IV. Budget and budget implementation

Operating income for the year 2022 was NT$1,449,384 thousand, and the budget was NT$1,560,077 thousand, the achievement rate was 92.9%; the net profit before tax was NT$1,101,924 thousand, and the budgeted net profit before tax was NT$48,325 thousand.

V. Financial income and expenditure and profitability analysis

Unit: NT$ thousand; %

Analytical Items \ Years			2022	2021
Financial Balance	Net Operating Revenue		1,449,384	1,518,343
	Gross Profit		6,450	261,874
	Profit after Tax		1,088,294	(88,183)
Profitability	Return on Assets (%)		6.30	(0.47)
	Return on Equity (%)		8.58	(0.76)
	Percentage of paid-in capital (%)	Operating Income	(20.05)	(10.16)
		Profit before Tax	30.03	(2.27)
	Net profit rate (%)		75.09	(5.81)
	EPS (NT$)		2.97	(0.24)

VI. Research and development status: Not applicable.

VII. Summary of 2022 business plan

1. Business policy for the current year

(1) Establish a talent training system and continuously improve the service quality of employees.

(2) Continue to optimize hardware and software equipment, with standardized processes to continue the classic brand.

(3) Implement the sustainable development Policy and expand the scope of environmental, social, and corporate governance.

(4) Continue to strengthen the food safety control process and provide better quality products to consumers.

2. Expected sales volume and its basis

Still affected by the epidemic this year, the tourism industry has suffered the most. With a sharp decline in the number of international tourists coming to Taiwan, the government encourages Chinese people to change their originally planned foreign travel to more sophisticated in-depth domestic tourism, hoping to expand the scale of the national tourism market. Cooperate with the expansion of international travel policies, so we can deeply understand and experience local culture and cuisine and inject vitality and impetus to the national tourism market. It is hoped that through the promotion of local tourism, eco-tourism, green tourism, and caring tourism, the depth of tourism experience can be achieved goal. By the end of April 2022, the domestic epidemic broke out again, and the number of people dining out and having dinner

parties dropped sharply, which seriously affected the revenue of catering and accommodation. However, the Ambassador Hotel continues to provide high-quality service quality, innovative dishes, and continues to strengthen food safety control, so that customers can have a different experience. Looking at the above factors, the Company's room revenue and catering revenue will be reflected, and the expected sales target of catering should be achieved.

3. Important production and marketing policies and future development strategies

(1) THE AMBASSADOR HOTEL was founded in 1962. After half a century, the three generations of the old, middle, and young have been combined. In order to integrate and effectively use organizational resources and pass on experience, the Company can maintain a competitive advantage. We will continue to operate, and specially set up the "National Guest Academy", hoping to carry out the "Knowledge Management" talent development plan through the "Mentor System", and smoothly transfer, continue, and pass on the management wisdom of the "customer-oriented" of the national guests. Mesozoic. It is hoped that the service quality of employees can be established, customer brand exposure can be the best experience, the high-quality image of the national guest brand can be strengthened, and the core value of the brand "Taiwan's Best Service Quality Hotel Group" can be deeply cultivated.

(2) Customer Loyalty Program: This year, the focus will be placed on senior executives to inherit the customer cultivation plan. It is expected that senior executives will pass on the list of familiar customers and customer preferences to the Mesozoic supervisors, strengthen the soft competitiveness of the hotel, and consolidate the source of customers. And improve customer return rate.

(3) Integrate the use of group resources, expand the breadth and depth of the market, and achieve the goal of increasing overall revenue.

(4) During the epidemic period, due to border control, food exchanges with foreign countries were not possible. Therefore, more attention was paid to the ESG part. Since the Ambassador Hotel provided high-quality catering services in the past, it has great advantages in market positioning and popularity. Use the above conditions and in cooperation with other catering brands, the national guest chef team provides professional technical training and guidance, teaches disadvantaged students a skill, cultivates students' culinary skills and subsidizes them to obtain professional licenses, in addition to motivating internal staff to improve their professional skills, but also to cultivate catering professions talent.

(5) Cooperate with the government to expand the scale of the national tourism market, use the tourism resources around the hotel and the important landmark feature attractions, and integrate with travel agencies, leisure and entertainment attractions and other industries to plan thematic accommodation project activities to increase the housing rate of each museum.

(6) Fully grasp the trend of electronic channel tools, strengthen the performance of the cash flow operating platform, and enhance the effectiveness of electronic marketing

as a positive development strategy, and strengthen the integration of the Internet marketing system of the state guest system.

(7) The Ambassador Hotel Taipei is undergoing renovations, and the Ambassador Hotel Kaohsiung is undergoing cooperative development, so as to revitalize their assets and enhance their use value and provide customers with better service and environment in the future.

4. Affected by external competition environment, legal environment, and overall business environment

The COVID-19 pandemic has shocked our country's tourism industry. According to statistics, in 2022, the number of tourists to Taiwan was 890 thousand, compared to 140 thousand in 2021, a significant growth, but still far from pre-epidemic levels Although the government continues to promote relevant policies to revitalize domestic tourism, it is difficult to make up for the shortage of international tourists, and the impact on urban tourism hotels is particularly obvious. As the domestic epidemic situation stabilizes and the epidemic prevention control is gradually opened, the Ambassador Hotel will continue to provide high-quality service quality, innovative dishes and continue to strengthen food safety control, so that customers can have a different experience and prepare for the recovery of the tourism industry after the epidemic has stabilized.

II. Company Profile

Ⅰ. Company Profile

1. Date of Incorporation: December 01, 1962.

2. Location of Headquarter:

2F, No. 9, Lane 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)

Location of Liaoning Restaurant: 2F, No. 177, Liaoning St., Taipei City
Telephone number: (02)2551-1111
(02)2100-2100

Location of Hsinchu Branch: No. 188, Section 2, Zhonghua Road, Hsinchu City
Telephone number: (03)515-1111
(03)515-1666

3. Company History

December, 1962	In response to the government's call to promote tourism, the Company started construction on the current site of Zhongshan North Road, Taipei City in 1981 to establish the leading international tourist hotel in Taiwan. The capital is NT$ 60 million.
December, 1964	The hotel opened for business officially.
September, 1978	The Ambassador Hotel Kaohsiung began construction to cooperate with the government to develop the southern tourist area of Taiwan
November,1978	Public offering of stocks, profit sharing to the public, and in response to the recovery of the world economy and the surge in business travel to Taiwan, the Taipei Building expansion project was under construction.
September, 1979	New Taipei Building was completed and participated in operation.
December, 1981	The Ambassador Hotel Kaohsiung officially opened, which provided a new alternative for tourism of South sightseeing. Since then, the north-south chain operation has provided guest rooms, Chinese and Western restaurants, to satisfy customers with a comfortable place for festive banquets, cocktail parties, and meetings.
November, 1982	Company stock public listing.
November, 1996	The Ambassador Hotel Hsinchu began construction which was absolutely attractive to customers of the Hsinchu Science Park and tourists visiting the recreational facilities in Hsinchu.
February, 2000	Passed ISO 9001 Quality Certification Processes.
December, 2000	The Ambassador Hotel Hsinchu was completed and ready for

	operations.
May, 2001	The Ambassador Hotel Hsinchu officially opened.
January, 2005	The Le Bouquet Cake Shop of the Ambassador Hotel Taipei officially opened, aiming for being a super five-star cake shop.
November, 2007	A CUT STEAKHOUSE officially opened, serving customers with top quality steak and fine wine feast.
December, 2008	Market Café Kitchen officially opened, which is the first prompting “Zone Pricing” brand-new concept restaurant in Taiwan
February, 2009	YU SUSHI officially opened, which served new style of modern Japanese cuisine.
November, 2010	The Ambassador Hotel Kaohsiung was awarded the five-star hotel mark by the Tourism Bureau. It was the "only" and "first" hotel in Kaohsiung to receive this honor. In this review by the Tourism Bureau, The Ambassador Hotel Kaohsiung has been highly recognized by experts from various fields, including architecture, design, hotel management, tourism and media. It passed the evaluation with high scores and was awarded the five-star hotel mark, becoming the pioneer of five-star hotels in Taiwan.
September, 2011	The Ambassador Hotel Taipei won the honor of "Five-Star Tourist Hotel", the highest rating of the ROC Tourist Hotel.
December, 2011	The Ambassador Hotel Hsinchu won the honor of "Five-Star Tourist Hotel", the highest rating of the ROC Tourist Hotel. The Ambassador Hotel became the first chain hotel which all its branch received five-star honor in Taiwan.
February, 2012	Driven by innovation-centric, and combining the three major DNAs of environmental protection, technology and creativity, created a new brand "amba", and officially launched the “amba TAIPEI XIMENDING” in Ximending , which broke the rules of general hotel, and created the "infinite possibilities on the building" The space outlined a completely different style hotel, and also provided a brand-new dining experience for all travelers.
August, 2012	1Bite2Go Café & Deli Shilin flagship store officially opened, a brand-new American-style restaurant.
April, 2013	Le Bouquet Bakery officially opened, a French bakery that pursues health and nature.
June, 2013	Created an American Food Truck, introducing fresh and delicious sandwich meals made on site, reproducing street delicacies of American metropolises.
August, 2013	The theme restaurant "Andante Bistro" was officially opened in Hualien Cultural and Creative Park. It is based on the concept of a slow-lived dining pub. It adheres to the belief of valuing food traceability and incorporates local ingredients. It is the first five-star

	restaurant in the Cultural and Creative Park in Taiwan.
October, 2013	1Bite2Go Café & Deli Anhe shop officially opened.
June, 2014	1Bite2Go Café & Deli Xinyi flagship store officially opened.
August, 2014	Andante's wooden house officially opened. It is divided into 13 independent wooden houses. To promote the concept of environmental protection, the appearance of the wooden house is completely retained the original appearance, and the decoration echoes the original historical meaning of the wooden house, allowing visitors to immerse in the fragrance of cypress.
April, 2015	amba Zhongshan Yishe is positioned in the three major DNA innovation markets of environmental protection, technology, and creativity. It has applied a new generation of hotel design concepts. It integrates the popular hot topics, the preferences of science and technology, and the customers' desires into the software and hardware of the hotel. Balancing functionalities and fun to create a simple and comfortable space.
May, 2015	Burger Fix officially opened.
July, 2016	Amba Songshan Yishe is located in an excellent location in the East District of Taipei City, close to Songshan Station. Customers can easily visit Xinyi, Songshan and Nangang Districts and enjoy the magnificence of Taipei 101 and the charming view of Keelung River.
May, 2017	The Sichuan Restaurant of the Ambassador Hotel Taipei entered the Tianmu business district and opened " Ambassador Chinese Cuisine Tianmu ". It was the only five-star Sichuan restaurant in Tianmu area.
May, 2017	The Bakery of the Ambassador Hotel Taipei entered the Linkou area and opened brand " Corner Bakery 63 " which was the only five-star bakery in the Linkou area.
December, 2017	"A Cut" of the Ambassador Hotel Taipei re-opened, with more than 10,000 visitors in the first three months.
March, 2018	The three restaurants of the Ambassador Hotel Taipei , the Ambassador Canton Court, the Ambassador Szechuan Court, and A CUT STEAKHOUSE, were recommended by Michelin the Plate.
December, 2018	The three Taipei, Hsinchu, and Kaohsiung Ambassador Hotel all won the "Star Travel 100 of the Year" award from the Tourism Bureau of the Ministry of Communications.
April, 2019	The three restaurants of the Ambassador Hotel Taipei, the Ambassador Canton Court, the Ambassador Szechuan Court, and A CUT STEAKHOUSE, were recommended by Michelin the Plate again.
October, 2019	The Ambassador Szechuan Court, Taipei re-opened.

November, 2019 The Ambassador Hotel Taipei guest room decoration completed.

August, 2020 A CUT Steak House of the Ambassador Hotel Taipei was awarded one Michelin star.

November, 2020 The Ambassador Hotel Taipei submitted an application for reconstruction of urban unsafe and old buildings.

August, 2021 A CUT Steak House of the Ambassador Hotel Taipei has been awarded one Michelin star for consecutive years.

November, 2021 Signed the Ambassador Hotel Kaohsiung Cooperative Development Project.

July~October, 2022 In response to the renovation of the Ambassador Hotel Taipei, A CUT Steak House and the Chinese Cuisine Restaurant have been moved to the Liaoning restaurant for operation .

August, 2022 The Ambassador Hotel Taipei has changed its business address in response to the renovation, and the new address is: 2F, No. 9, Lane 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, (R.O.C.)

October, 2022 The Ambassador Hotel Taipei and Japan Palace Hotel formally signed a business cooperation contract.

(4) In the most recent year and as of the date of publication of the annual report, the handling of company mergers and acquisitions, reinvestment of related enterprises, and reorganization: please refer to page 237 for reinvestment status.

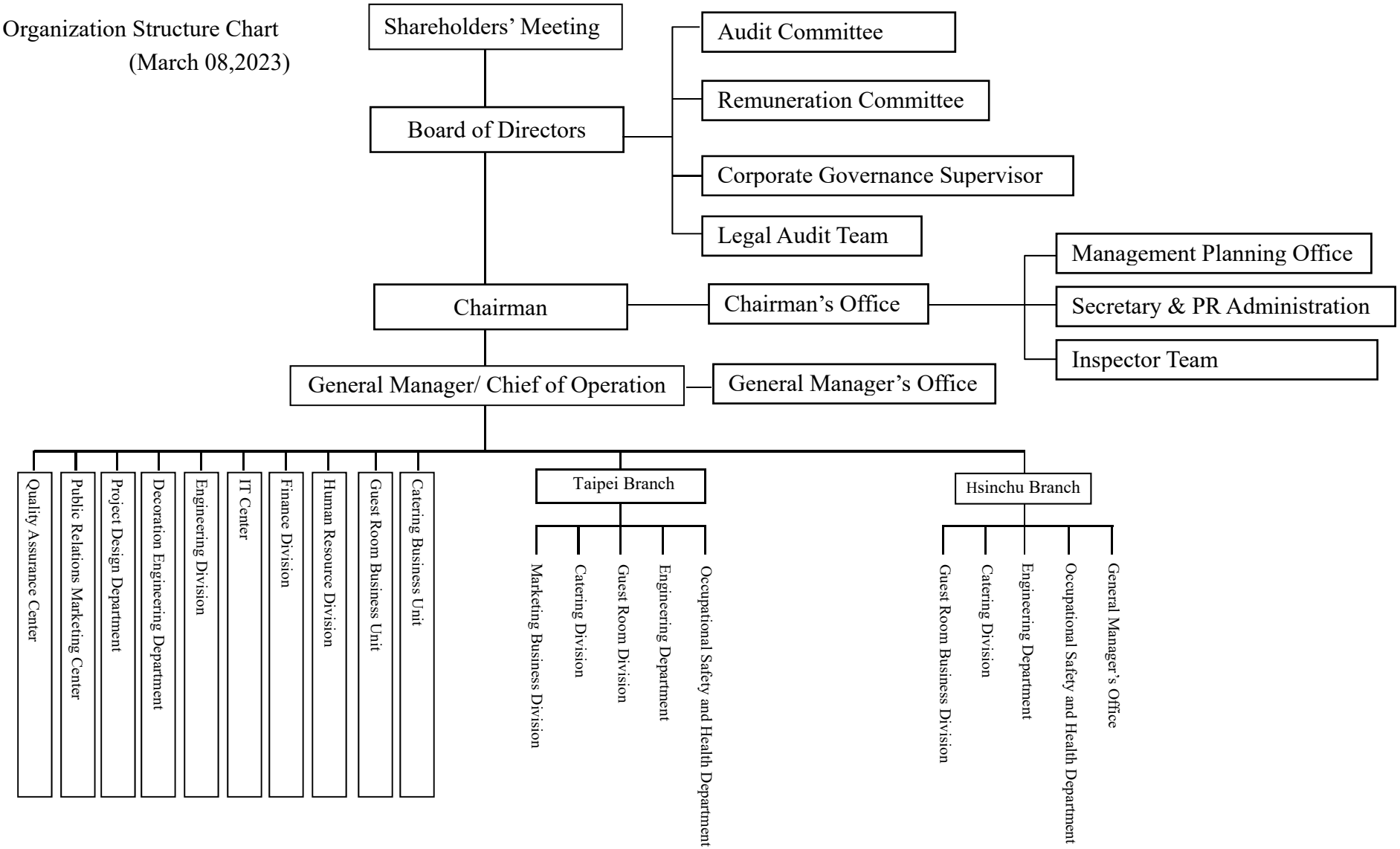
(5) In the most recent year and up to the date of publication of the annual report, a large number of transfers or replacements of directors or major shareholders holding more than 10% of the shares: please refer to page 74.

(6) In the most recent year and as of the publication date of the annual report, changes in management rights, major changes in operation model or business content, and other important matters that can affect shareholders' equity and their impact on the Company: None.

III. Corporate Governance Report

I. Organization System

1. Organization Structure Chart
(March 08,2023)



2. Department Operations

Department		Primary Responsibilities
Headquarter	Chairman's Office	1. Draw up the Company's long-term business development strategy. 2. Adhering to the resolutions of the board of directors, responsible for making major decisions. 3. Authorized by the Board of director to be responsible for strategic planning and business management. 4. Evaluation and formulation of strategic plans for major foreign investments. 5. Assist the board of directors and chairman to perform various business supervisions and achieve the Company's operating goals.
	General Manager'S Office	1. Corporation overall business management. 2. Implementing business decisions from the Board of Director.
	Catering Business Unit	1. Supervision the operation service quality of the Company-wide restaurant and kitchen. 2. Planning and execution of company-wide catering brand strategy. 3. Food and beverage price strategy integration and supervision 4. Supervision on the compilation and revision of various training materials for catering 5. Planning and supervision of training activities such as catering professional skills and knowledge 6. Overall company-wide catering and culinary resources integration and coordination. 7. Annual catering planning and event effectiveness supervision 8. Company-wide catering strategy planning, resource integration, coordinated execution and performance evaluation. 9. Company-wide catering brand image enhancement and business connection and development 10. Planning and execution of company-wide catering profit promotion business activities 11. Mobilize and allocate catering resources, catering services and culinary assessment management
	Guest Room Business Unit	1. Company-wide marketing strategy planning, resource integration, business execution and performance evaluation. 2. Leveraging real-time market demand forecasting, trends analysis, competitor information collection and historical data analysis, to implement flexible and optimized price strategies and sales strategies to maximize revenue, profit, and average output value. 3. Planning and execution of domestic/international travel exhibitions, conferences, and business promotion activities.
	Public Relations Marketing Center	1. Formulate marketing public relations development strategies and annual marketing public relations plans. 2. Corporate image enhancement and public relations business connection and development. 3. Media promotion and operation of various issues of hotel brand 4. Enhance the Company's brand image, report, and track the effectiveness of the use of various media resources 5. Integration and management of multimedia audio-visual production requirements 6. Establish and maintain a good relationship with the Company's external news media 7. Direct the effective management and operation of the news media relations of each branch 8. Assist Company spokespersons, news media, and related matters related to publications and events 9. Planning and execution of media, advertising, and publicity-related businesses.

Department		Primary Responsibilities
Headquarter		10. Advertising planning and execution of media brand image, promotion projects, new product launches, etc. 11. Media statement drafting (revision) and management 12. Media crisis response and operating standard formulation 13. Various press release writing and data management 14. Announcement and maintenance of hotel issues on social networking sites 15. Planning and execution of the annual corporate social responsibility report
	Quality Assurance Center	1. Formulate quality and risk strategy and planning. 2. Quality assurance personnel management and strengthening of quality awareness 3. Quality assurance advancement, improvement, and tracking for abnormalities 4. Promotion of quality improvement projects, implementation of quality rewards and punishments 5. Quality training and evaluation 6. Communication and introduction of new methods of external quality 7. Proposals for adjustment of quality assurance organizations at all levels 8. Quality Key Performance Indicator (QKPI) follow-up. 9. Quality assurance regulations, benchmarking and review, construction of various graphic reports
	Finance Division	1. Company budget planning and execution. 2. Manage the Company's stock affairs and shareholder services 3. Manage expenses control and tax process. 4. Plan and manage treasury process. 5. Manage accounting, management reporting, and financial analysis. 6. Custody of company-wide property rights and lease contracts 7. Formulate, implement, and review financial management policies. 8. Support the policy promotion and business execution of the branch related financial matters 9. Supervise and manage the business planning and execution of the financial department of each branch. 10. Formulate and implement procurement policies and procedures. 11. Comprehensively manage the planning, implementation, and assessment of the company-wide procurement business 12. Comprehensively manage the planning and implementation of the Company's administrative affairs management system
	Human Resource Division	1. Formulate, implement, and review company-wide HR, Education and Training, and management policies and procedures. 2. Manage organization development and talent management & development. 3. Manage and coordinate human resource management process. 4. Formulate and implement performance review process. 5. Supervise all branches to enforce human resource policies and improve operating performance. 6. Effectively support branches to implement HR procedures and strengthen the human resources management capabilities.
	IT Center	1. Comprehensively review the formulation, implementation, and assessment of the Company-wide information management system 2. Supervise and manage the operation planning and execution of the information department 3. Formulate of company-wide IT development strategy. 4. Promotion and supervision of new information projects

Department		Primary Responsibilities
Headquarter	Engineering Division	1. Direct the engineering team, supervise various engineering interfaces, and audit the project budget, schedule, and quality. 2. Responsible for the development of construction specifications, design drawings, design and engineering contracts and other documents and file management of major projects (mechanical and electrical, civil engineering, etc.) of the branch 3. Formulate management plans for major projects (mechanical and electrical, civil engineering, etc.) of the branch, budget, procurement outsourcing, quality supervision, risk assessment, etc. 4. Select and manage external vendors and consultants. 5. Formulate equipment operation procedures and implement training programs of the branch. 6. Formulate energy-saving policy, evaluate performance and enhancement. 7. The Ministry of Works of the branch sponsors the supervision and management of the planning and execution quality of the camp and equipment engineering. 8. Participation in related projects of group affiliated companies.
	Decoration Engineering Department	1. The indoor space optimization design proposal of each branch and the evaluation of the indoor decoration design project proposal. 2. Integrated management of the interior renovation design interface of each branch. 3. Construction management of interior decoration projects of each branch. 4. Project schedule, drawings, procurement, meetings, interface coordination, assistance in contracting diagrams, construction management plans and manuals, etc. related planning, and arrangement 5. Co-organize the construction management of each branch's project contractor's entry, construction progress, inspection, supervision, inspection, etc. 6. Obtaining relevant licenses for co-organizing projects.
	Project Design Department	1. Participate in the planning and design of aesthetics related to the hotel project. 2. Special assigned project management.
	Occupational Safety and Health Department	1. Formulate the occupational disaster prevention plan and guide the occupational safety and health department of each branch company in relevant implementation. 2. Planning and supervising the occupational safety and health management of each branch. 3. Planning and supervising inspections of safety and health facilities. 4. Instruct and supervise relevant personnel to carry out inspections, regular inspections, key inspections and work environment determination. 5. Plan and implement the occupational safety and health education, training, and teaching materials. 6. Plan health check and implement health management. 7. Supervise occupational disaster investigation and handle the occupational disaster statistics. 8. Provide employers with relevant occupational safety and health management information and suggestions. 9. Plan and formulate emergency response plan

Department		Primary Responsibilities
Branch	General Manager's Office (Hsinchu Branch only)	1.Decision-making management of the branch operating strategies and policies. 2. Medium and long-term development planning, integration and promotion of the branch. 3. The overall business performance of the branch and its affiliated business entities is supervised.
	Guest Room Division (Taipei branch only)	1. Coordinate the improvement of services in guest rooms and the efficient operation of hardware facilities. 2. Overall management on human resource utilization, performance evaluation and talent development. 3. Supervision of the Company's overall safety service and cleaning quality. 4. Supervision of guest room service standard operation process.
	Catering Division	1. Formulate and promote the short- and long-term strategies, business policies and action plans for catering operations. 2. Promote innovation of products and services in the catering department. 3. Supervise and assist each business unit to achieve revenue and implement cost control 4. Responsible for the training and development plan for the core personnel of the catering team. 5. Standardize and supervise the hygiene and safety quality of various commodities and meals. 6. Manage the catering operation team and formulate standard operating procedures. 7. Systematic management of skills, knowledge, and experiences. 8. Plan and implement learning and exchanges between catering vendors in the same and different industries. 9. Integration and supervision of promotional activities in various departments and groups.
	Marketing Business Division (Taipei branch only)	1. Formulate the short- and long-term business strategies and action plans to increase revenue of hotel business. 2. Annual room rate formulation and strategy. 3. Prepare annual room revenue budget and operating plan. 4. Handle domestic and international travel exhibition exhibitions, conferences, and business promotion activities. 5. Develop marketing plans for domestic and foreign business. 6. Promote and supervise the execution of promotion activities. 7. Year-end review and annual work plan formulation and implementation 8. Contract management of the external business. 9. Develop and implement customer reception service standard procedures. 10. Addition and revision of standard service procedures for counter reception work and supervision and management. 11. Instruct and assign the work rights and responsibilities of the personnel of the unit. 12. Departmental manpower utilization, performance management and talent cultivation

Department		Primary Responsibilities
Branch	Guest Room Business Division (Only Hsinchu Branch)	1. Coordinate the improvement of services in guest rooms and the efficient operation of hardware facilities. 2. Overall management on human resource utilization, performance evaluation and talent development. 3. Supervision of the Company's overall safety service and cleaning quality. 4. Supervision of guest room service standard operation process. 5. Formulate the short- and long-term business strategies and action plans to increase revenue of hotel business. 6. Annual room rate formulation and strategy. 7. Prepare annual room revenue budget and operating plan. 8. Handle domestic and international travel exhibition exhibitions, conferences, and business promotion activities. 9. Develop marketing plans for domestic and foreign business. 10. Promote and supervise the execution of promotion activities. 11. Year-end review and annual work plan formulation and implementation 12. Contract management of the external business. 13. Develop and implement customer reception service standard procedures. 14. Addition and revision of standard service procedures for counter reception work and supervision and management. 15. Instruct and assign the work rights and responsibilities of the personnel of the unit.
	Engineering Department	1. Formulate the procedures of engineering and maintenance management. 2. Develop standard procedures and training programs for engineers. 3. Manage branch engineering projects. 4. Drawing, design, supervision, and acceptance items of mechanical engineering. 5. Design, supervision and acceptance items of various hydropower, air-conditioning, machinery, and other renovation projects. 6. Subsidiary construction safety inspection declaration items. 7. Management of branch construction and decoration design drawings. 8. Simplification and operation training of air-conditioning settings, audio-visual, and lighting equipment in branch offices. 9. Maintenance and repair of freezing and refrigeration equipment in various kitchens and business premises. 10. Development, implementation and effectiveness evaluation of branch energy saving plans. 11. Branch vector pest control and disinfection. 12. Occupational safety and health management supervision of branch companies.
	Occupational Safety and Health Department	1. Guide other departments on occupational disaster prevention. 2. Plan and supervise the occupational safety and health management. 3. Implement inspections of safety and health facilities. 4. Execute regular inspections, key inspections, and work environment measurement. 5. Implement occupational safety and health training programs. 6. Regularly report occupational injury statistics.

II. Information on the Company directors, General Manager, Deputy General Manager, Assistant manager, and heads of all company divisions and branch units:

I. Board Members

(1) Information Regarding Board Members

April 09, 2023

Job Title (Note 1)	Nationality or Record	Name	Gender	Age	Date of Assignment	Term of office (years)	Date of First Assignment	Shares Held When Appointed		Shares Held Currently		Shares Held By Spouses and Minor Children		Shares Held In Another Person's Name		Significant Experience & Education	Concurrently Serving Position	Executives, Directors or Supervisor Who are Spouses or Within Second Degrees of Kinship		
								Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Job Title	Name	Relation
Chairman	R.O.C.	**Emmet Hsu**	Male	51-60	2021.8.24	3 years	1985.4.30	420,862	0.115	420,862	0.115	0	0	0	0	Chairman & CEO of Shihlin Electric & Engineering Corp.	CEO of The Ambassador Hotel Co., Ltd. Chairman & CEO of Shihlin Electric & Engineering Corp. Chairman & CEO of HCT Logistics Co., Ltd.	Director Director & Project GM Director	Kuo, Tun-Yu Lee, Chang-Lin Bryant Hsu	Spouse Brothers Father-son
Director	R.O.C. R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Hsu, Shu-Wan**	Female	71-80	2021.8.24	3 years	1994.4.29 1991.4.30	4,219,349	1.150	7,969,349	2.172	61,509	0.017	0	0	Director of Yeang Der Investment Co., Ltd.	Director of Yeang Der Investment Co., Ltd. Director of HCT Logistics Co., Ltd.	None	None	None
Director	R.O.C. R.O.C.	Shin-Po Investment Co., Ltd. Representative / **Lin, Po-Fong**	Male	61-70	2021.8.24	3 years	2006.5.26 2006.5.26	500,000	0.136	500,000	0.136	0	0	0	0	Chairman of Taiwan Shin Kong Security Co., Ltd.	Director of Taiwan Shin Kong Security Co., Ltd. Director of Yi Kong Security Co., Ltd.	None	None	None
Director	R.O.C. R.O.C.	Huo Sheng Investment Ltd. Representative / **Lee, Chang-Lin**	Male	51-60	2021.8.24	3 years	2006.5.26 1997.4.30	146,000	0.040	146,000	0.040	0	0	0	0	GM of The Ambassador Hotel Co., Ltd.	Project GM of The Ambassador Hotel Co., Ltd. Chairman of Qun Xin Properties Co., Ltd. Director of Shihlin Development Co., Ltd.	Chairman	Emmet Hsu	Brothers
Director	R.O.C. R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Lin, Zhan-Chuan**	Male	61-70	2021.8.24	3 years	1994.4.29 1994.4.29	as above	as above	as above	as above	0	0	0	0	Honorary Chairman of Taiwan Kagome Co., Ltd.	Chairman of Sheng Kuang Chemical Co., Ltd. Director of Din Zan Investment Co., Ltd.	None	None	None
Director	R.O.C. R.O.C.	Chan Der Investment Corp. Representative / **Lee, Dong-Liang**	Male	71-80	2021.8.24	3 years	2006.5.26 2015.7.1	1,743,000	0.475	1,743,000	0.475	0	0	0	0	Chairman of Union Chinese Corp.	Chairman of Union Chinese Corp. Director of Nanlien International Corp.	None	None	None
Director	R.O.C. R.O.C.	Yeang Der Investment Co., Ltd. Representative / **Kuo, Tun-Yu**	Female	51-60	2021.8.24	3 years	1994.4.29 1994.4.29	as above	as above	as above	as above	0	0	0	0	Chairman of Yeang Der Investment Co., Ltd.	Chairman of Yeang Der Investment Co., Ltd.	Chairman Director	Emmet Hsu Bryant Hsu	Spouse Mother-son
Director	R.O.C. R.O.C.	Shihlin Electric & Engineering Corp. Representative / **Lin, Han-Dong**	Male	61-70	2021.8.24	3 years	1988.4.28 1988.4.28	66,918,617	18.238	66,918,617	18.238	0	0	0	0	Chairman of Bo Ji Investment Co., Ltd.	Chairman of Bo Ji Investment Co., Ltd.	None	None	None

Job Title (Note 1)	Nationality or Record	Name	Gender	Age	Date of Assignment	Term of office (years)	Date of First Assignment	Shares Held When Appointed		Shares Held Currently		Shares Held By Spouses and Minor Children		Shares Held In Another Person's Name		Significant Experience & Education	Concurrently Serving Position	Executives, Directors or Supervisor Who are Spouses or Within Second Degrees of Kinship		
								Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%			Job Title	Name	Relation
Director	R.O.C. R.O.C.	Ting Lin Enterprise Co., Ltd. Representative / **Du, Heng-Yi**	Male	61-70	2021.8.24	3 years	2006.5.26 2010.5.17	10,000	0.003	10,000	0.003	0	0	0	0	Chairman of Wan Yuan Textiles Co., Ltd.	Chairman of Wan Yuan Textiles Co., Ltd. Director of VE WONG Corp.	None	None	None
Director	R.O.C.	Shihlin Electric & Engineering Corp. Representative / **Bryant Hsu** (Note 2)	Male	31-40	2021.8.24	3 years	1988.4.28 2016.9.1	as above	as above	as above	as above	0	0	0	0	Director of Shihlin Electric & Engineering Corp.	Director and Deputy GM of Shihlin Electric & Engineering Corp. Director and Deputy GM of HCT Logistics Co., Ltd.	Chairman Director	Emmet Hsu Kuo, Tun-Yu	Father-son Mother-son
Director	R.O.C. R.O.C.	Shihlin Electric & Engineering Corp. Representative / **Hsieh, Han-Chang**	Male	61-70	2021.8.24	3 years	1988.4.28 2003.5.30	as above	as above	as above	as above	0	0	0	0	Managing Director, GM & COO of Shihlin Electric & Engineering Corp.	Supervisor of Yeang Der Investment Co., Ltd. Managing Director, GM & COO of Shihlin Electric & Engineering Corp. GM & COO of The Ambassador Hotel Co., Ltd.	None	None	None
Director	R.O.C. R.O.C.	Chan Der Investment Corp. Representative / **Lin, Xing-Guo**	Male	61-70	2021.8.24	3 years	2006.5.26 2009.5.26	as above	as above	as above	as above	0	0	0	0	COO of The Ambassador Hotel Co., Ltd.	Chairman of Ambassador Real Estate Development Co., Ltd. Director of Ambassador Premium Food Co., Ltd.	None	None	None
Independent Director	U.S.A.	**Liang, Wen-Jing**	Female	41-50	2021.8.24	3 years	2018.6.6	0	0	0	0	0	0	0	0	Manager of Tractus Asset Management Limit.	Counselor of F.T.M.F.Consulting (Sinoam) Inc. Independent Director of MasterLink Securities Corporation.	None	None	None
Independent Director	R.O.C.	**Huang, Ya-Huei**	Female	51-60	2021.8.24	3 years	2015.6.3	0	0	0	0	0	0	0	0	Judge of Taiwan High Court	Attorneys-At-Law of Hwang, Lin & Partners Independent Director of Tyntek Corp. Independent Director of Advagene Biopharma Co., Ltd.	None	None	None
Independent Director	R.O.C.	**Li, Shu-Jhen**	Female	61-70	2021.8.24	3 years	2018.6.6	0	0	0	0	0	0	0	0	Administration Associate Dean of MacKay Memorial Hospital	Associate Director of the Medical Center of MacKay Memorial Hospital & Assistant Professor of MacKay Junior College of Medicine, Nursing, and Management	None	None	None
Total								73,957,828	20.157	77,707,828	21.179	61,509	0.017	0	0					

Note 1：Those who are representatives of legal person shareholders have indicated the names of legal person shareholders and filled in the following Table 1.

Note 2：Shihlin Electric & Engineering Corp. was re-assigned from the original representative director Lee, Ying-Chu to the representative director Bryant Hsu on January 16, 2022.

(2) Major Stockholders of Institutional Shareholders

Table 1: Major Stockholders of Institutional Shareholders

On the Book closure date: April 09, 2023

Names of Institutional Shareholders	Major Stockholders of Institutional Shareholders (Note 1)
Yeang Der Investment Co., Ltd.	Kuo, Tun-Yu (53.79%), Memorial Foundation of Mr. Ching-Teh Hsu (29.88%), Zhenjie Investment Ltd. (11.34%), Hsu, Shu-Wan (4.27%), Lin, Hsin-Yi (0.72%)
Shin-Po Investment Co., Ltd.	Taiwan Shin Kong Security Co., Ltd. (84.22%), Yi Kong Security Co., Ltd. (15.77%), Wu, Tung-Ching (0.00%), Taiwan Shin Kong Security Foundation for Arts and Culture (0.01%)
Huo Sheng Investment Ltd.	Jhan Siang Investment Ltd. (Trust property) (82.34%), Lee, Chen-Hsi (16.65%), Memorial Foundation of Mr. Ching-Teh Hsu (1.00%), Yang, Siou-Jhu (0.01%)
Chan Der Investment Corp.	HCT Logistics Co., Ltd. (24.02%), Hwo Lin Investment Co., Ltd. (15.72%), Jin Der Sheng Co., Ltd. (15.60%), Benz Investment Corp. (8.92%), The Ambassador Hotel Co., Ltd. (8.70%), Yeang Der Investment Co., Ltd. (8.16%), Shihlin Electric & Engineering Corp. (8.16%), Shang Lin Investment Co., Ltd. (5.58%), Yuh Lin Investment Co., Ltd. (4.65%), Memorial Foundation of Mr. Ching-Teh Hsu (0.49%)
Shihlin Electric & Engineering Corp.	Mitsubishi Electric Corporation (Japan) (21.16%), The Ambassador Hotel Co., Ltd. (11.48%), Employee Stock Ownership Association Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of ChinaTrust Commercial Bank. (6.57%), Trust Property Account for Shihlin Electric & Engineering Corp. under the custody of Taipei Fubon Commercial Bank (5.46%), Yeang Der Investment Co., Ltd. (5.29%), The investment account of the First Financial Holding Hesheng Securities Co., under the custody of` Citibank (Taiwan)(3.74%), De Hong Investment Corp. (2.59%), Citibank (Taiwan) is entrusted with the safekeeping of Firstrade Securities (Hong Kong) Co., Ltd. contracted customer Firstrade Securities (Hong Kong) Nominees Co., Ltd. investment account (2.27%), Benz Investment Corp. (1.94%), Gan Jin-Xiang (1.67%)
Ting Lin Enterprise Co., Ltd.	Shihlin Electric & Engineering Corp. (96.80%), Chan Der Investment Corp. (2.20%), Jin Der Sheng Co., Ltd. (1.00%)

Note 1：Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the institutional shareholders. If the major shareholders are legal person shareholders, It is listed in Table 2 below.

Table 2: Table 1 Major shareholder of the major institutional shareholders

On the Book closure date: April 09, 2023

Names of Institutional Shareholders	Major Shareholders of Institutional Shareholders (Note 1)
Zhenjie Investment Co., Ltd.	(Samoa) Broad Choice Limited (99.00%)、Kao, Mei-Feng (1.00%)
Taiwan Shin Kong Security Co., Ltd.	Sohgo Security Service Co., Ltd. (9.23%), Chunghwa Post Co., Ltd. (4.60%), Wu, Tung-Ching (4.50%), Shin Kong Medical Foundation (4.21%), Bo Ruei Co., Ltd. (3.85%), Fubon Life Insurance (3.80%), Shin Kong Life Insurance Co., Ltd. (2.81%), Shin Kong Life Insurance Employee Pension Fund Management Committee (1.99%), Tung Ying Investment Co., Ltd. (1.75%), Shin Kong Construction and Development Co., Ltd. (1.64%)
Yi Kong Security Co., Ltd.	Taiwan Shin Kong Security Co., Ltd. (69.00%), Shin-Kong Life Real Estate Service Co., Ltd. (15.50%), Shin Kong Construction and Development Co., Ltd. (15.00%), Shin Kong Wu Ho-Su Culture and Education Foundation (0.50%)
Taiwan Shin Kong Security Foundation for Arts and Culture	Taiwan Shin Kong Security Co., Ltd. (100.00%)
Jhan Siang Investment Ltd. (Trust property)	Hao Sheng Investment Ltd. (100.00%)
Hwo Lin Investment Co., Ltd.	Shihlin Electric & Engineering Corp. (94.86%), HsinLin Electric Machinery Co., Ltd. (5.12%), Memorial Foundation of Mr. Ching-Teh Hsu (0.02%)
Benz Investment Corp.	The Ambassador Hotel Co., Ltd. (99.99%), Memorial Foundation of Mr. Ching-Teh Hsu (0.01%)
Shang Lin Investment Co., Ltd.	Shihlin Electric & Engineering Corp. (99.68%), Memorial Foundation of Mr. Ching-Teh Hsu (0.32%)
Yuh Lin Investment Co., Ltd.	Shihlin Electric & Engineering Corp. (94.28%), HsinLin Electric Machinery Co., Ltd. (5.70%), Memorial Foundation of Mr. Ching-Teh Hsu (0.02%)
De Hong Investment Corp.	HCT Logistics Co., Ltd. (30.77%), Custom Investment Co., Ltd. (16.02%), Benz Investment Corp. (8.65%), Shang Lin Investment Co., Ltd. (8.33%), Ambassador Investment Co., Ltd. (6.73%), Yuh Lin Investment Co., Ltd. (5.77%), Hwo Lin Investment Co., Ltd. (5.13%), Jeng Lin Investment Co., Ltd. (4.49%), Jin Der Sheng Co., Ltd. (2.56%), Ting Lin Enterprise Co., Ltd. (2.56%)
HCT Logistics Co., Ltd.	Yeang Der Investment Co., Ltd. (54.23%), Ruijun Development Investment Co., Ltd. (10.86%), Ruiyao Investment Co., Ltd. (8.38%), British Virgin Islands Merchant Future Vision (7.84%), Memorial Foundation of Mr. Ching-Teh Hsu (7.83%), Hsu, Su-Wan (2.74%), Cheng, Yu-Chuan (2.33%), Employee Welfare Committee of HCT Logistics Co., Ltd. (2.32%), Chu-Da Co., Ltd. (1.75%), Shihlin Electric & Engineering Corp. (1.72%)
Jin Der Sheng Co., Ltd.	HCT Logistics Co., Ltd. (57.68%), Chiastar Co., Ltd. (34.56%), Shihlin Electric & Engineering Corp. (7.68%), Memorial Foundation of Mr. Ching-Teh Hsu (0.08%)

Note 1：Fill in the name and shareholding ratio of the major shareholders (with the top-ten shareholding ratio) of the legal person shareholders.

(3) Expertise and independence of directors and Independent directors

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Emmet Hsu	Chairman & CEO of Shihlin Electric & Engineering Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Hsu, Shu-Wan	Director of Yeang Der Investment Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Lin, Po-Fong	Chairman of Taiwan Shin Kong Security Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Li, Chang-Lin	Former GM of the Ambassador Hotel Co. Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Lin, Zhan-Chuan	Honorary Chairman of Taiwan Kagome Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Li, Dong-Liang	Chairman of Union Chinese Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Kuo, Tun-Yu	Chairman of Yeang Der Investment Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Lin, Han-Dong	Chairman of Baiji Investment Co., Ltd. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Du, Heng-Yi	Chairman of Wan Yuan Textiles Co., Ltd./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Bryant Hsu	Director of Shihlin Electric & Engineering Corp./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0
Hsieh, Han-Chang	Managing Director, CEO & COO of Shihlin Electric & Engineering Corp. / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	1
Lin, Xing-Guo	Former COO of the Ambassador Hotel Co. Ltd./ There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	Non-independent directors, so not applicable.	0

Qualification / Name	Professional Qualifications and Experience (Note 1)	Independence (Note 2)	Numbers of Concurrently Serving as an Independent Director of Another listed Company
Liang, Wen-Jing	Former Manager of Tractus Asset Management Limit / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 0 shares/ 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. No remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the last two years	1
Huang, Ya-Huei	Former Judge of Taiwan High Court / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 0 shares/ 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. No remuneration for providing commercial, legal, financial, accounting or related services to the Company or any affiliate of the Company in the last two years	2
Li, Shu-Jhen	Former Administration Associate Dean of MacKay Memorial Hospital / There are no matters involved in any of the circumstances described in the subparagraphs of Article 30 of the Company Act.	1. None of the director himself, his spouse and relative of second degree are employed by the Company or its affiliated companies, nor serve as their directors or supervisors. 2. The number and proportion of company shares held by the director himself, his spouse and relative of second degree (or in the name of others): 0 shares/ 0% 3. Not serving as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Compliance of Independent Directors of Public Companies) 4. No remuneration for providing commercial, legal, financial, accounting, or related services to the Company or any affiliate of the Company in the last two years	0

4. Diversity and Independence of the Board of Directors

A. Diversity of the Board:

In line with the policy of membership diversification for the board of directors, except the directors who also serve as managers of the Company should not exceed one-third of the number of directors. An appropriate diversity policy should be formulated according to their own operation, operation type, and development needs. Include but not restrict the following two standards:

(1)Basic condition: gender, age, nationality, culture, etc., and the proportion of female directors should reach one-third of the board seats.

(2) Professional knowledge and skill: professional background, professional skill, and industrial experience. The members of the board of directors are all outstanding figures in the knowledge, skill, and qualities necessary to perform their duties.

In order to achieve the ideal goals of corporate governance, the board of directors all should have the following capabilities:
1. Operational judgment ability. 2. Accounting and financial analysis skills. 3. Management ability. 4. Ability of crisis handling. 5. Industry knowledge. 6. View of the international market. 7. Leadership. 8. Decision-making ability.
There are 3 directors who double as managers of the Company, accounting for one-fifth of the board seats; there are 5 female directors, accounting for one-third of the board seats. The qualifications and experience of the board members are quite rich. For relevant qualifications, experience, gender, age, and nationality, please refer to the information on directors on page 16.

The specific management objectives of the Company's diversity policy are as follows:

Management Goals	Achievement
All independent directors shall have at least three seats, and at least one female independent director shall be established.	Reached.
At least one of the independent directors has an accountant's license, a lawyer's license, financial finance, or corporate management.	Reached.
The number of directors who also serve as managers of the Company does not exceed one-third of the number of directors.	Reached.

Diversification / Core items / Name	Gender	Operating Judgment	Accounting & Financial	Operating Management	Crisis Management	Industry Knowledge	Global Market Knowledge	Leadership	Decision-making	Law
Emmet Hsu	Male	V	V	V	V	V	V	V	V	
Hsu, Shu-Wan	Female	V	V	V	V	V	V	V	V	
Lin, Po-Fong	Male	V	V	V	V	V	V	V	V	V
Li, Chang-Lin	Male	V	V	V	V	V	V	V	V	
Lin, Zhan-Chuan	Male	V	V	V	V	V	V	V	V	
Li, Dong-Liang	Male	V	V	V	V	V	V	V	V	
Kuo, Tun-Yu	Female	V	V	V	V	V	V	V	V	
Lin, Han-Dong	Male	V	V	V	V	V	V	V	V	
Du, Heng-Yi	Male	V	V	V	V	V	V	V	V	
Bryant Hsu(Note)	Male	V	V	V	V	V	V	V	V	
Hsieh, Han-Chang	Male	V	V	V	V	V	V	V	V	
Lin, Xing-Guo	Male	V	V	V	V	V	V	V	V	
Liang, Wen-Jing	Female	V	V	V	V	V	V	V	V	
Huang, Ya-Huei	Female	V	V	V	V	V	V	V	V	V
Li, Shu-Jhen	Female	V	V	V	V	V	V	V	V	

Note: Shihlin Electric & Engineering Corp. was re-assigned from the original representative director Lee, Ying-Chu to the representative director Bryant Hsu on January 16, 2022.

B. Independence of the board

There are 3 independent directors in the Company, accounting for one-fifth of the seats on the board. There are 4 directors with spouses or relatives within the second degree of kinship, no more than half of the seats are in line with securities Items 3 and 4 of Article 26-3 of the Exchange Act. For the relationship between directors, please refer to page 16 for director information.

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates? ; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies)?; specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Information on GM, Deputy GM, Assistant manager, heads of all company divisions and branch units

April 09, 2023

Job Title (Note 1)	Nationality	Name	Gender	Date of Assignment	Shares		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (Note 2)	Concurrently Serving Position	Managers Who are Spouses or Within Second Degree of Kinship		
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Job Title	Name	Relation
General Manager & COO	R.O.C.	Hsieh, Han-Chang	Male	2019.01.01	15,000	0.0041	0	0	0	0	Department of Business Administration, National Chengchi University	Supervisor of Yeang Der Investment Co., Ltd. Managing Director, GM & COO of Shihlin Electric & Engineering Corp.	None	None	None
Project / General Manager	R.O.C.	Lee, Chang-Lin	Male	2006.11.22	319,937	0.08719	0	0	0	0	Graduated from the Department of Economics, Boston University	Chairman & GM of Qun Xin Properties Co., Ltd. Director of Shihlin Development Co., Ltd. Director of HCT Logistics Co., Ltd. Chairman of Prospect Hospitality Co., Ltd.	None	None	None
Deputy General Manager & Chairman's Special Assistant	R.O.C.	Bryant Hsu (Note 3)	Male	2020.08.04	0	0	0	0	0	0	Graduated from the Department of Business Administration, University of Southern California	Director & Deputy GM of Shihlin Electric & Engineering Corp. Director of HCT Logistics Co., Ltd. Director of Yeang Der Investment Co., Ltd.	None	None	None
General Manager of Catering Business Unit & Taipei Branch	R.O.C.	Lee, Yuan-Ci	Male	2019.01.01	10,045	0.0027	0	0	0	0	Graduated from the Taoyuan Municipal Wu-Ling Senior High School	Chairman of Ambassador Bakery Corp. Ltd. Chairman of Ambassador Premium Food Co., Ltd. Director of Ambassador Real Estate Development Co., Ltd. Director of Custom Human Resources Management Ltd. Director of Ambassador Property Management Co., Ltd.	None	None	None
GM & Guest Room Business Headquarters of Hsinchu Branch	R.O.C.	Wang, Zai-Jheng	Male	2016.08.03	0	0	0	0	0	0	Graduated from the Department of Economics, University of Southern California	Supervisor of Custom Human Resources Management Ltd.	None	None	None
GM of Guest Room Business Unit & Kaohsiung Branch and supervise the Guest Room Business Headquarter of Hsinchu Branch	R.O.C.	Guo, Ci-Syuan	Male	2014.10.30	0	0	81,634	0.0222	0	0	Graduated from the Department of Tourism, Shih-Hsin University	Director of Custom Human Resources Management Ltd.	None	None	None
Deputy GM of Catering Business Unit & Executive Chef of Chinese food Culinary Center	R.O.C.	Lin, Jian-Long	Male	2018.11.07	0	0	0	0	0	0	Graduated from the Taipei Municipal Daan Junior High School	Director of Ambassador Premium Food Co., Ltd. Director of Ambassador Bakery Corp. Ltd. Director of Yeang-Der Senior High School.	None	None	None

Job Title (Note 1)	Nationality	Name	Gender	Date of Assignment	Shares		Shares held by spouses and minor children		Shares held in another person's name		Significant Experience & Education (Note 2)	Concurrently Serving Position	Managers Who are Spouses or Within Second Degree of Kinship		
					Number of Shares	%	Number of Shares	%	Number of Shares	%			Job Title	Name	Relation
Deputy GM of Catering Division of Taipei Branch	R.O.C.	Chen, Bi-Lan	Female	2017.05.03	0	0	0	0	0	0	Graduated from the Chin Chuang Commercial Vocational High School	None	None	None	None
Deputy GM & Guest Room Business Headquarters of Kaohsiung Branch	R.O.C.	Hsu, Gui-Zheng (Note 4)	Male	2020.08.04	0	0	0	0	0	0	Hotel Consult Cesar Ritz Hotel Management	None	None	None	None
Deputy GM of Task Force / COO Office	R.O.C.	Jiang, Jia-Yu (Note 5)	Male	2019.03.12	0	0	0	0	0	0	Master of Laws, Boston University	None	None	None	None
Deputy GM of Human Resource Division	R.O.C.	Lin, Rong-Bin (Note 6)	Male	2016.03.09	0	0	0	0	0	0	Graduated from the National Taiwan University of Science and Technology Graduate Institute of Management	None	None	None	None
Finance Supervisor	R.O.C.	He, Jhong-Ren	Male	2019.03.12	0	0	0	0	0	0	Graduated from the Department of Accounting, Chung Yuan Christian University	Director of Ambassador Investment Co., Ltd. Director of Benz Investment Corp. Director of Custom Investment Co., Ltd. Director of Custom Management Consulting Co., Ltd. Supervisor of Ambassador Premium Food Co., Ltd. Supervisor of Ambassador Bakery Co., Ltd.	None	None	None
Accounting Supervisor	R.O.C.	He, Jhong-Ren	Male	2016.03.09	0	0	0	0	0	0	Graduated from the Department of Accounting, Chung Yuan Christian University	Director of Ambassador Investment Co., Ltd. Director of Benz Investment Corp. Director of Custom Investment Co., Ltd. Director of Custom Management Consulting Co., Ltd. Supervisor of Ambassador Premium Food Co., Ltd. Supervisor of Ambassador Bakery Co., Ltd.	None	None	None
Corporate Governance Supervisor	R.O.C.	He, Jhong-Ren (Note 9)	Male	2021.05.04	0	0	0	0	0	0	Graduated from the Department of Accounting, Chung Yuan Christian University	Director of Ambassador Investment Co., Ltd. Director of Benz Investment Corp. Director of Custom Investment Co., Ltd. Director of Custom Management Consulting Co., Ltd. Supervisor of Ambassador Premium Food Co., Ltd. Supervisor of Ambassador Bakery Co., Ltd.	None	None	None

Note 1: Including the information disclosure of the GM, Deputy GM, Associate Manager, heads of all company divisions and branch units; also, the position equivalent to GM, Deputy GM, or Associate Manager, regardless of job title, have been disclosed.

Note 2: An experience relevant to the current position, such as, employed by the independent auditor's firm or its affiliated companies throughout the time period referred to above, has stated the job title and the job responsibilities.

Note 3: Bryant Hsu, Deputy GM, was applied for leave without pay in January 2021; and cancelled his leave without pay on January 16, 2022.

Note 4: Deputy GM Hsu, Gui-Zheng retired in March 2023, as approved by the Board of Directors.

Note 5: Deputy GM Jiang, Jia-Yu has been approved by the Board of Directors in March 2022, re-appointed as Consultant of the Taipei Group of the Hsinchu Shopping Mall Investment Project of the GM (COO Officer).

Note 6: Lin Rong-Bin, Deputy GM, resigned with the approval of the board of directors in March 2022.

3. Remuneration paid to Directors, General Manager, Deputy General Manager in the most recent year

(1) Remuneration of Directors (Independent Directors included)

(disclosure of individual names and remuneration methods)

December 31, 2022

Unit：NTD

Job Title	Name	Remuneration of Director								The sum of A, B, C and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee								The sum of A, B, C, D, E, F and G to Earnings (Note 10)		Whether remuneration from any reinvested other than subsidiaries is received? (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G)(Note 6)						
																the Company		Companies included in the financial statement (Note 7)				
		the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	Cash dividend	Stock dividend	Cash dividend	Stock dividend	the Company	Companies included in the financial statement (Note 7)	
Chairman	Emmet Hsu	4,160,000	4,160,000	0	0	1,333,315	1,333,315	720,000	720,000	0.57%	0.57%	0	0	0	0	0	0	0	0	0.57%	0.57%	None
Director	Yeang Der Investment Co., Ltd. Representative / Hsu, Shu-Wan	0	0	0	0	4,000,005	4,000,005	240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Yeang Der Investment Co., Ltd. Representative / Lin, Zhan-Chuan	0	0	0	0			240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Yeang Der Investment Co., Ltd. Representative / Kuo, Tun-Yu	0	0	0	0			240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong	0	0	0	0	1,333,335	1,333,335	240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Huo Sheng Investment Ltd. Representative / Li, Chang-Lin	0	0	0	0	1,333,335	1,333,335	240,000	240,000	0.14%	0.14%	1,980,000	1,980,000	0	0	0	0	0	0	0.33%	0.33%	None
Director	Chan Der Investment Corp. Representative / Lee, Dong-Liang	0	0	0	0	2,666,670	2,666,670	240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Chan Der Investment Corp. Representative / Lin, Xing-Guo	0	0	0	0			240,000	240,000	0.14%	0.14%	3,350,200	3,350,200	108,000	108,000	200,000	0	200,000	0	0.48%	0.48%	None
Director	Shihlin Electric & Engineering Corp. Representative / Lin, Han-Dong	0	0	0	0	4,000,005	4,000,005	240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Shihlin Electric & Engineering Corp. Representative / Bryant Hsu (Note 12)	0	0	0	0			230,000	230,000	0.14%	0.14%	2,306,667	2,306,667	99,000	99,000	200,000	0	200,000	0	0.38%	0.38%	None

Job Title	Name	Remuneration of Director								The sum of A, B, C and D in proportion to Earnings (Note 10)		Remuneration in the capacity as employee								The sum of A, B, C, D, E, F and G to Earnings (Note 10)		Whether remuneration from any reinvested other than subsidiaries is received? (Note 11)
		Remuneration (A) (Note 2)		Pension (B)		Retained Earnings Distribution (C) (Note 3)		Professional practice (D) (Note 4)				Salaries, bonus, and special subsidies (E) (Note 5)		Pension (F)		Employee bonus from earnings (G)(Note 6)						
		the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company	Companies included in the financial statement (Note 7)	the Company		Companies included in the financial statement (Note 7)		the Company	Companies included in the financial statement (Note 7)	
Director	Shihlin Electric & Engineering Corp. Representative / Lee, Ying-Chu (Note 13)	0	0	0	0			10,000	10,000	0.00%	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Director	Shihlin Electric & Engineering Corp. Representative / Hsieh, Han-Chang	0	0	0	0			240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Director	Ting Lin Enterprise Co., Ltd. Representative / Du, Heng-Yi	0	0	0	0	1,333,335	1,333,335	240,000	240,000	0.14%	0.14%	0	0	0	0	0	0	0	0	0.14%	0.14%	None
Independent Director	Liang, Wen-Jing	0	0	0	0	0	0	1,080,000	1,080,000	0.10%	0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	None
Independent Director	Huang, Ya-Huei	0	0	0	0	0	0	1,080,000	1,080,000	0.10%	0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	None
Independent Director	Li, Shu-Jhen	0	0	0	0	0	0	1,080,000	1,080,000	0.10%	0.10%	0	0	0	0	0	0	0	0	0.10%	0.10%	None
Besides the above disclosure, if any of the Director provided service (as non-employee sort of consultant and the like) with rewarded remuneration to all the listed companies in the financial statement in the last year: No such situation.																						

Note 1: Names of directors should be separately disclosed (Institutional shareholders should disclose the names of the institutional shareholders and representatives separately). The amount of remuneration should be disclosed in summary. If a director concurrently serves as the President or Senior Vice President, this Form and Schedule2 of page 28~29 must be filled out.

Note 2: It refers to the directors' compensation received for the recent year (including salaries of the directors, special responsibility allowance, severance pay, various bonuses, incentives, etc.).

Note 3: This is to fill in the amount of directors' remuneration distributed by the board of directors in the most recent year, and the number of individual distributions is the proposed number.

Note 4: It refers to the relevant expenses for business operations paid to directors for the recent year (including transportation allowance, special allowance, various allowances and the provision of dormitory and vehicle, etc.).When a car, house and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also disclose the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration.

Note 5: It refers to the salaries, special responsibility allowance, severance pay, various bonuses, incentives, transportation allowance, special allowance, and the provision of dormitory and vehicle received by the director(s) who concurrently serve(s) as employee(s) (including President, Senior Vice President, and other managerial officers and employees) in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 6: It refers to the employee remuneration (including stock and cash) received by the directors who concurrently serve(s) as employee(s) (including concurrent President, Senior Vice President, and other managerial officers and employees) in the recent year. It is required to disclose the amount of employee remuneration to be distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form Schedule4 of page 31 shall be filled out as well. For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated.

Note 7: Disclose the total amount of remuneration paid to the directors by all the companies included in the consolidated financial statements (including the Company).

Note 8: Disclose the name of the directors in the respective range of total remuneration received from the Company.

Note 9: Disclose the name of the directors in the respective range of total remuneration received from all the companies included in the consolidated financial statements (including the Company).

Note 10: For a company listed on the stock exchange or an OTC market, the stock remuneration shall be measured at fair value (i.e., the closing price on the balance sheet date) in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers; for a non-listed company, the stock remuneration shall be measured at the net value on the last date of the fiscal year that the earnings are generated. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 11: a. It is required to specify in this column the relevant remuneration amount the directors of the Company received from the reinvested companies other than the subsidiaries.
b. If the Company's director has received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column I. In addition, the column title shall be revised as "All reinvested companies."
c. Compensation shall mean the remuneration, reward, employee bonus, and expense for business operation paid to the Company's director(s) by the reinvested companies other than the subsidiaries and such directors concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

Note 12: Director Bryant Hsu, the representative of Shihlin Electric & Engineering Corp., resigned on January 7, 2021, and did not change his representative before the election of directors on August 24, 2021.

Note 13: Shihlin Electric & Engineering Corp. was re-assigned from the original representative director Lee, Ying-Chu to the representative director Bryant Hsu on January 16,2022.

* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

(2) Remuneration of General Manager, Deputy General Manager

Unit：NTD

Job Title	Name	Salary (A) (Note 2)		Pension (B)		Salaries, bonus, and special subsidies (C) (Note 3)		Employee bonus allocated from earnings (D) (Note 4)				The sum of A, B, C and D in proportion to Earnings (%) (Note 8)		Whether remuneration from any reinvested other than subsidiaries is received? (Note9)
		the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company		Companies included in the financial statement (Note 5)		the Company	Companies included in the financial statement (Note 5)	
								Cash dividend	Stock dividend	Cash dividend	Stock dividend			
GM & COO	Hsieh, Han-Chang	17,592,667	17,592,667	696,552	696,552	5,931,800	5,931,800	1,400,000	0	1,400,000	0	2.35%	2.35%	None
Project GM	Li, Chang-Lin													
Deputy GM & Chairman's Special Assistant	Bryant Hsu (Note 10)													
GM of Catering Business Unit & GM of Taipei Branch	Li, Yuan-Ci													
GM & Guest Room Business Headquarters of Hsinchu Branch	Wang, Zai-Jheng													
GM of Guest Room Business Unit & Kaohsiung Branch and supervise the Guest Room Business Headquarter of Hsinchu Branch	Guo, Ci-Syuan													
Deputy GM of Catering Business Unit & Executive Chef of Chinese food Culinary Center	Lin, Jian-Long													
Deputy GM of Catering Division of Taipei Branch	Chen, Bi-Lan													
Deputy GM & Guest Room Business Headquarters of Kaohsiung Branch	Hsu, Gui-Zheng (Note 11)													
Deputy GM of Task Force / COO Office	Jiang, Jia-Yu (Note 12)													
Deputy GM of Human Resource Division	Lin, Rong-Bin (Note 13)													
Finance, Accounting & Corporate Governance Supervisor	He, Jhong-Ren													

* It should include the information disclosure of the General Manager, Deputy General Manager, Associate Manager, department heads, and branch officers; also, the position equivalent to General Manager, Deputy General Manager, or Associate Manager.

Breakdown of remuneration of GM & Deputy GM	Name of General Manage, Deputy General Manager	
	the Company (Note 6)	Companies included in the financial statement (Note 7)
Less than NT$1,000,000	Hsieh, Han-Chang, Jiang, Jia-Yu, Lin, Rong-Bin	Hsieh, Han-Chang, Jiang, Jia-Yu, Lin, Rong-Bin
NT$1,000,000 (inclusive)~NT$2,000,000	Li, Chang-Lin, Hsu, Gui-Zheng	Li, Chang-Lin, Hsu, Gui-Zheng
NT$2,000,000 (inclusive)~NT$3,500,000	Bryant Hsu, Wang, Zai-Jheng, Guo, Ci-Syuan, Lin, Jian-Long, Chen, Bi-Lan, He, Jhong-Ren	Bryant Hsu, Wang, Zai-Jheng, Guo, Ci-Syuan, Lin, Jian-Long, Chen, Bi-Lan, He, Jhong-Ren
NT$3,500,000 (inclusive)~NT$5,000,000	Li, Yuan-Ci	Li, Yuan-Ci
NT$5,000,000 (inclusive)~NT$10,000,000	None	None
NT$10,000,000 (inclusive)~NT$15,000,000	None	None
NT$15,000,000 (inclusive)~NT$30,000,000	None	None
NT$30,000,000 (inclusive)~NT$50,000,000	None	None
NT$50,000,000 (inclusive)~NT$100,000,000	None	None
NT$100,000,000 above	None	None
Total	12	12

Note 1: Names of General Manager and Deputy General Manager should be separately disclosed. The amount of remunerations should be disclosed in summary. If a director concurrently serves as the General Manager or Deputy General Manager, this Form and Form Schedule 1 of page 26~27 must be filled out.

Note 2: It refers to the General Manager and Deputy General Manager's salary, special responsibility allowance, and severance pay.

Note 3: It refers to the bonuses, incentives, transportation allowance, special allowance, the provision of dormitory and vehicle, and other compensations received by the General Manager and Deputy General Manager in the recent year. When a house, car, and other transportation or personal expense are provided, the nature and cost of the assets provided, the actual or estimated rental expense based on a fair market price, gas expense, and other payments should be disclosed. Further, if a chauffeur is assigned, please also describe the relevant compensation paid to such chauffeur in the Note. However, such amount shall not be included in the remuneration. In addition, the salary expense recognized in accordance with IFRS 2 "Share-based payment" includes the acquisition of employee stock warrant, employee restricted stock, and subscription of new shares from cash capitalization.

Note 4: It refers to the employee remuneration (including stock and cash) received by the General Manager and Deputy General Manager that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. Form Schedule4 of page 31 shall be filled out as well.

Note 5: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements.

Note 6: Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received from all the Company.

Note 7: Disclose the total amount of remuneration paid to the General Manager and Deputy General Manager by all the companies (including the Company) included in the consolidated financial statements. Disclose the name of the General Manager and Deputy General Manager in the respective range of total remuneration received.

Note 8: It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.

Note 9: a. It is required to specify in this column the relevant remuneration amount the General Manager and Deputy General Manager of the Company received from the reinvested companies other than the subsidiaries.

b. If the General Manager and Deputy General Manager have received the relevant remuneration from the reinvested companies other than the subsidiaries, the received amount should be included in Column E. In addition, the column title shall be revised as "All reinvested companies."

c. Remuneration shall mean the compensation, reward, employee bonus, and expense for business operation paid to the Company's the General Manager and Deputy General Manager by the reinvested companies other than the subsidiaries and such the General Manager and Deputy General Manager concurrently serve(s) as director(s), supervisor(s), or managerial officer(s) of the reinvested companies.

Note 10: Deputy GM Bryant Hsu was applied for leave without pay in January 2021, and cancelled his leave without pay on January 16, 2022.

Note 11: Deputy GM Hsu, Gui-Zheng retired in March 2023, as approved by the Board of Directors.

Note 12: Deputy GM Jiang, Jia-Yu has been approved by the Board of Directors in March 2022, re-appointed as Consultant of the Taipei Group of the Hsinchu Shopping Mall Investment Project of the GM (COO Officer).

Note 13: Deputy GM, Lin, Rong-Bin resigned with the approval of the board of directors in March 2022.

* The concept of the "compensation" disclosed in this Form is different from the income defined under the Income Tax Law. Therefore, the purpose of this Form is for information disclosure not for taxation.

(3) Remuneration for the top five highest paid officers of the Company (names and method of remuneration should be disclosed individually)

Unit：NTD

Job Title	Name	Salary (A) (Note 2)		Pension (B)		Salaries, bonus, and special subsidies (C) (Note 3)		Employee bonus allocated from earnings (D) (Note 4)				The sum of A, B, C and D in proportion to Earnings (%) (Note 8)		Whether remuneration from any reinvested other than subsidiaries is received? (Note 7)
								the Company		Companies included in the financial statement (Note 5)				
		the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	the Company	Companies included in the financial statement (Note 5)	Cash dividend	Stock dividend	Cash dividend	Stock dividend	the Company	Companies included in the financial statement (Note 5)	
GM of Catering Business Unit & GM of Taipei Branch	Li, Yuan-Ci	2,520,000	2,520,000	108,000	108,000	1,070,200	1,070,200	200,000	0	200,000	0	0.36%	0.36%	None
Deputy GM of Catering Division of Taipei Branch	Chen, Bi-Lan	1,920,000	1,920,000	108,000	108,000	970,200	970,200	200,000	0	200,000	0	0.29%	0.29%	None
GM of Guest Room Business Unit & Kaohsiung Branch and supervise the Guest Room Business Headquarter of Hsinchu Branch	Guo, Ci-Syuan	2,160,000	2,160,000	108,000	108,000	680,200	680,200	200,000	0	200,000	0	0.29%	0.29%	None
GM & Guest Room Business Headquarters of Hsinchu Branch	Wang, Zai-Jheng	2,020,000	2,020,000	0	0	910,200	910,200	200,000	0	200,000	0	0.29%	0.29%	None
Deputy GM of Catering Business Unit & Executive Chef of Chinese food Culinary Center	Lin, Jian-Long	1,440,000	1,440,000	87,048	87,048	1,000,200	1,000,200	200,000	0	200,000	0	0.25%	0.25%	None

Note 1: The term “top five highest paid officers” refers to the managerial officers of the Company. The criteria for managerial officers are based on the scope of application of “managerial officers“ as stipulated by the Securities and Futures Commission of the Ministry of Finance in its Order Tai-Cai-Sheng-San-Zi No. 0920001301 dated March 27, 2003. The “Top Five Highest Remuneration” calculation is based on the total amount of base salary, severance and pension, bonus and allowance received by the officers from all companies in the consolidated financial statements, as well as the amount of remuneration for employees (i.e., the total of the four items A+B+C+D), and then ranked by the top five highest remuneration. If a director is also the aforementioned officer, this table and the above table (7) 1 should also filled in.

Note 2: This is for the salary, duty allowance and severance of the top five highest paid officers in the most recent year.

Note 3: This is for various bonuses, incentive payments, transportation fee, special expenses, various stipends, dormitories, company cars and other provisions for the top five highest paid officers in the most recent year. If houses, cars and other transportation or personal expenses are provided, the nature and cost of the provided assets, the actual rental or the rental calculated based on the fair value, fuel expense and other payments must be disclosed. If chauffeurs are provided, please include a note stating that the Company will pay the chauffeurs, but they payments will not be counted as remuneration. In addition, according to the salaries expense listed in the “Share-Based Payment” of IFRS 2, expenses including the employee stock option certificate acquirement, employee restricted stock and employee participation in cash capital increase and stock subscription must be counted in the remuneration.

Note 4: The amount of employee remuneration (including stock and cash) received by the top five highest paid officers in the most recent year should be disclosed as approved by the Board of Directors, and if the amount cannot be estimated, the proposed payment amount for this year should be calculated in proportion to the actual payment amount last year, and should also be listed in Exhibit (7) 3.

Note 5: The total amount of remuneration paid to the top five highest paid officers of the Company by all companies in the consolidated statements (including the Company) should be disclosed.

Note 6: Net income refers to the net income amount on the parent company only or individual financial reports in the most recent year.

Note 7: a. This column should explicitly state whether the top five highest paid officers of the Company “have“ or “have not“ received remuneration from investees other than subsidiaries.

b. Remuneration refers to the compensation or payment (including remuneration to employees, directors and supervisors) and business execution expenses of the top five highest paid officers of the Company in their capacity as directors, supervisors or officers of an investee enterprise other than a subsidiary.

※ The remuneration disclosed in this table is different from the concept of income in the Income Tax Act. This table is used for information disclosure, not taxation.

(4) Name of the managers received remuneration and the distribution of remuneration

December 31, 2022
Unit：NTD

	Job Title (Note 1)	Name (Note 1)	Stock	Cash	Total	Proportion to Earnings After Tax (%)
Managerial Officer (Note 3)	GM & COO	Hsieh, Han-Chang	0	1,400,000	1,400,000	0.13%
	Project GM	Lee, Chang-Lin				
	Deputy GM & Chairman's Special Assistant	Bryant Hsu (Note 5)				
	GM of Catering Business Unit & GM of Taipei Branch	Li, Yuan-Ci				
	Project GM of COO Office	Li, Wei-Yi (Note 6)				
	GM & Guest Room Business Headquarters of Hsinchu Branch	Wang, Zai-Jheng				
	GM of Guest Room Business Unit & Kaohsiung Branch and supervise the Guest Room Business Headquarter of Hsinchu Branch	Guo, Ci-Syuan				
	Deputy GM of Catering Business Unit & Executive Chef of Chinese food Culinary Center	Lin, Jian-Long				
	Deputy GM of Catering Division of Taipei Branch	Chen, Bi-Lan				
	Deputy GM & Guest Room Business Headquarters of Kaohsiung Branch	Hsu, Gui-Zheng (Note 6)				
	Deputy GM of Task Force / COO Office	Jiang, Jia-Yu (Note 7)				
	Deputy GM of Human Resource Division	Lin, Rong-Bin (Note 8)				
	Finance, Accounting & Corporate Governance Supervisor	He, Jhong-Ren				

Note 1: Names and job title of each individual should be separately disclosed. The amount of remunerations can be disclosed in summary.
Note 2: It refers to the employee remuneration (including stock and cash) received by the managerial officers that is distributed in accordance with the proposal for distributing the recent year's earnings adopted at a meeting of board of directors and such proposal has not been submitted to the Shareholders' Meeting for approval. If such amount is unable to be estimated, the amount can be determined in accordance with the actual distribution ratio for last year. It refers to the net income of the recent year. After the adoption of IFRS, it refers to the net income in the individual or independent financial statements of the recent year.
Note 3: The scope of application for managers is defined in accordance with the Tai.Chai.Chen (III) No. 0920001301 Letter dated March 27, 2003 by the SEC as follows:
(1) General Manager and the equals; (2) Deputy General Manager and the equals; (3) Associate Manager and the equals; (4) General Manager of Finance Department;
(5) General Manager of Accounting Department; (6) Managerial officers and the individuals authorized to sign;
Note 4: If Directors, General Manager and Deputy General Manager` have collected employee remuneration (including stock and cash), in addition to filling out Form Schedule 1 of pages 26~27 & Schedule 2 of pages 28~29, please fill out this Form too.
Note 5: Deputy GM Bryant Hsu was applied for leave without pay in January 2021,and cancelled his leave without pay on January 16, 2022.
Note 6: Deputy GM Hsu, Gui-Zheng retired in March 2023, as approved by the Board of Directors. Project GM Lee, Wei-Yi has been approved by the Board of Directors in November 2021 re-appointed as Senior Consultant of the COO Office.
Note 7: Deputy GM Jiang, Jia-Yu has been approved by the Board of Directors in March 2022, re-appointed as Consultant of the Taipei Group of the Hsinchu Shopping Mall Investment Project of the GM (COO Officer).
Note 8: Deputy GM, Lin, Rong-Bin resigned with the approval of the board of directors in March 2022.

(5) Specify and compare the remuneration of Director, Supervisor, General Manager and Deputy General Manager of the Company in proportion to the earnings after tax from the Company and companies included in the consolidated financial statements over the last two years, and specify the policies, standards, combinations, and procedures of decision-making for remuneration and their correlation with business performance and future risk:

Unit：NTD

Title	2022				2021			
	Total remuneration		Remuneration / standalone net income ratio (%)		Total remuneration		Remuneration / standalone net income ratio (%)	
	The Company	Companies Included in the Financial Statement	The Company	Companies Included in the Financial Statement	The Company	Companies Included in the Financial Statement	The Company	Companies Included in the Financial Statement
Director	26,760,000	26,820,000	2.46%	2.46%	12,929,677	12,989,677	Note 2	Note 2
Supervisor (Note 1)	-	-	-	-	-	-	-	-
General Manager & Deputy General Manager	25,621,019	25,621,019	2.35%	2.35%	35,700,631	35,700,631	Note 2	Note 2

(1) Remuneration policy, standard and combination:

a. The remuneration of the directors and supervisors of the Company includes carriage fees and remuneration (up to 4% of the annual profit according to the Company's Articles of Incorporation), If any other remuneration is paid in the future, it will be paid in accordance with Article 22 of the Articles of Incorporation of the Company. please review the pages 80-81 for related instructions.

b. The remuneration and salary of the general manager and deputy general managers of the Company will be paid based on personal professional experience and reference to the usual standards of the same industry. In addition, bonuses will be issued based on the achievement rate and growth rate, risk, and performance of each person based on their performance.

(2) Procedure for setting remuneration

The board of directors of the Company passed the "Regulations for the Salary and Compensation Committee" in December, 2011 and established the Salary and Compensation Committee in accordance with the organizational rules to formulate the remuneration of directors, supervisors, and managers.

The remuneration committee of the Company sets and regularly evaluates the remuneration of directors, supervisors, and managers. The remuneration of directors and supervisors must be approved by the board of directors and shareholders, and the remuneration of the general manager and deputy general managers must be approved by the board of directors.

(3) Relevance to business performance and future risks

a. The remuneration of the directors and supervisors of the Company is paid in accordance with the earnings distribution plan passed by the shareholders' meeting and is related to the Company's operating performance. The salary and compensation committee regularly evaluates the performance of individual directors and supervisors and the Company's operating performance and the reasonableness of the relationship between future risks.

b. The remuneration committee regularly evaluates the reasonableness of the relationship between the performance of individual managers and the Company's operating performance and future risks to determine the remuneration.

Note 1: The Company's general shareholders' meeting has been re-elected since June 6, 2018, and the supervisor was replaced by an audit committee.

Note 2: The Company's net loss after tax in 2021, so this ratio does not apply.

III. The state of Implementation of Corporate Governance

1. Operations of Board of Directors

(1) The Board held **6 (A)** meetings in 2022. The attendance record of Directors is listed below:

Job Title	Name (Note 1)	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note 2)	Remark
Chairman	Emmet Hsu	0	4	0%	Re-elected on August 24, 2021
Director	Yeang Der Investment Co., Ltd. Representative / Hsu, Shu-Wan	4	0	100%	Re-elected on August 24, 2021
Director	Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong	3	1	75%	Re-elected on August 24, 2021
Director	Huo Sheng Investment Ltd. Representative / Li, Chang-Lin	0	4	0%	Re-elected on August 24, 2021
Director	Yeang Der Investment Co., Ltd. Representative / Lin, Zhan-Chuan	4	0	100%	Re-elected on August 24, 2021
Director	Chan Der Investment Corp. Representative / Li, Dong-Liang	4	0	100%	Re-elected on August 24, 2021
Director	Yeang Der Investment Co., Ltd. Representative / Kuo, Tun-Yu	0	4	0%	Re-elected on August 24, 2021
Director	Shihlin Electric & Engineering Corp. Representative / Lin, Han-Dong	4	0	100%	Re-elected on August 24, 2021
Director	Ting Lin Enterprise Co., Ltd. Representative / Du, Heng-Yi	4	0	100%	Re-elected on August 24, 2021
Director	Shihlin Electric & Engineering Corp. Representative / Bryant Hsu	2	2	50%	Newly appointed on January 16, 2022
Director	Shihlin Electric & Engineering Corp. Representative / Lee, Ying-Chu	0	0	-	Discharged on January 16, 2022
Director	Shihlin Electric & Engineering Corp. Representative / Hsieh, Han-Chang	3	1	75%	Re-elected on August 24, 2021
Director	Chan Der Investment Corp. Representative / Lin, Xing-Guo	4	0	100%	Re-elected on August 24, 2021
Independent Director	Liang, Wen-Jing	4	0	100%	Re-elected on August 24, 2021
Independent Director	Huang, Ya-Huei	4	0	100%	Re-elected on August 24, 2021
Independent Director	Li, Shu-Jhen	4	0	100%	Re-elected on August 24, 2021

Note 1: The names of corporate shareholders and names of representatives shall be disclosed in case the director and Independent Director are corporate organizations.

Note 2: (1) In case any director or supervisor resigns before the end of the year, mark the date of resignation on the remarks and the actual attendance rate (%) is calculated by the number of meeting attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

(2) In case of any director and supervisor reelection before the end of the year, fill in the new and former directors and supervisors in addition to marking the director and supervisor as new or former term, and date of reelection. The actual attendance rate (%) is calculated by the number of meeting attended during his/her term at the Board of the Directors and the number of actual attendances for calculation.

2. Other matters to be recorded:

(1) The matters listed in Article 14-3 of the Securities and Exchange Act and other board meeting decisions that have been opposed or reserved by independent directors and have records or written statements: The Company has set up an audit committee, which does not apply to the provisions of Article 14-3 of the Securities and Exchange Act. For relevant information, please refer to “Operations of the Audit Committee” in this annual report.

(2) In instances where a Director’s circumvention due to the conflict of interest, the minutes shall clearly state the Director's name, contents of the motion and resolution thereof, reason for such circumvention and the voting status:

A. The 4th meeting of the 22nd Board of Directors on March 08, 2022.

Proposal content: Lifting the restriction of the non-compete on new directors.

Interest avoidance directors: Bryant Hsu

Reason for such circumvention and the voting status:

According to the provisions of Article 206 of the Company Law, except for the directors of interested parties who are not allowed to participate in the voting due to the need to evade, all other directors who can participate in the voting are passed without objection after consultation by the acting chairman.

B. The 4th meeting of the 22nd Board of Directors on March 08, 2022.

Proposal content: Lifting the restriction of the non-compete on managers.

Interest avoidance directors: Hsieh, Han-Chang, Li, Chang-Lin, Bryant Hsu

Reason for such circumvention and the voting status:

According to the provisions of Article 206 of the Company Law, except for the directors of interested parties who are not allowed to participate in the voting due to the need to evade, all other directors who can participate in the voting are passed without objection after consultation by the acting chairman.

C. The 7th meeting of the 22nd Board of Directors on November 01, 2022.

Proposal content: Donation to the "Memorial Foundation of Mr. Ching-Teh Hsu".

Interest avoidance directors: Emmet Hsu, Hsu, Shu-Wan, Hsieh, Han-Chang.

Reason for such circumvention and the voting status:

According to the provisions of Article 206 of the Company Law, except for the directors of interested parties who are not allowed to participate in the voting due to the need to evade, all other directors who can participate in the voting are passed without objection after consultation by the acting chairman.

(3) The listed company should disclose the evaluation cycle and period, evaluation scope, method, and evaluation content of the self (or peer) evaluation of the board of directors: Please refer the pages 35~36.

(4) The objectives of strengthening the functions of the board of directors in the current and recent years (such as establishing an audit committee, enhancing information transparency, etc.) and evaluation of the implementation:

A. Approved the drafting of the “Code of Integrity Management” and “Code of Practice for Corporate Governance” on November 3, 2015, the 20th session of the 3rd Board of Directors

Approved the proposal of revising the “Code of Integrity Management” on November 01, 2017, the 20th session of the 11th Board of Directors.

Approved the proposal of revising the “Code of Practice for Corporate Governance” on Mach 08, 2022, the 22nd session of the 4th Board of Directors.

Approved the “Standard Operating Procedures for Handling Directors' Requests” at the 5th meeting of the 21st session of the board of directors.

Approved the revised "Rules of Procedures of the Board of Directors”, " Rules for the Election of Directors ", "Regulations on the Scope of Duties of Independent Directors" and "Board Performance Evaluation Measure" at the 13th meeting of the 21st session of the Board of Directors on November 3, 2020. It has made the operation of the board of directors more institutionalized.

B. Increase information transparency

The Company is committed to improving information transparency and paying attention to shareholders' rights and interests. After the meeting of the board of directors, important resolutions will be announced on the Company's website immediately.

C. Directors' study situation

Please refer the pages 67-72 for details.

(5) Whether the Chairman, General Manager and Manager in charge of financial or accounting affairs have worked in the firm of the current certified public accountant or its affiliated company in the past year: None.

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

Assessment Circle	Assessment Period	Assessment Scope	Assessment Measure	Assessment Content
Performed regularly once a year	January 1, 2022 To December 31, 2022	Performance evaluation of the overall board of directors, individual director members and functional committees.	Internal self-evaluation of the board of directors, self-evaluation of board members and self-evaluation of functional committees.	The measurement items for the performance evaluation of the board of directors include the following five aspects: 1. Participation in the operation of the Company 2. Improve the quality of board decisions 3. Board composition and structure 4. Director selection and continuing education 5. Internal Control The measurement items for the performance evaluation of directors include the following six aspects: 1. Mastery of Company goals and tasks 2. Awareness of Directors' Responsibilities 3. Participation in the Company's operations 4. Internal relationship management and communication 5. Professional and continuing education of directors 6. Internal Control The measurement items of functional committee performance evaluation include the following five aspects: 1. Participation in the operation of the Company 2. Committee's responsibilities 3. Improve the quality of committee decisions 4. Committee composition and member selection 5. Internal Control

The Company has completed the year 2022 board performance self-evaluation, and the results of the evaluation have been submitted to the 8th board of director report of the 22nd session on March 7, 2023, as a basis for review and improvement. The results of the performance evaluation of the board of directors are between 5 points of "strongly agree" and 4 points of "agree". Directors mostly agree with the operation of various evaluation indicators. The evaluation of the board and the functional committees as a whole work well and meet the requirements of corporate governance. And effectively strengthen the functions of the board of directors and safeguard the interests of shareholders.

2. Operations of Audit Committee

(1) The Board held **4 (A)** meetings in 2022. The attendance record of Directors is listed below:

Job Title	Name(Note 1)	Actual attendance (B)	Actual attendance rate (%) (B/A) (Note 2)	Remark
Independent Director	Liang, Wen-Jing	4	100%	
Independent Director	Huang, Ya-Huei	4	100%	
Independent Director	Li, Shu-Jhen	4	100%	

Other items to be recorded:

1. The Audit Committee shall record the convene date, the term, the content of the proposal the Board Meeting, and the resolution of Audit Committee and the Company's treatment to the resolution of the Audit Committee if any of the following circumstances occurs.
   A. Items listed in Article 14-5 of the Securities and Exchange Act: Approved to be submitted to the board of directors.
      (1) Approved by the 4th meeting of the 22nd Board of Directors on March 8, 2022.
         a. Recognition of 2021 business report and financial statement.
         b. Regularly assess the independence case of the certified public accountant.
         c. Submission of 2021 “Internal Control Statement” based on the results of self-inspection.
         d. Proposal for amendment to “Procedures for Acquisition or Disposal of Assets”.
         e. Proposal to the shareholders’ meeting is requested to agree to lift the director’s non-competition restrictions.
         f. Approved to lift non-competition restrictions on the managerial personnel of the Company.
         g. The sale and leaseback case of Hsinchu Ambassador Hotel and Hsinchu Administration Building.
      (2) Approved by the 6th meeting of the 22nd Board of Directors on August 02, 2022.
         a. Case of the audit supervisor change.
         b. Proposal for amendment to “Regulations Governing of Implementation of Internal Control” and “Regulations Governing of Implementation of Internal Auditing.”
      (3) Approved by the 7th meeting of the 22nd Board of Directors on November 01, 2022.
         a. Proposal of 2023 compensation to CPAs.
         b. Donation to the "Memorial Foundation of Mr. Ching-Teh Hsu" proposal.
         c. Proposal of NT$80 million capital increase to the subsidiary Custom Investment Co., Ltd.
         d. Proposal of transferring the stock exchange to a professional stock exchange agency.
         e. Proposal of the revised “internal major information processing operating procedures”.
   B. In addition to the preceding matters, other matters that have not been approved by the Audit Committee and have been approved by more than two-thirds of all Directors: None.
2. The names of Independent Directors, the contents of the proposals, the reasons for avoidance of conflicts of interest, and the participation of voting shall be clearly recorded if there is any implementation of avoidance of conflicts of interest to any Independent Director: None.

3. Communication between the independent directors and the internal audit supervisor and CPAs (please record the covered major issues, methods, and results of the communication for the Company's financial and business conditions):

A. Summary of the communication between independent directors and the internal audit supervisor:

Date	Communication Focus
2022.03.08	1. 2021 annual audit plans execution situation report.
2022.04.29	1. The first quarter of the 2022 audit plans execution report.
2022.08.02	1. The first half of 2022 audit plans execution report. 2. "Regulations Governing of Implementation of Internal Control" and "Regulations Governing of Implementation of Internal Auditing" revised reports.
2022.11.01	1. The third quarter of 2022audit plans execution report.

B. Summary of the communication between independent directors and CPAs:

Date	Communication Focus
2022.03.08	1. Arrange for the CPA to brief the Audit Committee and explain the 2021 Financial Statements and Consolidated financial statements. 2. CPA discusses and communicates on issues consulted by audit committee members and participants.
2022.08.02	1. Arrange for CPA to brief the Audit Committee and explain Consolidated financial statements for the second quarter of 2022. 2. CPA discusses and communicates on issues consulted by audit committee members and participants.

3. Corporate Governance Supervisor:

The board of directors appoints the Company's chief financial & accounting officer / He, Jhong-Ren, the senior assistant manager serving as corporate governance supervisor concurrently, to response for corporate governance-related matters, including handling matters related to the board of directors, audit committee, remuneration committee, and shareholder meetings in accordance with the law; assisting directors in appointment and continuing education; providing directors with information needed to perform their business; and assisting directors in complying with laws and regulations.

4. The state of the Company's implementation of corporate governance, any discrepancy of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such discrepancy:

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
1. If the Company has established corporate governance policies based on TSE Corporate Governance Best Practice Principles?	V		The Company has established corporate governance policies based on TSE Corporate Governance Best Practice Principles, which has been reviewed and approved by the Board of Directors. The Company discloses policies through company website (https://investor.ambassador-hotels.com/).	None
2. Shareholding Structure & Shareholders' Rights				
(1) Method of handling shareholder suggestions or complaints?	V		The Company has established procedures and designated spokesperson and deputy spokesperson to handle shareholder suggestions or complaints.	None
(2) The Company's possession of a list major shareholders and a list of ultimate owners of these shareholders?	V		The Company tracks shareholdings of directors, officers and shareholding more than 10% of the outstanding shares and discloses those information on regular basis as required.	None
(3) Risk management mechanism and firewall the Company and its affiliates?	V		The Company has established appropriate internal control procedures, in line with regulations guideline, to streamline financial transactions between the Company and affiliates.	None
(4) If the Company has established internal policies prohibiting insider trading on undisclosed information?	V		The Company has put internal policy "Preventing Insider Trading" into place to well manage the risk of insider trading on undisclosed information.	None
3. Composition and responsibilities of the Board of Directors (BOD)				
(1) Whether the Board of Directors establish and implement a diversification policy and specific management objectives for the composition of the BOD?	V		The Company has established a BOD diversification policy in the "Code of Practice on Corporate Governance", which stipulates that the composition of the board of directors should include but not limited to different criteria, such as, gender, age, nationality, culture, professional background, professional skills, and industry experience. And in order to achieve the ideal goal of corporate governance, the BOD members should have business insight, accounting and financial analysis, operation management, crisis management, industry knowledge, international market outlook, leadership and decision-making capabilities. As for the overall required capabilities of the BOD members please refer to corporate website (https://investor.ambassador-hotels.com/)	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
(2) If the Company plan to set up other functional Board committees in addition to the Compensation Committee and the Audit Committee which are required by regulation?	V		The Company has set up the promoting Sustainable Development Committee, which regularly reports to the Board of Directors.	None
(3) Does the Company formulate mechanism for evaluating the performance of its Board of Directors, on an annual basis, report the results of performance to the Board of Directors, and use the results as reference for directors' remuneration and renewal?	V		The Company has established mechanism for evaluating the performance of its Board of Directors and conducts performance evaluation process on annual basis.	None
(4) Does the Company regularly evaluate its external auditors' independence?	V		The certified accountants of the company are Huang, Jian-ze and Fu, Wen-fang accountants of Ernst & Young. Eight aspects, including non-audit business, assess the independence of certified accountants; in addition, referring to the AQI index information, it has been confirmed that certified accountants and firms are superior to the average level of audit experience and training hours in the industry, and will continue to introduce digital accounting in recent years. Audit tools to improve audit quality. On March 7, 2023, at the 8th meeting of the 22nd session of the board of directors, the company passed the assessment of the independence and suitability of certified accountants in 2022 and obtained the statement of independence and audit quality indicators (AQIs) issued by certified accountants.	None
4. Has the Company appointed competent and appropriate corporate governance personnel and corporate governance officer to be in charge of corporate governance affairs (including but not limited to furnishing information required for business execution by directors, assisting directors' compliance of the law, handling matters related to board meetings and shareholders' meetings according to law, and recording minutes of board meetings and shareholders' meetings)?	V		The Company has set up an appropriate number of corporate governance personnel to be responsible for corporate governance-related matters, and on May 4, 2021, the 15th meeting of the 21st Board of Directors approved the establishment of a corporate governance supervisor.	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
5. Has the Company established a mechanism of communicating with its Stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) or created a Stakeholders Section on its Company website? Does the Company respond to stakeholders' questions on corporate responsibilities?	V		The Company has set up and maintained a smooth communication channel for all stakeholders including correspondent banks, other creditors, employees, consumers, suppliers, communities, etc. In addition, a special communication column for stakeholders has been set up on the Company's website as well as an e-mail box (ambcsr@ambassador-hotels.com) to appropriately respond to important corporate social responsibility issues of stakeholders.	None
6. Does the Company appoint a professional stock affairs agency to handle the shareholders meeting?	V		Effective January 1, 2023, the Company's self-administered share services were reassigned to Chinatrust Commercial Bank (Agency Division).	None
7. Information Disclosure				
(1) Does the Company establish a corporate website to disclose information regarding its financials and corporate governance status?	V		The Company discloses information through its corporate website (https://investor.ambassador-hotels.com/)。	None
(2) Other information disclosure channels (e.g., maintaining an English website, assigning personnel to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)	V		1. The Company has designated personnel responsible for collecting company information and reporting various financial and business information on a regular and irregular basis. 2. The Company has established a spokesperson mechanism based on the "Company Spokespersons and Deputy Spokespersons Procedure". 3. The shareholders meeting minutes and the Company annual report are disclosed on the corporate website in timely manner.	None
(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?		V	4. The Company announces and submits annual financial reports (within three months), financial reports for the first, second, and third quarters (within 45 days) and the operating status of each month (before the 10th of each month) in timely manner to cater for the requirements of the Article 36 of the Securities Exchange Act.	The annual financial report which is required to announce and file within two months after the end of the fiscal year is still under discussion. Year 2021 financial statements were announced and filed on March 14, 2023.

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors)?	V		1. Employee rights The Company has always been actively cultivating tourism talents, compliant with labor laws and regulations, protecting the rights and interests of employees, truthfully handling labor and health insurance and allocating labor pensions for employees, and has also begun to improve the working environment and facilities of employees. It has set up employee restaurants to provide employees with healthy meals. In terms of employee health management, regular health checkups for in-service employees are conducted. There are also lounges and dormitories, which are convenient for employees to use during their free breaks or night shifts or for employees from other cities. 2. Employee wellness Employees can fully communicate relevant opinions through regular department meetings, labor-management meetings, mailbox, and other channels to effectively solve problems and promote good labor relations. As for employee weddings, funerals, celebrations or special accidents, subsidies will be given to employees. Establish health care unit and full-time hired nursing staff and breastfeeding rooms in accordance with the regulation. Appoint external qualified physicians to provide employees with health education, health promotion and hygiene guidance and implementation, prevention and treatment of work-related injuries, health consultation, first aid and emergency treatment. Physicians also assist in the analysis and evaluation of employees' physical and health examination records, prevention of work-related diseases, and proposals for improvement of the working environment, and other on-site health services. 3. Investor relations The Company occasionally organizes briefings to disclose finance and business information with investors and sets up an investor column on the corporate website so that investors can communicate with the Company efficiently. 4. Supplier relations	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
			The Company maintains a good relationship with suppliers and has established "Procurement Management Policy" and "Supplier Management Procedure" to well manage suppliers. 5. Stakeholders' rights The Company policies of the board of directors clearly stipulate that directors should avoid discussion and voting on proposals whenever there is an interesting conflict. The Company also maintains a smooth communication channel with stakeholders, including correspondent banks, creditors, employees, consumers, suppliers, and communities, and well protects the stakeholders. rights and interests based on the principle of integrity. 6. Directors' training records Directors and supervisors are appointed occasionally to take refresher training. Please refer to pages 67-72 for information about directors' and supervisors' refresher training. 7. Implementation status of risk management policies and risk measurement standards The Company adopts preventive strategies for risk management, and conducts regular and irregular audits on risk management implementation; in addition, the Company also ensures business-related insurance, such as public accident liability insurance, fire insurance..., etc. As for risk management implementation status, please refer to pages 287-291. 8. Implementation status of customer policies The Company has formulated internal customer protection policies and procedures for employees to implement according to laws and regulations. For example, the amount collected by the Company for selling gift certificates and 50% of the pre-collected membership fee of the fitness center has been provided by First Bank with a full performance guarantee. Please refer to the Company's website (https://investor.ambassador-hotels.com/) for details on the content of the performance bond contract. For details of the performance guarantee inquiry system, please refer to the website of First Bank (https://efpg.firstbank.com.tw/gift/jsp/cal/query.jsp).	

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
9. The improvement status for the result of the Corporate Governance Evaluation announced by Taiwan Stock Exchange Based on the results of the 9th Corporate Governance Evaluation, in the future, it is expected to strengthen the training for directors as well as the provision of training information and advocacy for directors to continue their professional training.				

10. Managers (GM, Deputy GM, Accounting, Finance, Internal Audit Supervisor, etc.) corporate governance training status:

Job Title	Name	Training courses	Training hours
General Manager	Hsieh, Han-Chang	Discuss the new thinking of Group tax governance from the future taxation trends of Digital Services Tax and International tax.	3.0
		The impact of the amendment to the “Securities Investors and Futures Traders Protection Act” on the Company’s directors and supervisors and practical case analysis.	3.0
		In the post-epidemic era, how can circular economy help companies improve resilience?	3.0
		International Anti-Money Laundering Trends and U.S. Sanctions and Export Control Compliance Planning	3.0
		AI security	3.0
		Recent Amendments to the Corporate Mergers and Acquisitions Act and Taxation Issues	3.0
Corporate Governance Supervisor	He, Jhong-Ren	Read the TCFD report: Information highlights	3.0
		“Financial Report Review”, Analysis of common deficiencies and important internal control regulations	6.0
		Analysis of the latest corporate governance policies and corporate governance assessment practices	3.0

5. Establishment, functions, and operations of the Remuneration Committee:

The Company's Board of Directors has established a Remuneration Committee in accordance with the "Remuneration Committee Organizational Regulations" adopted in December 2011 to formulate the remuneration of directors, supervisors, and managers. The 22nd Board of Directors elected members of the 5th Remuneration Committee as Liang, Wen-Jing (convenor), Huang, Ya-Huei, and Li, Shu-Jhen. The 5th Remuneration was held on November 2, 2021, The first meeting of the Committee.

1. Members of the Remuneration Committee

April 09, 2023

Qualification / Separate (Note1) / Name		Professional Qualifications and Experience (Note 2)	Independence (Note3)	Number of Concurrently Serving as a Remuneration Committee of Another Listed Company
Independent-Director Convener	Liang, Wen-Jing	Please refer to the Director Independence Assessment Form on pages 20-21.	Please refer to the Director Independence Assessment Form on pages 20-21.	0
Independent-Director	Huang, Ya-Huei	Please refer to the Director Independence Assessment Form on pages 20-21.	Please refer to the Director Independence Assessment Form on pages 20-21.	0
Independent-Director	Li, Shu-Jhen	Please refer to the Director Independence Assessment Form on pages 20-21.	Please refer to the Director Independence Assessment Form on pages 20-21.	0

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of each member of the Compensation Committee. If they are independent directors, please refer to the Director Independence Assessment Form on pages 20-21. Please fill in the series as independent directors or others respectively (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: State the professional qualifications and experience of individual compensation committee members.

Note 3: Independence Condition: Clarify that the members of the Compensation and Remuneration Committee are independent, including but not limited to whether they, their spouse, or relatives within the second degree are the directors, supervisors or employees of the company or its affiliated companies; The number and proportion of the company's shares held by the person, spouse, relatives within the second degree of relatives (or in the name of others); Whether they are directors, supervisors or employees of a company that has a specific relationship with the company (refer to Article 6, Paragraph 1, Subparagraphs 5 to 8 of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed in Stocks or Trading at the Business Office of Securities Firms) ; The amount of remuneration received for providing business, legal, financial, accounting and other services to the company or its affiliates in the last two years.

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members.

(2) Current term of office: August 24, 2021~August23, 2024. The Committee held **2** (**A**) meetings in the 2022 and the attendance of the Committee members is summarized as follows:

Job Title	Name	Actual attendance (B)	Attendance by proxy	Actual attendance rate (%) (B/A) (Note)	Remark
Convener	Liang, Wen-Jing	2	0	100%	Note 3
Member	Huang, Ya-Huei	2	0	100%	Note 4
Member	Lee, Shu-Jhen	2	0	100%	Note 3

Other notes:

1. If the Board of Directors does not adopt, or amend, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the Board of Directors, and the Company's handling of the Remuneration Committee's opinions (If the remuneration ratified by the Board of Directors is superior to that suggested by the Remuneration Committee, please specify the deviation and reasons thereof): N/A
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: N/A
3. Terms of reference:
   1) Formulate and regularly review the policies, systems, standards and structures of directors and managers' performance evaluation and salary remuneration.
   2) Regularly evaluate and determine the remuneration of directors and managers.

Note: (1) Where a Remuneration committee member may be relieved from duties before the end of the fiscal year, please specify their Resignation date in the 'Remarks" Section. Their actual attendance rate (%) to Remuneration committee session shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

(2) Where an election may be held for filling the vacancies of Remuneration committee member before the end of the fiscal year, please list out both the new and the discharged Remuneration committee member and specify the new, the discharged and the reelected Independent Directors and the election date in the 'Remarks' Section. Their actual attendance rate (%) of the Remuneration Committee's meetings shall be calculated on the basis of the number of meetings called and actual number of sessions he/she attended, during his/her term of office.

(3) Liang, Wen-Jing, Lee, Shu-Jhen are members of the 4th and 5th Remuneration Committee and took office on August 24, 2021.

(4) Huang, Ya-Huei is a member of the 3rd, 4th, and 5th Remuneration Committee and was reelected on August 24, 2021.

3. Important resolutions of the Remuneration Committee in the most recent year (2022)

Conference Name	Meeting Date	Important Resolution	Resolution Result	Remuneration Committee members' opinions
2nd meeting of the 5th Remuneration Committee	2022.01.21	1. Proposal of the Company's manager's year-end bonus distribution plan of 2021. 2. Proposal of distribution Director compensation and employee remuneration year 2021 the total number of cases.	Approved Unanimously.	No objection.
3rd meeting of the 5th Remuneration Committee	2022.11.01	Explanation the Organization of the Ambassador Hotel Taipei	Approved Unanimously.	No objection.

6. Status on Performing Social Responsibility and Comparison Against Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies and Their Reasons:

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
1. Does the Company establish a governance structure to promote sustainable development, and set up a dedicated (or ad-hoc) sustainable development organization with the Board of Directors' authorization for senior management, which reports to the Board of Directors?	V		1. The Company has set up a promoting sustainable development committee, led by the COO, and appointed a secretary unit to coordinate related projects. The committee members are the head of departments concerned. 2. The committee is responsible for promoting the proposal and implementation of sustainable development policies, procedures, guidelines, and specific action plans. The committee reports to the board of directors on a regular basis. 3. At the 14th meeting of the 19th Board of Directors in 2015, the establishment of the Corporate Social Responsibility Committee and related procedures have been reported and approved, and the 4th meeting of the 22nd board of directors in 2022 has passed the revision of the "Code of Practice for Corporate Social Responsibility" to "Code of Practice for Sustainable Development". The committee shall prepare the annual sustainable development report (the corporate social responsibility report before 2020) and present it to the board of directors meeting annually.	None
2. Does the Company follow the materiality principle to conduct risk assessment for environmental, social, and corporate governance topics related to company operation, and establish risk management related policy or strategy? (The principle of materiality refers to those who have a significant impact on the Company's investors and other stakeholders in relation to environmental, social, and corporate governance issues.	V		The Company has established a " Promoting Sustainable Development Committee", formulated the "Code of Practice for Sustainable Development " and got approval from the board of directors. The implementation status of 2021 is summarized on page 50 of the Company's annual report. The details are disclosed in the Company's Sustainability Rereport, which has been reviewed and reported at the board of directors.	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	V		The Company does not yet required to apply ISO14001 or similar environmental management verification system. However, the Company has established an appropriate environmental management mechanism to comply with domestic environmental safety regulations.	None
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	V		The Company is committed to improving the utilization efficiency of various resources, such as (1) Launch the "Environmental Protection and Love the Earth" project to reduce the consumption of disposable personal toiletries. (2) The air conditioner in the restaurant is updated to a multi-connected inverter device, which saves the power consumption of the air conditioner. (3) Implement air-conditioning temperature control and replace lighting equipment with LED lamps to effectively save energy. (4) The engineering department regularly maintains various equipment to improve the utilization efficiency of water, electricity, gas, and other resources.	None
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	V		Climate change is a global popular topic. The Company is aware of the impact of climate change on its business operation, and is implementing a policy of energy saving, carbon reduction and greenhouse gas reduction.	None
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set energy conservation, greenhouse gas emissions reduction, water usage reduction	V		The Company has disclosed its greenhouse gas emissions, water consumption, and total waste weight in the Company's Sustainability Report for the past two years. Actions of energy saving, carbon reduction and greenhouse gas reduction are listed as follows	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
and other waste management policies?			1. Set up an energy saving team to be responsible for supervision and evaluation. 2. Formulate energy-saving procedures. The actions are listed as follows: a. Air-conditioning temperature control in the whole building. b. Promotes paperless e-office. c. Replace the lighting equipment with LED lamps. d. Purchase energy-saving equipment and maintain it regularly to improve use efficiency. e. Launch an environmentally friendly housing project, make a slogan to encourage customers to reduce energy consumption together... etc. 3. Conduct energy saving training programs to promote consensus among all employees. 4. Set up the goal of the annual power saving rate as 1%, since 2014. 5. Perform regular tracking and review on implementation.	
4. Social Topic (1) Does the Company set policies and procedures in compliance with regulations and internationally recognized human rights principles?	V		The Company has always been actively cultivating tourism talents, following up labor laws, respecting internationally recognized basic labor human rights principles, protecting employees' benefits. The Company also established an employment policy without discrimination to ensure fairness on compensation, employment conditions, and training and promotion opportunities. Please refer to pages 92~94 for the implementation status.	None
(2) Has the Company established appropriately managed employee welfare measures (include salary and compensation, leave and others), and link operational performance or	V		The Company has formulated the human resource management policies which are compliant with the Labor Standards Act and set up the employee welfare committee, which's members are elected by the employees, to handle various welfare matters. The	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
achievements with employee salary and compensation?			Company performs the annual employee performance review based on the following criteria, personal ability, the contribution to the Company and performance, and the evaluation is positively correlated with operating performance.	
(3) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	V		The Company provides employee with labor insurance and health insurance in accordance with regulations and conducts regular employee health checkups. It also has a health-care unit that provides professional medical services and consultations. It also organizes regular safety and health training courses for employees and promotes the Company's safety and health procedures. Please refer to pages 92~94 for the implementation status.	None
(4) Has the Company established effective career development training plans?	V		To meet the development needs of employees of all levels, a dual-track development system for professional and managerial career paths is constructed, and career development maps are planned for different positions. Various professional courses or development opportunities are provided through personal development plans jointly developed by supervisors and employees, such as overseas study, employee long-term career planning. That will balance the pursuit of excellent performance of the Company and individual at the same time. In order to achieve the activation of the organization and the rejuvenation of cadres, the promotion of talents is based on internal outstanding employees, and the "Ambassador Academy" training program is continuously implemented. The candidates are selected by the heads of various departments, and a one-year training and assessment is carried out. Provide coaching for trainees in job skills, problem solving, etc. A series of leadership management	None

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
			courses are also planned, hoping that through such a system, employees' leadership and execution skills can be cultivated, and supervisors' leadership and management capabilities and team performance can also be improved.	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set polices to protect consumers' rights and consumer appeal procedures?	V		The Company tries its best to protect consumer rights and implemented consumer right protection clauses in various internal policies and procedures. In response to consumer complaints, in addition to providing complaint service channels on the website, the Company also provides a toll-free telephone (0800-051-111) to take care of service requests from consumers as well as to provide the most appropriate service.	None
(6) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right, and their implementation status?	V		It is clearly defined in the Company's standard contract.	None
5. Does the Company refer to international reporting rules or guidelines to publish CSR Report to disclose non-financial information of the Company? Has the said Report acquired 3rd certification party verification or statement of assurance?	V		The Company prepared a corporate social responsibility report with reference to GRI standards (core compliance) and obtained concurrence from Ernst & Young, the CPAs.	None
6. If the Company has established its sustainable development code of practice according to "Listed Companies Sustainable Development Code of Practice," please describe the operational status and differences. The Company has formulated the "Code of Practice for Corporate Social Responsibility", which was announced after the 3rd meeting of the 20th Board of Director in 2015, and the 4th meeting of the 22nd board of directors in 2022 has passed the revision of the "Code of Practice for Corporate Social Responsibility" to "Code of Practice for Sustainable Development".				

Evaluation Item	Implementation Status			Variance and Reasons
	Yes	No	Abstract Explanation	
7. Other important information to facilitate better understanding of the Company's implementation of promoting sustainable development: 1. Environmental protection The Company is committed to improving the efficiency of the use of various resources, and has established an appropriate environmental policy with reference to the industry standards as well as to comply with domestic environmental safety regulations. Besides, the Company actively promotes environmental protection concepts in various activities. For details, please refer to pages 46~50 and 52~56 of the Company's annual report. 2. Community participation, social contribution services, public welfare activities The Company regards corporate social responsibility as the core value of corporate culture. Recently, it has actively participated in various community activities, social care, and public welfare activities. For related activities, please refer to the Company's annual report on pages 52~56 and the Company's website (http://www.ambassador-hotels.com). 3. Consumer Rights The Company takes "home" as its core corporate concept and hopes that consumers will experience the cordial and sincere services make them feel like going home. The Company honors the rights and interests of consumers and is keen to provide the consumers with meticulous customized services, fully disclosed on the Company's website. Furthermore, the fulfillment guarantee is provided for each coupon sold. As for the customer complaint, in addition to providing communication channels on the website, the Company also provides a toll-free telephone (0800-051-111) to better handle the customer complaint. In response to each customer complaint, departments in charge are requested to provide the most appropriate resolutions and feedback to customer in timely manner. 4. Human Rights The Company respects internationally recognized basic labor rights principles, including employees' freedom to set up union and bargaining rights. The Company cares for the underprivileged minority and prohibits hiring of child labor. In addition, in accordance with the provisions of the Gender Work Equality Act and the Employment Act, the Company establishes an employment policy without discrimination on compensation, employment conditions, equal opportunities for training and promotion. 5. Safety and health The Company has passed the HACCP (Hazard Analysis Critical Control Point) certification. The occupational safety and health department is set up to formulate safety and health work policies and procedures, develop occupational disaster prevention action plans, and guide each branch to implement labor safety management. 6. Other social responsibility activities The Company continues to expand social participation, leads employees to participate in social welfare activities, continuously promotes the concept of sustainable utilization of marine resources and supports golf activities. For details of related activities, please refer to pages 52~56 of the Company's annual report.				

The Company has been caring for the underprivileged minority for a long time. It has also continuously contributed to social emergency assistance. It honors corporate social responsibility as one of the core values of corporate culture. In recent years, it has participated in social care activities listed as follows:

2013

- ＊Mr. Emmet Hsu, Chairman of Ambassador Hotel and Executive Chef, Lin, Jian-Long, led the Ambassador Hotel Taipei Culinary Team to donate 2,000 New Year's lunch boxes carefully prepared by the hotel to district offices in 12 districts of Taipei City on New Year's Eve. The district office's offices sent those lunch boxes to the elders who live alone, so that they can also enjoy the hot New Year dishes.
- ＊Yeang Der Group and the Asian Tour Headquarters have renewed their cooperation for three-year tournaments. In 2013, it hosted various professional and amateur tournaments including men, women, elder and youth. Among them, three professional tournaments were held, with a total prize of up to NT$25 million, including the " Yeang Der TLPGA Open", the " Yeang Der TPC Championship" and the " Yeang Der Asia Pacific APCT Elder Open" for the first time. These games not only provide opportunities for domestic players to hone their skills, but also look forward to driving the enthusiasm of other parties to promote golf together.
- ＊The Ambassador Hotel and the Shihlin Electric jointly donated the Mackay Memorial Hospital's "Good Neighbor Medical Research Fund" to assist in medical research and help people who are struggling with medical funding to tide over the difficulties.

2014

- ＊Right after the explosion disaster on August 1, 2014, The Ambassador Hotel Kaohsiung immediately triggered the rescue and recovery processes. It provided 20 free guest rooms to accommodate the victims of the disaster on daily basis and further increased to 50 rooms until August 7. In addition, to better support the hardworking rescue teams and to take care of the victims, the Company provided lunch boxes and bread to the designated refuge until August 7.
- ＊"2014 Yeang Der TPC Championship", sponsored by the Yeang Der Group for the fifth consecutive year, has promoted domestic golf players to the international stage, hoping to create a platform for Taiwanese golfers to participate in the international platform through the holding of large-scale ball games, and improve players' performance. The Asian Tour and the world's rankings give Taiwanese players more opportunities to participate in world-class events and show off on the international stage.
- ＊Since 2012, under the guidance of the National Museum of Ocean Science and Technology, the Ambassador Hotel has been promoting the " sustainable utilization of marine resources " dining concept for four consecutive years. It is the first company of the hotel industry in Taiwan to promote sustainable ocean dining and conveys the principles through films. In 2014, it was also recognized by the National Geographic Channel, and was invited to film the first documentary of "Blooming Taiwan 5: Island of Fish-Taiwan's Delicious Fish" that introduces Taiwan fish industry. That's also an opportunity he Ambassador Hotel to present its sustainable ocean cuisine of the Chinese and Western restaurants in front of a global audience and let more consumers realize the importance of a sustainable utilization of marine resources.

2015

- ＊The Ambassador Hotel is the first hotel chains in Taiwan that continues to promote the concept of the sustainable ocean diet. In 2015, it shot the micro-film using [Ocean

Sustainability Hope Continued] as theme. It invited the old captain with decades of fishing experience, the Neritic Squid expert and the Wanli Crab connoisseur to express their interpretation of the concept of the "Sustainable Utilization of Marine Resources". The chefs of the Ambassador Hotel also introduced their attitude to life and cooking. This perceptual film conveys the concept of the main theme and helps the Company fulfills the social responsibility. The film was launched on the Company website and the YouTube on April 30, 2015. Furthermore, the Company sponsored the printing of 10,000 copies of the "Seafood Guidebook" to educate more consumers know how to choose seafood that conforms to the concept of sustainable oceans. From May 1st to July 31st, the Chinese and Western restaurants of the Ambassador Hotel Taipei, Hsinchu, and Kaohsiung, as well as the off-site catering brands, launched a variety of sustainable ocean delicacies, leading everyone to save the ocean from the table. Lin, Jian-Long, the executive chef of Ambassador Hotel Taipei, together with his team members, designed a sustainable ocean concept menu for residents in the surrounding communities of the National Sea Science Museum, and trained them the cooking skills. That helped to inject new vitality into Taiwan's north coast tourism and dining.

＊After the dust explosion disaster happened in the Baxian Paradise caused. the Ambassador Hotel Taipei, located near Taipei Mackay Hospital, and the amba Taipei Zhongshan Hotel jointly expressed their sincere concern and assisted the families of the injured to tide over the difficulties. In order to allow the families of the injured to be taken care of the injured by the nearby hospital and avoid the need to long distance travel, starting from July 2015, the Ambassador Hotel Taipei provided 15 rooms for free every day, and the amba Taipei Zhongshan Hotel provided 5 rooms for free every day, for the accommodation of the families of the injured in Taipei Mackay Hospital. The Company fulfilled its social responsibilities and contributed to the rescue and recovery processes.

＊The Ambassador Hotel continued to urge employees to participate in a series of corporate social responsibility activities in 2015, such as the beach cleaning activities at Taipei and Hsinchu branches, and the Mid-Autumn Festival Welfare Activity at Hsinchu Branch (a total of 197 boxes of mooncakes with a market value of approximately NT$210,000 were donated to the Hsinchu Family Support Center and other groups). Kaohsiung Branch conducted blood donation and Christmas gift donation and other activities. Besides, the Company cooperated with various charity organizations (such as the Sunshine Foundation, the Genesis Social Welfare Foundation, etc.) to urge employees to donate their invoices. Encourage employees together with the Company can contribute to the society.

2016

＊The Company urged all employees to actively participate in the Sunshine Social Welfare Foundation's "One dollar to support Sunshine" donation activity in 2016, so as to help more friends with burns and facial injuries to recovery through the accumulation of a little change donation every day.

＊The Yeang Der Group sponsored the Taipei City University baseball team in 2016. Through the sponsorship, the coaching team and players can focus on training without any worries, to inspire players to continue to create outstanding records and allow the "Soul" of the Taipei City University baseball team to be continued and inherited.

＊The Company, together with the Chen Ling Social Welfare Foundation and the United Daily News Social Welfare Foundation, organized an activity inviting students from rural areas to take a one-day trip to Taipei and enjoy a Western-style buffet at the Ambassador Hotel Taipei, allowing the students to have a wonderful day.

2017

- ∗The Company, together with the CNPN, conducted a warm charity bazaar and donated all the income to the Genesis Social Welfare Foundation. It not only to celebrate Mother's Day in advance, but also leaving the best testimony of love.
- ∗In order to care for the underprivileged minority during the Mid-Autumn Festival, the Company donated 500 boxes of mooncake gift boxes with a total of 3,000 mooncakes, which were distributed to the underprivileged families in Taipei, Taichung and Kaohsiung. The Hsinchu branch also cooperated with the Hsinchu City Government to send mooncake gift boxes to 200 underprivileged families in Hsinchu City so they can have a warm festival. For example, the Rare Disease Foundation has asked nutritionists to assess the physical condition of patients according to the nutritional content of moon cakes, and then the foundation will send them to the patients' homes. And The Andrews Food Bank, which frequent visits to various places in Taiwan and actually walked into the low-income family, distributed the heart-warming moon cakes to the to the underprivileged families.

2018

- ∗The executive chef of the Ambassador Hotel Taipei, together with a team of chefs, went to the Rongguang Nursery School in Yonghe to cook 27 five-star dishes and a sumptuous reunion meal for the children, so that the children can enjoy the delicious five-star dishes, and feel the warm charity.
- ∗The Ambassador Hotel Taipei, together with the Andre’s Food Bank, have specially prepared the New Year’s dishes for 5147 children from the underprivileged families in Taiwan. When those families received the special New Year’s dishes, they could follow the simple steps designed by the Executive Chef to ensure that delicious recipes are not lost. So that those families can easily cook delicious New Year dishes at home.
- ∗The Company held a spring festival couplet charity sale during the New Year Holidays and all the proceeds were donated to the Rare Disease Foundation.
- ∗The Company, together with the Andre’s Charity Association provided a gift box of meat dumplings to the children of the Taipei Mingdao Elementary School football team during the Dragon Boat Festival. Most of the team members come from families of new residents, who lived a hard life and are smaller in shape. The Andrew Charity Association provided foods and nutritional supplements every month to help them grow up healthily.
- ∗The Company, together with the Rare Disease Foundation, provided high-quality environment and resources to conduct the "Hard Dad Male Master Chef Event". Eight invited fathers picked up pots, spoons, and kitchen knives that they rarely touched on weekdays, to cook delicious dishes for their family and children. Every dish is full of love from father.
- ∗The Company cooperated with Andrew Charity Association to invite 30 children to the hotel to enjoy nearly 20 five-star buffet dishes such as freshly cut beef short ribs and Hong Kong-style sliced duck, and also let the children wear chef’s hat and apron to enter the kitchen. The chef team taught them how to cook Hong Kong-style dim sum, desserts, and other delicious dishes, which inspire children's "small dreams to be a chef".
- ∗During the Christmas season, the Company cooperated with Mackay Hospital for charity sales, selling our bakeries homemade bread and cakes and other festive products, such as: gingerbread man, Stollen bread and so on. All proceeds are donated to the Mackay Hospital Long-term Care Fund to care for the elderly and benefit more elderly people.

2019

- ∗The event, "Sustainable New Year's Eve Dinner" of the National Taiwan Museum, invites

gourmet chefs every year to develop sustainable new year dishes by using environment-friendly ingredients. The recipes for 2019 was designed by the executive chef of the Ambassador Hotel, Mr. Lin, Jian-Long, by using local ingredients, vegetables, and leftovers. He also personally demonstrated the "Typhoon Shelter Style Mackerel" to complete affordable and delicious New Year dishes with simple cooking. Chef Lin, Jian-Long said that the fish that everyone will eat during the Chinese New Year is usually high-priced seafood such as pomfret, perch, and grouper. Few people would think of cheap mackerel. In the winter, the meat of the mackerel is good enough to be used as sashimi, but the fat is insufficient, and it is not suitable for direct frying. After some brainstorming, the team developed the "Typhoon Shelter Style Mackerel" recipe. The team also developed other dishes include "golden kimchi", which is made with local cabbage, and the " pomelo radish", which is made from vegetables with the meaning of good luck. These recipes are uploaded to the official website of the Taiwan Museum for download and use by the public.

- ∗ Together with the Andre's Food Bank, the Company have specially prepared recipes of the New Year's dishes for children from the underprivileged families in Taiwan. When those families received the special New Year's recipes, they could follow the simple steps designed by the Executive Chef, Lin, Jian-Long to ensure that delicious recipes are not lost. So that those families can easily cook delicious New Year dishes at home.
- ∗ The Company conducted a spring festival couplet charity sale during the New Year Holidays and all the proceeds were donated to the Rare Disease Foundation.
- ∗ The Company, together with the Andre Charity Association, provided the gift boxes of meat dumplings during the Dragon Boat Festival, so that the underprivileged minority could also enjoy dumplings on the Dragon Boat Festival.
- ∗ During the Mid-Autumn Festival, the Company sent 100 boxes of moon cake gift boxes to the Andre Charity Association, and the association distributed the moon cakes to groups in need.
- ∗ During the Christmas season, the Company cooperated with Mackay Hospital again for charity sales, selling our bakeries homemade bread and cakes and other festive products, such as: gingerbread man, Stollen bread and so on. All proceeds are donated to the Mackay Hospital Long-term Care Fund to care for the elderly and benefit more elderly people.

2020

- ∗ Together with the Andre's Food Bank, the Company have specially prepared recipes of the New Year's dishes for children from the underprivileged families in Taiwan. When those families received the special New Year's recipes, they could follow the simple steps designed by the Executive Chef, Lin, Jian-Long to ensure that delicious recipes are not lost. So that those families can easily cook delicious New Year dishes at home.
- ∗ The Company held a spring festival couplet charity sale during the New Year Holidays and all the proceeds were donated to the Rare Disease Foundation
- ∗ Although the Hotel Industry has been greatly impacted during COVID-19, During the Mid-Autumn Festival, the Company sent 100 boxes of moon cake gift boxes to the Andre Charity Association and the Rare Disease Foundation, and the association distributed the moon cakes to groups in need.
- ∗ During the Christmas season, the Company cooperated with Mackay Hospital again for charity sales, selling our bakeries homemade bread and cakes and other festive products, such as: gingerbread man, Stollen bread and so on. All proceeds are donated to the Mackay Hospital Long-term Care Fund to care for the elderly and benefit more elderly people.

2021

- ∗ The Company held a spring festival couplet charity sale during the New Year Holidays and all

the proceeds were donated to the Rare Disease Foundation

* Although the Hotel Industry has been greatly impacted during COVID-19, During the Mid-Autumn Festival, the Company sent moon cake gift boxes to the Andre Charity Association and the Rare Disease Foundation, and the association distributed the moon cakes to groups in need.
* During the Christmas season, the Company cooperated with Mackay Hospital again for charity sales, selling our bakeries' homemade bread and cakes and other festive products, such as: gingerbread man, Stollen bread and so on. All proceeds are donated to the Mackay Hospital Long-term Care Fund to care for the elderly and benefit more elderly people.
* The Ambassador Hotel cooperated with Unilever to jointly handle the "Star Chef Training Program", with 4 heavyweight chefs as lecturers, including Executive Chef Lin, Jian-Long, A CUT Steakhouse, which won one Michelin star, and the Ambassador Executive Chef Ling, Wei-Lian of Western Food and two chefs Yang, Qian-Yi and Yang, Wen-Xiong of the Ambassador Bakery joined hands to teach students in a personal interactive way, providing free access to young people in special circumstances to learn about the catering industry, interact with the chefs, and cultivate their skills and expertise.

2022

* The Company held a spring festival couplet charity sale during the New Year Holidays and all the proceeds were donated to the Rare Disease Foundation for the fourth year consecutively
* Although the Hotel Industry has been greatly impacted during the epidemic, at the Mid-Autumn Festival, the Company sent moon cake gift boxes to the Andre Charity Association and the Rare Disease Foundation, and the association distributed the moon cakes to groups in need.
* The Ambassador Hotel cooperated with Unilever to jointly handle the " Celebrity Chef Training Program ", with 3 heavyweight chefs as lecturers, including Executive Chef Lin, Jian-Long, and the Ambassador Executive Chef Li, Wen-Kang of Western Food, and chef Yang, Wen-Xiong of the Ambassador Bakery joined hands to teach students in a personal interactive way, providing free access to young people in special circumstances to learn about the catering industry, interact with the chefs, and cultivate their skills and expertise.
* Please refer to the Company's website for details of other public welfare activities:

  https://www.ambassador-hotels.com

7.Implementation of Honest Practices, Comparison Against the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and Reasons:

Evaluation Item	Implementation Status			Variance and Reason
	Yes	No	Abstract Explanation	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures.				
(1) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		The Company's board of directors has approved the formulation of the "Ethics and Business Conduct" as a guideline for directors, supervisors, managers and employees to perform their business. Highlight "Integrity" as the most important core value, and actively implement it in the corporate culture to be responsible to shareholders, customers, employees and the investors. The Ethics Code has been disclosed on the Company website (https://investor.ambassador-hotels.com/report/106IntegrityRule.pdf).	None
(2) Whether the Company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies?	V		The Company has well established corporate governance and risk control mechanisms, improved internal regulations, and regularly conducted training programs to prevent the risks highlighted in paragraph 2 of Article 7.	None

Evaluation Item	Implementation Status			Variance and Reason
	Yes	No	Abstract Explanation	
(3) Whether the Company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	V		To prevent unethical conduct, in addition to the establishment of the " Ethics and Business Conduct ", the Company also compiles the "Code of Ethics for Employees" as the guidelines for employees during their tenure. The content clearly specifies obligation of confidentiality on the operations related to business, finance, and information. All employees should read and sign the Ethics Code when they first joined the Company. The Company conducts training programs, on regular basis, to highlight the integrity of employees as well as established rewards and punishments system. In addition, honesty insurance is insured for high-risk employees.	None
2. Ethic Management Practice. (1) Whether the Company has assessed the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	V		The Company carefully selects suppliers, confirms through the Company database in advance whether those suppliers meet the integrity standards. Besides, the Company clearly stipulates the Ethics and Business Conduct clauses in the business contract.	None
(2) Whether the Company has set up a unit which is dedicated to promoting the Company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters, and program to prevent unethical conduct and monitor its implementation?		V	The Company has not yet set up a full-time or part-time department to promote the Ethics and Business Conduct, but has implemented the principles of the Ethics and Business Conduct in the corporate culture, and the board of directors supervises the compliance of laws and regulations in accordance with the Company's policies.	The establishment of a full-time or part-time department to promote the Ethics and Business Conduct is still under discussion.
(3) Whether the Company has established policies to	V		The Company's policies of the board of directors	None

Evaluation Item	Implementation Status			Variance and Reason
	Yes	No	Abstract Explanation	
prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?			stipulated that, whenever there is interest conflict, may state their opinions and answer inquiries but shall not participate in discussions and voting as well as shall not act for other directors to exercise their voting rights. Employees can also fully communicate with the management through regular departmental meetings or employee opinions mailbox on the corporate website.	
(4) To implement relevant policies on ethical conducts, has the Company established effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	V		The Company has an effective accounting system and a dedicated accounting department. The financial reports are checked by CPAs to ensure the accuracy of the financial statements. The Company's internal audit department consists of three staff, including manager and is under the supervision of the board of directors. Its responsibilities are as follows: ◦ 1.According to the audit plan, check the operations of each department. Audit fresh food acceptance operations on-site on a regular basis and further follow up improvement implementation. Submit the audit report to the director of the board and the audit committee for review by the next month-end. The audit manager reports the findings to the board of directors meeting and the audit committee. 2. After the end of the year, all units are requested to form self-check based on the internal control guideline and submit the reports for internal auditors' review to provide the basis for the board of directors to issue the "Internal Control	None

Evaluation Item	Implementation Status			Variance and Reason
	Yes	No	Abstract Explanation	
			Statement". After approved by the board of directors, the statement will be published on the website of the Securities and Futures Bureau of the FMC and will be included in the Company's annual report.	
(5) Does the Company provide internal and external ethical conduct training programs on a regular basis?	V		The Company adheres to the core value of "Integrity, Teamwork, Innovation, and Feedback", and well satisfies the needs of customers with various catering products and services. The Company conducts Ethics and Business Conduct training courses from top to bottom and formulates various anti-fraud and anti-corruption related policies and procedures. Promote anti-bribery and anti-corruption proactively.	None
3. Implementation of Complaint Procedures (1) Does the Company establish specific complaint and reward procedures, set up conveniently accessible complaint channels, and designate responsible individuals to handle the complaint received?	V		The Company has set up an employee complaint procedure and a mechanism of employee rewards and punishments for violations of the integrity policies. If there is any issue violating the Ethics and Business Conduct, employees can report it to the management through complaint channels such as hotline, e-mail, or written mail.	None
(2) Whether the Company has established standard operation procedures for investigating the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner?		V	The Company has an employee complaint procedure. However, it has not yet established a standard procedure for the investigation on reported issues as well as the confidentiality protection mechanism.	Plan to implement as scheduled.
(3) Does the Company adopt proper measures to		V	The Company has not yet formulated policies or	Plan to implement as

Evaluation Item	Implementation Status			Variance and Reason
	Yes	No	Abstract Explanation	
prevent a complainant from retaliation for his filing a complaint?			procedures.	scheduled.
4. Information Disclosure Does the Company disclose its guidelines on business ethics as well as information about implementation of such guidelines on its website?	V		The Company's board of directors has approved the drafting of the " Ethics and Business Conduct " and has disclosed it on the Company's website. Please refer to (https://investor.ambassador-hotels.com/report/106IntegrityRule.pdf)	None
5. If the Company has established corporate governance policies based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, please describe any discrepancy between the policies and their implementation. To highlight our core value of "Integrity", the Company formulated the "Ethics and Business Conduct", based on Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies. It is fully compliant and with no major variances.				
6. Other important information to facilitate better understanding of the Company's corporate conduct and ethics compliance practices (e.g., review the Company's corporate conduct and ethics policy). The Company takes "Integrity" as one of the core guiding principles and implements it into corporate governance policies and procedures. It helps investors, employees, consumers, and suppliers to understand the Company's determination to maintain the highest standard of integrity. For other relevant information, please refer to section 57~61 pages.				

8. Disclosure of access to Company Corporate Governance Best Practice Principles and related rules and regulations:

In accordance with the regulations, the Company has successively revised the relevant policies on corporate governance. Please refer to the Company's website (https://www.ambassador-hotels.com)

9. Other information enabling a better understanding of Company Corporate Governance:

1. In order to strengthen the implementation of corporate governance, the Company will inform directors and supervisors of the update of relevant laws and regulations on corporate governance at any time.
2. The directors attend the meeting of the board of directors as planned. If the directors have an interest conflict in the proposals that may harm the interests of the Company, they shall not participate in the voting.
3. The Company has formulated the procedures for handling important internal information in the Company's internal control system. The fifth meeting of the 18nd board of directors approved the amendment to relevant provisions and announced the revised internal control system provisions on the Company's website. All directors, managers and employees are well informed.
4. The Company has formulated the " Ethics and Business Conduct ", "Code of Practice for Corporate Social Responsibility" and "Code of Practice for Corporate Governance" in accordance with the regulations of the competent authority and consideration of practical operating conditions. Those are implemented after approved by the third meeting of the 20th boards of directors on November 3, 2015. In 2022, the 4th meeting of the 22nd session of the Board of Directors approved the amendment of the "Code of Practice for Corporate Social Responsibility" to the "Code of Practice for Sustainable Development".
5. The Company has set up a corporate governance column (https://investor.ambassador-hotels.com/) on the Company's website and provides relevant regulations on corporate governance for internal and external stakeholders to read and download.
6. In order to strengthen the operation of corporate governance, the Company introduced 3 external professionals as independent directors among the members of the 21st board of directors, and those independent directors formed a compensation committee to improve the corporate governance management.
7. In order to strengthen the operation of corporate governance, the establishment of a corporate governance supervisor was approved at the 15th meeting of the 21st session of the board of directors.

10. Status of internal control system

(1) Internal Control Declaration

The Ambassador Hotel Co., Ltd.

Declaration of the International Control System

Date: March. 7, 2023

The Company inspected the 2022 internal control system autonomously with the following results:

1. The Company is fully aware that the Board of Directors and the management are responsible for the establishment, implementation, and maintenance of the internal control system and it has been established accordingly. The purpose of its establishment was to reasonably ensure the fulfillment of effective operation and efficiency (including profit, performance, and protection of assets safety), and the reliability, and regulatory compliance of financial reports.
2. The internal control system design has inherent limitations. No matter how perfect such control is, it can only provide reasonable assurance of the fulfillment of the three objectives referred to above. The effectiveness of such an internal control system could be influenced by changes in the environment and other circumstances. Therefore, the Company's internal control system has been designed with a self-monitoring mechanism so that corrective action will be activated immediately upon the identification of any nonconformity.
3. The Company has assessed the effectiveness of the design and implementation of the internal control system in accordance with criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria defined in "the Regulations" include five elements that depend on the management control process: (1) environment controls, (2) risk assessment, (3) control processes, (4) information and communications, and (5) supervision. Each of the five elements is then divided into sub-categories. Please refer to "the Regulations" for details.
4. The Company has implemented criteria for inspection of the internal control system referred to above to ascertain its effectiveness, design, and implementation.
5. The Company, based on the inspection results, declared (on December 31, 2022) that the internal control system, including the supervision and management of subsidiaries, is reasonably effective and achieves the objectives of operation and efficiency, the financial report is of reliability and regulatory compliance.
6. The Declaration of Internal Control System is the main content of the Company's annual report and published prospectus. Any false statement and concealment of the published content referred to above involves liability set out in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Declaration of the Internal Control System was resolved at a meeting of the Board of Directors on March 7, 2023, with no objections by any of the 15 attending Directors. The contents of the declaration have been accepted without objection.

The Ambassador Hotel Co., Ltd.

Chairman: Emmet Hsu

General Manager: Hsieh, Han-Chang

(2) The internal control audit report issued by the CPA commissioned to conduct an internal control audit, if any: N/A.

11. Punishment of the Company or its internal personnel in accordance with the law, punishment of internal personnel by the Company for violating internal control system regulations, main deficiencies, and improvements during the recent year and up to the date of publication of this annual report: N/A.

12. Resolutions reached at a meeting of shareholders or by the Board of Directors during the recent year and up to the date of publication of this annual report:

Conference Name	Meeting Date	Important Resolution	Matters Specified in Article 14-3 of the Securities Exchange Act	Opinions of Independent Director Oppose or Retention
4th meeting of the 22nd BOD	2022.03.08	1. Proposal of distribution of 2021 employee remuneration and Director compensation.		None
		2. Proposal of 2021 business report and financial statement, please recognize.	V	
		3. Proposal of distribution of 2021 surplus, please recognize.		
		4. The date and location of the 2022 regular shareholders' meeting, the date of acceptance of shareholder proposals, and the nomination of director candidates		
		5. Regular assessment of the independence of CPAs appointed by the Company.	V	
		6. Submission of 2021 “Internal Control Statement” based on the results of self-inspection.	V	
		7. Proposal for amendment to “Articles of Incorporation”.		
		8. Proposal for amendment to “Procedures for Acquisition or Disposal of Assets”.	V	
		9. Proposal for amendment to “Corporate Social Responsibility Best Practice Principles” and “Corporate Governance Best Practice Principles”.		
		10. Approved to lift of the corporate director representative’s non-competition restrictions.	V	
		11. Approved to lift of non-competition restrictions on the managerial personnel of the Company.	V	
		12. Case of the manager position change.		
		13. The general short-term and medium-term secured loans and issuance of commercial promissory notes to the 20 financial institutions including the First Bank.		
		14. The sale and leaseback case of Hsinchu Ambassador Hotel and Hsinchu Administration Building.	V	
		Opinions of Independent Director: None. The Company's handling of independent directors' opinions: None. Resolution Result: All attending directors agreed to pass.		

Conference Name	Meeting Date	Important Resolution	Matters Specified in Article 14-3 of the Securities Exchange Act	Opinions of Independent Director Oppose or Retention
5th meeting of the 22nd BOD	2022.05.03	No resolution matters		None
		No resolution matters		
6th meeting of the 22nd BOD	2022.08.02	1. Case of business address change. 2. Application to First Bank for a credit line for the renovation of a dangerous old building in Taipei。 3. Case of the audit supervisor change. 4.Proposal for amendment to “Regulations Governing of Implementation of Internal Control” and “Regulations Governing of Implementation of Internal Auditing.	 V V	None
		Opinions of Independent Director: None. The Company's handling of independent directors' opinions: None. Resolution Result: All attending directors agreed to pass.		
7th meeting of the 22nd BOD	2022.11.01	1. Proposal of 2023 plans. 2. Proposal of 2023 internal audit plans. 3. Proposal of 2023 compensation to CPAs. 4. Donation to the “Memorial Foundation of Mr. Ching-Teh Hsu” proposal. 5. Capital increase of subsidiary Ambassador Investment Co., Ltd. 6. Proposal of transferring the stock exchange to a professional stock exchange agency. 7. Proposal of the revised “internal major information processing operating procedures”. 8. Case of the Ambassador Hotel Taipei organization. 9. The general short-term and medium-term secured loans and issuance of commercial promissory notes to the 20 financial institutions including First Bank.	 V V V V V	None
		Opinions of Independent Director: None. The Company's handling of independent directors' opinions: None. Resolution Result: All attending directors agreed to pass.		
8th meeting of the 22nd BOD	2023.03.07	1. Proposal of distribution of 2022 employee remuneration and Director compensation. 2. Proposal of 2022 business report and financial statement, please recognize. 3. Proposal of distribution of 2022 surplus, please recognize. 4. The date and location of the 2023 annual regular shareholders' meeting, the date of acceptance of shareholder proposals, and the nomination of director candidates.	 V	None

Conference Name	Meeting Date	Important Resolution	Matters Specified in Article 14-3 of the Securities Exchange Act	Opinions of Independent Director Oppose or Retention
		5. Regular assessment of the independence of CPAs appointed by the Company. 6. Submission of 2022 “Internal Control Statement” based on the results of self-inspection. 7. The case of Kaohsiung Branch Deregistration. 8. Case of the manager position change. 9. The case of abolishing Kaohsiung Branch.	V V	
		Opinions of Independent Director: None. The Company's handling of independent directors' opinions: None. Resolution Result: All attending directors agreed to pass.		
9th meeting of the 22nd BOD	2023.05.09	1.To establish the general principles for the pre-approval of certified accountants and firms providing "non-assured services". 2. Drafting the company's internal regulations. (1) Sustainability Report preparation and verification procedures 3. Revise the "Internal Control System" and "Internal Audit Implementation Rules".	 V	None
		Opinions of Independent Director: None. The Company's handling of independent directors' opinions: None. Resolution Result: All attending directors agreed to pass.		
2022 Annual shareholders’ meeting	2022.06.14	1. Proposal of 2021 business report and financial statement, please recognize. ◎Implementation situation: The 2022 annual shareholders’ meeting has passed the resolution. 2. Proposal of distribution of 2021 surplus, please recognize. ◎Implementation situation: The 2022 annual shareholders’ meeting has passed the resolution that due to the continued severe epidemic situation; it is planned to retain cash to supplement working capital, and it is planned not to distribute dividends. 3. Proposal for amendment to “Articles of Incorporation”, please recognize. ◎Implementation situation: The 2022 annual shareholders’ meeting has passed the resolution, implemented in accordance with the revised “Articles of Incorporation”, and disclosed on the Company's website. 4. Proposal for amendment to “Procedures for Acquisition or Disposal of Assets”, please recognize. ◎Implementation situation: The 2022 annual shareholders’ meeting has passed the resolution, implemented in accordance with the revised internal procedures, and disclosed on the Company's website. 5. Approved to lift non-competition restrictions on new directors, please consider. ◎Implementation situation: A list of circumstances in which directors and their representatives have been released from serving as other for-profit enterprises has been announced.		

13. Recorded or written statements of dissent made by any Director to important resolutions passed by the Board of Directors during the recent year and up to the date of publication of this annual report: N/A

14. Summary of discharge and resignation of parties relating to the annual report (Chairman, General Manager, Chief Accountant, Financial Officer, Internal Audit Supervisor and R&D Officer) in the recent year and up to the date of publication of this annual report:

Title	Name	Onboarding Date	Resignation date	Reason for discharge or resignation
Internal Audit Supervisor	Cao, You-Zhen	2022.08.04	2022.07.31	Individual Career Planning

15. Directors' training situation

May 10, 20203

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Director	Emmet Hsu	1985.04.30	2020.03.19	2020.03.19	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The latest development trend of sustainable (including corporate social responsibility (CSR) report) and analysis of relevant corporate governance practices.	3.0
			2020.09.24	2020.09.24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The impact of the amendment to the “Securities Investors and Futures Traders Protection Act” on the company’s directors and supervisors and practical case analysis.	3.0
			2021.09.02	2021.09.02	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discussion on the practice of corporate law compliance and the legal responsibility of the person in charge of the company	3.0
			2021.09.28	2021.09.28	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Corporate brand management and crisis management	3.0
			2022.08.16	2022.08.16	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Recent Amendments to the Corporate Mergers and Acquisitions Act and Taxation Issues	3.0
			2022.08.26	2022.08.26	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Recent Amendments to the Corporate Mergers and Acquisitions Act and Discussion of Tax Issues	3.0

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
			From	To			
Legal Director Representative	Hsu, Shu-Wan	2003.05.30	2020.06.30	2020.06.30	Independent Director Association Taiwan (TIDA)	Practical operation and regulation of money laundering prevention and control and combating capital terrorism	3.0
			2020.07.15	2020.07.15	Independent Director Association Taiwan (TIDA)	After the epidemic, business growth, reorganization or transformation and upgrading	3.0
			2021.10.27	2021.10.27	Securities and Futures Institute	2021 Insider Equity Transaction Legal Compliance Publicity Briefing	3.0
			2021.10.29	2021.10.29	Taiwan Corporate Governance Association (TCGA)	Governance and Strategy of Sustainable Development of Enterprises	3.0
			2022.11.15	2022.11.15	Taiwan Corporate Governance Association (TCGA)	Analysis of Management Rights Competition and Prevention Strategies	3.0
Legal Director Representative	Lin, Zhan-Chuan	2006.05.26	2020.07.24	2020.07.24	Taiwan Insurance Institute (TII)	Talking about the liability and obligation of directors and supervisors and liability insurance for directors, supervisors, and important staff	3.0
			2020.08.26	2020.08.26	Taiwan Insurance Institute (TII)	International anti-corruption and the practice of protecting abusers	3.0
			2020.10.23	2020.10.23	Taiwan Insurance Institute (TII)	TCFD Climate-Related Financial Disclosure-Challenges and Opportunities for Corporate Governance	3.0
			2020.10.23	2020.10.23	Taipei Exchange (TPEx)	2020 Corporate Governance and Corporate Integrity Directors and Supervisors Promotion Conference	3.0
			2021.03.23	2021.03.23	Taiwan Insurance Institute (TII)	New Trends in Green Energy Investment-Taiwan's Renewable Energy Market and Trends-Sharing by Renewable Energy Industry Companies	3.0
			2021.07.06	2021.07.06	Taiwan Insurance Institute (TII)	Study on “Key Points of Information Security Governance from Information Security Insurance”	3.0
			2021.09.14	2021.09.14	Taipei Exchange (TPEx)	“2021 Issue No. 17 - Analysis of the Principles of Fair Hospitality”	3.0
			2021.10.13	2021.10.13	Securities and Futures Institute	2021 Insider Equity Transaction Legal Compliance Publicity Briefing	3.0
			2022.11.02	2022.11.02	Securities and Futures Institute	The 14th Green Energy Investment Trends in 2022 - Taiwan Renewable Energy Market and Trends	3.0

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
			2022.12.01	2022.12.01	Securities and Futures Institute	Issue18, 2022 -Explanation of the principle of fair hospitality	3.0
			2022.12.05	2022.12.05	Securities and Futures Institute	Issue 19, 2022 - How Boards of Directors Can Implement Protection for Senior Consumers	3.0
Legal Director Representative	Lin, Han-Dong	1988.04.28	2020.05.19	2020.05.19	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The impact of the implementation of the Commercial Event Trial Law on the enterprise and its response	3.0
			2020.05.26	2020.05.26	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Risk Management and Legal Liability of Independent Directors	3.0
Legal Director Representative	Lin, Po-Fong	2006.05.26	2020.02.21	2020.02.21	Taiwan Corporate Governance Association (TCGA)	Trends and risk management of digital technology and artificial intelligence	3.0
			2020.06.09	2020.06.09	Taiwan Corporate Governance Association (TCGA)	The Criminal Law Risks of the Directors and Supervisors of Enterprises and the Corresponding Responses——Talking from Enterprise Fraud and Money Laundering	3.0
			2020.08.25	2020.08.25	Taiwan Corporate Governance Association (TCGA)	Responsibilities of directors and supervisors for false financial reports	3.0
			2020.09.24	2020.09.24	Securities and Futures Institute	Propaganda Seminar on Preventing Insider Trading and Insider Equity Trading in 2020	3.0
			2021.03.30	2021.03.30	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Lecture - Fintech Series (Issue 2)	3.0
			2021.04.14	2021.04.14	Taiwan Association of Board Governance (TABG)	Corporate Governance Evaluation - The most important intellectual property management items that the board of directors must pay attention to.	3.0
			2021.05.12	2021.05.12	Securities and Futures Institute	Discussion on Remuneration Issues of Employees and Directors-From the Amendment of Article 14 of the Securities and Exchange Law	3.0
			2021.08.19	2021.08.19	Securities and Futures Institute	Discussion on Employee Reward Strategies and Tools Application	3.0
			2022.02.24	2022.02.24	Taiwan Securities Association	Development and market analysis of new business models in the Metaverse	3.0
			2022.03.23	2022.03.23	Development and market analysis of new business models in the Metaverse	The protection, strategy, and crisis management of information security from the perspective of the metaverse boom.	3.0

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
			2022.04.12	2022.04.12	Securities and Futures Institute	How to effectively maintain the brand value of enterprises from the recent famous trademark cases	3.0
			2022.05.01	2022.05.01	Taiwan Securities Association	Causes of Financial Fraud and How to Prevent It	3.0
			2022.06.14	2022.06.14	Securities and Futures Institute	How the audit committee implements the financial statement review	3.0
Legal Director Representative	Du, Heng-Yi	2010.05.17	2020.03.25	2020.03.25	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Lecture (Issue 56)	3.0
			2020.06.23	2020.06.23	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance Lecture (Issue 63)	3.0
			2022.03.07	2022.03.07	Taiwan Insurance Institute (TII)	Challenges and Future Trends of Insurance Information Security	3.0
			2022.05.31	2022.05.31	Taiwan Academy of Banking and Finance (TABF)	Financial Technology and Money Laundering Prevention	3.0
			2022.06.28	2022.06.28	Securities and Futures Institute	Quick reading and preparation of ESG disclosure requirements for Corporate Governance 3.0	3.0
			2022.08.25	2022.08.25	Taiwan Insurance Institute (TII)	The impact of changes in financial performance measurement rules on insurance company operations	3.0
			2022.09.16	2022.09.16	Taiwan Insurance Institute (TII)	Explanation of the principle of fair hospitality	3.0
Legal Director Representative	Hsieh, Han-Chang	1997.04.30	2020.03.17	2020.03.17	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discuss the new thinking of Group tax governance from the future taxation trends of Digital Services Tax and International tax.	3.0
			2020.09.24	2020.09.24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	The impact of the amendment to the “Securities Investors and Futures Traders Protection Act” on the company’s directors and supervisors and practical case analysis.	3.0
			2021.09.03	2021.09.03	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	In the post-epidemic era, how can circular economy help companies improve resilience?	3.0
			2021.10.05	2021.10.05	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	International Anti-Money Laundering Trends and U.S. Sanctions and Export Control Compliance Planning	3.0
			2022.08.24	2022.08.24	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	AI security	3.0
			2022.08.26	2022.08.26	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Recent Amendments to the Corporate Mergers and Acquisitions Act and Discussion of Tax Issues	3.0

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
Legal Director Representative	Bryant Hsu (Note)	2016.09.01	2020.09.29	2020.09.29	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	How to improve the self-editing ability of corporate financial reports and strengthen corporate governance	3.0
			2020.09.30	2020.09.30	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Discussion on the remuneration issues of employees and directors-from the amendment to Article 14 of the Securities Exchange Law	3.0
			2022.09.27	2022.09.27	Chinese National Association of Internal Auditing	Deciphering Financial Statements, Explaining Corporate Fraud and Fraud	6.0
			2022.10.05	2022.10.05	Chinese National Association of Industry and Commerce, Taiwan (CNAIC)	Global Anti-avoidance Trends and International Checking Examples	3.0
Independent Director	Liang, Wen-Jing	2018.06.06	2020.09.24	2020.09.24	Securities and Futures Institute	Propaganda Seminar on Preventing Insider Trading and Insider Equity Trading in 2020	3.0
			2020.10.23	2020.10.23	Taipei Exchange (TPEx)	The Year2020 Corporate Governance and Corporate Integrity Directors and Supervisors Promotion Conference	3.0
			2021.10.15	2021.10.15	Securities and Futures Institute	2021 Insider Equity Transaction Legal Compliance Publicity Briefing	3.0
			2021.10.26	2021.10.26	Taiwan Corporate Governance Association (TCGA)	Artificial intelligence technology development and application business opportunities	3.0
			2022.10.14	2022.10.14	Securities and Futures Institute	2022 Insider Trading Prevention Seminar	3.0
			2022.10.26	2022.10.26	Securities and Futures Institute	2022 Legal Compliance Briefing for Insider Stock Transactions	3.0
Independent Director	Li, Shu-Jhen	2018.06.06	2020.09.22	2020.09.22	Taipei Exchange，TPEx	Listed "Corporate Governance 3.0-Blueprint for Sustainable Development" Summit Forum Agenda	3.0
			2020.10.22	2020.10.22	Securities and Futures Institute	Propaganda Seminar on Preventing Insider Trading and Insider Equity Trading in 2020	3.0
			2022.10.12	2022.10.12	Securities and Futures Institute	2022 Legal Compliance Briefing for Insider Stock Transactions	3.0
Independent Director	Huang, Ya-Huei	2015.06.03	2020.11.12	2020.11.12	Taiwan Corporate Governance Association (TCGA)	Prevention of insider trading and related regulations of insiders	3.0
			2020.11.12	2020.11.12	Taiwan Corporate Governance Association (TCGA)	Sustainable Enterprise Management—Talking from the Three Aspects of ESG	3.0

Job Title	Name	Elected (inauguration) Date	Study situation		Organizer	Course Title Course name	Hours of Advancement Hours
			2021.10.22	2021.10.22	Securities and Futures Institute	2021 Insider Equity Transaction Legal Compliance Publicity Briefing	3.0
			2022.08.24	2022.08.24	Corporate Operating and Sustainable Development Association	Strategy and management of corporate upgrading and transformation	3.0
			2022.08.31	2022.08.31	Corporate Operating and Sustainable Development Association	The Importance of Intellectual Property Rights Management for Corporate Governance	3.0

Note: On January 16, 2022, Shihlin Electric & Engineering Corp. was re-assigned the original representative director Lee, Ying-Chu to the representative director Bryant Hsu.

IV. Information on CPA professional fees:

1. Fee Range of CPAs professional fees information

Firm Name	CPA Name		Period Covered by CPA's Audit	Remark
Ernst & Young	Huang, Jian-ze	Fu, Wen-fang	2022.01.01~2022.12.31	

Note: If the Company has changed CPA or Accounting Firm during the current fiscal year, the Company shall report the information regarding the audit period covered by each CPA and the replacement reason.

Unit: NT$ thousands

Fee Range \ Fee Items		Audit Fee	Non-audit Fee	Total
1	Less than NT$2,000 thousand		V	
2	NT$2,000 thousand (inclusive)~NT$4,000 thousand	V		
3	NT$4,000 thousand (inclusive)~NT$6,000 thousand			V
4	NT$6,000 thousand (inclusive)~NT$8,000 thousand			
5	NT$8,000 thousand (inclusive)~NT$10,000 thousand			
6	NT$10,000 thousand (inclusive) or above			

2. When non-audit fees paid to CPA, to the accounting firm of the certified public accountant, and/or to any affiliated enterprise of such accounting firm are one quarter or more of the audit fees paid thereto, the amounts of both audit and non-audit fees as well as details of non-audit services shall be disclosed：

Unit: NT$ thousands

Firm Name	CPA Name	Audit Fee	Non-audit Fee			Period Covered by CPA's Audit	Remark
			Transfer Pricing Report fee	Sustainability Report and Assurance fee	Subtotal		
Ernst & Young	Huang, Jian-ze Fu,Wen-fang	3,180	175	1,062	1,237	2022.01.01~ 2022.12.31	

3. In the case of a change of CPA firm and the audit fees for the year of the change are less than those of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

4. In the case of the audit fees being 10% less than that of the previous year, please specify the audit fees before and after the change, and the reasons for the change: N/A

V. CPA replacement information in the recent two years: N/A

VI. Where the company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the preceding year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm, the name and position of the person and the period during which the position was held shall be disclosed: N/A.

VII. In the most recent year and as of the date of publication of the annual report, directors, managers and shareholders whose shareholding ratio exceeds 10% of the equity transfer and equity pledge changes:

1. Directors, managers, and major shareholders changes in ownership situation:

Job Title	Name	FY 2022		The current year As of April 09	
		Shares Held Increase (Decrease)	Pledged shares Increase (Decrease)	Shares Held Increase (Decrease)	Pledged shares Increase (Decrease)
Director	Yeang Der Investment Co., Ltd. Representative / Hsu, Shu-Wan Lin, Zhan-Chuan Kuo, Tun-Yu	3,750,000	0	0	0

2. Shareholding transferred (while the counterparty is a related party): N/A

3. Shareholding pledged (while the counterparty is a related party): N/A

VIII. Information on the top ten shareholders who are related to each other or are spouses or relatives within the second degree of kinship:

	Name (Note 1)	Current shareholding		Shares held by spouses and minor children		Shares held in another person's name		Name, relationship of top 10 shareholders being the related party as spouse or kin within the second tier under the Civil Code (Note 3)		Remark
		Number of Shares	%	Number of Shares	%	Number of Shares	%	Name	Relationship	
1	Shihlin Electric & Engineering Corp.	66,918,617	18.24%	0	0%	0	0%	HCT Logistics Co., Ltd. Yeang Der Investment Co., Ltd.	The same person as the chairman of the company. Spouses of Representative of the company	
	Representative / Emmet Hsu	420,862	0.115%	0	0%	0	0%	N/A	N/A	
2	De Hong Investment Corp.	29,074,000	7.92%	0	0%	0	0%	Xin He Investment Corp. Yu Hong Investment Corp.	The same person as the chairman of the company. The same person as the chairman of the company.	
	Representative / Lee, Ying-Chu	0	0%	0	0%	0	0%	N/A	N/A	
3	HCT Logistics Co., Ltd.	28,157,000	7.67%	0	0%	0	0%	Shihlin Electric & Engineering Corp. Yeang Der Investment Co., Ltd.	The same person as the chairman of the company. Spouses of Representative of the company	
	Representative / Emmet Hsu	420,862	0.115%	0	0%	0	0%	N/A	N/A	
4	Xin He Investment Corp.	25,035,000	6.82%	0	0%	0	0%	De Hong Investment Corp. Yu Hong Investment Corp.	The same person as the chairman of the company. The same person as the chairman of the company.	
	Representative / Lee, Ying-Chu	0	0%	0	0%	0	0%	N/A	N/A	
5	Yu Hong Investment Corp.	21,193,000	5.78%	0	0%	0	0%	De Hong Investment Corp. Xin He Investment Corp.	The same person as the chairman of the company. The same person as the chairman of the company.	
	Representative / Lee, Ying-Chu	0	0%	0	0%	0	0%	N/A	N/A	
6	Jin Der Sheng Co., Ltd.	20,512,000	5.59%	0	0%	0	0%	N/A	N/A	
	Representative / Cai, Ding-Huo	0	0%	0	0%	0	0%	N/A	N/A	
7	The major investment account of the First Securities (Hong Kong) entrusted to Citibank (Taiwan)	13,079,000	3.56%	0	0%	0	0%	N/A	N/A	
8	Chang Hong Investment Corp.	12,701,000	3.46%	0	0%	0	0%	N/A	N/A	
	Representative / Yao, Wun-Liang	0	0%	0	0%	0	0%	N/A	N/A	
9	Shin-Kong Life Insurance Service Co., Ltd.	8,217,000	2.24%	0	0%	0	0%	N/A	N/A	
	Representative / Pan, Po-Cheng	0	0%	0	0%	0	0%	N/A	N/A	
10	Yeang Der Investment Co., Ltd.	7,969,349	2.17%	0	0%	0	0%		N/A	
	Representative / Kuo, Tun-Yu	0	0%	420,862	0.115%	0	0%	Shihlin Electric & Engineering Corp. HCT Logistics Co., Ltd.	Spouses of Representative of the company Spouses of Representative of the company	

Note 1: Name of the top-10 shareholders must be listed respectively. For institutional shareholders, the title of such institutional shareholder and the name of the representative(s) shall be listed respectively.

Note 2: The percentage of shareholding shall be calculated by taking into account the shares held by the shareholder, his/her spouse, children of minor age, and other persons holding shares in his/her name.

Note 3: For the shareholders referred to above including legal person and natural person, shall have the relationship disclosed in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Firms.

XI. The number of shares held by the Company and Company Directors, Supervisor, managerial officers and the entities directly or indirectly controlled by the Company in a single company and calculating the consolidated shareholding percentage of the above categories.

Unit: Shares；%

Long-term Investment (Note 1)	Invested by the Company		Invested by Directors, Supervisor, Management, and enterprises controlled by the Company directly or indirectly		Combined Investment	
	Shares	%	Shares	%	Shares	%
Ambassador Investment Co., Ltd.	56,098,939	99.99%	0	0.00%	56,098,939	99.99%
Benz Investment Corp.	50,798,841	99.99%	0	0.00%	50,798,841	99.99%
Custom Investment Co., Ltd.	73,498,924	99.99%	0	0.00%	73,498,924	99.99%
Cheng Der Investment Corp.	8,416,775	27.06%	13,958,302	44.88%	22,375,077	71.94%
Yu Der Investment Corp.	12,127,000	22.50%	29,567,000	54.86%	41,694,000	77.36%
Ambassador Premium Food Co., Ltd.	4,870,000	100.00%	0	0.00%	4,870,000	100.00%
Ambassador Bakery Corp. Ltd.	600,000	60.00%	0	0.00%	600,000	60.00%
Ambassador Real Estate Development Co., Ltd.	500,000	100.00%	0	0.00%	500,000	100.00%
Ambassador Property Management Co., Ltd.	1,000,000	100.00%	0	0.00%	1,000,000	100.00%
Yeung Der Security Management Consultant Co., Ltd.	100,000	10.00%	0	0.00%	100,000	10.00%

Note 1：It is investments accounted for using equity method of the Company.

Note 2：The information is as of December 31, 2022.

IV. Capital Overview

I. Capital and Shares, Corporate Bonds, Special Shares, Global Depository Receipts, Employee Stock Options, New Shares that Restrict Employee Rights, Mergers and Acquisitions (including Mergers, Acquisitions and Divisions)

1. Source of Capital

Unit: NT$ / shares

Year/ Month	Issuing Price (NT$)	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital increased by assets other than cash	Others
1962.11.01	100	600,000	60,000,000	600,000	60,000,000	Found		
1964.08.15	100	900,000	90,000,000	900,000	90,000,000	capital increase		
1965.08.01	100	1,200,000	120,000,000	1,200,000	120,000,000	capital increase		
1974.04.01	100	1,500,000	150,000,000	1,500,000	150,000,000	surplus capitalization		
1975.04.07	100	1,650,000	165,000,000	1,650,000	165,000,000	surplus capitalization		
1977.04.08	100	2,145,000	214,500,000	2,145,000	214,500,000	capital reserve capitalization		
1978.03.01	10	50,000,000	500,000,000	30,000,000	300,000,000	capital increase 129,000 surplus capitalization 11,368,500 capital reserve capitalization 74,002,500		
1979.09.16	10	50,000,000	500,000,000	45,100,000	451,000,000	capital increase 100,000,000 surplus capitalization 51,000,000		
1980.07.12	10	100,000,000	1,000,000,000	81,865,000	818,650,000	capital increase 300,000,000 surplus capitalization 58,630,000 capital reserve capitalization 9,020,000		
1981.08.26	10	100,000,000	1,000,000,000	90,051,500	900,515,000	surplus capitalization 32,746,000 capital reserve capitalization 49,119,000		
1982.04.22	10	150,000,000	1,500,000,000	130,051,500	1,300,515,000	capital increase		
1988.08.15	10	150,000,000	1,500,000,000	143,056,650	1,430,566,500	surplus capitalization		
1989.02.04	40	200,000,000	2,000,000,000	168,056,650	1,680,566,500	capital increase 250,000,000		
1991.05.31	10	200,000,000	2,000,000,000	184,862,315	1,848,623,150	capital reserve capitalization 168,056,650		
1994.10.31	40	250,000,000	2,500,000,000	250,000,000	2,500,000,000	capital increase 651,376,850		
1997.10	26 10	450,000,000	4,500,000,000	325,000,000	3,250,000,000	capital increase 500,000,000 capital reserve capitalization 250,000,000		
1998.09	10	450,000,000	4,500,000,000	341,250,000	3,412,500,000	capital reserve capitalization 162,500,000		Note 2
1999.08	10	450,000,000	4,500,000,000	358,312,500	3,583,125,000	capital reserve capitalization 170,625,000		Note 3
2008.06	10	450,000,000	4,500,000,000	366,875,770	3,668,757,700	Convertible corporate bonds into common stock 8,563,270		Note 4
2010.10	10	450,000,000	4,500,000,000	366,923,343	3,669,233,430	Convertible corporate bonds into common stock 47,573		Note 4
2020.07	10	600,000,000	6,000,000,000	366,923,343	3,669,233,430	authorized capital stock increases the amount 1,500,000,000		

Note 1: Fill in the data of the current year as of the printing date of the annual report

Note 2: (87) Tai-Tsai-Cheng (1) No. 59652 dated July 13, 1998, approved for capital increase and public offering.

Note 3: (88) Tai-Tsai-Cheng (1) No. 63029 dated July 8, 1999, approved for capital increase and public offering.

Note 4: Jinguanzheng Yizi No. 0970016433 Letter No. 0970016433 Approves the Issuance of the First Unsecured Conversion of Corporate Bonds on April 25, 2008.

Type of share	Authorized Capital Stock			Remark
	Outstanding Shares	Unissued Shares	Total	
Registered Common Stock	366,923,343	233,076,657	600,000,000	Shares have been listed

2.Composition of Shareholders

April 09, 2023

Composition of Shareholders / Quantity	Government Apparatus	Financial Organization	Other Juridical Persons	Individuals	Foreign Institution or Foreigner	Total
Number of Shareholders	0	6	217	30,375	81	30,679
Number of Shares	0	11,815,875	256,992,514	57,516,494	40,598,460	366,923,343
Shareholding ratio %	0.00%	3.22%	70.04%	15.68%	11.06%	100.00%

Note：The Company's non-primary listed (counter) companies and Xingtai companies do not need to disclose the proportion of their land-owned shares

3. Distribution Profile of Share Ownership

April 09, 2023

Shareholders Ownership	Number of Shareholders	Number of Shares Owned (Shares)	Shareholding ratio (%)
1 ~ 999	24,067	2,226,992	0.61%
1,000 ~ 5,000	5,410	10,610,755	2.89%
5,001 ~ 10,000	592	4,499,001	1.23%
10,001 ~ 15,000	144	1,844,469	0.50%
15,001 ~ 20,000	106	1,945,393	0.53%
20,001 ~ 30,000	79	2,025,214	0.55%
30,001 ~ 40,000	33	1,178,232	0.32%
40,001 50,000	29	1,384,613	0.38%
50,001 ~ 100,000	70	5,229,893	1.43%
100,001 ~ 200,000	43	5,908,582	1.61%
200,001 ~ 400,000	36	10,741,101	2.93%
400,001 ~ 600,000	10	4,944,853	1.35%
600,001 ~ 800,000	9	6,125,883	1.67%
800,001 ~ 1,000,000	9	8,151,897	2.22%
1,000,001 and above	42	300,106,465	81.78%
Total	30,679	366,923,343	100.00%

4. Major Shareholders

April 09, 2023

Quantity of shares / Names of Major Stockholders	Total shares owned (Shares)	Shareholding ratio (%)
Shihlin Electric & Engineering Corp.	66,918,617	18.24%
De Hong Investment Corp.	29,074,000	7.92%
HCT Logistics Co., Ltd.	28,157,000	7.67%
Xin He Investment Corp.	25,035,000	6.82%
Yu Hong Investment Corp.	21,193,000	5.78%
Jin Der Sheng Co., Ltd.	20,512,000	5.59%
The major investment account of the First Securities (Hong Kong) entrusted to Citibank (Taiwan)	13,079,000	3.56%
Chang Hong Investment Corp.	12,701,000	3.46%
Shin-Kong Life Insurance Service Co., Ltd.	8,217,000	2.24%
Yeang Der Investment Co., Ltd.	7,969,349	2.17%

5. Market Price, Net Value, Earnings and Dividends per Common Share Latest two years

Item \ Years			2021	2020	The current year As of May 9, 2023 (Note 8)
Market price per share (Note 1)	Highest		34.90	32.25	43.25
	Lowest		29.70	25.55	31.70
	Average		31.87	29.36	36.99
Net value per share (Note 2)	Before distribution		36.58	32.54	—
	After distribution		The annual shareholders' meeting has not yet been held.	32.54	—
Earnings per share	Weighted Average Outstanding Shares		366,923,343	366,923,343	—
	EPS (loss) (Note 3)		2.97	(0.24)	—
Dividend per Share	Cash Dividend		The annual shareholders' meeting has not yet been held.	0	—
	Stock Dividend	Surplus allotment	0	0	—
		Capital reserve allotment	0	0	—
	Accumulated Undistributed Dividends (Note 4)		0	0	—
Investment Return Analysis	Price / Earnings Ratio (Note 5)		11	(122)	—
	Price / Dividend Ratio (Note 6)		The annual shareholders' meeting has not yet been held.	—	—
	Cash Dividend Yield Rate (Note 7)		The annual shareholders' meeting has not yet been held.	0	—

Note 1: List the highest and lowest market prices of each year and calculate the average market price of each year based on the transaction value and volume of each year.
Note 2: Based on the number of issued shares at the end of the year and based on the distribution of the next year's shareholders' meeting.
Note 3: If retrospective adjustment is required due to circumstances such as gratuitous allotment, the earnings per share before and after adjustment are shown.
Note 4: If the equity securities issuance conditions stipulate that the dividends not paid in the current year will be accumulated to the year when there is a surplus, the dividends accumulated as of the current year will be disclosed separately.
Note 5: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note 6: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note 7: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price
Note 8: The Company has not prepared individual financial reports for the first quarter of 2023.

6. Company Dividend Policy, Status of Execution and Explanation of expected major changes

1. Dividend Policy

In order to consider the Company's future capital needs and meet the shareholders' demand for cash inflows, after the Company's annual accounts, if there is a surplus, the annual cash dividend shall not be less than 10% of the total cash and stock dividends issued in the current year, however if the surplus and funds in the next year are more abundant, the disbursement ratio will be increased

2. Dividend distribution status

Years	Dividends per Share (shares / NT$)
2017	0.4
2018	0.4
2019	0
2020	0
2021	0

The 2022-year surplus distribution proposal was approved by the board of directors and the proposed NT$ 0.5 per share distribution of cash dividend is still pending for the resolution of the annual shareholders' meeting on June 07, 2023.

3. Expected major changes: None

7. Effect on Business Performance and EPS resulting from Stock Dividend distribution proposed by the 2020 Shareholders' meeting: N/A

8. Compensation of Employees and Directors

1. The compensation of employees and directors set out in the Articles of Incorporation of the Company is as follows：

According to the Company's Articles of Incorporation, if the Company makes a profit in the current year (the so-called profit refers to the profit before tax minus the profit before director's remuneration and employee remuneration), it shall be appropriated

(1) Up to 4% in director remuneration.

(2) Employee remuneration between 1%~8%.

However, when the Company still has accumulated losses, it shall reserve the compensation amount in advance.

If there is a surplus in the Company's annual final accounts, it shall first pay taxes to make up for the accumulated losses. The 10% shall be the statutory surplus reserve. If there is any surplus in the current year, the special surplus reserve shall be allocated according to the regulations of the competent authority, and the remaining special surplus shall be allocated The allocation of public reserve and the distribution of dividends shall be drafted by the board of directors and submitted to the shareholders meeting for resolution.

2. The calculation basis of the estimated amount of compensation for employees and directors in the current period, the calculation basis of the number of shares for allotment of stock dividends, and the accounting treatment when there is a difference between the actual allotment

amount and the estimated amount: Listed as profit and loss for the following year.

3. Board of Directors adoption of remuneration information

(1) The proposed distribution of employee cash compensation is 32,000,000 (2.78%), employee stock dividend is 0; directors and supervisors' remuneration are 16,000,000 (1.39%).

(2) The proposed distribution of employee stock compensation is calculated as 0, accounting for 0% of the net profit after tax of the individual or individual financial report for the current period, and the total employee compensation is 0%.

(3) After the proposed distribution of employee compensation and the compensation of directors and supervisors, the basic after-tax earnings per share is NT$ 2.97.

4. The actual distribution of the remuneration of employees and directors in the previous year (including the number of allotted shares, amount, and stock price), and the difference between the remuneration of recognized employees and directors, and the

The employees' compensation and directors' remuneration are not listed in 2021

9. Share Repurchases by the Company：None.

10. Issuance of Corporate Bonds: None.

11. Issuance of Preferred Stock：None.

12. Issuance of Global Depositary Receipts：None.

13. Issuance of Employee Stock Options：None.

14.Circumstances of restricting employee rights: None

15. Issuance of New Shares in Connection with Mergers or Acquisitions or with Acquisitions of Shares of Other Companies：None.

II. The Implementation of the Company's Capital Allocation Plans

1. Project content

As of the quarter before the publication date of the annual report, the previous issuances or private placement of securities have not been completed or have been completed within the last three years and the benefits of the plan have not yet appeared: N/A

2. Implementation status

As of the quarter before the publication date of the annual report, the Company's previous securities fund utilization plans have been completed.

V. Operation Overview

I. Operation content

1. Business scope

(1) The main contents of the business operated by the Group are as follows

1. F203010 Retail Sale of Food, Grocery and Beverage
2. F501030 Beverage Shops
3. F501060 Restaurants
4. G202010 Parking area Operators
5. H201010 Investment
6. H701010 Housing and Building Development and Rental
7. H701040 Specific Area Development
8. H701060 New Towns, New Community Development
9. H703090 Real Estate Business
10. H703100 Real Estate Leasing
11. J701020 Amusement Parks
12. J701040 Recreational Activities Venue
13. J702080 Bar
14. J901011 Tourist Hotel
15. JA03010 Laundry
16 JE01010 Rental and Leasing
17. JZ99020 Sauna
18. JZ99080 Beauty and Hairdressing Services
19. ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

(2) Business proportion

Item	Percentage of operating income 2022
Room revenue	23%
Catering revenue	75%
Other revenue	2%
Subtotal	100%

(3) Group's current products (services) items

A. Dining: Including the following distinctive restaurants and bars, providing a variety of delicious dishes and high-level quality services.

The Ambassador

A CUT Steakhouse：

The letter ‘A’ in the name represents the best quality steaks, style, and service at A CUT STEAKHOUSE. A CUT chefs select the world’s choicest cuts of beef in steak dishes.

Finest western cuisine cooked with seasonal fresh ingredients, rich wine collection and five-star service and facilities, providing customers with wonderful and pleasant dining experience.

Chinese cuisine restaurant：

As the Ambassador Chinese Cuisine has been keen to study and upgrade the cooking skills for half a century, the Taipei City Government recognize it as one of the 22 must-eat retro fashion restaurants. The delicious sparks aroused by the ingredients, spices and seasonings are based on the five flavors of Sichuan cuisine "flavor, hot, spicy, crisp, and tender" and build strong foundation for continuous improvements. Every year, the chef team goes further to the China to learn the authentic Sichuan flavors, bringing back a series of authentic Sichuan cuisines, introducing the essence of Bashu cuisine into Taiwan and integrating The new Sichuan cuisine with traditional characteristics and new ideas allows customers to taste the fascinating flavors of Sichuan cuisine as if traveling through time and space.

The superb Cantonese dishes, whether it is seafood dishes or Hong Kong-style dim sum, follow the traditional recipes and are prepared with fresh ingredients. To pair with delicacies, Taiwanese high mountain oolong tea must not be missed. A sip of good tea will also make the dining experience perfect.

Ahmicafe：

Named from the largest Indigenous tribe in Taiwan, the South Island style woodcarving decorations can be found everywhere in the restaurant, making it full of relaxed and cozy atmosphere. Through the French window, the beautiful view of the garden and small bridge makes the restaurant an unforgettable dining place for many Taipei citizens . In addition to the classic Taiwanese dishes, the menu also includes a variety of Japanese, South Asia, Italian and American-Mexico-exotic delicacies.

Buffet：

A fusion of Chinese, Western and Japanese dining, matched with exotic delicacies, and a variety of exquisite European-style desserts to satisfy your discerning taste buds. The relaxed atmosphere is most suitable for friends and relatives, business gatherings, to taste a wealth of food feasts and enjoy a good time together.

Corner Bakery 63：

Using fresh top-quality rye and imported raw materials as well as five-star baking techniques, Corner Bakery 63 bakes various classic bread and combining French art and Japanese exquisiteness to make irresistible cakes and pastries. Consequently, the bakery becomes a favorite of people who have a sweet tooth in the Taipei metropolitan area. The name of “Corner Bakery 63” takes its meaning like at the corner of home, there is a bakery with rich fragrance, making customers taste the fragrance of bread with happiness!

Conference and banquet hall：

The Ambassador Hotels in Taipei, Hsinchu, and Kaohsiung all have large pillarless high-rise banquet halls and multi-functional conference halls, which can accommodate social events or corporate meetings such as festive banquets for more than 1,000 people to

banquets for several people: lighting, audio, video equipment, and other hardware and software equipment are available to meet the needs of various activities.

Gym：

The health club includes various fitness facilities such as gymnasium, jacuzzi, oven, steam room and swimming pool. It is well-equipped to provide customers with relaxation and vitality while on vacation or business trips.

Ambassador Hotel Taipei Linkou Golf Course Restaurant：

The restaurant has beautiful grassy stadium landscape. It provides customers with delicious dishes of Sichuan cuisine, Cantonese cuisine, and Taiwanese cuisine. In addition to providing banquet dishes that pay attention to high-end ingredients, including the most famous Beijing Roast Duck at the Ambassador Hotel in Taipei. It also provides intimate dishes such as preserved eggs, braised pork, and steamed chicken, to provide services for diversified dining needs.

B. Guest room：

The Ambassador Hotel Taipei：

Rooms in the Ambassador Hotel Taipei stopped operating housing services from July 1, 2021.

The Ambassador Hotel Hsinchu：

The entire building has 257 rooms with excellent city views, including 78 deluxe rooms, 71 executive rooms, 65 family rooms, 10 quadruple rooms, 9 scenic rooms, 8 executive rooms, and 6 business suites, 5 executive suites, 4 Ambassador suites and 1 presidential suite.

The Ambassador Hotel Kaohsiung：

There are 442 guest rooms in the whole building, including 136 exquisite rooms, 111 harbor-view rooms, 29 deluxe harbor-view rooms, 148 deluxe rooms, 17 Ambassador suites, and 1 presidential suite.

(4) New product development

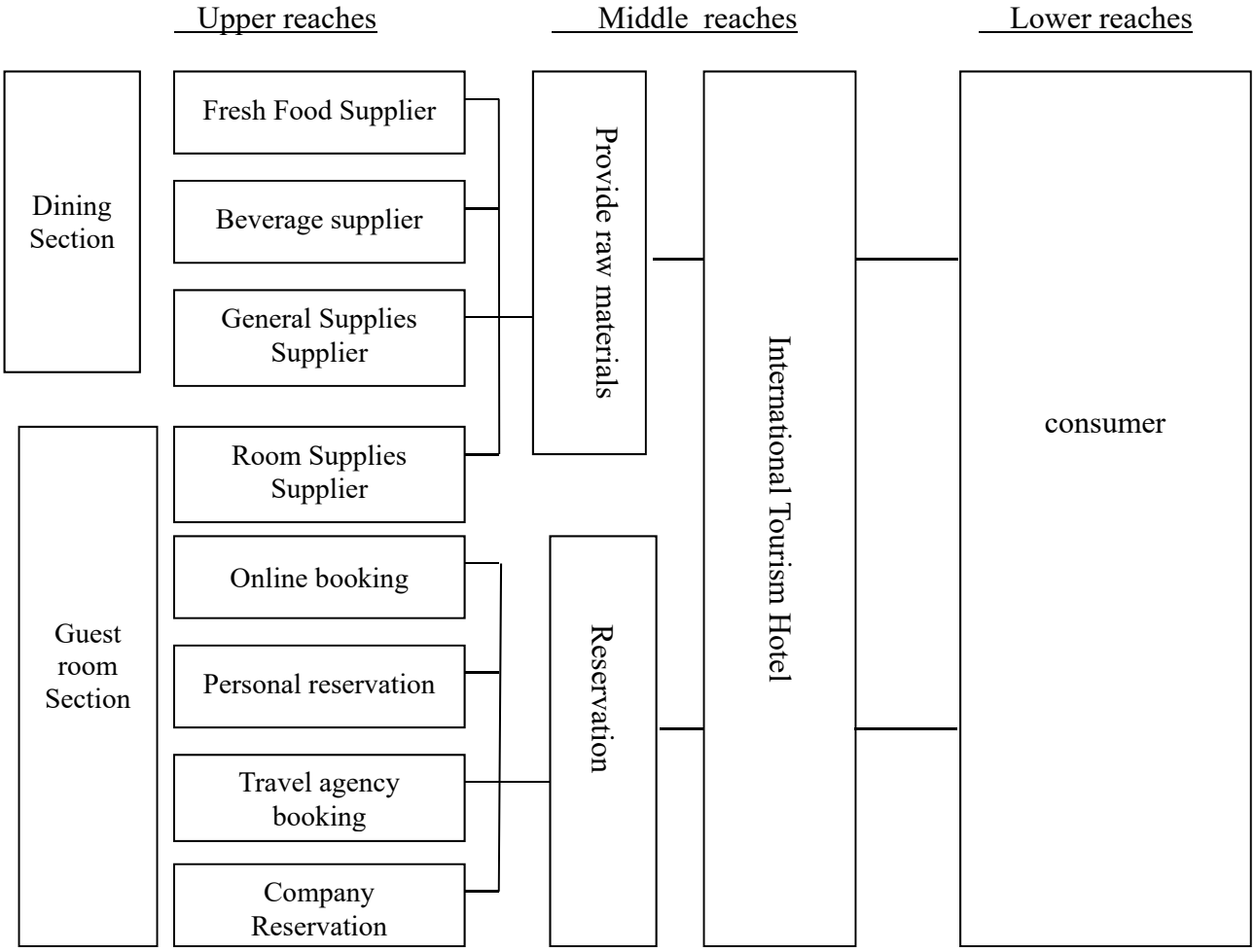
The Ambassador Hotel Taipei is being renovated and Kaohsiung will be renovated in a cooperative development project. After the renovation of the Ambassador Hotel Taipei, the Palace Hotel will be authorized to operate. The Company has signed a letter of intent for cooperation with the Palace Hotel, and related brand authorization and guest room entrustment management contracts are being signed one after another. In the future, in addition to hotels, authentic Professional management of top Japanese-style hotels will also officially enter the hotel-style mansion. The preliminary planning of the Ambassador Hotel Kaohsiung Cooperative Development Project is similar to the application of the Ambassador Hotel Taipei for renovation of the old and dangerous. Currently, product positioning is being carried out, and it will be rebuilt into a hotel and hotel-style service mansion.

2. Industry Overview

(1) Industry Status

The COVID-19 epidemic has hit our country's tourism industry. According to statistics, the number of tourists to Taiwan in 2022 was more than 890,000, compared with more than 140,000 tourists in 2021, significant growth, but still far from pre-epidemic levels. Although the government continues to promote relevant policies to revitalize domestic tourism, it is difficult to make up for the shortage of international tourists, and the impact on urban tourism hotels is particularly obvious. As the domestic epidemic situation stabilizes and the epidemic prevention control is gradually opened, the Ambassador Hotel will continue to provide high-quality service quality, innovative dishes and continue to strengthen food safety control, so that customers can have a different experience and prepare for the recovery of the tourism industry after the epidemic has stabilized.

(2) Relevance of the industry's upper, middle, and lower reaches



(3) Product development trends and competition

For the tourism and tourism industry, the great challenge in 2022 is definitely the impact of the successive global outbreaks of the new crown pneumonia epidemic. According to statistics from the Tourism Bureau of Taiwan's Ministry of Transportation, global tourist

arrivals still down in 2022 compared to pre-epidemic levels, but tourism performance is picking up as the impact of the epidemic continues to fade.

For Taiwan, domestic outbreak resumes in late April 2022, the number of people dining out and gathering has plummeted, which was affect the catering and accommodation business. As people become more aware of living with the epidemic, and both catering and domestic accommodation began to recover. Since October 2022, the government has relaxed border control measures, and the number of international business contacts and overseas tourist arrivals has rebounded, However, compared to the outlook for the epidemic, operations are still very difficult.

3. Technology and R&D Overview： N/A

4. Long- and short-term business development strategies

Long-term goals and strategies：

(1) Human-based management: talents are the most important assets. The Company cares employees and provides them with a good working environment and sound welfare system. In response to the future competition from international chain hotel, it continuously improves the quality of service. It also conducts MA training programs to actively develop hotel management professionals.

(2) Sustainable brand management: Maximize operating profit by leveraging the product excellence and sales channels; improve customer satisfaction with innovative products and maintain and strengthen the Company's brand awareness and image.

(3) Development of middle-level managers: The Company has continued to provide high-quality catering for more than 50 years. Many senior restaurant directors put their efforts to understand customers' needs and the preference of tastes to provide customized hospitality services to customers. The accumulated excellent customer service experiences are highly recognized by many customers. In view of the senior executive's future personal career planning, in order to provide the same high-quality service, the Company began to carry out customer service experiences inheritance and encourage the middle level managers take over the management so that the Company can still provide customers with the most customized and warmest service.

Short term and mid-term strategies：

(1) The Ambassador Hotel Taipei will undergo reconstruction of urban unsafe and old buildings, the Ambassador Chinese Cuisine and A CUT Steakhouse will continue to operate in Fubon Liaoning Building and continue to introduce new dishes every season, giving customers a different experience.

(2) Leverage the tourism resources around the hotel and famous attractions, and integrate with travel agencies, and other industries to design themes accommodation projects to attract new customers.

(3) Continue to implement the integration plan of classic dishes of the Company, set up a "Cooking Center" and a dedicated supervision unit to promote a unified quality standard, so as lo best leverage catering advantage, improve the chef's ability and strengthen the Company's Core competence and promote "THE AMBASSADOR" to be a leading brand in the hotel industry.

(4) The establishment of the "Kuo Bin Academy" is divided into four categories: catering, cooking, guest rooms, and staff. It continues to stimulate internal professional skills to improve, pass on experience from generation to generation, and integrate innovative elements to maintain the high-quality image of "home away from home" for state guests. Advantage positioning and high market visibility of the Ambassador Hotel

(5) Actively promote alliances with social network vendors in different industries, and develop high-quality publications, including videos, and a variety of publications, to cater to the preferences of high-level travelers.

(6) Enforce the corporate social responsibility policy, expand the scope of social care, integrate corporate social responsibility into the Company's operating strategy so as to better feedback to the society.

2. Overview of market, production, and sales

1. Market Analysis

(1) Sales and provision regions of main products and services

The Company's revenue mainly comes from catering service and guestroom rental, which accounted for 75% and 23% of net operating revenue respectively for the year of 2022. The customers can be roughly divided into domestic tourists and foreign tourists. The distribution analysis of customers in the past two years is listed as follows:

Year	Taiwanese	Japanese	American	Asian	Mainland China	Other areas	Total
2022	90.9%	2.0%	1.3%	2.3%	0.1%	3.4%	100%
2021	94.2%	1.9%	0.4%	0.9%	0.1%	2.5%	100%

Source: The Company's own statistics

(2) Market Share

Year	Taipei		Hsinchu		Kaohsiung	
	Room	Catering	Room	Catering	Room	Catering
2022	0%	6.5%	12.1%	28.5%	25.5%	10.2%
2021	1.2%	10.4%	10.7%	29.4%	27.4%	14.7%

Source：Source: Industry statistics

(3) Market Positioning

The Ambassador Hotel has always been a service enterprise that combines a variety of artistic and cultural spirits and is self-approved with diligent service and professional management. It emphasizes the core corporate values of "Integrity", "Teamwork", "Innovation" and "Feedback". Provide consumers with caring and high-quality services with professional quality of hospitality and innovation, so as to create competitive advantages and further promote the Company to more regions and better feedback to the wider consumers.

(4) The supply and demand analysis and future growth of the market

According to statistics from the Tourism Bureau, a total of 895,962 tourists came to Taiwan in 2022, an increase of 537.79% over the same period last year. The visitor numbers and growth rates of the main source markets are as follows:

Japan 87,616 (771.28%), Hong Kong and Macau 32,089 (198.22%), Korea 51,748 (1468.12%), Mainland China 24,37 (83.75%), Southeast Asia 484,041 (641.16%), U.S. 90,614 (656.31%), Europe 65,990 (302.06%) and 14,301 (1867.13%) from New Zealand and Australia. Among them, there were 254,686 visitors for "tourism", an increase of 163160.26% compared with last year, accounting for about 28.43% of the total number of visitors, and 96,620 visitors for "business", an increase of 709.42% from last year. Overall, due to the government's gradual relaxation of immigration control in 2022, the number of international tourists has increased compared with last year, but still not back to pre-epidemic levels yet. In addition, as the government promotes the domestic travel subsidy, making most domestic businesses turn to the domestic tourism market for Chinese people, and the source of tourists from urban businesses is international business negotiations. Mainly tourists, it is difficult to attract the compatriot to stay.

Overall, considering the consumer trends, impact of the epidemic, international financial and political situations, the Company continues to adopt the following business strategies:

A. Continue to strengthen hotel hardware, develop innovative restaurant products, maintain good availabilities of facility, and enhance customer satisfaction level.

B. Strategies to consolidate existing tourist sources and develop new tourist sources, continue to develop domestic tourist sources, and actively expand the overseas business tourist market.

C. Combining local elements, develop in-depth and intellectual accommodation products, and increase the housing rate of each branch.

D. Leverage the leading branding advantages to organize various gourmet events, establish the position of the Ambassador Hotel's high-quality catering and market reputation advantages, and maximize the marginal benefits of catering and gourmet extensions.

E. On the premise of providing passengers with higher attractiveness and better-quality services, establish strategic alliances with various partners.

F. Strengthen the main channel of interactive marketing on social networking sites as a virtual channel for brand promotion or product sales.

G Actively develop a diversified customer source market to better manage the risk of adverse effects caused by international financial and political situations or natural and man-made disasters.

(5) The advantages and disadvantages of competitive niches and development prospects and adaptive strategy

A. Competitive niche

The Company is well-known for its good facilities, attentive service, and professional management, and has been highly recognized by domestic and foreign customers. It continues to provide consumers with considerate and high-quality services based on "hospitality and innovation", positioning the Taipei branch as a "Taiwanese classic hotel", the Hsinchu branch as a "top business hotel", and Kaohsiung branch as an "urban leisure

hotel". Kaohsiung branch passed the five-star hotel evaluation and certification of the Tourism Bureau of the Ministry of Transport in 1999, becoming the "first" hotel in Kaohsiung area to receive this honor. Taipei and Hsinchu branches also completed this evaluation and certification in 2011 so as to improve the quality of professional services at a higher level. Furthermore, they won the "Star Travel 100 of the Year" award from the Tourism Bureau of the Ministry of Communications in 2018. The Cantonese restaurant and Sichuan restaurant in the Ambassador of Taipei branch have been recommended by Michelin plates, and A CUT Steakhouse has been awarded one Michelin star, and the quality of the dining is highly affirmed.

B. Advantage

a. The Company image, brand, and service quality are well recognized.

b. As people's awareness of living with the epidemic increases, their willingness to dine out and gather will rebound, expanding people's confidence in eating out, and with the relaxation of border control in October 2022, international business and tourist travelers will gradually return, which will increase the housing rate and food and beverage consumption, and is expected to gradually rebound to pre-epidemic levels.

C. Disadvantages and adaptive strategies

a. The arrival of international restaurant brands has intensified the competition in the market

Adaptive strategies: With professional services and clear market positioning, continue to operate the national guest brand image, integrate the resources of the three halls, use strategic alliances between the same industry or different industries, and actively operate e-commerce to strengthen the overall management performance. And grasp market trends and trends, improve the effectiveness of the development and application of marketing techniques, and strive for possible business performance.

b. Difficult to recruit talents in the tourism industry

Adaptive strategies: In order to improve the quality of service and talent cultivation, the Company conducts the "Organizational Development Plan" project, with integrity, teamwork, innovation, and social responsibility as corporate core values (ITIS). Build the talent management framework, including talent selection, placement, training, retention, in an open and fair manner to urge employees for continuous improvement. The Company also encourages employees to contribute their creativity and innovation to make the driving force for enterprise development. Besides, the Company create a good communication channel and resource sharing platform between various departments, to provide better service quality and to achieve higher operating performance.

2. The usage and production process of major products

The major products of the Company are to rent rooms, provide catering and provide meeting

venues and other related facilities, with the aim of the greatest satisfaction of customers.

3. Supply status of major raw materials

The Company mainly operates guest room rental and catering services. Its main raw materials are hotel wares and fresh foods, etc., and its supply is stable.

4. The names of customers who accounted for more than 10% of the total purchases (sales) in the last two years

(1). Major purchase customers:

The Company does not have customers whose purchases account for more than 10%, so it is not applicable

(2) Major sales customers:

The Company does not have customers whose sales account for more than 10%, so it is not applicable.

5. Production volume and value in the last two years:

Unit: NTD thousand

Years / Product	2022		2021	
	Amount	%	Amount	%
Room cost	169,740	11.8%	209,469	16.7%
Catering cost	744,276	51.5%	892,798	71.0%
Other cost	528,918	36.7%	154,202	12.3%
Total	1,442,934	100.0%	1,256,469	100.0%

6. Sales value of major service items in the last two years:

Unit: NTD thousand

Years / Product	2022		2021	
	Amount	%	Amount	%
Room revenue	335,606	23.1%	267,597	17.6%
Catering revenue	1,089,317	75.2%	1,232,146	81.2%
Other revenue	24,461	1.7%	18,600	1.2%
Total	1,449,384	100.0%	1,518,343	100.0%

III. Employees

Information of employees in the most recent two years and as of the publication date of the annual report

Year		2022	2021	As of March 31, 2023
No. of Employee	Direct labor	397	445	266
	Indirect labor	99	133	67
	Management staff	201	239	161
	Total	697	817	494
Average age		36.62	37.09	36.06
Average years of service		7.83	7.62	8.43
Academy Ratio (%)	Doctor	-	-	-
	Master	3%	3%	3%
	College	58%	60%	61%
	Senior High School	27%	26%	24%
	Under Senior High School	12%	11%	12%

IV. Environmental Protection Expenditure

1. The total amount of loss and disposition incurred due to environment contamination in most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None

2. Proposed Measures for Improvement

	2023	2022
(1) Improvement Plans	None	None

(2) Estimated Environmental Capital Expenditure for Next Three Annual Periods

	2026	2025	2024
●Pollution Prevention Equipment Proposed to be Purchased or Expenditure Contents	None	None	None
●Improvement to be Achieved	None	None	None
●Amount	None	None	None

(3) Post-improvement impact

	2026	2025	2024
● Impact on net profit	None	None	None
● Impact of competition position	None	None	None

2. Response actions failed to be adopted

(1) Reasons for not taking improvement measures	N/A	N/A	N/A
(2) Pollution status	N/A	N/A	N/A
(3) Possible loss and compensation amount	N/A	N/A	N/A

3. Responding to the impact of EU Hazardous Substances (RoHS) on the Group's financial and business: N/A

V. Labor Relations

1. Current important labor-management agreements and implementation status

(1) Employee welfare policies and implementation:

(a) Provide labor with insurance and national health insurance in accordance with regulations.

(b) Establish an employee welfare committee to be responsible for the promotion of employee welfare and the management of recreational activities.

(c) Conduct annual health checks for employees to take care of their health.

(d) Set up a clinic and hire professional nursing staff, and provide regular on-site health services by doctors, provide staff safety and health guidance, prevention and treatment of occupational and general injuries, health consultation, first aid and emergency treatment.

(e) Establish an employee stock ownership association to assist employees in accumulating wealth for a long time, and to enhance the stability of their lives after retirement or resignation in the future.

(f) Equipped with staff lounges and male and female staff dormitories, which provide free rest for night shifts and employees from other counties or cities.

(g) There is a library, providing various books, magazines, and reference books for employees to read freely.

(h) There are subsidies for employees' marriage, funeral, maternity and children's scholarships.

(i) Implement new welfare measures for group insurance to provide employees with protection against illness and accidents.

(2) Retirement

In accordance with the relevant provisions of the "Labor Standards Act" and the "Labor Pension Regulations", matters such as the provision of labor retirement reserves and the payment of new monthly pensions for employees are handled as follows:

(a) In the old pension system of the Labor Standards Act, there is a limitation on the minimum retirement years. The Company provides better benefits to employees, that is, employees who have worked for more than 20 years (inclusive) can apply for voluntary retirement. This has been reported to the authority for approval and expressly stipulated in the policies.

(b) The Company makes monthly advances for the retirement pensions of employees under the Labor Standards Act (old system) and transfers the funds to the retirement reserve account of the Bank of Taiwan. For employees under the new system of labor pension regulations, the Company complies the obligation to deposited 6% of the labor pension into a special labor pension account established by the Bureau of Labor Insurance.

(3) Training and development

Provide employees with training on workplaces, work knowledge and various work skills. The course categories include management courses, catering professional training courses, foreign language training courses and occupational safety and health training. The total

amount of employee education and training costs for the entire company in 2022 years is NT$278 thousand. The implementation status of the courses in 2022 years is as follows:

Training course	Class	Total Man-hours
Leadership and management	32	268
Catering professional training	29	951
Foreign language training	6	125
Occupational safety and health training	32	1,193
Total	93	2,412

Plan to implement the E-learning system, formulate internal lecturer management system, and set up an education and training committee. The system has been officially launched and implemented to achieve the goal of well management on professional catering knowledge

(4) Code of employee conduct or ethics

Corporate image is regarded as an important intangible asset of the Company. In order to enable all colleagues to truly understand the meaning of honesty and integrity, and to enable employees to follow their rights, obligations and ethical concepts, relevant policies and procedures have been formulated, which are summarized as follows:

(a) Taking "Integrity" as one of the guiding principles, upholding the ethics and integrity, and urging employees to establish good customer interactions and manufacturer relationships, the Company also adopts fair and open evaluation standards for the talent management processes, such as, the use, development, and retention of talent.

(b) In order to enhance the internal control system, improve organizational operations efficiency as well as in accordance with the Labor Standards Act, the Company has established human resource policy, which include chapters on employees hiring, leave, salary, rewards, and punishments, etc. It stipulates the rights and obligations of both employers and employees and distributes a booklet to employees when they are on board, so that they can clearly understand and comply with it.

(c) In order to enable employees to uphold the spirit of integrity during their tenure, and to adhere to honesty, integrity, and the highest professional ethics as the code of conduct, the "employee ethics agreement" is specially prepared to each employee. They should read the agreement carefully to fully understand their obligation of confidentiality on information of business, finance, information, etc. They should sign the agreement when they are onboard.

(d) To prevent sexual harassment in the workplace and ensure the equal rights and interests of gender at work, the Company stipulated guidelines in the internal policies and published on the internal website. The Company also set up the complaint channel for employees to ensure smooth communication. Besides, the Company conducted training programs for employees every year to fully understand policies and act accordingly.

(5) Protective measures for working environment and employee safety:

To implement the occupational safety and health policy and effectively create a "zero-incident" working environment, the "Occupational Safety and Health Department" was established to actually take the responsibility of promoting labor safety and health. The relevant measures are as follows:

(1) Set work safety and health standards.

(2) Maintenance and regular inspection of various equipment.

(3) Safety inspection of employees' working environment.
(4) Conduct occupational safety and health education and training.
(5) Regularly conduct the "Occupational Safety and Health Committee" to review and enhancement.

(6) Status of labor agreement

As for employees benefits such as paid leave, free vacation, public holidays, are all well defined in internal policy which is in accordance with the Labor Standards Act and shall be processed after negotiation and agreement by the labor-management conference or the employee's consent.

(7) Training records of internal auditors and accounting supervisors or obtaining relevant licenses specified by the competent authority:

(a) Internal Auditors

Name	License	Training Course & Hours
Chen, Yu-Zhen	—	➢ Pre-employment Training Workshop for Internal Auditors (18 hours)
Chen, Yun-Zhu	—	➢ Pre-employment Training Workshop for Internal Auditors (18 hours)
Chen, Zih-Yun	—	➢ Power BI-Data Integration and Extensions (3 hours) ➢ Self-Assessment Practice (3 hours)

(2) Accounting supervisor

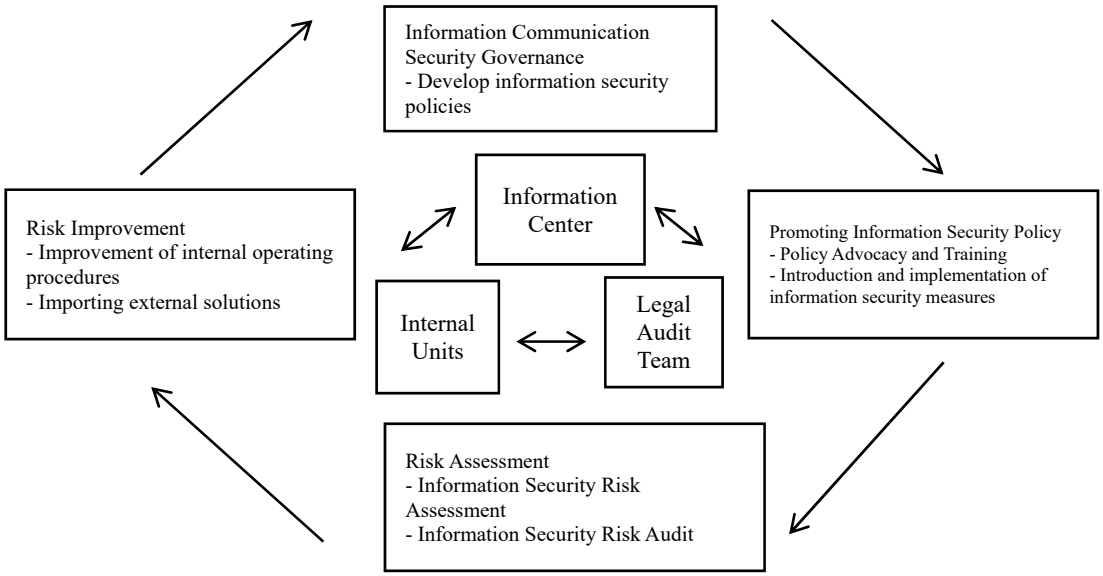
Name	Training Institution	Training Course & Hours
He, Jhong-Ren	Accounting Research and Development Foundation in Taiwan (ARDF)	➢ Self-assessment of Financial Reporting in Practice: Transfer of Investments Using the Equity Method (3 hours) ➢ Case Studies on the Legal Liability of Whistle Blowers in Economic Crime and Financial Reporting Fraud (3 hours) ➢ ESG Sustainability Practices: How to Build a Culture and Report Well (3 hours) ➢ "Information Security" in Corporate Applications and Legal Liability Analysis (3 hours)

2. Losses suffered by the Company due to labor disputes in the most recent year and up to the date of publication of the annual report: None

VI. Safety Management of Information and Communication Technology

1. Describe the risk management framework of information and communication security, information and communication security policy, specific management plan and resources invested in information and communication security management, etc:

(1) Risk management framework for information and communication security



(2) Information Communication Security Policy

In order to promote the implementation, effective operation, supervision and management of information security management system, and to maintain the confidentiality, integrity and availability of important information systems, we promulgate this information security policy. The purpose of this policy is to provide a clear guideline for all employees in their daily work, and all employees are obliged to actively participate in promoting the information security policy to ensure the secure maintenance of data, information and communication systems, equipment and networks for all employees of the Company, and to ensure that all employees understand, implement and maintain it to achieve the goal of sustainable business operation, as follows:

(1) Implementing information and communication security and strengthening service quality

The ISMS (Information Security Management System) shall be implemented by all staff members, and all measures related to information communication operations shall ensure the confidentiality, integrity and availability of business information to avoid risks such as leakage, destruction or loss due to external threats or improper management by internal personnel, and choose appropriate protection measures to reduce risks to an acceptable level to continuously monitor, review and audit the information communication security system to enhance service quality and improve service standards.

(2) Strengthen information security promotion to ensure continuous operation

The company supervise all employees to implement information security management and continue to conduct appropriate information security promotion every year to

establish the concept of "information security is everyone's responsibility", so as to make employees understand the importance of information security and urge them to comply with information security regulations, thereby improving information security intelligence and emergency response capability, reducing information security risks, and achieving the goal of sustainable operation.

(3) Improve emergency response and organizational resilience

Establish emergency response plans for critical information assets and business-critical operations, and perform regular rehearsals of emergency response procedures to ensure rapid recovery in the event of information and communications system failure or major disasters, and to ensure continuous operation of critical operations and enhance organizational resilience

2. Information and communication security control measures and specific management plan

Management Projects	Specific Management Practices
Network Security Management	● Evaluate or test network system security on an occasional basis ● Periodically or in a timely manner, we should send out the repair of the security risks and vulnerabilities of the network operating environment. ● Internal important websites and applications should be isolated from the external Internet by firewalls ● Data transmission over the network, based on the principle of encrypted transmission ● Installed Internet policy and filtering equipment to prevent access to dangerous sites by personnel
Information System Access Control	● Database and file access should be controlled by setting permissions ● The account and password must conform to the password principle, with a password length of 8 codes or more, conform to the password complexity, and update the password regularly. ● For departing employees, the Information Center shall immediately delete the user code or set the expiration date according to the departure date of the departure slip.
Computer System Security Management	● Each host server and personal PC should install client-side anti-virus software and update virus codes automatically. ● The mail system is equipped with information security modules, such as spam filter, malware detection, attachment control, and other management modules to enhance the security of mail information. ● The mail system is equipped with information security modules, such as spam filter, malware detection, attachment control and other management modules, to provide - When the machine and equipment fail or encounter information security events or business needs, and must perform recovery operations, please follow the recovery operation procedures of each information system to quickly restore the normal operation of the system and shorten the time of system interruption. The system recovery operation procedures are proposed by the responsible person of each system and implemented after being approved by the supervisor. To enhance the security of mail information. ● Each information system conducts disaster recovery exercises and drills from time to time.

Management Projects	Specific Management Practices
Data Backup	● Make daily database backups ● The backup data is marked with the backup date, system name, and data content, and should be stored offsite.
System Availability	● Build a high availability mechanism for critical information systems. ● Complete daily backup of application programs.

4. Investing in resources for information and communication security management

(1) The amount of investment in information security for this year was 16% of the total budget of the Information Center.

(2) Information security promotion in 2022

(3) Implementation of fishing letter exercise

2. Information Security Risk Analysis and Response Actions:

To ensure the smooth operation of our information systems and services, we have implemented the following information security policies and management programs:

1. Computer System Security Management

(1) Each host server and personal PC should install client-side anti-virus software and update virus codes automatically.

(2) The mail system is equipped with information security modules, such as spam filter, malware detection, attachment control, and other management modules to enhance the security of mail information.

(3) Each application system and database should be backed up daily, and the backup data should be marked with the backup date, system name, and data content, and should be stored offsite.

(4) When the machine and equipment fail or encounter an information and communication security incident or business needs, the resumption operation must be performed in accordance with the resumption operation procedures of each information system in order to quickly restore the normal operation of the system and shorten the time of system interruption. The system recovery operation procedures are proposed by the responsible person of each system and implemented after being approved by the supervisor.

(5) Disaster recovery exercises are conducted by each information system from time to time.

2. Information System Access Control

(1) Access to the database and files should be controlled with permissions.

(2 The account and password must conform to the password principle, with a password length of 8 codes or more, conform to the password complexity, and update the password regularly.

(3) For departing employees, the Information Center shall immediately delete the user code or set the expiration date according to the departure date of the departure slip.

3. Network Security Management

(1) Evaluate or test network system security from time to time.

(2) The company shall regularly or timely dispatch to repair the security risks and vulnerabilities of the network operating environment.

(3) Important internal websites and applications should be isolated from the external Internet by firewalls.

(4) Data transmission over the network is based on the principle of encrypted transmission.

(5) The company shall conduct regular security training for employees and announce and promote information security related information at any time.

(6) The company shall implement information security drills from time to time to raise employees' awareness of information security.

3. For the most recent year and as of the printing date of the annual report, the losses suffered as a result of a major information and communications security incident, the possible impact and the measures taken in response, if not reasonably estimable, should be described: None.

VII. Important Contracts

May 09, 2023

Contract Nature	Parties	Contract Start & End Date	Main Content	Restriction Clause
Management Contract	Palace Hotel	2022/10/26~ for 20 years from the opening date	Entrusted operation and management contract	None
The AMBASSADOR HOTEL Kaohsiung Cooperative Development Project	Continental Development Corporation Formosan Rubber Group INC.	2021/11/15~	Jointly developed 2 parcels of land, No. 533 and 535, Houjin Section, Qianjin District, Kaohsiung City with Continental Development Corporation and Rubber Group INC.	None
Residential Lease Agreement	Trans Globe Life Insurance Inc.	2022/01/01~ 2042/04/17	1. Leasing Premises: Parcel No. 566, 567-1,654-3,657,658; Building Serial No. 2050~2052, 2054~2500, the central section, East Dist., Hsinchu City (the Ambassador Hotel Hsinchu and Hsinchu Administration Building). 2. The Ambassador Hotel Hsinchu was sold and leaseback.	None
Residential Lease Agreement	Fubon Life Insurance Co., Ltd.	2021/10/08~ 2036/10/07	1. Leasing Premises: 1&2F., No. 177~179, Liaoning St., Zhongshan Dist., Taipei City. 2. During the renovation of the Ambassador Hotel Taipei, the restaurants such as Sichuan cuisine restaurant, Cantonese cuisine restaurant and A CUT Steakhouse moved to the Liaoning Building continuing to provide classic delicious.	None

VI. Financial Information

I. Consolidated Balance Sheet and Income Statement for the Last Five Fiscal Years

1. Condensed balance sheet and Condensed comprehensive income statement

Condensed Balance Sheet

Unit：NT$ thousand

Item \ Year		Financial information for the last five years (Note1)					Financial information available up to March 31, 2023 (Note 2)
		2022	2021	2020	2019	2018	
Current assets		10,502,919	7,652,098	4,784,472	3,924,832	3,682,373	11,847,096
Property, plant, and equipment		1,385,261	5,370,056	5,416,725	5,429,318	5,390,881	1,448,237
Intangible assets		0	0	0	0	0	0
Other assets		6,754,642	4,131,104	3,095,097	2,815,544	2,408,197	7,204,440
Total assets		18,642,822	17,153,258	13,296,294	12,169,694	11,481,451	20,499,773
Current liabilities	Before distribution	1,341,044	4,067,270	1,880,778	1,182,932	1,287,928	1,122,146
	After distribution	Note 3	4,067,270	1,880,778	1,182,932	1,141,159	—
Non-current liabilities		3,876,403	1,143,144	236,437	312,713	199,662	3,874,505
Total liabilities	Before distribution	5,217,447	5,210,414	2,117,215	1,495,645	1,487,590	4,996,651
	After distribution	Note 3	5,210,414	2,117,215	1,495,645	1,340,821	—
Shareholder's equity attributable to parent company		13,420,902	11,938,222	11,174,372	10,669,469	9,951,299	15,498,491
Capital stock		3,669,234	3,669,234	3,669,234	3,669,234	3,669,234	3,669,234
Capital surplus		2,941,681	2,943,143	2,932,131	2,932,076	2,928,326	2,941,847
Retailed earnings	Before distribution	4,489,680	2,810,154	2,803,782	2,771,649	2,542,962	4,743,128
	After distribution	Note 3	2,810,154	2,803,782	2,771,649	2,396,193	—
Other equity		2,320,307	2,515,691	1,769,225	1,296,510	810,777	4,144,282
Treasury stock		0	0	0	0	0	0
Non-controlling Interest		4,473	4,622	4,707	4,580	42,562	4,631
Total equities	Before distribution	13,425,375	11,942,844	11,179,079	10,674,049	9,993,861	15,503,122
	After distribution	Note 3	11,942,844	11,179,079	10,674,049	9,847,092	—

Note 1: The Company provides IFRSs financial information.

Note 2: The financial statement for Q1 of 2023 was reviewed by the external auditor.

Note 3: Not yet held shareholders' meeting.

Condensed Comprehensive Income Statement

Unit： NT$ thousand

Item \ Year	Financial information for the last five years (Note1)					Financial information available up to March 31, 2023 (Note 2)
	2022	2021	2020	2019	2018	
Operating income	1,449,384	1,518,343	2,008,699	2,915,703	2,977,046	386,068
Gross profit	6,450	261,874	467,187	1,127,515	1,242,389	140,095
Operating profit or loss	(735,664)	(372,810)	(276,011)	190,142	320,103	6,174
Non-Operating income and expense	1,837,588	289,579	281,245	232,668	188,559	242,660
Net income before tax	1,101,924	(83,231)	5,234	422,810	508,662	248,834
Net income of continuing operations	1,088,294	(88,183)	3,255	382,349	403,211	198,828
Loss of discontinued operation (Note 3)	0	0	0	0	0	0
Net income (loss)	1,088,294	(88,183)	3,255	382,349	403,211	198,828
Other comprehensive profit and loss (net)	267,143	851,123	489,682	481,435	19,278	1,878,766
Total comprehensive profit and loss	1,355,437	762,940	492,937	863,784	422,489	2,077,594
Net income attributable to parent company's shareholders	1,088,039	(88,618)	2,608	383,635	404,343	198,670
Net income attributable to noncontrolling interests	255	435	647	(1,286)	(1,132)	158
Total comprehensive profit and loss attributable to parent company's shareholders	1,355,182	762,505	492,290	865,070	423,621	2,077,436
Total comprehensive profit and loss attributable to noncontrolling interests	255	435	647	(1,286)	(1,132)	158
Earnings per share	2.97	(0.24)	0.01	1.05	1.10	0.54

Note 1: The Company provides IFRSs financial information.

Note 2: The Consolidated Financial Statements for Q1 of 2023 was reviewed by the external auditor.

Note 3: The loss of a suspended business unit is the net amount after deducting income tax.

2. Standalone balance sheet and comprehensive income statement

Standalone Balance Sheet

Unit: NT$ thousand

Item \ Year		Financial information for the last five years (Note 1)					Financial information available up to March 31, 2023 (Note 2)
		2022	2021	2020	2019	2018	
Current assets		8,942,540	6,204,301	3,375,795	2,618,289	2,457,902	
Property, plant, and equipment		1,382,162	5,366,023	5,411,508	5,422,231	5,363,453	
Intangible assets		0	0	0	0	0	
Other assets		8,305,086	5,555,974	4,479,007	4,091,157	3,574,420	
Total assets		18,629,788	17,126,298	13,266,310	12,131,677	11,395,775	
Current liabilities	Before distribution	1,332,991	4,045,440	1,856,010	1,150,002	1,245,322	
	After distribution	Note 3	4,045,440	1,856,010	1,150,002	1,098,553	
Noncurrent liabilities		3,875,895	1,142,636	235,928	312,206	199,154	
Total liabilities	Before distribution	5,208,886	5,188,076	2,091,938	1,462,208	1,444,476	
	After distribution	Note 3	5,188,076	2,091,938	1,462,208	1,297,707	
Shareholder's equity attributable to parent company		13,420,902	11,938,222	11,174,372	10,669,469	9,951,299	
Common stock		3,669,234	3,669,234	3,669,234	3,669,234	3,669,234	
Capital surplus		2,941,681	2,943,143	2,932,131	2,932,076	2,928,326	
Retailed earnings	Before distribution	4,489,680	2,810,154	2,803,782	2,771,649	2,542,962	
	After distribution	Note 3	2,810,154	2,803,782	2,771,649	2,396,193	
Other equity		2,320,307	2,515,691	1,769,225	1,296,510	810,777	
Treasury stocks		0	0	0	0	0	
Total equity	Before distribution	13,420,902	11,938,222	11,174,372	10,669,469	9,951,299	
	After distribution	Note 3	11,938,222	11,174,372	10,669,469	9,804,530	

Note 1: The company provides IFRSs financial information.

Note 2: The financial statement for Q1 of 2023 was reviewed by the external auditor.

Note 3: Not yet held shareholders' meeting.

Standalone Comprehensive Income Statement

Unit: NT$ thousands

Item \ Year	Financial information for the last five years (Note 1)					Financial information available up to March 31, 2023 (Note 2)
	2022	2021	2020	2019	2018	
Operating Income	1,435,298	1,502,803	1,991,144	2,897,494	2,959,034	
Gross profit	21,544	266,222	460,053	1,116,399	1,233,185	
Operating profit or loss	(732,373)	(374,146)	(280,075)	186,360	318,021	
Non-Operating income and expense	1,833,689	288,852	283,243	233,751	188,044	
Net income before tax	1,101,316	(85,294)	3,168	420,111	506,065	
Net income of continuing operations	1,088,039	(88,618)	2,608	383,635	404,343	
Loss of discontinued operation (Note 3)	0	0	0	0	0	
Net income (losses)	1,088,039	(88,618)	2,608	383,635	404,343	
Other comprehensive income (net after tax)	267,143	851,123	489,682	481,435	19,278	
Total comprehensive income	1,355,182	762,505	492,290	865,070	423,621	
Earnings per share	2.97	(0.24)	0.01	1.05	1.10	

Note 1: The Company provides IFRSs financial information.

Note 2: The Consolidated Financial Statements for Q1 of 2023 was reviewed by the external auditor.

Note 3: The loss of a suspended business unit is the net amount after deducting income tax.

3. CPAs' Name and audit opinion for the last five years

Year	CPAs' Name	Audit opinion
2018	Huang, Jian-Ze、Fu, Wen-Fang	No reservations.
2019	Huang, Jian-Ze、Fu, Wen-Fang	No reservations.
2020	Huang, Jian-Ze、Fu, Wen-Fang	No reservations.
2021	Huang, Jian-Ze、Fu, Wen-Fang	No reservations.
2022	Huang, Jian-Ze、Fu, Wen-Fang	No reservations.

II. Financial analysis for the last five years

1. Financial analysis

Item	Year	Financial analysis for the last five years					Financial information available up to March 31, 2023 (Note 1)
		2022	2021	2020	2019	2018	
Financial structure (%)	Liabilities to assets	27.99	30.38	15.92	12.29	12.96	24.37
	Long-term fund for property, plant, and equipment	1248.99	243.68	210.75	202.36	189.09	1338.01
Liquidity analysis (%)	Current ratio	783.19	188.14	254.39	331.79	285.91	1055.75
	Quick ratio	773.27	184.50	246.16	316.57	272.52	1044.27
	Interest coverage ratio	146.26	(3.85)	2.29	134.55	107.92	5408.15
Operation performance analysis	Receivables turnover (times) (Note 2)	38.52	35.68	25.71	23.88	22.86	47.43
	Average collection days (Note 2)	9.47	10.22	14.19	15.28	15.96	7.70
	Inventory turnover (times) (Note 2)	9.66	11.95	13.03	14.82	15.03	9.54
	Payables turnover (times) (Note 2)	7.51	7.62	7.58	9.04	8.98	9.83
	Average inventory turnover days (Note 2)	37.78	30.54	28.01	24.62	24.28	38.28
	Property, plant, and equipment turnover (times) (Note 2)	1.05	0.28	0.37	0.54	0.55	1.07
	Total assets turnover (times) (Note 2)	0.08	0.09	0.15	0.24	0.26	0.08
Profitability	Return on assets (%) (Note 2)	6.30	(0.47)	0.06	3.26	3.58	4.27
	Return on equity (%) (Note 2)	8.58	(0.76)	0.03	3.70	4.11	5.50
	Pre-tax income to paid-in capital ratio (%) (Note 2)	30.03	(2.27)	0.14	11.52	13.86	27.13
	Net income margin (%) (Note 2)	75.09	(5.81)	0.16	13.11	13.54	51.50
	EPS (NT$)	2.97	(0.24)	0.01	1.05	1.10	0.54
Cash flow (%)	Cash flow ratio (%)	(168.76)	(2.59)	3.76	37.14	45.48	(11.55)
	Cash flow adequacy ratio (%)	(72.56)	89.03	105.87	109.16	122.79	(131.51)
	Cash flow reinvestment ratio (%)	(16.03)	(0.56)	0.40	1.69	2.67	(0.80)
Leverage	Operating leverage (Note 2)	(0.01)	(0.59)	(1.25)	4.66	3.07	30.99
	Financial leverage (Note 2)	0.94	0.95	0.98	1.02	1.01	(0.93)

Note 1: The Consolidated Financial Statements for Q1 of 2023 was reviewed by the external auditor.

Note 2: The relevant profit and loss amount of the Q1 financial ratio in 2023 is calculated for the entire year after conversion.

The cause of changes of more than 20% in rates over the last two years:

1. Long-term capital to property, plant and equipment: Mainly due to the decrease in property, plant and equipment
2. Current ratio: Mainly due to the decrease in short-term borrowings.
3. Quick ratio: Mainly due to the decrease in short-term borrowings.
4. Interest coverage ratio: Mainly due to the pre-tax profit.
5. Average sales days: Mainly due to the decrease in inventory turnover.
6. Property, plant, and equipment turnover: Mainly due to the decrease in property, plant and equipment.
7. Return on assets: Mainly due to the after-tax profit.
8. Return on equity: Mainly due to the after-tax profit.
9. Pre-tax income to paid-in capital ratio: Mainly due to the pre-tax profit.
10. Net income margin: Mainly due to the after-tax profit.
11. EPS: Mainly due to profit after-tax profit
12. Cash flow ratio: Mainly due to the increase in net cash inflow from operating activities.
13. Cash flow adequacy ratio: Mainly due to the increase in net cash inflow from operating activities.
14. Cash flow reinvestment ratio: Mainly due to the increase in net cash inflow from operating activities.
15. Operating leverage: Mainly due to the increase in operating losses.

The financial analysis formula:

1. Financial structure
   (1) Debt ratio = Total liabilities/total assets.
   (2) Long term funds to property, plant, and equipment ratio = (Total shareholders' equity + non-current liabilities)/net property, plant, and equipment
2. Solvency
   (1) Current ratio = Current assets/current liabilities
   (2) Quick ratio = (Current assets - inventory - prepaid expenses)/current liabilities
   (3) Times Interest Earned = Net income before tax and interest expense/current interest expense
3. Operating ability
   (1) Accounts Receivable (including account receivable and note receivable from operating) turnover = Net sales/average Receivables (including account receivable and note receivable from operating) balance
   (2) Average collection period = 365 days/ accounts receivable turnover
   (3) Inventory turnover (times) = Cost of goods sold/average inventory
   (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
   (5) Average inventory turnover days = 365 days/ inventory turnover
   (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
   (7) Total asset turnover = Net sales/average total assets
4. Profitability
   (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
   (2) Return on shareholder's equity = Net income/average total shareholder's equity
   (3) Profit margin = Net income/ net sales
   (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued
5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities/current liabilities
   (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital)
6. Leverage
   (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
   (2) Financial leverage = Operating income/ (operating income - interest expenses)

2. Standalone Financial Analysis

Item	Year	Financial analysis for the last five years					Financial information available up to March 31, 2023 (Note 1)
		2022	2021	2020	2019	2018	
Financial structure (%)	Liabilities to assets	27.96	30.29	15.77	12.05	12.68	
	Long-term fund for property, plant, and equipment	1251.43	243.77	210.85	202.53	189.25	
Liquidity analysis (%)	Current ratio	670.86	153.37	181.88	227.68	197.37	
	Quick ratio	660.89	149.71	173.56	212.06	183.64	
	Interest coverage ratio	146.18	(3.98)	1.82	133.69	108.41	
Operation performance analysis	Receivables turnover (times)	38.99	36.16	26.50	24.55	23.28	
	Average collection days	9.36	10.09	13.78	14.87	15.68	
	Inventory turnover (times)	9.01	11.39	11.77	12.80	13.14	
	Payables turnover (times)	7.48	8.32	7.88	9.08	9.25	
	Average inventory turnover days	40.49	32.06	31.02	28.51	27.78	
	Property, plant, and equipment turnover (times)	1.04	0.28	0.37	0.53	0.55	
	Total assets turnover (times)	0.08	0.09	0.15	0.24	0.26	
Profitability	Return on assets (%)	6.31	(0.48)	0.05	3.28	3.62	
	Return on equity (%)	8.58	(0.77)	0.02	3.72	4.14	
	Pre-tax income to paid-in capital ratio (%)	30.01	(2.32)	0.09	11.45	13.79	
	Net income margin (%)	75.81	(5.90)	0.13	13.24	13.66	
	EPS (NT$)	2.97	(0.24)	0.01	1.05	1.10	
Cash flow (%)	Cash flow ratio (%)	(168.62)	(2.58)	3.74	39.30	47.40	
	Cash flow adequacy ratio (%)	(64.33)	85.41	114.04	127.90	153.67	
	Cash flow reinvestment ratio (%)	(15.94)	(0.55)	0.39	1.76	2.70	
Leverage	Operating leverage	(0.03)	(0.60)	(1.20)	4.69	3.06	
	Financial leverage	0.94	0.95	0.98	1.02	1.01	

Note 1: The Company does not need to prepare individual financial reports for the first quarter of 2023.

The cause of changes of more than 20% in rates over the last two years:

1.Long-term capital to property, plant and equipment: Mainly due to the decrease in property, plant and equipment
2. Current ratio: Mainly due to the decrease in short-term borrowings.
3. Quick ratio: Mainly due to the decrease in short-term borrowings.
4. Interest coverage ratio: Mainly due to the pre-tax profit.
5. Inventory turnover：Mainly due to the increase in average inventory
6. Average sales days: Mainly due to the decrease in inventory turnover.
7. Property, plant, and equipment turnover: Mainly due to the decrease in property, plant and equipment.
8. Return on assets: Mainly due to the after-tax profit.
9. Return on equity: Mainly due to the after-tax profit.
10. Pre-tax income to paid-in capital ratio: Mainly due to the pre-tax profit.

11. Net income margin: Mainly due to the after-tax profit.
12. EPS: Mainly due to profit after-tax profit.
13. Cash flow ratio: Mainly due to the increase in net cash inflow from operating activities.
14. Cash flow adequacy ratio: Mainly due to the increase in net cash inflow from operating activities.
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16. Operating leverage: Mainly due to the increase in operating losses.

The financial analysis formula:

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   (1) Debt ratio = Total liabilities/total assets.
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2. Solvency
   (1) Current ratio = Current assets/current liabilities
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   (3) Times Interest Earned = Net income before tax and interest expense/current interest expense
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   (2) Average collection period = 365 days/ accounts receivable turnover
   (3) Inventory turnover (times) = Cost of goods sold/average inventory
   (4) Accounts Payable (including Account payable and Note payable from operating) turnover = Cost of goods sold/average accounts payable (including Account payable and Note payable from operating)
   (5) Average inventory turnover days = 365 days/ inventory turnover
   (6) Property, plant, and equipment turnover (times) = Net sales/ average net average property, plant, and equipment
   (7) Total asset turnover = Net sales/average total assets
4. Profitability
   (1) Return on total assets = [net income + interest expense x (1-tax ratio)]/average total assets
   (2) Return on shareholder's equity = Net income/average total shareholder's equity
   (3) Profit margin = Net income/ net sales
   (4) Earnings per Share = (Net income attributable to parent company's shareholders - preferred stock dividend)/ weighted average number of shares issued
5. Cash flow
   (1) Cash flow ratio = Cash flow from operating activities/current liabilities
   (2) Net cash flow adequacy ratio = Five-year sum of cash from operations / Five-year sum of capital expenditures, inventory additions, and cash dividends
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - cash dividends)/ (gross property, plant, and equipment + long-term investments + other non-current assets + working capital)
6. Leverage
   (1) Operating leverage = (Net operating income - variable operating cost and expense)/operating income
   (2) Financial leverage = Operating income/ (operating income - interest expenses)

III. Audit Committee's Report

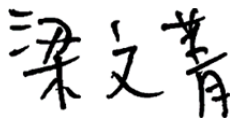
THE AMBASSADOR HOTEL CO., LTD.

Audit Committee's Review Report

To the 2023 General Shareholders' Meeting of THE AMBASSADOR HOTEL CO., LTD.,

The Company's 2022 financial statements have been approved by the Audit Committee and by the Board of Directors. The CPA Huang, Jian-ze, and CPA Fu, Wen-fang, members of the Ernst & Young, have completed the audit of the financial statements and issued an audit report relating thereto. In addition, the Board of Directors has prepared and submitted to us the Company's 2022 business report and proposal for distribution of earnings. We, the Audit Committee members, have duly examined and determined such business report and proposal for distribution of earnings to be in line with the requirements under the Company Law and relevant laws and regulations. According to Article 14-4 of the Securities and Exchange Act and Article 219 of Company Law, we hereby submit this report.

The Convener of the Audit Committee: Liang, Wen-Jing



March 14, 2023

IV. The audited consolidated financial statements of 2022

Representation Letter Translated from Chinese

The companies that are required to be included in the combined financial statements of The Ambassador Hotel Co., Ltd. as of and for the year ended December 31, 2022 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, The Ambassador Hotel Co., Ltd. and its subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

The Ambassador Hotel Co., Ltd.

EMMET HSU
Chairman

March 7, 2023

Independent Auditors' Report Translated from Chinese

To The Ambassador Hotel Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of The Ambassador Hotel Co., Ltd. ("the Company") and its subsidiaries as of December 31, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Net sales recognized by the Company and its subsidiaries amounted to NT$1,449,384 thousand for the year ended December 31, 2022. As revenue included room revenue and food and beverage sales with large number of transactions, the appropriateness of timing of revenue recognition is material for the consolidated financial statements. Therefore, we considered this is a key audit matter. Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policy of revenue recognition, performing walkthrough of room revenue and food and beverage sales to understand the internal control of sales process and the effectiveness of the design of internal controls, testing operating effectiveness of internal controls related to the timing of revenue recognition, selecting samples to perform cut-off testing and inspecting billing statements and invoices to verify proper cut-off of revenue. In addition, we evaluated the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. These associates and joint ventures under equity method amounted to NT$1,939,120 thousand and NT$1,817,192 thousand, representing 10.40% and 10.59% of consolidated total assets as of December 31, 2022 and 2021, respectively. The related shares of profits (losses) from the associates and joint ventures under the equity method amounted to NT$12,106 thousand and NT$(12,918) thousand, representing 1.10% and 15.52% of the consolidated net income before tax for the years ended December 31 2022 and 2021, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$(17,676) thousand and NT$50,276 thousand, representing (6.62)% and 5.91% of the consolidated other comprehensive income for the years ended December 31, 2022 and 2021, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2022 and 2021.

/s/Huang, Chien-Che

/s/Fuh, Wen-Fun

Ernst & Young, Taiwan
March 14, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices the Standards on Auditing of the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those Standards on Auditing of the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets / Contents	Notes	December 31, 2022 Amount	December 31, 2022 %	December 31, 2021 Amount	December 31, 2021 %
Current assets					
Cash and cash equivalents	4,6	$1,489,873	8	$515,448	3
Financial assets at fair value through other comprehensive income, current	4,6	6,526,592	35	6,942,714	41
Notes receivable, net	4,6	5,687	-	7	-
Accounts receivable, net	4,6,7	32,721	-	36,842	-
Other receivables	7	2,307,204	13	1,507	-
Current tax assets		3,138	-	2,368	-
Inventories	4,6	86,111	-	78,817	1
Prepayments	7	46,952	-	69,212	-
Other current assets		4,641	-	5,183	-
Total current assets		10,502,919	56	7,652,098	45
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4,5,6	809,843	4	718,570	4
Financial assets at fair value through other comprehensive income, non-current	4,6	508,961	3	408,661	2
Financial assets at amortised cost, non-current	4,6,8	-	-	15,930	-
Investments accounted for using equity method	4,6	1,939,120	10	1,817,192	11
Property, plant and equipment	4,6,8,9	1,385,261	8	5,370,056	32
Right-of-use assets	4,5,6,8	3,321,911	18	922,856	5
Investment property, net	4,5,6	-	-	73,433	-
Deferred tax assets	4,5,6	128,673	1	127,933	1
Other non-current assets	7	46,134	-	46,529	-
Total non-current assets		8,139,903	44	9,501,160	55
Total assets		$18,642,822	100	$17,153,258	100

The accompanying notes are an integral part of consolidated financial statements.

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
Contents		Amount	%	Amount	%
Current liabilities					
Short-term loans	6,8	$-	-	$2,870,000	17
Short-term bills payables		-	-	400,000	2
Contract liabilities, current	6,8	168,846	1	200,471	1
Notes payable	4,6	581	-	533	-
Accounts payable		100,578	-	110,370	1
Other payables	6	865,167	5	410,621	2
Current tax liabilities	4,6,7	342	-	1,171	-
Lease liabilities, current	4,5,6	193,190	1	48,499	-
Current portion of long-term liabilities	4,6,8	-	-	13,333	-
Other current liabilities	4,6	12,340	-	12,272	-
Total current liabilities		1,341,044	7	4,067,270	23
Non-current liabilities					
Long-term loans	4,6,12	-	-	100,000	1
Deferred tax liabilities	6,8	116,218	1	97,964	1
Lease liabilities, non-current	4,5,6	3,727,818	20	891,584	5
Net defined benefit liabilities, non-current	4,5,6	22,841	-	43,232	1
Other non-current liabilities - others	7	9,526	-	10,364	-
Total non-current liabilities		3,876,403	21	1,143,144	8
Total liabilities		5,217,447	28	5,210,414	31
Equity attributable to shareholders of the parent					
Capital stock	6				
Common stock		3,669,234	20	3,669,234	21
Capital surplus	6	2,941,681	16	2,943,143	17
Retained earnings	6				
Legal reserve		770,173	4	769,536	4
Special reserve		195,815	1	195,815	1
Unappropriated earnings		3,523,692	19	1,844,803	11
Total retained earnings		4,489,680	24	2,810,154	16
Other components of equity		2,320,307	12	2,515,691	15
Non-controlling interests	6	4,473	-	4,622	-
Total equity		13,425,375	72	11,942,844	69
Total liabilities and equity		$18,642,822	100	$17,153,258	100

The accompanying notes are an integral part of consolidated financial statements.

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Contents	Notes	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
Operating revenues	4,6,7	$1,449,384	100	$1,518,343	100
Operating costs	4,6,7	(1,442,934)	(100)	(1,256,469)	(83)
Gross profit		6,450	-	261,874	17
Operating expenses	4,6,7				
Sales and marketing expenses		(282,466)	(19)	(261,547)	(17)
General and administrative expenses		(459,648)	(32)	(373,137)	(25)
Subtotal		(742,114)	(51)	(634,684)	(42)
Operating income (loss)		(735,664)	(51)	(372,810)	(25)
Non-operating income and expenses	6				
Interest income		6,125	-	1,027	-
Other income		212,819	15	279,511	18
Other gains and losses		1,655,585	114	41,929	3
Finance costs		(49,047)	(3)	(19,970)	(1)
Share of profit or loss of associates and joint ventures accounted for using equity method		12,106	1	(12,918)	(1)
Subtotal		1,837,588	127	289,579	19
Income (loss) before income tax		1,101,924	76	(83,231)	(6)
Income tax expense	4,5,6	(13,630)	(1)	(4,952)	-
Net income (loss)		1,088,294	75	(88,183)	(6)
Other comprehensive income (loss)	4,6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefits plans		10,099	1	2,079	-
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		276,740	19	799,183	53
Income tax related to items that will not be reclassified subsequently		(2,020)	-	(415)	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss		(17,676)	(1)	50,276	3
Total other comprehensive income (loss), net of income tax		267,143	19	851,123	56
Total comprehensive income (loss)		$1,355,437	94	$762,940	50
Net income attributable to:					
Shareholders of the parent		$1,088,039		($88,618)	
Non-controlling interests		255		435	
		$1,088,294		$(88,183)	
Comprehensive income attributable to:					
Shareholders of the parent		$1,355,182		$762,505	
Non-controlling interests		255		435	
		$1,355,437		$762,940	
Earnings per share	4,6				
Basic earnings per share (NT$)					
Net Income		$2.97		($0.24)	
Diluted earnings per share (NT$)					
Net Income		$2.95		($0.24)	

The accompanying notes are an integral part of consolidated financial statements.

ENGLISH TRANSLATION OF CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	Equity Attributable to Shareholders of the Parent							Non-Controlling Interests	Total Equity
			Retained Earnings			Other Components of Equity			
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Total		
Balance as of January 1, 2021	$3,669,234	$2,932,131	$766,323	$195,815	$1,841,644	$1,769,225	$11,174,372	$4,707	$11,179,079
Appropriation and distribution of 2020 retained earnings									
Legal reserve	-	-	3,213	-	(3,213)	-	-	-	-
Other changes in capital surplus:									
Share of changes in net assets of associates and joint ventures accounted for using equity method	-	11,012	-	-	(9,667)	-	1,345	-	1,345
Net income for the year ended December 31, 2021	-	-	-	-	(88,618)	-	(88,618)	435	(88,183)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,664	849,459	851,123	-	851,123
Total comprehensive income (loss)	-	-	-	-	(86,954)	849,459	762,505	435	762,940
Changes in non-controlling interests	-	-	-	-	-	-	-	(520)	(520)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	102,993	(102,993)	-	-	-
Balance as of December 31, 2021	$3,669,234	$2,943,143	$769,536	$195,815	$1,844,803	$2,515,691	$11,938,222	$4,622	$11,942,844
Balance as of January 1, 2022	$3,669,234	$2,943,143	$769,536	$195,815	$1,844,803	$2,515,691	$11,938,222	$4,622	$11,942,844
Appropriation and distribution of 2021 retained earnings									
Legal reserve	-	-	637	-	(637)	-	-		-
Other changes in capital surplus:									
Share of changes in net assets of associates and joint ventures accounted for using equity method	-	(1,462)	-	-	128,960	-	127,498		127,498
Net income (loss) for the year ended December 31, 2022	-	-	-	-	1,088,039	-	1,088,039	255	1,088,294
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,079	259,064	267,143		267,143
Total comprehensive income (loss)	-	-	-	-	1,096,118	259,064	1,355,182	255	1,355,437
Changes in non-controlling interests	-	-	-	-	-	-	-	(404)	(404)
Disposal of investments in equity instruments at fair value through other comprehensive income	-	-	-	-	454,448	(454,448)	-	-	-
Balance as of December 31, 2022	$3,669,234	$2,941,681	$770,173	$195,815	$3,523,692	$2,320,307	$13,420,902	$4,473	$13,425,375

The accompanying notes are an integral part of consolidated financial statements.

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the year ended December 31,	
	2022	2021
	Amount	Amount
Cash flows from operating activities:		
Net income (loss) before income tax	$1,101,924	$(83,231)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	337,525	287,746
Expected credit impairment losses (gains)	144	(35)
Net gain from financial assets or liabilities at fair value through profit or loss	(91,273)	(42,052)
Interest expense	49,047	19,970
Interest income	(6,125)	(1,027)
Dividend income	(204,894)	(208,681)
Share of loss (profit) of associates and joint ventures accounted for using equity method	(12,106)	12,918
Loss (gain) on disposal of property, plant and equipment	(1,543,619)	(478)
Expenses transferred from property, plant and equipment	-	912
Sundry items	(302)	-
Loss (gain) on disposal of investment property	(13,441)	-
Loss (gain) on disposal of investments	-	343
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(5,823)	651
Decrease (increase) in accounts receivable	4,121	10,785
Decrease (increase) in other receivables	(2,304,708)	2,146
Decrease (increase) in inventories	(7,294)	(411)
Decrease (increase) in prepayments	22,260	6,868
Decrease (increase) in other current assets	541	9,984
Increase (decrease) in contract liabilities	(31,625)	2,633
Increase (decrease) in notes payable	48	(1)
Increase (decrease) in accounts payables	(9,790)	(24,580)
Increase (decrease) in other payables	455,159	(79,067)
Increase (decrease) in other current liabilities	68	(818)
Increase (decrease) in net defined benefit liabilities	(12,312)	(13,591)
Cash generated from operations	(2,272,475)	(99,016)
Interest received	6,252	1,030
Income taxes paid	3,056	(7,338)
Net cash provided by (used in) operating activities	(2,263,167)	(105,324)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,560,991)	(2,332,980)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,153,554	291,276
Disposal of financial assets through amortized cost	15,930	-
Acquisition of investments accounted for using equity method	-	(80,000)
Acquisition of property, plant and equipment	(400,954)	(213,379)
Proceeds from disposal of property, plant and equipment	6,318,087	528
Disposal of investment property	86,329	-
Decrease (increase) in other non-current assets	394	4,412
Dividends received	203,051	208,681
Net cash provided by (used in) investing activities	6,815,400	(2,121,462)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(2,870,000)	1,950,000
Increase (decrease) in short-term bills payable	(400,000)	400,000
Repayments of long-term loans (current portion included)	(113,333)	(6,667)
Cash payments for the principal portion of the lease liability	(185,365)	(15,162)
Increase (decrease) in other non-current liabilities - others	(837)	(3,957)
Interest paid (including capitalisation of interest)	(7,869)	(16,427)
Changes in non-controlling interests	(404)	(520)
Net cash provided by (used in) financing activities	(3,577,808)	2,307,267
Net increase (decrease) in cash and cash equivalents	974,425	80,481
Cash and cash equivalents at the beginning of year	515,448	434,967
Cash and cash equivalents at the end of year	$1,489,873	$515,448

The accompanying notes are an integral part of consolidated financial statements.

English Translation of Finacial Statements and Footnotes Originally Issued in Chinese

THE AMBASSADOR HOTEL CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

The Ambassador Hotel Co., Ltd. ("the Company") was incorporated in November 1962 under the Company Act of the Republic of China ("R.O.C.") and commenced operations in December 1964. The Ambassador Hotel Kaohsiung and The Ambassador Hotel Hsinchu was established and commenced operations in December 1981 and May 2001, respectively. The main activities of the Company are international tourist hotels and attached restaurants, café, lounge bars and clubs. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in November 1982. The Company's registered office and the main business location is at No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104204, Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on March 7, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2022. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	January 1, 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. The standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 *Insurance Contracts*	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024

(a) IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 *Insurance Contracts*

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this

model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 *Insurance Contracts.*

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. New or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

(a) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b) derecognizes the carrying amount of any non-controlling interest;

(c) recognizes the fair value of the consideration received;
(d) recognizes the fair value of any investment retained;
(e) recognizes any surplus or deficit in profit or loss; and
(f) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			December 31, 2022	December 31, 2021
The Company	Ambassador Investment Ltd.	General investing	99.99%	99.99%
The Company	Benz Investment Ltd.	General investing	99.99%	99.99%
The Company	Custom Investment Ltd.	General investing	99.99%	99.99%
The Company	Ambassador Premium Food Co., Ltd.	Wholesale of aquatic products, foods and groceries, etc.	100.00%	100.00%
The Company	Ambassador Bakery Corp. Ltd.	Bakery food manufacturing	60.00%	60.00%
The Company	Ambassador Real Estate Development Co., Ltd	Real estate development and leasing	100.00%	100.00%
The Company	Ambassador Property Management and Maintenance Co., Ltd	Property management services	100.00% (Note)	100.00% (Note)
Custom Investment Ltd.	Custom Human Resources Management Ltd.	Manpower services and consultancy	100.00%	100.00%
Custom Investment Ltd.	Custom Management Consulting Co., Ltd.	Residential and building cleaning services	100.00%	100.00%

Note : The Company established Ambassador Property Management and Maintenance Co., Ltd with NT$10,000 thousand on March 31th, 2021. The holding share percentage maintain 100%. The main activities are building management services.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Group's functional currency.

Transactions in foreign currencies are initially recorded by the Group at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Current and non-current distinction

An asset is classified as current when:

(a) The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Group holds the asset primarily for the purpose of trading
(c) The Group expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Group expects to settle the liability in its normal operating cycle
(b) The Group holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within 12 months after the reporting period
(d) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(a) Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Group's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
   i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
   ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired
B. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventory costs include costs incurred in bringing each inventory to its present location and condition. Inventories are accounted for on a perpetual basis and stated at actual purchase costs, using weighted average method.

Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affects the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Group estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Machinery and equipment	3～40 years
Transportation equipment	3～25 years
Other equipment	1～51 years

"Significant components" of buildings primarily comprised the main buildings and mechanical parking equipments, which are depreciated based on their respective useful economic life of 50 to 56 years and 16 years, respectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	51 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers properties to or from investment properties according to the actual use of the properties.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(15) Revenue recognition

Operating revenue

The Group provides accommodations and foodservice related products, and sales revenue is recognized when services are rendered or goods are delivered to customers.

(a) Food and beverage sales are recognized when products are delivered to customers; meanwhile, collecting the price from customers.
(b) Room revenue is recognized when services are rendered to customers during the financial reporting periods. Customers pay the bills based on the agreed payment schedule.

(16) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(17) Post-employment benefits

All regular employees of the Group are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Group. Therefore fund assets are not included in the Group's consolidated financial statements.

For the defined contribution plan, the Group will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur.

Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(18) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

(a) Operating lease commitment－Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of thefuture salary etc. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6.

(c) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$1,378	$5,342
Petty cash	2,504	2,543
Savings and checking accounts	354,147	172,150
Time deposits	111,920	111,815
Cash equivalents	1,019,924	223,598
Total	$1,489,873	$515,448

Cash equivalents comprise highly liquid commercial paper that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Beneficiary certificate	$809,843	$718,570
Current	$-	$-
Non-current	809,843	718,570
Total	$809,843	$718,570

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instrument investments measured at fair value through other comprehensive income:		
Listed company stocks	$6,526,592	$6,942,714
Unlisted company stocks	508,961	408,661
Total	$7,035,553	$7,351,375

	December 31, 2022	December 31, 2021
Current	$6,526,592	$6,942,714
Non-current	508,961	408,661
Total	$7,035,553	$7,351,375

The Group's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Related to investments held on balance sheet date	$180,080	$208,681
Related to current period's investment derecognition	24,814	-
Dividend income recognized in the current period	$204,894	$208,681

The Group has decided to sell and derecognize part of its investments related to equity instrument investments measured at fair value through other comprehensive income based on its investment strategy. Details regarding the derecognition for the fiscal year ended 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Fair value on the date of derecognition	$3,176,223	$188,283
Accumulated profit (loss) derived from other equity converted to dispositions of retained earnings	259,064	849,459

Financial assets at fair value through other comprehensive income were not pledged.

(4) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Demand deposits	$-	$15,930
Current	$-	$-
Non-current	-	15,930
Total	$-	$15,930

The Group classified certain financial assets as financial assets measured at amortized cost.

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivable

	December 31, 2022	December 31, 2021
Notes receivable arising from operating activities	$5,991	$167
Less: loss allowance	(304)	(160)
Total	$5,687	$7

Notes receivable was not pledged.

(6) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	$34,209	$38,330
Less: loss allowance	(1,488)	(1,488)
Total	$32,721	$36,842

(a) Accounts receivable was not pledged.

(b) Accounts receivable is generally on 60 to 90 day terms. The total carrying amounts of accounts receivable and notes receivable are NT$40,200 thousand and NT$38,497 thousand as of December 31, 2022 and 2021, respectively.

(c) The Group measures the loss allowance of its accounts receivable and notes receivable at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance are considering the grouping of accounts receivable and notes receivable by counterparties' credit rating, by geographical region and by industry sector.

The movement in the provision for impairment of accounts receivable and notes receivable during the years ended December 31, 2022 and 2021 is as follows: (Please refer to Note 12 for more details on credit risk.)

	Notes receivables and accounts receivables
As of January 1, 2022	$1,648
Addition/(reversal) for the current period	144
As of December 31, 2022	$1,792
As of January 1, 2021	$1,683
Addition/(reversal) for the current period	(35)
As of December 31, 2021	$1,648

(d) Accounts receivable is generally on 60 to 90 day terms. The aging analysis of net amount of accounts receivable is as follows:

	December 31, 2022	December 31, 2021
Not yet due and not impaired	$32,721	$36,842
Overdue but not impaired	-	-
Total	$32,721	$36,842

(7) Inventories

	December 31, 2022	December 31, 2021
Food	$37,944	$38,753
Beverage	46,425	38,956
Cigarettes and others	1,742	1,108
Total	$86,111	$78,817

(a) The costs of inventories recognized in expenses amount to NT$388,536 thousand and NT$461,155 thousand for the years ended December 31, 2022 and 2021, respectively, and accounted for the costs of catering under operating costs.

(b) No inventories were pledged

(8) Investments accounted for using the equity method

(a) The following table lists the investments in associates of the Group:

	December 31, 2022		December 31, 2021	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Unlisted companies				
Yu Der Investment Corp.	$222,307	37.34	$210,536	37.34
Cheng Der Investment Corp.	187,519	33.49	170,479	33.49
De Hong Investment Corp.	746,443	31.41	700,675	31.41
Yu Hong Investment Corp.	781,928	30.69	734,622	30.69
Yeangder Safety Management Consulting Corp. Ltd.	923	10.00	880	10.00
Total	1,939,120		$1,817,192	

(b) The percentage of ownership of some associates is less than 20%; however, the Group has significant influence by getting directors, and therefore accounts for the investment by using the equity method.

(c) The Group's investments in associates are not individually material. The aggregate financial information of the Group's investments in associates is as follows:

	For the years ended December 31,	
	2022	2021
Profit or loss from continuing operations	$12,106	$(12,918)
Other comprehensive income (post-tax)	(17,676)	50,276
Total comprehensive income	$(5,570)	$37,358

(d) The associates had no contingent liabilities or capital commitments as of December 31, 2022 and 2021. Investments in associates were not pledged.

(9) Property, plant and equipment

	December 31, 2022	December 31, 2021
Owner occupied property, plant and equipment	$1,385,261	$5,370,056

	Land	Buildings	Machinery equipment	Transportation and communication equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:							
As of January 1, 2022	$1,622,897	$9,219,822	$484,283	$135,698	$758,586	$194,780	$12,416,066
Additions	-	16,444	948	-	9,383	374,179	400,954
Disposals	(1,053,399)	(6,888,721)	(279,975)	(60,943)	(526,717)	-	(8,809,755)
Transfers and other changes	-	(1,943,548)	(164,788)	(35,051)	(121,473)	(51,475)	(2,316,335)
As of December 31, 2022	$569,498	$403,997	$40,468	$39,704	$119,779	$517,484	$1,690,930
As of January 1, 2021	$1,622,897	$9,074,143	$472,828	$132,646	$749,697	$160,681	$12,212,892
Additions	-	1,675	216	-	4,098	207,390	213,379
Disposals	-	(154)	(1,205)	(1,333)	(4,198)	-	(6,890)
Transfers and other changes	-	144,158	12,444	4,385	8,989	(173,291)	(3,315)
As of December 31, 2021	$1,622,897	$9,219,822	$484,283	$135,698	$758,586	$194,780	$12,416,066
Depreciation and impairment:							
As of January 1, 2022	$-	$5,883,996	$416,809	$112,849	$632,356	$-	$7,046,010
Depreciation	-	125,471	13,831	5,087	27,195	-	171,584
Disposals	-	(4,188,740)	(247,633)	(52,553)	(435,536)	-	(4,924,462)
Transfers and other changes	-	(1,643,102)	(150,092)	(43,810)	(150,459)	-	(1,987,463)
As of December 31, 2022	$-	$177,625	$32,915	$21,573	$73,556	$-	$305,669
As of January 1, 2021	$-	5,685,433	$401,992	$108,899	$599,843	$-	$6,796,167
Depreciation	-	197,577	17,585	5,283	37,430	-	257,875
Disposals	-	(154)	(1,205)	(1,333)	(4,148)	-	(6,840)
Transfers and other changes	-	1,140	(1,563)	-	(769)	-	(1,192)
As of December 31, 2021	$-	$5,883,996	$416,809	$112,849	$632,356	$-	$7,046,010
Net carrying amount as of:							
December 31, 2022	$569,498	$226,372	$7,553	$18,131	$46,223	$517,484	$1,385,261
December 31, 2021	$1,622,897	$3,335,826	$67,474	$22,849	$126,230	$194,780	$5,370,056

(a) There was no capitalization on interest expense to property, plant and equipment for the years ended December 31, 2022 and 2021.

(b) Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

The Group has entered into commercial property leases on its owned investment properties with terms of 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost：			
As of January 1, 2022	$62,418	$14,900	$77,318
Additions	-	-	-
Disposals	(62,418)	(14,900)	(77,318)
As of December 31, 2022	$-	$-	$-
As of January 1, 2021	$62,418	$12,842	$75,260
Additions	-	-	-
Transfers	-	2,058	2,058
As of December 31, 2021	$62,418	$14,900	$77,318
Depreciation and impairment：			
As of January 1, 2022	$-	$3,885	$3,885
Depreciation	-	545	545
Disposals	-	(4,430)	(4,430)
As of December 31, 2022	$-	$-	$-
As of January 1, 2021	$-	$2,643	$2,643
Depreciation	-	595	595
Transfers	-	647	647
As of December 31, 2021	$-	$3,885	$3,885
Net carrying amount as of:			
December 31, 2022	$-	$-	$-
December 31, 2021	$62,418	$11,015	$73,433

(a) Rental income from investment properties held by the Group is NT$1,260 thousand and NT$1,080 thousand for the years ended December 31, 2022 and 2021, respectively, recognized as non-operating income. There were no significant direct operating expenses to investment property generating rental income except for depreciation expenses.

(b) No investment property was pledged.

(c) Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties located at Shilin district, and the company has not assigned independent valuation specialist to determine the fair value.

As of December 31, 2021, the Group assessed the fair value of the investment properties according to the similar target's recent transaction price and rental price of property transaction actual price query in Ministry of the Interior and websites of real estate agent. The fair value determined based on valuations is NT$104,266 thousand .

(d) The Group sold its investment property in November 2022 in the amount of NT$86,329 thousand. Gains on disposal is NT$13,441 thousand.

(11) Short-term loans

	Interest Rates (%)	December 31, 2022	December 31, 2021
Unsecured bank loans	0.75%~0.76%	$-	$1,200,000
Secured bank loans	0.75%~0.85%	-	1,670,000
Total		-	$2,870,000

(a) Please refer to Note 6 (14) for the Group's unused short-term lines of credits as of December 31, 2021.

(b) Please refer to Note 8 for more details on assets pledged as security for short-term loans.

(12) Short-term bills payables

Guarantee Agency	Interest Rates (%)	December 31, 2022	December 31, 2021
Issued and guaranteed by financial institutions	0.81%	$-	$400,000
Less: Unamortized discount		-	-
Net		$-	$400,000

(13) Other payables

	December 31, 2022	December 31, 2021
Accrued employees' bonuses	$601,256	$300,777
Accrued employees' compensation and remuneration to directors (excluding subsidiaries)	48,625	625
Accrued unused vacation leave	30,563	19,722
Payable for machinery and equipment	30,221	5,687
Payable for house and land value tax	9,348	17,936
Dividend payable (prior periods)	14,489	15,188
Others (Note)	130,665	50,686
Total	$865,167	$410,621

Note: Individual payables amount not exceeded NT$10,000 thousand were aggregated as others.

(14) Long-term loans

The Group does not have any long-term loans as of December 31, 2022.

(a) Details of long-term loans as of December 31, 2021 are as follows:

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Bank of Taiwan – Secured loans	$100,000	0.95%	Effective from February 19, 2021 to February 19, 2023. Principal will be repaid upon maturity. Interest is paid monthly.
The Export-Import Bank of the Republic of China – unsecured loans	13,333	0.93%	Effective from November 29, 2019 to November 28, 2022. Principal will be repaid every 6 months after 24 months of borrowing. Interest is paid monthly.
Subtotal	$113,333		
Less: current portion	(13,333)		
Total	$100,000		

(b) The Group's unused short-term and long-term lines of credits amount to NT$11,920,000 thousand and NT$3,529,000 thousand as of December 31, 2022 and 2021, respectively.

(c) Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Post-employment benefits

Defined contribution plan

The Group adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Group will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Group has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended 31 December 2022 and 2021 are NT$28,241 thousand and NT$40,091 thousand, respectively.

Defined benefits plan

The Group adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Group contributes an amount equivalent to 4% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Group assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Group will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$2,880 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

As of December 31, 2022 and 2021, anticipated expiration date of the Group's defined benefit plan is by the end of 2031.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31,	
	2022	2021
Current period service costs	$1,746	$2,447
Net interest of defined benefit liability (asset)	302	348
Past service cost	-	(10,286)
Settlements	-	-
Subtotal	2,048	(7,491)
Current period service costs－subsidiaries	11	13
Total	$2,059	$(7,478)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Defined benefit obligation	$79,095	$94,421	$125,706
Plan assets at fair value	(56,762)	(51,697)	(64,472)
Accounted for the Company's defined benefit liability	22,333	42,724	61,234
Accounted for subsidiaries' defined benefit liability	508	508	509
Other non-current liabilities – net defined benefit liability	$22,841	$43,232	$61,743

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2021	$125,706	$(64,472)	$61,234
Current period service costs	2,447	-	2,447
Interest expense (income)	754	(406)	348
Past service cost and gains and losses arising from settlements	(10,286)	-	(10,286)
Subtotal	118,621	(64,878)	53,743
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Actuarial gains and losses arising from changes in financial assumptions	$(846)	$-	$(846)
Experience adjustments	(493)	-	(493)
Return on plan assets	-	(740)	(740)
Subtotal	(1,339)	(740)	(2,079)
Payments from the plan	(22,861)	22,861	-
Contributions by employer	-	(8,940)	(8,940)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2021	$94,421	$(51,697)	$42,724
Current period service costs	1,746	-	1,746
Interest expense (income)	688	(386)	302
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	96,855	(52,083)	44,772
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(5,430)	-	(5,430)
Actuarial gains and losses arising from changes in financial assumptions	-	-	-
Experience adjustments	-	-	-
Return on plan assets	-	(4,669)	(4,669)
Subtotal	(5,430)	(4,669)	(10,099)
Payments from the plan	(12,330)	12,330	-
Contributions by employer	-	(12,340)	(12,340)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2022	$79,095	$(56,762)	$22,333

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	December 31, 2022	December 31, 2021
Discount rate	1.392%	0.734%
Expected rate of salary increases	1.000%	1.000%

A sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31,			
	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increases by 0.25%	$-	$2,144	$-	$2,746
Discount rate decreases by 0.25%	2,249	-	2,853	-
Rate of future salary increases by 0.25%	2,207	-	2,795	-
Rate of future salary decreases by 0.25%	-	2,122	-	2,697

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16) Equities

(a) Common stock

The Group's issued capital as of December 31, 2022 and 2021 was NT$3,669,234 thousand, each at a par value of NT$10, divided into 366,923 thousand shares.

(b) Capital surplus

	December 31, 2022	December 31, 2021
Additional paid-in capital	$2,859,851	$2,859,851
Treasury share transactions	21,750	21,750
Changes in ownership interests in subsidiaries	33,058	22,046
Gain on sale of assets	19,667	19,667
Donated assets	8,817	8,817
Share of changes in net assets of associates and joint ventures accounted for using the equity method	(1,462)	11,012
Total	$2,941,681	$2,943,143

According to the Company Act, the capital surplus shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(C) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

A. Payment of all taxes and dues;
B. Offset prior years' operation losses;
C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
D. Set aside or reverse special reserve in accordance with law and regulations; and
E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Considering the future fund requirements and to meet the shareholders' demand for cash. If there is surplus after the Company's annual final settlement, cash dividends distributed each year cannot be less than 10% of the gross amount of dividends. However, if the future funds are abundant, the distribution ratio may be increased.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside

supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 7, 2023 and June 14, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$167,953	$637		
Common stock -cash dividend	183,462	-	$0.5	$-
Total	$351,415	$637		

Please refer to Note 6 (19) for details on employees' compensation and remuneration to directors and supervisors.

(d) Non-controlling interests

	For the years ended December 31,	
	2022	2021
Beginning balance	$4,622	$4,707
Profit (loss) attributable to non-controlling interests	255	435
Changes in non-controlling interests	(404)	(520)
Ending balance	$4,473	$4,622

(17) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Room revenue	$335,606	$267,597
Food and beverage sales	1,089,317	1,232,146
Other operating revenue	24,461	18,600
Total	$1,449,384	$1,518,343

For the years ended December 31, 2022 and 2021, , the impact of Covid-19 pandemic has been affecting global economic activities and certain industries, such as tourism and hospitality. The Group's room and food and beverage sales were also affected by the significant reduction in the number of international tourist and business trip, which leads to the downturn of earnings and gross profits. However, due to easing the restriction and lockdown starting at the first half of year in 2022, the Group assesses the potential growth of business operations and financial performance in the coming year.

Analysis of revenue from contracts with customers during the years ended December 31, 2022 and 2021 are as follows:

(a) Disaggregation of revenue

For the year ended December 31, 2022:

	Taipei	Hsinchu	Kaohsiung	Other	Total
Room revenue	$-	$143,887	$191,719	$-	$335,606
Food and beverage sales	476,518	361,218	240,792	10,789	1,089,317
Other operating revenue	4,061	11,502	1,914	6,984	24,461
Total	$480,579	$516,607	$434,425	$17,773	$1,449,384
Timing of revenue recognition:					
At a point in time	$480,579	$372,720	$242,706	$17,773	$1,113,778
Over time	-	143,887	191,719	-	335,606
Total	$480,579	$516,607	$434,425	$17,773	$1,449,384

For the year ended December 31, 2021:

	Taipei	Hsinchu	Kaohsiung	Other	Total
Room revenue	$18,785	$86,208	$162,604	$-	$267,597
Food and beverage sales	628,934	295,425	295,988	11,799	1,232,146
Other operating revenue	5,511	3,684	1,969	7,436	18,600
Total	$653,230	$385,317	$460,561	$19,235	$1,518,343
Timing of revenue recognition:					
At a point in time	$634,445	$299,109	$297,957	$19,235	$1,250,746
Over time	18,785	86,208	162,604	-	267,597
Total	$653,230	$385,317	$460,561	$19,235	$1,518,343

(b) Contract balances

Contract liabilities – current

	December 31, 2022	December 31, 2021	January 1, 2021
Room revenue	$51,655	$63,022	$65,933
Food and beverage sales	109,288	137,326	131,832
Other operating revenue	7,903	123	73
Total	$168,846	$200,471	$197,838

For the years ended December 31, 2022 and 2021, NT$200,471 and NT$197,838 are recognized as revenue, respectively, during the period that was included in the beginning balances of contract liabilities.

(18) Leases

(a) Group as a lessee

The Group leases various properties, including real estate (land and buildings) and transportation equipment. The lease terms range from 3 to 20 years.

The impact on the financial position, financial performance and cash flows from the Group's leases is as follow:

A. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2022	December 31, 2021
Land	$-	$45,089
Buildings	3,319,127	872,896
Transportation equipments	2,784	4,871
Total	$3,321,911	$922,856

During the years ended December 31, 2022 and 2021, the Group's additions to right-of-use assets amount to NT$2,616,723 thousand and NT$888,506 thousand, respectively.

ii. Lease liabilities

	December 31, 2022	December 31, 2021
Lease liabilities	$3,921,008	$940,083
Current	$193,190	$48,499
Non-current	$3,727,818	$891,584

Please refer to Note 6 (20) for the interest on lease liabilities recognized during the years ended December 31, 2022 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Land	$1,252	$5,010
Buildings	161,914	19,825
Transportation equipments	2,230	4,441
Total	$165,396	$29,276

C. Income and costs relating to leasing activities

	For the years ended December 31,	
	2022	2021
The expenses relating to short-term leases	$13,601	$14,524
Gains arising from on sale and leaseback transactions	137,564	-

D. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Group's total cash outflows for leases amounting to NT$198,966 thousand and NT$29,686 thousand, respectively.

E. Other information relating to leasing activities

Extension and termination options

Some of the Group's land, buildings and transportation equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group. After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(19) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	727,409	214,019	941,428	$483,855	$154,441	$638,296
Labor and health insurance	41,004	12,972	53,976	49,488	14,991	64,479
Pension	22,038	8,262	30,300	23,798	8,815	32,613
Other employee benefits expense	21,088	7,627	28,715	25,183	8,357	33,540
Depreciation	221,105	116,420	337,525	209,373	78,373	287,746

According to the Articles of Incorporation, 1% to 8% of profit of the current year is distributable as employees' compensation and no higher than 4% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Taking the Company's profitability in 2022 into consideration, employee compensation and director and supervisor compensation were valued at 2.78% and 1.39%, thereby NT$32,000 thousand and NT$16,000 were recognized under salary expenses, respectively. On March 7, 2023, the Company's Board of Directors remunerated employee compensation and director and supervisor compensation in the amounts of NT$32,000 thousand and NT$16,000 thousand in cash, repectively. Due to the net loss in 2021, employee compensation and director compensation were not assessed.

(20) Non-operating income and expenses

(a) Interest income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amortized cost	$6,125	$1,027

(b) Other income

	For the years ended December 31,	
	2022	2021
Rental income	$1,774	$1,594
Dividend income	204,894	208,681
Government grants	-	60,098
Compensation income	17	46
Others	6,134	9,092
Total	$212,819	$279,511

In April 2020, June 2021 and September 2021, the Tourism Bureau of the Ministry of Transportation and Communications announced a bailout subsidy program to assist the operation of tourism industry affected by the impact of Covid-19 pandemic. In accordance with the operation directions for bailout subsidy, the Company applies government grants for employee salaries and necessary operating costs. The grant is recognized as other income over the period necessary to match the costs that it is intended to compensate.

(c) Other gains and losses

	For the years ended December 31,	
	2022	2021
Gains arising from sale and leaseback transactions - Transfer of rights	$137,564	$-
Gains (losses) on disposal of property, plant and equipment (Note$_1$)	1,406,055	478
Gains on disposal of investment property	13,441	-
Foreign exchange (losses) gains, net	901	(1)
Losses on disposal of investments	-	(343)
Gains on financial assets at fair value through profit or loss (Note$_2$)	91,273	42,052
Others	6,351	(257)
Total	$1,655,585	$41,929

Note$_1$: Primarily attributable to the gains arising from the sale of land of Ambassador Hotel in Kaohsiung, the renovation of Ambassador Hotel in Taipei, and the loss on disposal of assets in Kaohsiung. Related gains and losses totaled to NT$1.406 billion.

Note$_2$: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

(d) Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	$7,245	$16,726
Interest on lease liabilities	41,792	3,234
Imputed interest on deposits	10	10
Total	49,047	$19,970

(21) Components of other comprehensive income

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$10,099	$-	$10,099	$(2,020)	$8,079
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	276,740	-	276,740	-	276,740
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(17,676)	-	(17,676)	-	(17,676)
Total other comprehensive income (loss)	$269,163	$-	$269,163	$(2,020)	$267,143

For the year ended December 31, 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$2,079	$-	$2,079	$(415)	$1,664
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	799,183	-	799,183	-	799,183
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	50,276	-	50,276	-	50,276
Total other comprehensive income (loss)	$851,538	$-	$851,538	$(415)	$851,123

(22) Income tax

(a) The major components of income tax expense (benefit) for the years ended December 31, 2022 and 2021 are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (benefit):		
Current income tax (refund) charge	$(2,265)	$(1,109)
Adjustments in respect of current income tax of prior periods	400	(1,883)
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	15,495	7,944
Total income tax expense (benefit)	$13,630	$4,952

Income tax relating to components of other comprehensive income (loss)

	For the years ended December 31,	
	2022	2021
Deferred tax expense (benefit):		
Remeasurements of defined benefits plans	$(2,020)	$(415)
Income tax relating to components of other comprehensive income	$(2,020)	$(415)

(b) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2022	2021
Accounting (loss) profit before tax from continuing operations	$1,101,924	$(83,231)
Tax at the domestic rates applicable to profits in the country concerned	220,384	$(16,646)
Tax effect of revenues exempt from taxation	(497,595)	(60,205)
Tax effect of expenses not deductible for tax purposes	541	18
Corporate income surtax on undistributed retained earnings	(2,624)	(2,011)
Adjustments in respect of current income tax of prior periods	400	(1,883)
Others	292,524	85,679
Total income tax expense recognized in profit or loss	$13,630	$4,952

(c) Deferred tax assets (liabilities) relate to the following:

For the year December 31, 2022:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences－Deferred tax assets				
Depreciation difference for tax purpose	$62,459	$15	$-	$62,474
Loss allowance	146	-	-	146
Accrued employee benefits	38,436	4,797	-	43,233
Defined benefit liabilities, non-current	23,211	(2,052)	-	21,159
Remeasurements of defined benefits plans	3,452	-	(2,020)	1,432
Impairment on financial assets at cost	229	-	-	229
Temporary differences－Deferred tax liabilities				
Revaluation of financial assets at fair value through profit or loss	(63,794)	(18,255)	-	(82,048)
Provisions－land value increment tax	(34,170)	-	-	(34,170)
Deferred tax income/(expense)		$(15,495)	$(2,020)	
Net deferred tax assets/(liabilities)	$29,969			$12,455
Reflected in balance sheet as follows:				
Deferred tax assets	$127,933			$128,673
Deferred tax liabilities	$(97,964)			$(116,218)

For the year ended December 31, 2021:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences－Deferred tax assets				
Depreciation difference for tax purpose	$63,761	$(1,302)	$-	$62,459
Loss allowance	146	-	-	146
Accrued employee benefits	35,269	3,167	-	38,436
Defined benefit liabilities, non-current	24,609	(1,398)	-	23,211
Remeasurements of defined benefits plans	3,867	-	(415)	3,452
Impairment on financial assets at cost	229	-	-	229
Temporary differences－Deferred tax liabilities				
Revaluation of financial assets at fair value through profit or loss	(55,383)	(8,411)	-	(63,794)
Provisions－land value increment tax	(34,170)	-	-	(34,170)
Deferred tax income/(expense)		$(7,944)	$(415)	
Net deferred tax assets/(liabilities)	$38,328			$29,969
Reflected in balance sheet as follows:				
Deferred tax assets	$127,881			$127,933
Deferred tax liabilities	$(89,553)			$(97,964)

(d) The following table contains information of the unused tax losses of the Group:

Year	Tax losses for the period	Unused tax losses as of December 31, 2022	Unused tax losses as of December 31, 2021	Expiration year
2013	$4,883	$-	$-	2023
2014	1,555	-	-	2024
2015	1,762	-	-	2025
2016	5,474	-	-	2026
2017	8,577	-	-	2027
2018	3,873	325	325	2028
2019	3,131	246	246	2029
2020	136,254	132,870	132,874	2030
2021	310,007	170,869	-	2031
		$304,310	$133,445	

(e) Unrecognized deferred tax assets

The Group's unrecognized deferred tax assets amounted to NT$60,862 thousand and NT$26,688 thousand as of December 31, 2022 and 2021, respectively.

(f) The assessment of income tax returns

As of December 31, 2022, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2020
Subsidiary－Benz Investment Ltd.	Assessed and approved up to 2020
Subsidiary－Ambassador Investment Ltd.	Assessed and approved up to 2020
Subsidiary－Custom Investment Ltd.	Assessed and approved up to 2020
Subsidiary－Ambassador Premium Food Co., Ltd.	Assessed and approved up to 2020
Subsidiary－Ambassador Bakery Corp. Ltd.	Assessed and approved up to 2020
Subsidiary－Ambassador Real Estate Development. Co	Assessed and approved up to 2020
Subsidiary－Ambassador Property Management and Maintenance Co., Ltd	(Note)
Sub-subsidiary－Custom Human Resources Management Ltd.	Assessed and approved up to 2020
Sub-subsidiary－Custom Management Consulting Co., Ltd.	Assessed and approved up to 2020

Note: As of December 31, 2022 the income tax return of the Company is not yet assessed and approved as the Company was established in March 2021.

(23) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2022	2021
A. Basic earnings per share		
Net income attributable to ordinary equity owners of the parent	$1,088,039	$(88,618)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	366,923	366,923
Basic earnings per share (NT$)	$2.97	$(0.24)
B. Diluted earnings per share		
Net income attributable to ordinary equity owners of the parent	$1,088,039	$(88,618)
Net income after dilution attributable to ordinary equity owners of the parent (in thousand NT$)	$1,088,039	$(88,618)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	366,923	366,923
Effect of dilution:		
Employee compensation－stock (in thousands)	1,472	-
Weighted average number of ordinary shares outstanding after dilution (in thousands)	368,395	366,923
Diluted earnings per share (NT$)	$2.95	$(0.24)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the financial statements were authorized for issue.

7. Related party transactions

(1) Name and nature of relationship of the related parties

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name of the related parties	Nature of relationship of the related parties
Shihlin Electric & Engineering Corporation	Entity with joint control or significant influence over the Group
HCT Logistics Co., Ltd.	Other related party
Charter Leisure Co., Ltd.	Other related party
Hsinchu Golf Country Club Co., Ltd.	Other related party
Shihlin Development Company Limited	Other related party
Qun Xin Properties Co., Ltd.	Other related party (Note)
HCT e-Commerce CO., LTD.	Other related party

Note: Beginning from the fourth quarter of 2021, Qun Xin Properties Co., Ltd. is no longer an associate of the company but rather reclassified as other related party to the Group.

(2) Significant transactions with the related parties

(a) Sales

	For the years ended December 31	
	2022	2021
Entity with joint control or significant influence over the Group	$21,469	$26,076
Other related parties	12,220	29,580
Associates	-	909
Total	$33,689	$56,565

The sale price and trade credit terms were determined based on general trading terms.

(b) Purchases

	For the years ended December 31,	
	2022	2021
Other related parties	$60	$24

(c) Accounts receivable, net

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Group	$2,002	$3,675
Other related parties	1,760	3,366
Associates	-	78
Total	$3,762	$7,119

(d) Other receivables

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Company	$870	$-
Other related parties	2,754	-
Associates	-	12
Total	$3,624	$12

(e) Lease - related parties

A. Right-of-use assets

	As of December 31,	
	2022	2021
Other related parties	$-	$50,099

B. Lease liabilities

	As of December 31,	
	2022	2021
Other related parties	$-	$45,337

C. Interest expenses

	For the years ended December 31,	
	2022	2021
Other related parties	$126	$537

(f) Other payables

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Group	$3	$128
Other related parties	465	159
Associates	-	3
Total	$468	$290

(g) Operating expenses

	For the years ended December 31,	
	2022	2021
Entity with joint control or significant influence over the Group	$276	$148
Other related parties	3,823	7,861
Total	$4,099	$8,009

(h) Property transaction

	For the years ended December 31,	
	2022	2021
Purchase of property, plant and equipment：		
Entity with joint control or significant influence over the Group	$562	$1,594
Sale of property, plant and equipment:		
Entity with joint control or significant influence over the Company	$829	$-
Other related parties	2,762	-
Total	$3,591	$-

(i) Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$51,936	$47,927
Post-employment benefits	697	955
Total	$52,633	$48,882

(3) The agreements with related parties are as follows：

(a) Lease

Since January 1, 1997, the Group leased the Land Lot No.567-2 of Central Section, Hsinchu City (approximately 595 pings) from HCT Logistics Co., Ltd. for developing the hotel and department store. The lease agreement will terminate until December 31, 2030. At the end of the lease term, the Group has the right to apply for extension and bargain renewal options.

During the lease period, the Group has the right to require HCT Logistics Co., Ltd. to apply for the registration of superficies. The term of such acquired superficies is from June 2000 to June 2035. The Group pays the rental fee amounted NT$1,500 thousand to HCT Logistics Co., Ltd. before the date of registration of the superficies and adjusted based on the Wholesale Price Index every five years.

The Group’s lease contract with HCT Logistics Co., Ltd. has been terminated in April 2022 before the lease expiration date.

(b) Restaurant joint operating agreement

The Group entered into a restaurant joint operating agreement with Charter Leisure Co., Ltd. The agreement will terminate until December 31, 2021. Charter Leisure Co., Ltd. provides the operating site located at Landmark Club. The Group provides sales of goods and rendering of services. Charter Leisure Co., Ltd. is responsible for making collections of restaurant sales and claims agent fee based on sales of current month. At the end of each year, the agent fee is adjusted based on annual sales and annual rate according to the agreement between both parties.

The Group's restaurant joint operating agreement with Charter Leisure Co., Ltd. has come to an early termination in May 2021.

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount		Secured liabilities
	December 31, 2022	December 31, 2021	
Financial assets measured at amortized cost, non-current			
Demand deposits	$-	$15,930	Loans
Property, plant and equipment:			
Building for operation and administration in Hsinchu	-	3,303,862	Loans and bank performance guarantee
Building for operation in Kaohsiung	-	534,118	Loans
Building for operation and administration in Taipei	-	1,036,918	Loans
Subtotal	-	4,874,898	
Total	$-	$4,890,828	

9. Significant contingencies and unrecognized contractual commitments

(1) The Group signed a lease with HCT Logistics Co., Ltd., Please refer to Note 7 (3) for more details.

(2) The Group signed a restaurant joint operating agreement with Charter Leisure Co., Ltd. Please refer to Note 7 (3) for more details.

(3) The Group entered into several construction contracts and acquisition contracts of property, plant and equipment. As of December 31, 2022 and 2021, these contracts amounted to approximately NT$6,705,150 thousand and NT$224,617 thousand, respectively and the portion of the contracts not yet paid was approximately NT$6,435,322 thousand and NT$87,490 thousand, respectively.

(4) The Group entrusted financial institutes to open performance guarantee, mainly related to the operations, amounting to NT$29,875 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$809,843	$718,570
Financial assets at fair value through other comprehensive income	7,035,553	7,351,375
Financial assets measured at amortized cost (Note)	3,831,603	561,849
Total	$11,676,999	$8,631,794

Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities measured at amortized cost:		
Short-term loans	$-	$2,870,000
Short-term bills payables	-	400,000
Payables (other payables included)	966,326	521,524
Lease liabilities	3,921,008	940,083
Long-term loans (current portion included)	-	113,333
Total	$4,887,334	$4,844,940

Note: Includes cash and cash equivalents (exclude cash on hand and petty cash), financial assets measured at amortized cost, notes receivables, accounts receivables and other receivables.

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group's identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies

between risk variables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, loans with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including loans with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to decrease/increase by NT$0 thousand and NT$3,383 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

A change of 1% in the price of the listed and unlisted equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2022 and 2021 by NT$8,098 thousand and NT$7,186 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$65,266 thousand and NT$69,427 thousand on the equity attributable to the Group for the years ended December 31, 2022 and 2021, respectively.

Please refer to Note 12 (8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, trade and notes receivables, and lease receivables) and financing activities (primarily for bank deposits and other financial instruments).

The Group transacts with a large number of customers. The credit concentration risk of receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for contract assets and account receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank loans, etc. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Payables (other payables included)	$966,326	$-	$-	$-	$966,326
Lease liabilities (Note)	243,326	945,049	1,213,366	2,020,905	4,422,646
Deposits received	-	9,526	-	-	9,526
As of December 31, 2021					
Short-term loans	$2,872,203	$-	$-	$-	$2,872,203
Short-term bills payables	400,058	-	-	-	400,058
Payables (other payables included)	521,224	-	-	-	521,224
Lease liabilities (Note)	58,842	276,039	346,327	340,322	1,021,530
Long-term loans	13,446	101,080	-	-	114,526
Deposits received	-	10,364	-	-	10,364

Note: Cash flows resulted from short-term leases or leases of low-value assets are included.

Derivative financial instruments

The Group does not hold any derivative financial instruments.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Short-term bills payables	Long-term loans	Leases liabilities	Total liabilities from financing activities
As of December 31, 2021	$2,870,000	$400,000	$113,333	$940,083	$4,323,416
Cash flows	(2,870,000)	(400,000)	(113,333)	(185,365)	(3,568,698)
Non-cash changes	-	-	-	3,166,290	3,166,290
As of December 31, 2022	$-	$-	$-	$3,921,008	$3,921,008

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term loans	Short-term bills payables	Long-term loans	Leases liabilities	Total liabilities from financing activities
As of December 31, 2021	$920,000	$-	$120,000	$63,699	$1,103,699
Cash flows	1,950,000	400,000	(6,667)	(15,162)	2,328,171
Non-cash changes	-	-	-	891,546	891,546
As of December 31, 2022	$2,870,000	$400,000	$113,333	$940,083	$4,323,416

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, receivables (including other receivables), payables (including other payables) approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures, etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations and bank loans are determined based on the counterparty prices or valuation method. The valuation

method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Offshore funds	$-	$809,843	$-	$809,843
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	6,526,592		508,961	7,035,553

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Offshore funds	$-	$718,570	$-	$718,570
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	6,942,714	-	408,661	7,351,375

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

The detail movement of recurring fair value measurements in Level 3:

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy during the period is as follows:

	Equity securities
As of January 1, 2022	$408,661
Total gains (losses) recognized for the year ended December 31, 2022:	20,300
Amount recognized in OCI (presented in "Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income")	
Acquisition/issue for the year ended December 31, 2022	80,000
Disposal for the year ended December 31, 2022	-
As of December 31, 2022	$508,961

As of January 1, 2021	$358,263
Total gains (losses) recognized for the year ended December 31, 2021:	19,906
Amount recognized in OCI (presented in "Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income")	
Acquisition/issue for the year ended December 31, 2021	30,492
Disposal for the year ended December 31, 2021	-
As of December 31, 2021	$408,661

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2022

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT$5,090 thousand

As of December 31, 2021

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT$4,087 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date to ensure the measurement or assessment are reasonable.

(c) Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2022, the Group does not have assets that are measured at fair value where disclosure is required.

As of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investment properties (Note)	$-	$-	$104,266	$104,266

Note: Please refer to Note 6 (10).

(9) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosures

(1) Information at significant transactions

No.	Items	Attachment
1	Financing provided to others	None
2	Endorsement/Guarantee provided to others	None
3	Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)	Attachment 1
4	Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock	Attachment 2
5	Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
6	Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	Attachment 3
7	Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
8	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
9	Financial instruments and derivative transactions	None
10	Others: business relationships and significant transactions between parent company and subsidiary and among subsidiaries	Attachment 4

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect control:

No.	Items	Attachment
1	Financing provided to others	None
2	Endorsement/Guarantee provided to others	None
3	Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)	Attachment 1
4	Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock	Attachment 2
5	Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
6	Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
7	Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
8	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
9	Financial instruments and derivative transactions	None
10	Name, location and related information of investee	Attachment 5

(3) Information on investments in mainland China

None.

(4) Information on controlling shareholder

Refer to Attachment 6.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

The Taipei segment is responsible for the foodservice and accommodations in Taipei area

(including restaurants outside the hotel in Taipei area).

The Hsinchu segment is responsible for the foodservice and accommodations in Hsinchu area.

The Kaohsiung segment is responsible for the foodservice and accommodations in Kaohsiung area.

No operating segments have been aggregated to form the above reportable operating segments. Other business activities that are not reported and related information of the operating segments are disclosed under the "Other operating segments".

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) The following table presents segments profit or loss, assets and liabilities of the Group's operating segments:

For the year ended December 31, 2022

	Taipei	Hsinchu	Kaohsiung	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue							
External customer	$480,579	$516,607	$434,425	$1,431,611	$17,773	$-	$1,449,384
Inter-segment	3,686	-	-	3,686	91,700	(95,386)	-
Interest income	-	-	-	-	6,125	-	6,125
Total revenue	$484,265	$516,607	$434,425	$1,435,297	$115,598	$(95,386)	$1,455,509
Interest expense	116	194	35	345	48,702	-	49,047
Depreciation and amortization	92,035	30,965	50,161	173,161	164,364	-	337,525
Segment profit	$(508,120)	$(72,558)	$38,948	$(541,730)	$1,688,284	$(44,630)	$1,101,924
Assets							
Investments accounted for using equity method	$-	$-	$-	$-	$5,346,349	$(3,497,229)	$1,939,120
Capital expenditure	14,922	74,071	255	89,248	311,706	-	400,954

Segment assets	$1,620,968	$163,249	$105,001	$1,889,218	$20,259,996	$(3,506,392)	$18,642,822
Segment liabilities	$117,745	$138,618	$72,265	$328,628	$4,892,470	$(3,651)	$5,217,447

For the year ended December 31, 2021

	Taipei	Hsinchu	Kaohsiung	Subtotal	Other operating segments	Adjustment and elimination	Consolidated
Revenue							
External customer	$653,230	$385,317	$460,561	$1,499,108	$19,235	$-	$1,518,343
Inter-segment	3,695	-	-	3,695	177,598	(181,293)	-
Interest income	-	-	-	-	1,027	-	1,027
Total revenue	$656,925	$385,317	$460,561	$1,502,803	$197,860	$(181,293)	$1,519,370
Interest expense	1	-	9	10	19,960	-	19,970
Depreciation and amortization	97,655	103,576	61,045	262,276	25,470	-	287,746
Segment profit	$(79,805)	$(111,268)	$7,172	$(183,901)	$146,899	$(46,229)	$(83,231)
Assets							
Investments accounted for using equity method	$-	$-	$-	$-	$4,995,819	$(3,178,627)	$1,817,192
Capital expenditure	5,817	28,839	5,598	40,254	173,125	-	213,379
Segment assets	$2,202,806	$3,451,120	$646,730	$6,300,656	$14,052,278	$(3,199,676)	$17,153,258
Segment liabilities	$123,664	$156,414	$103,513	$383,591	$4,847,871	$(21,048)	$5,210,414

(a) The segment profit is not included non-operating income and expenses, such as other income, other gains and losses, finance costs, share of profit or loss of associates and joint ventures accounted for using equity method. After adjustment and elimination, the aggregate amount of segment profit is the consolidated profit before tax from continuing operations.

(b) Inter-segment revenue are eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations are disclosed below.

(2) The following table presents segments revenue, profit or loss, assets, liabilities and other major adjustments:

(a) Revenue

	For the years ended December 31,	
	2022	2021
Reportable operating segments total revenue	$1,435,297	$1,502,803
Other operating segments profit	115,598	197,860
Adjustment and elimination	(95,386)	(181,293)

Consolidated revenue	$1,455,509	$1,519,370

(b) Profit or loss

	For the years ended December 31,	
	2022	2021
Reportable operating segments total revenue	$(541,730)	$(183,901)
Other operating segments profit	1,688,285	146,899
Adjustment and elimination	(143,991)	(46,229)
Profit before tax from continuing operations	$1,101,924	$(83,231)

(c) Assets

	December 31, 2022	December 31, 2021
Reportable operating segments total assets	$1,889,218	$6,300,656
Other operating segments assets	20,259,996	14,052,278
Adjustment and elimination	(3,506,392)	(3,199,676)
Consolidated assets	$18,642,822	$17,153,258

(d) Liabilities

	December 31, 2022	December 31, 2021
Reportable operating segments total liabilities	$328,628	$383,591
Other operating segments liabilities	4,892,470	4,847,871
Adjustment and elimination	(3,651)	(21,048)
Consolidated liabilities	$5,217,447	$5,210,414

(e) Other major items

For the year ended December 31, 2022

	Reportable operating segments total	Other operating segments	Consolidated
Interest income	$-	$6,125	$6,125
Interest expense	345	48,702	49,047
Capital expenditure	89,248	311,706	400,954

Depreciation	173,161	164,364	337,525

For the year ended December 31, 2021

	Reportable operating segments total	Other operating segments	Consolidated
Interest income	$-	$1,027	$1,027
Interest expense	10	19,960	19,970
Capital expenditure	40,254	173,125	213,379
Depreciation	262,276	25,470	287,746

(3) Geographical information:

The Group has no foreign operating organization

(4) Major customers:

There were no individual customers accounting for at least 10% of net sales.

Attachment 1: Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)

Held Company Name	Type and Name of Securities	Relationship	Financial Statement Account	Ending Balance				Note (Note 2)
				Units/Shares	Carrying Amount (Note 1)	Percentage of Ownership (%)	Fair Value	
The Ambassador Hotel Co., Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	59,785,175	$3,617,003	11.48	$3,617,003	
	Listed Stock/Kerry TJ Logistics Company Limited		Financial assets at fair value through other comprehensive income, current	6,836,000	258,401	1.46	258,401	
	Listed Stock/CTBC Financial Holding Co.,Ltd.	-	Financial assets at fair value through other comprehensive income, current	44,991,000	994,301	0.22	994,301	
	Listed Stock/Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, current	36,500	2,055	0.00	2,055	
	Listed Stock/Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income, current	670,000	300,495	0.00	300,495	
	Beneficiary Certificate/Genesis Capital Appreciation Fund	-	Financial assets at fair value through profit or loss, non-current	293,968	211,340	-	211,340	
	Beneficiary Certificate/Asian Value Fund	-	Financial assets at fair value through profit or loss, non-current	293,968	239,875	-	239,875	
	Beneficiary Certificate/Ivy Sun Moon Fund	-	Financial assets at fair value through profit or loss, non-current	291,192	214,514	-	214,514	
	Beneficiary Certificate/Caesar Balance Income Fund	-	Financial assets at fair value through profit or loss, non-current	297,072	144,114	-	144,114	
	Stock/Cheng Der Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	2,600,000	53,092	8.70	53,092	
	Stock/Charter Leisure Co., Ltd.	Chairman of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, non-current	900,000	8,622	18.00	8,622	
	Stock/Taiwan Creative Industry Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	2,500,000	37,175	12.50	37,175	
	Stock/BaiNian International Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,146	-	7.54	-	
	Stock/Hsinchu Golf Country Club Co., Ltd.	Same chairman	Financial assets at fair value through other comprehensive income, non-current	13	53,950	1.53	53,950	
	Stock/The Orient Linko Golf & Country Club	-	Financial assets at fair value through other comprehensive income, non-current	4	41,200	0.40	41,200	
	Stock/Global Securities Finance Corporation	-	Financial assets at fair value through other comprehensive income, non-current	16,318	163	0.09	163	
	Stock/Qun Xin Properties Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	3,600,000	15,228	12.41	15,228	
Custom Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	3,730,000	225,664	0.72	225,664	
	Stock/Chang Hong Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	9,000,000	109,026	15.79	109,026	
	Stock/Xin He Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	4,000,000	45,087	4.39	45,087	
Ambassador Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	7,047,000	426,344	1.35	426,344	
	Listed Stock/Shihlin Development Company Limited	Director of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, current	5,781,850	48,568	2.55	48,568	
	Stock/Asia Pacific Technology–3	-	Financial assets at fair value through other comprehensive income, non-current	700	-	1.67	-	
	Stock/Charter Leisure Co., Ltd.	Chairman of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, non-current	83,333	763	1.67	763	
	Stock/Xin He Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	8,000,000	90,174	8.77	90,174	
Benz Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	10,083,000	610,022	1.94	610,022	
	Listed Stock/Shihlin Development Company Limited	Director of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, current	5,207,066	43,739	2.30	43,739	
	Stock/Asia Pacific Technology–2	-	Financial assets at fair value through other comprehensive income, non-current	268,250	-	2.30	-	
	Stock/Cheng Der Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	2,668,000	54,481	8.92	54,481	

Note 1: For financial assets measured at fair value, the carrying aount should be the fair value deducted by the accumulated impairment loss. For financial assets not measured at fair value, the carrying amount should be the original cost or amortized cost deducted by the accumulated impairment loss.

Note 2: If securities are restricted because of being used as collaterals, being pledged or other reasons, such restriction should be disclosed.

Attachment 2: Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock

Company Name	Type and Name of Securities (Note 1)	Financial Statement Account	Counter-Party (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying amount	Gains (Losses) on disposal	Shares	Amount	
The Ambassador Hotel Co., Ltd.	CTBC Financial Holding Co., Ltd.	Financial assets at fair value through other comprehensive income, current	-	-	119,948,000	$2,582,157	19,354,000	$439,753	$94,311,000	$2,656,556	$2,047,729	$(608,827)	44,991,000	$974,181	
The Ambassador Hotel Co., Ltd.	Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets at fair value through other comprehensive income, current	-	-	-	-	870,000	482,375	200,000	88,184	110,891	(22,707)	670,000	371,484	
The Ambassador Hotel Co., Ltd.	Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets at fair value through profit or loss, current	-	-	-	-	740,000	422,373	740,000	429,880	422,373	7,507	-	-	
The Ambassador Hotel Co., Ltd.	Shihlin Electric & Engineering Corporation	Financial assets at fair value through other comprehensive income, current	-	-	44,285,175	1,421,604	15,500,000	934,900	-	-	-	-	59,785,175	2,356,504	

Note 1: Securities are stocks, bonds, beneficiary certificates and securities derived from the aforementioned items within the scope of IFRS 9 Financial Instruments.
Note 2: Only securities accounted for using the equity method are required to disclose such information.

Attachment 3: Disposal of property reaching NT$100 million or exceeding 20 percent of capital received

Company with asset disposal	Asset name	Date of occurrence	Balance per book	Transaction amount (contract price)	Transaction amount receiving status	Gains or loss on disposal	Transaction counterpart	Relationship	Purpose of disposition	Basis of price determination	Other Contractual items
The Ambassador Hotel Co., Ltd.	All houses and land in No.188 & No.190, Sec. 2, Zhonghua Rd., East Dist., Hsinchu City; all floors and land in No. 1, Ln. 170, Sec. 2, Zhonghua Rd., East Dist., Hsinchu City	March 16, 2022	$3,309,843	$4,200,000	All received	$137,564	TransGlobe Life Insurance Inc.	Non-related party	To align with company's business plan	Valuation report from the professional real estate appraiser	None
The Ambassador Hotel Co., Ltd.	Two lots of land in No.533 & 535 Qianjin Dist., Kaohsiung City	December 31, 2022	80,651	2,397,943	Partially received	2,219,404	FORMOSAN RUBBER GROUP INCORPORATE, Continental Development Corporation	Non-related party	To align with company's business plan	Valuation report from the professional real estate appraiser	None

Attachment 4: business relationships and significant transactions between parent company and subsidiary

Number (Note 1)	Company Name	Counter-Party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Term	Percentage of Total Sales or Assets (Note 3)
0	The Ambassador Hotel Co., Ltd.	Ambassador Premium Food Co., Ltd.	1	Food and beverage costs	$64,940	Equivalent to general conditions	4.48%

Note 1: The parent company and its subsidiaries do business with each other. Information shall be stated separately and numbered are as follows:

1. The parent company is 0.
2. Subsidiaries, sequentially numbered by Arabic numerals from 1.

Note 2: The related parties have the following three relationships:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Amounts of balance sheet accounts are calculated as percentage of consolidated total assets; amounts of income statement accounts are calculated as percentage of consolidated total revenues.

Note 4: Individual transaction amounts less than $10 million will not be disclosed; instead they will be disclosed as other assets or liabilities and income or expense , while the relative transactions will not be disclosed.

Attachment 5: Name, location and related information of investee (excluding investees in Mainland China)

Investor Company	Investee Company	Location	Main Businesses	Oringnal Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Amount			
The Ambassador Hotel Co., Ltd.	Ambassador Premium Food Co., Ltd.	Republic of China	Wholesale of aquatic products, foods and groceries, etc.	$48,700	$48,700	4,870,000	100.00%	$52,056	$(3,510)	$(3,510)	Note 1、3
	Benz Investment Ltd.	Republic of China	General investing	507,988	507,988	50,798,841	99.99%	1,187,617	21,417	21,417	Note 1、3
	Custom Investment Ltd.	Republic of China	General investing	734,989	734,989	73,498,924	99.99%	1,266,508	11,615	11,615	Note 1、3
	Ambassador Investment Ltd.	Republic of China	General investing	560,989	480,989	56,098,939	99.99%	975,200	14,711	14,711	Note 1、3
	Cheng Der Investment Corp.	Republic of China	General investing	84,168	84,168	8,416,775	27.06%	151,484	(515)	(139)	Note 1
	Yu Der Investment Corp.	Republic of China	General investing	121,270	121,270	12,127,000	22.50%	133,956	8,140	1,831	Note 1
	Yeangder Safety Management Consulting Co., Ltd.	Republic of China	Investment consultancy	1,000	1,000	100,000	10.00%	923	431	43	Note 1
	Ambassador Bakery Corp. Ltd.	Republic of China	Bakery food manufacturing	6,000	6,000	600,000	60.00%	6,709	637	382	Note 2、3
	Ambassador Real Estate Development Co. Ltd	Republic of China	Real estate development and leasing	5,000	5,000	500,000	100.00%	6,116	796	796	Note 2、3
	Ambassador Property Management and Maintenance Co., Ltd.	Republic of China	Building management services	10,000	10,000	1,000,000	100.00%	8,536	(781)	(781)	Note 1、3
Custom Investment Ltd.	Custom Management Consulting Co., Ltd.	Republic of China	Residence and buildings cleaning service	10,000	10,000	1,000,000	100.00%	18,296	256	256	Note 1、3
	Custom Human Resources Management Ltd.	Republic of China	Manpower services and consultancy	1,000	1,000	100,000	100.00%	17,628	42	42	Note 2、3
	De Hong Investment Corp.	Republic of China	General investing	250,000	250,000	25,000,000	16.03%	380,944	18,459	2,959	Note 1
	Yu Hong Investment Corp.	Republic of China	General investing	310,000	310,000	31,000,000	16.40%	417,845	10,828	1,776	Note 1
	Cheng Der Investment Corp.	Republic of China	General investing	14,000	14,000	1,400,000	4.50%	25,219	(515)	(21)	Note 1
Ambassador Investment Ltd.	Yu Hong Investment Corp.	Republic of China	General investing	150,000	150,000	15,000,000	7.94%	202,297	10,828	861	Note 1
	De Hong Investment Corp.	Republic of China	General investing	105,000	105,000	10,500,000	6.73%	159,935	18,459	1,242	Note 1
	Cheng Der Investment Corp.	Republic of China	General investing	6,000	6,000	600,000	1.93%	10,816	(515)	(10)	Note 1
	Yu Der Investment Corp.	Republic of China	General investing	7,000	7,000	700,000	1.30%	7,740	8,140	106	Note 1
Benz Investment Ltd.	Yu Der Investment Corp.	Republic of China	General investing	73,000	73,000	7,300,000	13.54%	80,611	8,140	1,102	Note 1
	De Hong Investment Corp.	Republic of China	General investing	135,000	135,000	13,500,000	8.65%	205,563	18,459	1,597	Note 1
	Yu Hong Investment Corp.	Republic of China	General investing	120,000	120,000	12,000,000	6.35%	161,787	10,828	688	Note 1

Note 1: Recognized in financial statements audited by the auditors.

Note 2: Recognized in unaudited financial statements.

Attachment 6: Information on major shareholders

Shares / Name of Major Shareholder	Number of Shares	Percentage of Ownership
Shihlin Electric & Engineering Corporation	66,918,617	18.23%
HCT Logistics Co., Ltd.	28,157,000	7.67%
De Hong Investment Corp.	29,034,000	7.91%
Xin He Investment Corp.	24,463,000	6.66%
Jine De Sheng Co., Ltd.	20,512,000	5.59%
Yu Hong Investment Corp.	20,372,000	5.55%

(1) The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

(2) If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

V. The audited standalone financial statements of 2022

Independent Auditors' Report Translated from Chinese

To The Ambassador Hotel Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of The Ambassador Hotel Co., Ltd. ("the Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other Matter – Making Reference to the Audits of Component Auditors* section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its financial performance and cash flows for the years ended December 31, 2022 and 2021, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2022 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

Net sales recognized by the Company amounted to NT$1,435,298 thousand for the year ended December 31, 2022. As revenue included room revenue and food and beverage sales with large number of transactions, the appropriateness of timing of revenue recognition is material for the parent company only financial statements. Therefore, we considered this is a key audit matter. Our audit procedures included (but not limited to), assessing the appropriateness of the accounting policy of revenue recognition, performing walkthrough of room revenue and food and beverage sales to understand the internal control of sales process and the effectiveness of the design of internal controls, testing operating effectiveness of internal controls related to the timing of revenue recognition, selecting samples to perform cut-off testing and inspecting billing statements and invoices to verify proper cut-off of revenue. In addition, we evaluated the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the parent company only financial statements.

Other Matter – Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. These associates and joint ventures under equity method amounted to NT$286,363 thousand and NT$265,490 thousand, representing 1.54% and 1.55% of total assets as of December 31, 2022 and 2021, respectively. The related shares of profits (losses) from the associates and joint ventures under the equity method amounted to NT$1,735 thousand and NT$(25,992) thousand, representing 0.16% and 30.47% of the income before tax for the years ended December 31 2022 and 2021, respectively, and the related shares of other comprehensive income from the associates and joint ventures under the equity method amounted to NT$(19,840) thousand and NT$8,085 thousand, representing (7.43)% and 0.95% of the other comprehensive income for the years ended December 31, 2022 and 2021, respectively.

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company only financial statements, management is responsible for assessing the ability to continue as a going concern of the Company, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2022 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

/s/Huang, Chien-Che

/s/Fuh, Wen-Fun

Ernst & Young, Taiwan
March 14, 2023

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices the Standards on Auditing of the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

ENGLISH TRANSLATION OF PARENT COMPANY ONLY FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Assets / Contents	Notes	December 31, 2022		December 31, 2021	
		Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4,6	$1,284,688	7	$298,412	2
Financial assets at fair value through other comprehensive income, current	4,6	5,172,255	28	5,713,087	33
Notes receivable, net	4,6	5,687	-	7	-
Accounts receivable, net	4,6,7	32,013	-	35,923	-
Other receivables	7	2,307,180	12	1,464	-
Current tax assets		3,138	-	2,368	-
Inventories	4,6	86,099	1	78,796	1
Prepayments	7	46,839	-	69,061	-
Other current assets		4,641	-	5,183	-
Total current assets		8,942,540	48	6,204,301	36
Non-current assets					
Financial assets at fair value through profit or loss, non-current	4,5,6	809,843	4	718,570	4
Financial assets at fair value through other comprehensive income, non-current	4,6	209,430	1	211,946	1
Financial assets at amortised cost, non-current	4,6,8	-	-	15,930	-
Investments accounted for using equity method	4,6	3,789,105	20	3,438,788	20
Property, plant and equipment	4,6,8,9	1,382,162	7	5,366,023	31
Right-of-use assets	4,5,6,8	3,321,911	19	922,856	6
Investment property, net	4,5,6	-	-	73,433	1
Deferred tax assets	4,5,6	128,673	1	127,933	1
Other non-current assets	7	46,124	-	46,518	-
Total non-current assets		9,687,248	52	10,921,997	64
Total assets		$18,629,788	100	$17,126,298	100

The accompanying notes are an integral part of parent company only financial statements.

ENGLISH TRANSLATION OF PARENT COMPANY ONLY FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity	Notes	December 31, 2022		December 31, 2021	
Contents		Amount	%	Amount	%
Current liabilities					
Short-term loans	6,8	$-	-	$2,870,000	17
Short-term bills payables	6	-	-	400,000	2
Contract liabilities, current	4,6	168,846	1	200,471	1
Notes payable		581	-	533	-
Accounts payable	7	100,747	-	97,368	1
Other payables	6	857,648	5	403,235	2
Current tax liabilities	4,6,7	-	-	-	-
Lease liabilities, current	4,5,6	193,190	1	48,499	-
Current portion of long-term liabilities	6,8	-	-	13,333	-
Other current liabilities	4,6	11,979	-	12,001	-
Total current liabilities		1,332,991	7	4,045,440	23
Non-current liabilities					
Long-term loans	4,6,8	-	-	100,000	1
Deferred tax liabilities	4,6	116,218	1	97,964	1
Lease liabilities, non-current	4,5,6	3,727,818	20	891,584	5
Net defined benefit liabilities, non-current	4,5,6	22,333	-	42,724	-
Other non-current liabilities - others	7	9,526	-	10,364	-
Total non-current liabilities		3,875,895	21	1,142,636	7
Total liabilities		5,208,886	28	5,188,076	30
Equity attributable to shareholders of the parent					
Capital stock	6				
Common stock		3,669,234	20	3,669,234	22
Capital surplus	6	2,941,681	16	2,943,143	17
Retained earnings	6				
Legal reserve		770,173	4	769,536	4
Special reserve		195,815	1	195,815	1
Unappropriated earnings		3,523,692	19	1,844,803	11
Total retained earnings		4,489,680	24	2,810,154	16
Other components of equity		2,320,307	12	2,515,691	15
Total equity		13,420,902	72	11,938,222	70
Total liabilities and equity		$18,629,788	100	$17,126,298	100

The accompanying notes are an integral part of parent company only financial statements.

ENGLISH TRANSLATION OF PARENT COMPANY ONLY FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Contents	Notes	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
Operating revenues	4,6,7	$1,435,298	100	$1,502,803	100
Operating costs	4,6,7	(1,413,754)	(98)	(1,236,581)	(82)
Gross profit		21,544	2	266,222	18
Operating expenses	4,6,7				
Sales and marketing expenses		(282,466)	(20)	(261,547)	(17)
General and administrative expenses		(471,451)	(33)	(378,821)	(25)
Subtotal		(753,917)	(53)	(640,368)	(42)
Operating income (loss)		(732,373)	(51)	(374,146)	(24)
Non-operating income and expenses	6				
Interest income		5,441	-	607	-
Other income		175,270	12	246,049	16
Other gains and losses		1,655,585	115	41,929	3
Finance costs		(49,047)	(3)	(19,970)	(1)
Share of profit or loss of associates and joint ventures accounted for using equity method		46,440	3	20,237	1
Subtotal		1,833,689	127	288,852	19
Income (loss) before income tax		1,101,316	76	(85,294)	(5)
Income tax expense	4,5,6	(13,277)	(1)	(3,324)	-
Net income (loss)		1,088,039	75	(88,618)	(5)
Other comprehensive income (loss)	4,6				
Items that will not be reclassified subsequently to profit or loss					
Remeasurements of defined benefits plans		10,099	1	2,079	-
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income		129,216	9	746,900	50
Income tax related to items that will not be reclassified subsequently		(2,020)	-	(415)	-
Items that may be reclassified subsequently to profit or loss					
Share of other comprehensive income (loss) of associates and joint ventures which may be reclassified subsequently to profit or loss		129,848	9	102,559	7
Total other comprehensive income (loss), net of income tax		267,143	19	851,123	57
Total comprehensive income (loss)		$1,355,182	94	$762,505	52
Earnings per share	4,6				
Basic earnings per share (NT$)					
Net Income		$2.97		($0.24)	
Diluted earnings per share (NT$)					
Net Income		$2.95		($0.24)	

The accompanying notes are an integral part of parent company only financial statements.

ENGLISH TRANSLATION OF PARENT COMPANY ONLY FINANCIAL STATEMENTS ORIGINALLY ISSUED IN CHINESE

THE AMBASSADOR HOTEL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	Equity Attributable to Shareholders of the Parent						
			Retained Earnings			Other Components of	
	Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Unrealized Gains or Losses on Financial Assets Measured at Fair Value through Other Comprehensive Income	Total
Balance as of January 1, 2021	$3,669,234	$2,932,131	$766,323	$195,815	$1,841,644	$1,769,225	$11,174,372
Appropriation and distribution of 2020 retained earnings							
Legal reserve	-	-	3,213	-	(3,213)	-	-
Other changes in capital surplus:							
Share of changes in net assets of associates and joint ventures accounted for using equity method	-	11,012	-	-	(9,667)	-	1,345
Net income for the year ended December 31, 2021	-	-	-	-	(88,618)	-	(88,618)
Other comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	1,664	849,459	851,123
Total comprehensive income (loss)	-	-	-	-	(86,954)	849,459	762,505
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	102,993	(102,993)	-
Balance as of December 31, 2021	$3,669,234	$2,943,143	$769,536	$195,815	$1,844,803	$2,515,691	$11,938,222
Balance as of January 1, 2022	$3,669,234	$2,943,143	$769,536	$195,815	$1,844,803	$2,515,691	$11,938,222
Appropriation and distribution of 2021 retained earnings							
Legal reserve	-	-	637	-	(637)	-	-
Other changes in capital surplus:							
Share of changes in net assets of associates and joint ventures accounted for using equity method	-	(1,462)	-	-	128,960	-	127,498
Net income (loss) for the year ended December 31, 2022	-	-	-	-	1,088,039	-	1,088,039
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	8,079	259,064	267,143
Total comprehensive income (loss)	-	-	-	-	1,096,118	259,064	1,355,182
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	454,448	(454,448)	-
Balance as of December 31, 2022	$3,669,234	$2,941,681	$770,173	$195,815	$3,523,692	$2,320,307	$13,420,902

The accompanying notes are an integral part of parent company only financial statements.

THE AMBASSADOR HOTEL CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

Contents	For the year ended December 31,	
	2022	2021
	Amount	Amount
Cash flows from operating activities:		
Net income (loss) before income tax	$1,101,316	$(85,294)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	336,590	286,263
Expected credit impairment losses	144	(35)
Net gain from financial assets or liabilities at fair value through profit or loss	(91,273)	(42,052)
Interest expense	49,047	19,970
Interest income	(5,441)	(607)
Dividend income	(167,346)	(175,305)
Share of (profit) of associates and joint ventures accounted for using equity method	(46,440)	(20,237)
Loss (gain) on disposal of property, plant and equipment	(1,543,619)	(478)
Sundry items	(302)	-
Expenses transferred from property, plant and equipment	-	911
Loss (gain) on disposal of investment property	(13,441)	-
Loss on disposal of investments	-	343
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	(5,823)	651
Decrease (increase) in accounts receivable	3,910	10,639
Decrease (increase) in other receivables	(2,303,857)	2,086
Decrease (increase) in inventories	(7,302)	(411)
Decrease (increase) in prepayments	22,222	6,845
Decrease (increase) in other current assets	541	9,984
Increase (decrease) in contract liabilities	(31,625)	2,633
Increase (decrease) in notes payables	48	(1)
Increase (decrease) in accounts payables	3,379	(20,330)
Increase (decrease) in other payables	455,028	(75,608)
Increase (decrease) in other current liabilities	(22)	(909)
Increase (decrease) in net defined benefit liabilities	(12,312)	(18,510)
Cash generated from operations	(2,256,578)	(99,452)
Interest received	5,569	609
Income taxes paid	3,369	(5,466)
Net cash provided by (used in) operating activities	(2,247,640)	(104,309)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	(2,480,991)	(2,332,980)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,153,554	291,276
Disposal of financial assets through amortized cost	15,930	-
Acquisition of investments accounted for using equity method	(80,000)	(90,000)
Acquisition of property, plant and equipment	(400,954)	(213,079)
Proceeds from disposal of property, plant and equipment	6,318,087	528
Disposal of investment property	86,329	-
Decrease (increase) in other non-current assets	394	4,413
Dividends received	198,971	222,164
Net cash provided by (used in) investing activities	6,811,320	(2,117,678)
Cash flows from financing activities:		
Increase (decrease) in short-term loans	(2,870,000)	1,950,000
Increase (decrease) in short-term bills payables	(400,000)	400,000
Repayments of long-term loans (current portion included)	(113,333)	(6,667)
Cash payments for the principal portion of the lease liability	(185,365)	(15,162)
Increase (decrease) in other non-current liabilities - others	(837)	(3,958)
Interest paid (including capitalisation of interest)	(7,869)	(16,427)
Net cash provided by (used in) financing activities	(3,577,404)	2,307,786
Net increase (decrease) in cash and cash equivalents	986,276	85,799
Cash and cash equivalents at the beginning of year	298,412	212,613
Cash and cash equivalents at the end of year	$1,284,688	$298,412

The accompanying notes are an integral part of parent company only financial statements.

English Translation of Finacial Statements and Footnotes Originally Issued in Chinese

THE AMBASSADOR HOTEL CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

The Ambassador Hotel Co., Ltd. ("the Company") was incorporated in November 1962 under the Company Act of the Republic of China ("R.O.C.") and commenced operations in December 1964. The Ambassador Hotel Kaohsiung and The Ambassador Hotel Hsinchu was established and commenced operations in December 1981 and May 2001, respectively. The main activities of the Company are international tourist hotels and attached restaurants, café, lounge bars and clubs. The Company's common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in November 1982. The Company's registered office and the main business location is at No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104204 , Taiwan (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 were authorized for issue by the Board of Directors on March 7, 2023.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2022. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	January 1, 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

(a) Disclosure Initiative - Accounting Policies – Amendments to IAS 8

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(b) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and include other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(c) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. The standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 *Insurance Contracts*	January 1 ,2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1 ,2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1 ,2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1 ,2024

(a) IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 *Insurance Contracts*

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1 ,2023 (from the original effective date of January 1 ,2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 *Insurance Contracts*.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. New or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

(a) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
(b) Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
(c) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Current and non-current distinction

An asset is classified as current when:

(a) The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Company holds the asset primarily for the purpose of trading
(c) The Company expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle
(b) The Company holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within 12 months after the reporting period
(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(5) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 12 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(a) Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

A. the Company's business model for managing the financial assets and
B. the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

A. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

A. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
B. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

A. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
B. the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

A. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
B. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
C. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
    i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
    ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the

changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

(b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

A. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
B. the time value of money; and
C. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

A. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
B. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
C. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
D. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

(c) Derecognition of financial assets

A financial asset is derecognized when:

A. The rights to receive cash flows from the asset have expired
B. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
C. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(d) Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

A. it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
B. on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
C. it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

A. it eliminates or significantly reduces a measurement or recognition inconsistency; or
B. a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the Company is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(e) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(7) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

(a) In the principal market for the asset or liability, or
(b) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(8) Inventories

Inventory costs include costs incurred in bringing each inventory to its present location and condition. Inventories are accounted for on a perpetual basis and stated at actual purchase costs, using weighted average method.

Inventories are valued at lower of cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(9) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 *Consolidated Financial Statements* and the different IFRSs adopted from different reporting entity's perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a prorata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. In determining the value in use of the investment, the Company estimates:

(a) Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
(b) The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(10) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Machinery and equipment	3～40 years
Transportation equipment	3～10 years
Other equipment	1～51 years

"Significant components" of buildings primarily comprised the main buildings and mechanical parking equipments, which are depreciated based on their respective useful economic life of 50 to 56 years and 16 years, respectively.

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(11) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	51 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(12) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

(a) the right to obtain substantially all of the economic benefits from use of the identified asset; and
(b) the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

(a) fixed payments (including in-substance fixed payments), less any lease incentives receivable;
(b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
(c) amounts expected to be payable by the lessee under residual value guarantees;
(d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
(e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

(a) the amount of the initial measurement of the lease liability;
(b) any lease payments made at or before the commencement date, less any lease incentives received;
(c) any initial direct costs incurred by the lessee; and
(d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 *Impairment of Assets* to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(13) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(14) Revenue recognition

Operating revenue

The Company provides accommodations and foodservice related products, and the sales revenue is recognized when services are rendered or products are delivered to customers.

(a) Food and beverage sales are recognized when products are delivered to customers; meanwhile, collecting the price from customers.
(b) Room revenue is recognized when services are rendered to customers during the financial reporting periods. Customers pay the bills based on the agreed payment schedule.

(15) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(16) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur.

Past service costs are recognized in profit or loss on the earlier of:

(a) the date of the plan amendment or curtailment, and
(b) the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(17) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the parent company only financial statements:

(a) Operating lease commitment－Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

(b) Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. The assumptions used for measuring pension cost and defined benefit obligation are disclosed in Note 6.

(c) Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand	$1,378	$5,342
Petty cash	2,497	2,531
Demand deposits	234,621	75,910
Checking accounts	26,268	23,936
Cash equivalents	1,019,924	190,693
Total	$1,284,688	$298,412

Cash equivalents comprise highly liquid commercial paper that is readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

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

	December 31, 2022	December 31, 2021
Mandatorily measured at fair value through profit or loss:		
Beneficiary certificate	$809,843	$718,570
Current	$-	$-
Non-current	809,843	718,570
Total	$809,843	$718,570

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets at fair value through other comprehensive income

	December 31, 2022	December 31, 2021
Equity instrument investments measured at fair value through other comprehensive income:		
Listed company stocks	$5,172,255	$5,713,087
Unlisted company stocks	209,430	211,946
Current	$5,172,255	$5,713,087
Non-current	209,430	211,946
Total	$5,381,685	$5,925,033

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income for the years ended December 31, 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Related to investments held on balance sheet date	$142,532	$175,305
Related to current period's investment derecognition	24,814	-
Dividend income recognized in the current period	$167,346	$175,305

The Company has decided to sell and derecognize part of its investments related to equity instrument investments measured at fair value through other comprehensive income based on its investment strategy. Details regarding the derecognition for the fiscal year ended 2022 and 2021 are as follows:

	December 31, 2022	December 31, 2021
Fair value on the date of derecognition	$3,176,223	$188,283
Accumulated profit (loss) derived from other equity converted to dispositions of retained earnings	259,064	849,459

Financial assets at fair value through other comprehensive income were not pledged.

(4) Financial assets measured at amortized cost

	December 31, 2022	December 31, 2021
Demand deposits	$-	$15,930
Current	$-	$-
Non-current	-	15,930
Total	$-	$15,930

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge.

(5) Notes receivable

	December 31, 2022	December 31, 2021
Notes receivable arising from operating activities	$5,991	$167
Less: loss allowance	(304)	(160)
Total	$5,687	$7

Notes receivable was not pledged.

(6) Accounts receivable

	December 31, 2022	December 31, 2021
Accounts receivable	$33,501	$37,411
Less: loss allowance	(1,488)	(1,488)
Total	$32,013	$35,923

(a) Accounts receivable was not pledged.

(b) Accounts receivable is generally on 60 to 90 day terms. The total carrying amounts of accounts receivable and notes receivable are NT$39,492 thousand and NT$37,578 thousand as of December 31, 2022 and 2021, respectively.

The movement in the provision for impairment of accounts receivable and notes receivables during the years ended December 31, 2022 and 2021 is as follows: (Please refer to Note 12 for more details on credit risk.)

	Notes receivables and accounts receivables
As of January 1, 2022	$1,648
Addition/(reversal) for the current period	144
As of December 31, 2022	$1,792
As of January 1, 2021	$1,683
Addition/(reversal) for the current period	(35)
As of December 31, 2021	$1,648

(c) Accounts receivable is generally on 60 to 90 day terms. The aging analysis of net amount of accounts receivable is as follows:

	December 31, 2022	December 31, 2021
Not yet due and not impaired	$32,013	$35,923
Overdue but not impaired	-	-
Total	$32,013	$35,923

(7) Inventories

	December 31, 2022	December 31, 2021
Food	$37,937	$38,735
Beverage	46,422	38,953
Cigarettes and others	1,740	1,108
Total	$86,099	$78,796

(a) The costs of inventories recognized in expenses amount to NT$391,120 thousand and NT$467,284 thousand for the years ended December 31, 2022 and 2021, respectively, and accounted for the costs of catering under operating costs.

(b) No inventories were pledged.

(8) Investments accounted for using the equity method

(a) The following table lists the investments accounted for using the equity method of the Company:

	December 31, 2022		December 31, 2021	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries：				
Ambassador Premium Food Co., Ltd.	$52,056	100.00	$56,538	100.00
Ambassador Real Estate Development Co.	6,116	100.00	5,435	100.00
Benz Investment Ltd.	1,187,617	99.99	1,094,137	99.99
Custom Investment Ltd.	1,266,508	99.99	1,181,170	99.99
Ambassador Investment Ltd.	975,200	99.99	819,769	99.99
Ambassador Bakery Corp. Ltd.	6,709	60.00	6,932	60.00
Ambassador Property Management and Maintenance Co., Ltd (Note)	8,536	100.00	9,317	100.00
Subtotal	$3,502,742		$3,173,298	
Investments in associates：				
Yu Der Investment Corp.	133,956	22.50	126,863	22.50
Cheng Der Investment Corp.	151,484	27.06	137,747	27.06
Yeangder Safety Management Consulting Co., Ltd.	923	10.00	880	10.00
Subtotal	286,363		265,490	
Total	$3,789,105		$3,438,788	

Note: The Company established Ambassador Property Management and Maintenance Co., Ltd with NT$10,000 thousand on March 31, 2021.

(b) The percentage of ownership of some associates is less than 20%; however, the Company has significant influence by getting directors and holding voting shares of these associates indirectly, and therefore accounts for the investment by using the equity method.

(c) The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in the parent company only financial statements.

(d) The Company's investments in associates are not individually material. The aggregate carrying amount of the Company's investments in associates is NT$286,363 thousand as of 31 December 2022. The aggregate financial information of the Company's investments in associates is as follows:

	For the years ended December 31,	
	2022	2021
Profit or loss from continuing operations	$1,735	$(25,992)
Other comprehensive income (post-tax)	(19,840)	8,085
Total comprehensive income	$(18,105)	$(17,907)

(e) The subsidiaries and associates had no contingent liabilities or capital commitments as of December 31, 2022 and 2021. Investments in subsidiaries and associates were not pledged.

(9) Property, plant and equipment

	December 31, 2022	December 31, 2021
Owner occupied property, plant and equipment	$1,382,162	$5,366,023

	Land	Buildings	Machinery equipment	Transportation and communication equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:							
As of January 1, 2022	$1,622,897	$9,216,208	$483,413	$130,023	$755,589	$194,280	$12,402,410
Additions	-	16,444	948	-	9,383	374,179	400,954
Disposals	(1,053,399)	(6,888,721)	(279,975)	(60,943)	(526,717)	-	(8,809,755)
Transfers and other changes	-	(1,943,548)	(164,788)	(35,051)	(121,473)	(51,475)	(2,316,335)
As of December 31, 2022	$569,498	$400,383	$39,598	$34,029	116,782	$516,984	$1,677,274
As of January 1, 2021	$1,622,897	$9,070,528	$471,958	$126,970	$746,701	$160,482	$12,199,536
Additions	-	1,675	216	-	4,098	207,090	213,079
Disposals	-	(154)	(1,205)	(1,334)	(4,198)	-	(6,891)
Transfers and other changes	-	144,159	12,444	4,387	8,988	(173,292)	(3,314)
As of December 31, 2021	$1,622,897	$9,216,208	$483,413	$130,023	$755,589	$194,280	$12,402,410
Depreciation and impairment:							
As of January 1, 2022	$-	$5,882,114	$416,347	$107,173	$630,753	$-	$7,036,387
Depreciation	-	125,019	13,723	5,087	26,820	-	170,649
Disposals	-	(4,188,740)	(247,633)	(52,553)	(435,536)	-	(4,924,462)
Transfers and other changes	-	(1,643,102)	(150,092)	(43,810)	(150,459)	-	(1,987,463)
As of December 31, 2022	$-	$175,291	$32,345	$15,897	$71,578	$-	$295,111
As of January 1, 2021	$-	$5,684,002	$401,638	$103,771	$598,617	$-	$6,788,028
Depreciation	-	197,125	17,477	4,735	37,055	-	256,392
Disposals	-	(154)	(1,206)	(1,333)	(4,148)	-	(6,841)
Transfers and other changes	-	1,141	(1,562)	-	(771)	-	(1,192)
As of December 31, 2021	$-	$5,882,114	$416,347	$107,173	$630,753	$-	$7,036,387
Net carrying amount as of:							
December 31, 2022	$569,498	$225,091	$7,253	$18,132	$45,204	$516,984	$1,382,162
December 31, 2021	$1,622,897	$3,334,094	$67,066	$22,850	$124,836	$194,280	$5,366,023

(a) There was no capitalization on interest expense to property, plant and equipment for the years ended December 31, 2022 and 2021.

(b) Please refer to Note 8 for more details on property, plant and equipment under pledge.

(10) Investment property

The Company has entered into commercial property leases on its owned investment properties with terms of 3 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Company as right-of-use assets with non-cancellable period of 3 years.

These contracts provide the Company options to extend the leases.

	Land	Buildings	Total
Cost：			
As of January 1, 2022	$62,418	$14,900	$77,318
Additions	-	-	-
Disposals	(62,418)	(14,900)	(77,318)
As of December 31, 2022	$-	$-	$-
As of January 1, 2021	$62,418	$12,842	$75,260
Additions	-	-	-
Transfers	-	2,058	2,058
As of December 31, 2021	$62,418	$14,900	$77,318
Depreciation and impairment：			
As of January 1, 2022	$-	$3,885	$3,885
Depreciation	-	545	545
Disposals	-	(4,430)	(4,430)
As of December 31, 2022	$-	$-	$-
As of January 1, 2021	$-	$2,643	$2,643
Depreciation	-	595	595
Transfers	-	647	647
As of December 31, 2021	$-	$3,885	$3,885
Net carrying amount as of:			
December 31, 2022	$-	$-	$-
December 31, 2021	$62,418	$11,015	$73,433

(a) Rental income from investment properties held by the Company is NT$1,260 thousand and NT$1,080 thousand for the years ended December 31, 2022 and 2021, respectively, recognized as non-operating income. There were no significant direct operating expenses to investment property generating rental income except for depreciation expenses.

(b) No investment property was pledged.

(c) Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties located at Shilin district, and the company has not assigned independent valuation specialist to determine the fair value.

As of December 31, 2021, the Company assessed the fair value of the investment properties according to the similar target's recent transaction price and rental price of property transaction actual price query in Ministry of the Interior and websites of real estate agent. The fair value determined based on valuations is NT$104,266 thousand .

(d) The Company sold its investment property in November 2022 in the amount of NT$86,329 thousand. Gains on disposal is NT$13,441 thousand.

(11) Short-term loans

	Interest Rates (%)	December 31, 2022	December 31, 2021
Unsecured bank loans	0.75%~0.76%	$-	$1,200,000
Secured bank loans	0.75%~0.85%	-	1,670,000
Total		$-	$2,870,000

(a) Please refer to Note 6 (14) for the Company's unused short-term lines of credits as of December 31, 2021.

(b) Please refer to Note 8 for more details on assets pledged as security for short-term loans.

(12) Short-term bills payables

Guarantee Agency	Interest Rates (%)	December 31, 2022	December 31, 2021
Issued and guaranteed by financial institutions	0.81%	$-	$400,000
Loss: Unamortized discount		-	-
Net		$-	$400,000

(13) Other payables

	December 31, 2022	December 31, 2021
Accrued employees' bonuses	$594,249	$294,706
Accrued employees' compensation and remuneration to directors	48,032	32
Accrued unused vacation leave	30,563	19,722
Payable for machinery and equipment	30,221	5,686
Payable for house and land value tax	9,348	17,936
Dividend payable (Previous years)	14,489	15,188
Others (Note)	130,746	49,965
Total	$857,648	$403,235

Note: Individual payables amount not exceeded NT$10,000 thousand were aggregated as others.

(14) Long-term loans

The Company does not have any long-term loans as of December 31, 2022.

(a) Details of long-term loans as of December 31, 2021 are as follows:

Lenders	December 31, 2021	Interest Rate (%)	Maturity date and terms of repayment
Bank of Taiwan – Secured loans	$100,000	0.95%	Effective from February 19, 2021 to February 19, 2023. Principal will be repaid upon maturity. Interest is paid monthly.
The Export-Import Bank of the Republic of China – unsecured loans	13,333	0.93%	Effective from November 29, 2019 to November 28, 2022. Principal will be repaid every 6 months after 24 months of borrowing. Interest is paid monthly.
Subtotal	113,333		
Less: current portion	(13,333)		
Total	$100,000		

(b) The Company's unused short-term and long-term lines of credits amount to NT$11,920,000 thousand and NT$3,529,000 thousand as of December 31, 2022 and 2021, respectively.

(c) Please refer to Note 8 for more details on assets pledged as security for long-term loans.

(15) Post-employment benefits

Defined contribution plan

The Company adopted a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 are NT$26,729 thousand and NT$38,889 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the

first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 4% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$2,880 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

As of December 31, 2022 and 2021, anticipated expiration date of the Company's defined benefit plan is by the end of 2031.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31,	
	2022	2021
Current period service costs	$1,746	$2,447
Net interest of defined benefit liability (asset)	302	348
Past service cost	-	(10,286)
Settlements	-	-
Total	$2,048	$(7,491)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	December 31, 2022	December 31, 2021	January 1, 2021
Defined benefit obligation	$79,095	$94,421	$125,706
Plan assets at fair value	(56,762)	(51,697)	(64,472)
Other non-current liabilities – net defined benefit liability	$22,333	$42,724	$61,234

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2021	$125,706	$(64,472)	$61,234
Current period service costs	2,447	-	2,447
Interest expense (income)	754	(406)	348
Past service cost and gains and losses arising from settlements	(10,286)	-	(10,286)
Subtotal	118,621	(64,878)	53,743
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(846)	-	(846)
Experience adjustments	(493)	-	(493)
Return on plan assets	-	(740)	(740)
Subtotal	(1,339)	(740)	(2,079)
Payments from the plan	(22,861)	22,861	-
Contributions by employer	-	(8,940)	(8,940)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2021	$94,421	$(51,697)	$42,724
Current period service costs	1,746	-	1,746
Interest expense (income)	688	(386)	302
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	96,855	(52,083)	44,772
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(5,430)	-	(5,430)
Actuarial gains and losses arising from changes in financial assumptions	-	-	-
Experience adjustments	-	-	-
Return on plan assets	-	(4,669)	(4,669)
Subtotal	(5,430)	(4,669)	(10,099)
Payments from the plan	(12,330)	12,330	-
Contributions by employer	-	(12,340)	(12,340)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2022	$79,095	$(56,762)	$22,333

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	December 31, 2022	December 31, 2021
Discount rate	1.392%	0.734%
Expected rate of salary increases	1.000%	1.000%

A sensitivity analysis for significant assumptions is shown below:

	For the years ended December 31,			
	2022		2021	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increases by 0.25%	$-	$2,144	$-	$2,746
Discount rate decreases by 0.25%	2,249	-	2,853	-
Rate of future salary increases by 0.25%	2,207	-	2,795	-
Rate of future salary decreases by 0.25%	-	2,122	-	2,697

The sensitivity analysis above is based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analysis compared to the previous period.

(16) Equity

(a) Common stock

The Company's issued capital as of December 31, 2022 and 2021 was NT$3,669,234 thousand, each at a par value of NT$10, divided into 366,923 thousand shares.

(b) Capital surplus

	December 31, 2022	December 31, 2021
Additional paid-in capital	$2,859,851	$2,859,851
Treasury share transactions	21,750	21,750
Changes in ownership interests in subsidiaries	33,058	22,046
Gain on sale of assets	19,667	19,667
Donated assets	8,817	8,817
Share of changes in net assets of associates and joint ventures accounted for using the equity method	(1,462)	11,012
Total	$2,941,681	$2,943,143

According to the Company Act, the capital surplus shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital surplus related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

(c) Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

A. Payment of all taxes and dues;
B. Offset prior years' operation losses;
C. Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
D. Set aside or reverse special reserve in accordance with law and regulations; and
E. The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

Considering the future fund requirements and to meet the shareholders' demand for cash. If there is surplus after the Company's annual final settlement, cash dividends distributed each year cannot be less than 10% of the gross amount of dividends. However, if the future funds are abundant, the distribution ratio may be increased.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Financial-Supervisory-Securities-Corporate-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved and resolved by the board of directors' meeting and shareholders' meeting on March 7, 2023 and June 14, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$167,953	$637		
Common stock -cash dividend	183,462	-	$0.5	$-
Total	$351,415	$637		

Please refer to Note 6 (19) for details on employees' compensation and remuneration to directors and supervisors.

(17) Operating revenue

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Room revenue	$335,606	$267,597
Food and beverage sales	1,082,215	1,224,042
Other operating revenue	17,477	11,164
Total	$1,435,298	$1,502,803

For the years ended December 31, 2022 and 2021, the impact of Covid-19 pandemic has been affecting global economic activities and certain industries, such as travel and hospitality. The Company's room and food and beverage sales were also affected by the significant reduction in the number of international tourist and business trip, which led to the downturn of earnings and gross profits. However, due to easing the restriction and lockdown starting at the first half of year in 2022, the Company assesses the potential growth of business operations and financial performance in the coming year.

Analysis of revenue from contracts with customers during the years ended December 31, 2022 and 2021 are as follows:

(a) Disaggregation of revenue

For the year ended December 31, 2022:

	Taipei	Hsinchu	Kaohsiung	Total
Room revenue	$-	$143,887	$191,719	$335,606
Food and beverage sales	480,205	361,218	240,792	1,082,215
Other operating revenue	4,061	11,502	1,914	17,477
Total	$484,266	$516,607	$434,425	$1,435,298
Timing of revenue recognition:				
At a point in time	$484,266	$372,720	$242,706	$1,099,692
Over time	-	143,887	191,719	335,606
Total	$484,266	$516,607	$434,425	$1,435,298

For the year ended December 31, 2021:

	Taipei	Hsinchu	Kaohsiung	Total
Room revenue	$18,785	$86,208	$162,604	$267,597
Food and beverage sales	632,629	295,425	295,988	1,224,042
Other operating revenue	5,511	3,684	1,969	11,164
Total	$656,925	$385,317	$460,561	$1,502,803
Timing of revenue recognition:				
At a point in time	$638,140	$299,109	$297,957	$1,235,206
Over time	18,785	86,208	162,604	267,597
Total	$656,925	$385,317	$460,561	$1,502,803

(b) Contract balances

Contract liabilities – current

	December 31, 2022	December 31, 2021	January 1, 2021
Room revenue	$51,655	$63,022	$65,933
Food and beverage sales	109,288	137,326	131,832
Other operating revenue	7,903	123	73
Total	$168,846	$200,471	$197,838

For the years ended December 31, 2022 and 2021, NT$200,471 and NT$197,838 are recognized as revenue, respectively, during the period that was included in the beginning balances of contract liabilities.

(18) Leases

(a) Company as a lessee

The Company leases various properties, including real estate (land and buildings) and transportation equipment. The lease terms range from 3 to 20 years.

The impact on the financial position, financial performance and cash flows from the Company's leases is as follow:

A. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2022	December 31, 2021
Land	$-	$45,089
Buildings	3,319,127	872,896
Transportation equipment	2,784	4,871
Total	$3,321,911	$922,856

During the years ended December 31, 2022 and 2021, the Company's additions to right-of-use assets amount to NT$2,616,723 thousand and NT$888,506 thousand, respectively.

ii Lease liabilities

	December 31, 2022	December 31, 2021
Lease liabilities	$3,921,008	$940,083
Current	193,190	48,499
Non-current	3,727,818	891,584

Please refer to Note 6 (20) for the interest on lease liabilities recognized during the years ended December 31, 2022 and 2021 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities.

B. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Land	$1,252	$5,010
Buildings	161,914	19,825
Transportation equipment	2,230	4,441
Total	$165,396	$29,276

C. Income and costs relating to leasing activities

	For the years ended December 31,	
	2022	2021
Expenses relating to short-term leases	$13,601	$14,486
Gains arising from on sale and leaseback transactions	137,564	-

D. Cash outflow relating to leasing activities

During the years ended December 31, 2022 and 2021, the Company's total cash outflows for leases amounting to NT$198,966 thousand and NT$29,648 thousand.

E. Other information relating to leasing activities

Extension and termination options

Some of the Company's land, buildings and transportation equipment rental agreement contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Company has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Company. After the commencement date, the Company reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Company is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

(19) Summary statement of employee benefits, depreciation and amortization expenses by function is as follows:

	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$698,086	$237,055	$935,141	$460,493	$168,893	$629,386
Labor and health insurance	40,008	11,300	51,308	48,327	13,988	62,315
Pension	21,617	7,160	28,777	23,281	8,117	31,398
Directors' remuneration	-	26,760	26,760	-	12,930	12,930
Other employee benefits expense	21,001	7,614	28,615	25,141	8,347	33,488
Depreciation	220,170	116,420	336,590	208,438	77,825	286,263

(a) The total numbers of the Company's employees were 768 and 973, including both 12 non-employee directors as of December 31, 2022 and 2021, respectively.

(b) Other information is as follows:

A. The Company's average employee benefit expenses for the years ended December 31, 2022 and 2021 were NT$1,381 thousand and NT$787 thousand, respectively.
B. The Company's average salary expenses for the years ended December 31, 2022 and 2021 were NT$1,237 thousand and NT$655 thousand, respectively.
C. The Company's average salary expense adjustment for the year ended December 31, 2022 decreased by 88.85%.
D. The Company has established the Audit Committee in replace of supervisors and therefore the supervisors' remuneration for the years ended December 31, 2022 and 2021 were both nil.
E. The salary and remuneration policy of the Company:
Articles 18 of the Company's Articles of Incorporation stipulate that if the Compnay makes profits in the current year, it shall set aside 1% to 8% as the remuneration for employees and no more than 4% as the remuneration for directors and supervisors. In addition, the Company shall assess the performance of directors and managers according to Articles 7 of the Company's Procedural Rules for Compensation Committee, in order to determine their compensation. An adequate compensation scheme will be calculated by referencing the individual contribution, extent of participation in the Company's operations and industry averages. In accordance with the regulations, the compensation committee will make recommendations on directors' remuneration and the salaries of managers, then submit to the Board of Directors for approval.

According to the Articles of Incorporation, 1% to 8% of profit of the current year is distributable as employees' compensation and no higher than 4% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Taking the Company's profitability in 2022 into consideration, employee compensation and director and supervisor compensation were valued at 2.78% and 1.39%, thereby NT$32,000 thousand and NT$16,000 were recognized under salary expenses, respectively. On March 7, 2023, the Company's Board of Directors remunerated employee compensation and director and supervisor compensation in the amounts of NT$32,000 thousand and NT$16,000 thousand in cash, respectively. Due to the net loss in 2021, employee compensation and director compensation were not assessed.

(20) Non-operating income and expenses

(a) Interest income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amortized cost	$5,441	$607

(b) Other income

	For the years ended December 31,	
	2022	2021
Rental income	$1,774	$1,594
Dividend income	167,346	175,305
Government grants	-	60,012
Compensation income	17	46
Others	6,133	9,092
Total	$175,270	$246,049

In April 2020, June 2021 and September 2021, the Tourism Bureau of the Ministry of Transportation and Communications announced a bailout subsidy program to assist the operation of tourism industry affected by the impact of Covid-19 pandemic. In accordance with the operation directions for bailout subsidy, the Company applies government grants for employee salaries and necessary operating costs. The grant is recognized as other income over the period necessary to match the costs that it is intended to compensate.

(c) Other gains and losses

	For the years ended December 31,	
	2022	2021
Gains arising from sale and leaseback transactions - Transfer of rights	$137,564	$-
Gains (losses) on disposal of property, plant and equipment (Note$_1$)	1,406,055	478
Gains on disposal of investment property	13,441	-
Foreign exchange losses (gains), net	901	(1)
Losses on disposal of investments	-	(343)
Gains on financial assets at fair value through profit or loss (Note$_2$)	91,273	42,052
Others	6,351	(257)
Total	$1,655,585	$41,929

Note$_1$: Primarily attributable to the gains arising from the sale of land of Ambassador Hotel in Kaohsiung, the renovation of Ambassador Hotel in Taipei, and the loss on disposal of assets in Kaohsiung. Related gains and losses totaled to NT$1.406 billion.

Note$_2$: Balances were arising from financial assets mandatorily measured at fair value through profit or loss.

(d) Finance costs

	For the years ended December 31,	
	2022	2021
Interest on borrowings from bank	$7,245	$16,726
Interest on lease liabilities	41,792	3,234
Imputed interest on deposits	10	10
Total	$49,047	$19,970

(21) Components of other comprehensive income (loss)

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$10,099	$-	$10,099	$(2,020)	$8,079
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	129,216	-	129,216	-	129,216
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	129,848	-	129,848	-	129,848
Total other comprehensive income (loss)	$269,163	$-	$269,163	$(2,020)	$267,143

For the year ended December 31, 2021:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income	Other comprehensive income (loss), net of tax
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$2,079	$-	$2,079	$(415)	$1,664
Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income	746,900	-	746,900	-	746,900
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	102,559	-	102,559	-	102,559
Total other comprehensive income (loss)	$851,538	$-	$851,538	$(415)	$851,123

(22) Income tax

(a) The major components of income tax expense (benefit) for the years ended December 31, 2022 and 2021 are as follows:

Income tax expense (benefit) recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (benefit):		
Current income tax (refund) charge	$(2,624)	$(2,329)
Adjustments in respect of current income tax of prior periods	406	(2,291)
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	15,495	7,944
Total income tax expense (benefit)	$13,277	$3,324

Income tax relating to components of other comprehensive income (loss)

	For the years ended December 31,	
	2022	2021
Deferred tax expense (benefit):		
Remeasurements of defined benefits plans	$(2,020)	$(415)
Income tax relating to components of other comprehensive income	$(2,020)	$(415)

(b) Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2022	2021
Accounting (loss) profit before tax from continuing operations	$1,101,316	$(85,294)
Tax at the domestic rates applicable to profits in the country concerned	$220,623	$(17,059)
Tax effect of revenues exempt from taxation	(488,122)	(51,067)
Tax effect of expenses not deductible for tax purposes	26	3
Corporate income surtax on undistributed retained earnings	(2,624)	(2,329)
Adjustments in respect of current income tax of prior periods	406	(2,291)
Others	282,968	76,067
Total income tax expense recognized in profit or loss	$13,277	$3,324

(c) Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2022:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences－Deferred tax assets				
Depreciation difference for tax purpose	$62,459	$15	$-	$62,474
Loss allowance	146	-	-	146
Accrued employee benefits	38,436	4,797	-	43,233
Defined benefit liabilities, non-current	23,211	(2,052)	-	21,159
Remeasurements of defined benefits plans	3,452	-	(2,020)	1,432
Impairment on financial assets at cost	229	-	-	229
Temporary differences－Deferred tax liabilities				
Revaluation of financial assets at fair value through profit or loss	(63,794)	(18,255)	-	(82,048)
Provisions－land value incemant tax	(34,170)	-	-	(34,170)
Deferred tax income/(expense)		$(15,495)	$(2,020)	
Net deferred tax assets/(liabilities)	$29,969			$12,455
Reflected in balance sheet as follows:				
Deferred tax assets	$127,933			$128,673
Deferred tax liabilities	$(97,964)			$116,218

For the year ended December 31, 2021:

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences－Deferred tax assets				
Depreciation difference for tax purpose	$63,761	$(1,302)	$-	$62,459
Loss allowance	146	-	-	146
Accrued employee benefits	35,269	3,167	-	38,436
Defined benefit liabilities, non-current	24,609	(1,398)	-	23,211
Remeasurements of defined benefits plans	3,867	-	(415)	3,452
Impairment on financial assets at cost	229	-	-	229
Temporary differences－Deferred tax liabilities				
Revaluation of financial assets at fair value through profit or loss	(55,383)	(8,411)	-	(63,794)
Provisions－land value incemant tax	(34,170)	-	-	(34,170)
Deferred tax income/(expense)		$(7,944)	$(415)	
Net deferred tax assets/(liabilities)	$38,328			$29,969
Reflected in balance sheet as follows:				
Deferred tax assets	$127,881			$127,933
Deferred tax liabilities	$(89,553)			$(97,964)

(d) The assessment of income tax returns

As of December 31, 2022, the assessment of the income tax returns of the Company is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2020

(23) Earnings per share

Basic earnings per share is calculated by dividing net profit for the year attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary equity owners of the Company by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2022	2021
(a) Basic earnings per share		
Net income	$1,088,039	$(88,618)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	366,923	366,923
Basic earnings per share (NT$)	$2.97	$(0.24)
(b) Diluted earnings per share		
Net income	$1,088,039	$(88,618)
Net income after dilution (in thousand NT$)	$1,088,039	$(88,618)
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	366,923	366,923
Effect of dilution:		
Employee compensation－stock (in thousands)	1,472	-
Weighted average number of ordinary shares outstanding after dilution (in thousands)	368,395	366,923
Diluted earnings per share (NT$)	$2.95	$(0.24)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of the financial statements were authorized for issue.

7. Related party transactions

(1) Name and nature of relationship of the related parties

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name of the related parties	Nature of relationship of the related parties
Ambassador Premium Food Co., Ltd.	Subsidiary
Benz Investment Ltd.	Subsidiary
Custom Investment Ltd.	Subsidiary
Ambassador Investment Ltd.	Subsidiary
Ambassador Bakery Corp. Ltd.	Subsidiary
Ambassador Real Estate Development Co.	Subsidiary
Ambassador Property Management and Maintenance Co., Ltd.	Subsidiary
Custom Management Consulting Co., Ltd.	Sub-subsidiary
Custom Human Resources Management Ltd.	Sub-subsidiary
Shihlin Electric & Engineering Corporation	Entity with joint control or significant influence over the Company
HCT Logistics Co., Ltd.	Other related party
Charter Leisure Co., Ltd.	Other related party
Hsinchu Golf Country Club Co., Ltd.	Other related party
Shihlin Development Company Limited	Other related party
Qun Xin Properties Co., Ltd.	Associate (Note)
HCT e-Commerce CO., LTD.	Other related party

Note: Beginning from the fourth quarter of 2021, Qun Xin Properties Co., Ltd. is no longer an associate of the company but rather reclassified as other related party to the Company.

(2) Significant transactions with the related parties

(a) Sales

	For the years ended December 31	
	2022	2021
Subsidiaries	$3,686	$3,695
Entity with joint control or significant influence over the Company	21,469	26,076
Other related parties	11,163	29,580
Associates	-	47
Total	$36,318	$59,398

The sale price and trade credit terms were determined based on general trading terms.

(b) Purchases

	For the years ended December 31,	
	2022	2021
Subsidiaries	$65,051	$157,847
Other related parties	60	24
Total	$65,111	$157,871

The purchase price to the above related parties were similar to those purchased from third party suppliers.

(c) Accounts receivable, net

	As of December 31,	
	2022	2021
Subsidiaries	$736	$740
Entity with joint control or significant influence over the Company	2,002	3,675
Other related parties	1,688	3,365
Associates	-	8
Total	$4,426	$7,788

(d) Other receivables

	As of December 31,	
	2022	2021
Entity with joint control or significant influence over the Company	$870	$-
Other related parties	2,754	-
Associates	-	12
	$3,624	$12

(e) Lease - related parties

A. Right-of-use assets

	As of December 31,	
	2022	2021
Other related parties	$-	$50,099

B. Lease liabilities

	As of December 31,	
	2022	2021
Other related parties	$-	$45,337

C. Interest expenses

	For the years ended December 31,	
	2022	2021
Other related parties	$126	$537

(f) Accounts payable

	As of December 31,	
	2022	2021
Subsidiaries	$3	$18,412

(g) Other payables

	As of December 31,	
	2022	2021
Subsidiaries	$2,910	$1,897
Entity with joint control or significant influence over the Company	3	128
Other related parties	466	159
Associates	-	3
Total	$3,379	$2,187

(h) Wage expenditures

	For the years ended December 31,	
	2022	2021
Subsidiaries	$2,418	$3,621

(i) Operating expenses

	For the years ended December 31,	
	2022	2021
Subsidiaries	$24,230	$16,131
Entity with joint control or significant influence over the Company	276	148
Other related parties	3,823	7,861
Total	$28,329	$24,140

(j) Property transaction

	For the years ended December 31,	
	2022	2021
Purchase the property, plant and equipment：		
Entity with joint control or significant influence over the Company	$562	$1,594
Sale of property, plant and equipment:		
Entity with joint control or significant influence over the Company	$829	$-
Other related parties	2,762	-
Total	$3,591	$1,594

(l) Key management personnel compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$51,684	$47,675
Post-employment benefits	697	955
Total	$52,381	$48,630

(3) The agreements with related parties are as follows：

(a) Lease

Since January 1, 1997, the Company leased the Land Lot No.567-2 of Central Section, Hsinchu City (approximately 595 pings) from HCT Logistics Co., Ltd. for developing the hotel and department store. The lease agreement will terminate until December 31, 2030. At the end of the lease term, the Company has the right to apply for extension and bargain renewal options.

During the lease period, the Company has the right to require HCT Logistics Co., Ltd. to apply for the registration of superficies. The term of such acquired superficies is from June 2000 to June 2035. The Company pays the rental fee amounted NT$1,500 thousand to HCT Logistics Co., Ltd. before the date of registration of the superficies and adjusted based on the Wholesale Price Index every five years.

The Company's lease contract with HCT Logistics Co., Ltd. has been terminated in April 2022 before the lease expiration date.

(b) Restaurant joint operating agreement

The Company entered into a restaurant joint operating agreement with Charter Leisure Co., Ltd. The agreement will terminate until December 31, 2021. Charter Leisure Co., Ltd. provides the operating site located at Landmark Club. The Company provides sales of goods and rendering of services. Charter Leisure Co., Ltd. is responsible for making collections of restaurant sales and claims agent fee based on sales of current month. At the end of each year, the agent fee is adjusted based on annual sales and annual rate according to the agreement between both parties.

The Company's restaurant joint operating agreement with Charter Leisure Co., Ltd. has come to an early termination in May 2021.

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

Items	Carrying amount December 31, 2022	Carrying amount December 31, 2021	Secured liabilities
Financial assets measured at amortized cost, non-current			
Demand deposits	$-	$15,930	Loans
Property, plant and equipment:			
Building for operation and administration in Hsinchu	-	3,303,862	Loans and bank performance guarantee
Building for operation in Kaohsiung	-	534,118	Loans
Building for operation and administration in Taipei	-	1,036,918	Loans
Subtotal	-	4,874,898	
Total	$-	$4,890,828	

9. Significant contingencies and unrecognized contractual commitments

(1) The Company signed a lease agreement with HCT Logistics Co., Ltd. Please refer to Note 7 (3) for more details.

(2) The Company signed a restaurant joint operating agreement with Charter Leisure Co., Ltd. Please refer to Note 7 (3) for more details.

(3) The Company entered into several construction contracts and acquisition contracts of property, plant and equipment. As of December 31, 2022 and 2021, these contracts amounted to approximately NT$6,705,150 thousand and NT$224,617 thousand and the portion of the contracts not yet paid was approximately NT$6,435,322 thousand and NT$87,490 thousand, respectively.

(4) The Company entrusted financial institutes to open performance guarantee, mainly related to the operations, amounting to NT$29,875 thousand.

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss:		
Mandatorily measured at Fair value through profit or loss	$809,843	$718,570
Financial assets at fair value through other comprehensive income	5,381,685	5,925,033
Financial assets measured at amortized cost (Note)	3,625,693	351,736
Total	$9,821,096	$6,995,339

Financial liabilities

	December 31, 2022	December 31, 2021
Financial liabilities measured at amortized cost:		
Short-term loans	$-	$2,870,000
Short-term bills payables	-	400,000
Payables (other payables included)	958,976	501,136
Lease liabilities	3,921,008	940,083
Long-term loans (current portion included)	-	113,333
Total	$4,879,984	$4,824,552

Note: Includes cash and cash equivalents (exclude cash on hand and petty cash), financial assets measured at amortized cost, notes receivables, accounts receivables and other receivables.

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's investments at variable interest rates, loans with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including loans with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2022 and 2021 to decrease/increase by NT$0 thousand and NT$3,383 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through

diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

A change of 1% in the price of the listed and unlisted equity securities measured at fair value through profit or loss could increase/decrease the Company's profit for the years ended December 31, 2022 and 2021 by NT$8,098 thousand and NT$7,186 thousand, respectively.

A change of 1% in the price of the listed companies stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$51,723 thousand and NT$57,131 thousand on the equity attributable to the Company for the years ended December 31, 2022 and 2021, respectively.

Please refer to Note 12 (8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and financing activities (primarily for bank deposits and other financial instruments).

The Company transacts with a large number of customers. The credit concentration risk of receivables is insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank loans, etc. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate

yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	6 to 10 years	10 to 5 years	Total
As of December 31, 2022					
Payables (other payables included)	$958,976	$-	$-	$-	$958,976
Lease liabilities (Note)	243,326	945,049	1,213,366	2,020,905	4,422,646
Deposits received	-	9,526	-	-	9,526
As of December 31, 2021					
Short-term loans	$2,872,203	$-	$-	$-	$2,872,203
Short-term bills payables	400,058	-	-	-	400,058
Payables (other payables included)	501,136	-	-	-	501,224
Lease liabilities (Note)	58,842	276,039	346,327	340,322	1,021,530
Long-term loans	13,446	101,080	-	-	114,526
Deposits received	-	10,364	-	-	10,364

Note: Cash flows resulted from short-term leases or leases of low-value assets are included.

Derivative financial liabilities

The Company does not hold any derivative financial instruments.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Short-term bills payables	Long-term loans	Leases liabilities	Total liabilities from financing activities
As of December 31, 2021	$2,870,000	$400,000	$113,333	$940,083	$4,323,416
Cash flows	(2,870,000)	(400,000)	(113,333)	(185,365)	(3,568,698)
Non-cash changes	-	-	-	3,166,290	3,166,290
As of December 31, 2022	$-	$-	$-	$3,921,008	$3,921,008

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term loans	Short-term bills payables	Long-term loans	Leases liabilities	Total liabilities from financing activities
As of December 31, 2020	$920,000	$-	$120,000	$63,699	$1,103,699
Cash flows	1,950,000	400,000	(6,667)	(15,162)	2,328,171
Non-cash changes	-	-	-	891,546	891,546
As of December 31, 2021	$2,870,000	$400,000	$113,333	$940,083	$4,323,416

(7) Fair values of financial instruments

(a) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

A. The carrying amount of cash and cash equivalents, receivables (including other receivables), payables (including other payables) approximate their fair value due to their short maturities.

B. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures, etc.) at the reporting date.

C. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

D. Fair value of debt instruments without market quotations and bank loans are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial assets and liabilities measured at amortized cost approximate their fair value.

(c) Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

(a) Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b) Fair value measurement hierarchy of the Company's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2022:

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Offshore funds	$-	$809,843	$-	$809,843
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	5,172,255	-	209,430	$5,381,685

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Offshore funds	$-	$718,570	$-	$718,570
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	5,713,087	-	211,946	5,925,033

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

The detail movement of recurring fair value measurements in Level 3:

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy during the period is as follows:

	Equity securities
As of January 1, 2022	$211,946
Total gains (losses) recognized for the year ended December 31, 2022:	
Amount recognized in OCI (presented in "Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income")	(2,516)
Acquisition for the year ended December 31, 2022	-
Disposal for the year ended December 31, 2022	-
As of December 31, 2022	$209,430
As of January 1, 2021	$169,165
Total gains (losses) recognized for the year ended December 31, 2021:	
Amount recognized in OCI (presented in "Unrealized gains or losses from equity instruments investments measured at fair value through other comprehensive income")	12,289
Acquisition for the year ended December 31, 2021	30,492
Disposal for the year ended December 31, 2021	-
As of December 31, 2021	$211,946

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of relationship between inputs and fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's equity by NT$2,094 thousand

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of relationship between inputs and fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Company's equity by NT$2,119 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date to ensure the measurement or assessment are reasonable.

(c) Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

The Company's non-holding assets not measured at fair value but for which disclosure is required as of December 31, 2022

As of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investment properties (Note)	$-	$-	$104,266	$104,266

Note: Please refer to Note 6 (10).

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosures

(1) Information at significant transactions

No.	Items	Attachments
1	Financing provided to others	None
2	Endorsement/Guarantee provided to others	None
3	Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)	Attachment 1
4	Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock	Attachment 2
5	Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
6	Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	Attachment 3
7	Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
8	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
9	Financial instruments and derivative transactions	None
10	Others: business relationships and significant transactions between parent company and subsidiary and among subsidiaries	Attachment 4

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect control:

No.	Items	Attachments
1	Financing provided to others	None
2	Endorsement/Guarantee provided to others	None
3	Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)	Attachment 1
4	Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock	Attachment 2
5	Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
6	Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of capital stock	None
7	Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
8	Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock	None
9	Financial instruments and derivative transactions	None
10	Name, location and related information of investee	Attachment 5

(3) Information on investments in mainland China

None.

(4) Information on major shareholders

Refer to Attachment 6.

Attachment 1: Securities held as of December 31, 2022 (excluding investments in subsidiaries, associates and joint ventures)

Held Company Name	Type and Name of Securities	Relationship	Financial Statement Account	Ending Balance				Note (Note 2)
				Units/Shares	Carrying Amount (Note 1)	Percentage of Ownership (%)	Fair Value	
The Ambassador Hotel Co., Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	59,785,175	$3,617,003	11.48	3,617,003	
	Listed Stock/Kerry TJ Logistics Company Limited		Financial assets at fair value through other comprehensive income, current	6,836,000	258,401	1.46	258,401	
	Listed Stock/CTBC Financial Holding Co.,Ltd.	-	Financial assets at fair value through other comprehensive income, current	44,991,000	994,301	0.22	994,301	
	Listed Stock/Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income, current	36,500	2,055	0.00	2,055	
	Listed Stock/Taiwan Semiconductor Manufacturing Co., Ltd.		Financial assets at fair value through other comprehensive income, current	670,000	300,495	0.00	300,495	
	Beneficiary Certificate/Genesis Capital Appreciation Fund	-	Financial assets at fair value through profit or loss, non-current	293,968	211,340	-	211,340	
	Beneficiary Certificate/Asian Value Fund	-	Financial assets at fair value through profit or loss, non-current	293,968	239,875	-	239,875	
	Beneficiary Certificate/Ivy Sun Moon Fund	-	Financial assets at fair value through profit or loss, non-current	291,192	214,514	-	214,514	
	Beneficiary Certificate/Caesar Balance Income Fund	-	Financial assets at fair value through profit or loss, non-current	297,072	144,114	-	144,114	
	Stock/Cheng Der Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	2,600,000	53,092	8.70	53,092	
	Stock/Charter Leisure Co., Ltd.	Chairman of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, non-current	900,000	8,622	18.00	8,622	
	Stock/Taiwan Creative Industry Development Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	2,500,000	37,175	12.50	37,175	
	Stock/BaiNian International Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	1,146	-	7.54	-	
	Stock/Hsinchu Golf Country Club Co., Ltd.	Same chairman	Financial assets at fair value through other comprehensive income, non-current	13	53,950	1.53	53,950	
	Stock/The Orient Linko Golf & Country Club	-	Financial assets at fair value through other comprehensive income, non-current	4	41,200	0.40	41,200	
	Stock/Global Securities Finance Corporation	-	Financial assets at fair value through other comprehensive income, non-current	16,318	163	0.09	163	
	Stock/Qun Xin Properties Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	3,600,000	15,228	12.41	15,228	
Custom Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	3,730,000	225,664	0.72	225,664	
	Stock/Chang Hong Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	9,000,000	109,026	15.79	109,026	
	Stock/Xin He Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	4,000,000	45,087	4.39	45,087	
Ambassador Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	7,047,000	426,344	1.35	426,344	
	Listed Stock/Shihlin Development Company Limited	Director of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, current	5,781,850	48,568	2.55	48,568	
	Stock/Asia Pacific Technology–3	-	Financial assets at fair value through other comprehensive income, non-current	700	-	1.67	-	
	Stock/Charter Leisure Co., Ltd.	Chairman of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, non-current	83,333	763	1.67	763	
	Stock/Xin He Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	8,000,000	90,174	8.77	90,174	
Benz Investment Ltd.	Listed Stock/Shihlin Electric & Engineering Corporation	Same chairman/Entity with significant influence over the Company	Financial assets at fair value through other comprehensive income, current	10,083,000	610,022	1.94	610,022	
	Listed Stock/Shihlin Development Company Limited	Director of the company is a key management personnel of the Company	Financial assets at fair value through other comprehensive income, current	5,207,066	43,739	2.30	43,739	
	Stock/Asia Pacific Technology–2	-	Financial assets at fair value through other comprehensive income, non-current	268,250	-	2.30	-	
	Stock/Cheng Der Investment Corp.	-	Financial assets at fair value through other comprehensive income, non-current	2,668,000	54,481	8.92	54,481	

Note 1: For financial assets measured at fair value, the carrying amount should be the fair value deducted by the accumulated impairment loss. For financial assets not measured at fair value, the carrying amount should be the original cost or amortized cost deducted by the accumulated impairment loss.

Note 2: If securities are restricted because of being used as collaterals, being pledged or other reasons, such restriction should be disclosed.

Attachment 2: Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock

Company Name	Type and Name of Securities (Note 1)	Financial Statement Account	Counter-Party (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition		Disposal				Ending Balance		Note
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying amount	Gains (Losses) on disposal	Shares	Amount	
The Ambassador Hotel Co., Ltd.	CTBC Financial Holding Co., Ltd.	Financial assets at fair value through other comprehensive income, current	-	-	119,948,000	$2,582,157	19,354,000	$439,753	94,311,000	$2,656,556	$2,047,729	$(608,827)	44,991,000	$974,181	
The Ambassador Hotel Co., Ltd.	Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets at fair value through other comprehensive income, current	-	-	-	-	870,000	482,375	200,000	88,184	110,891	(22,707)	670,000	371,484	
The Ambassador Hotel Co., Ltd.	Taiwan Semiconductor Manufacturing Co., Ltd.	Financial assets at fair value through profit or loss, current	-	-	-	-	740,000	422,373	740,000	429,880	422,373	(7,507)	-	-	
The Ambassador Hotel Co., Ltd.	Shihlin Electric & Engineering Corporation	Financial assets at fair value through other comprehensive income, current	-	-	44,285,175	1,421,604	15,500,000	934,900	-	-	-	-	59,785,175	2,356,504	

Note 1: Securities are stocks, bonds, beneficiary certificates and securities derived from the aforementioned items within the scope of IFRS 9 Financial Instruments.
Note 2: Only securities accounted for using the equity method are required to disclose such information.

Attachment 3: Disposal of property reaching NT$100 million or exceeding 20 percent of capital received

Company with asset disposal	Asset name	Date of occurrence	Balance per book	Transaction amount (contract price)	Transaction amount receiving status	Gains or loss on disposal	Transaction counterpart	Relationship	Purpose of disposition	Basis of price determination	Other Contractual items
The Ambassador Hotel Co., Ltd.	All houses and land in No.188 & No.190, Sec. 2, Zhonghua Rd., East Dist., Hsinchu City; all floors and land in No. 1, Ln. 170, Sec. 2, Zhonghua Rd., East Dist., Hsinchu City	March 16, 2022	$3,309,843	$4,200,000	All received	$137,564	TransGlobe Life Insurance Inc.	Non-related party	To align with company's business plan	Valuation report from the professional real estate appraiser	None
The Ambassador Hotel Co., Ltd.	Two lots of land in No.533 & 535 Qianjin Dist., Kaohsiung City	December 31, 2022	80,651	2,397,943	Partially received	2,219,404	FORMOSAN RUBBER GROUP INCORPORATE, Continental Development Corporation	Non-related party	To align with company's business plan	Valuation report from the professional real estate appraiser	None

Attachment 4: business relationships and significant transactions between parent company and subsidiary

Number (Note 1)	Company Name	Counter-Party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Account	Amount	Payment Term	Percentage of Total Sales or Assets (Note 3)
0	The Ambassador Hotel Co., Ltd.	Ambassador Premium Food Co., Ltd.	1	Food and beverage costs	$64,940	Equivalent to general conditions	0

Note 1: The parent company and its subsidiaries do business with each other. Information shall be stated separately and numbered are as follows:

1. The parent company is 0.
2. Subsidiaries, sequentially numbered by Arabic numerals from 1.

Note 2: The related parties have the following three relationships:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Amounts of balance sheet accounts are calculated as percentage of consolidated total assets; amounts of income statement accounts are calculated as percentage of consolidated total revenues.

Note 4: Individual transaction amounts less than $10 million will not be disclosed; instead they will be disclosed as other assets or liabilities and income or expense , while the relative transactions will not be disclosed.

Attachment 5: Name, location and related information of investee (excluding investees in Mainland China)

Investor Company	Investee Company	Location	Main Businesses	Oringnal Investment Amount		Balance as of December 31, 2021			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Shares	Percentage of Ownership	Carrying Amount			
The Ambassador Hotel Co., Ltd.	Ambassador Premium Food Co., Ltd.	Republic of China	Wholesale of aquatic products, foods and groceries, etc.	$48,700	$48,700	4,870,000	1	$52,056	$(3,510)	$(3,510)	Note 1
	Benz Investment Ltd.	Republic of China	General investing	507,988	507,988	50,798,841	1	1,187,617	21,417	21,417	Note 1
	Custom Investment Ltd.	Republic of China	General investing	734,989	734,989	73,498,924	1	1,266,508	11,615	11,615	Note 1
	Ambassador Investment Ltd.	Republic of China	General investing	560,989	480,989	56,098,939	1	975,200	14,711	14,711	Note 1
	Cheng Der Investment Corp.	Republic of China	General investing	84,168	84,168	8,416,775	0	151,484	(515)	(139)	Note 1
	Yu Der Investment Corp.	Republic of China	General investing	121,270	121,270	12,127,000	0	133,956	8,140	1,831	Note 1
	Yeangder Safety Management Consulting Co., Ltd.	Republic of China	Investment consultancy	1,000	1,000	100,000	0	923	431	43	Note 1
	Ambassador Bakery Corp. Ltd.	Republic of China	Bakery food manufacturing	6,000	6,000	600,000	1	6,709	637	382	Note 2
	Ambassador Real Estate Development Co.	Republic of China	Real estate development and leasing	5,000	5,000	500,000	1	6,116	796	796	Note 2
	Ambassador Property Management and Maintenance Co., Ltd	Republic of China	Building Management and Maintenance Services	10,000	10,000	1,000,000	1	8,536	(781)	(781)	Note 1
Custom Investment Ltd.	Custom Management Consulting Co., Ltd.	Republic of China	Residence and buildings cleaning service	10,000	10,000	1,000,000	1	18,296	256	256	Note 1
	Custom Human Resources Management Ltd.	Republic of China	Manpower services and consultancy	1,000	1,000	100,000	1	17,628	42	42	Note 2
	De Hong Investment Corp.	Republic of China	General investing	250,000	250,000	25,000,000	0	380,944	18,459	2,959	Note 1
	Yu Hong Investment Corp.	Republic of China	General investing	310,000	310,000	31,000,000	0	417,845	10,828	1,776	Note 1
	Cheng Der Investment Corp.	Republic of China	General investing	14,000	14,000	1,400,000	0	25,219	(515)	(21)	Note 1
Ambassador Investment Ltd.	Yu Hong Investment Corp.	Republic of China	General investing	150,000	150,000	15,000,000	0	202,297	10,828	861	Note 1
	De Hong Investment Corp.	Republic of China	General investing	105,000	105,000	10,500,000	0	159,935	18,459	1,242	Note 1
	Cheng Der Investment Corp.	Republic of China	General investing	6,000	6,000	600,000	0	10,816	(515)	(10)	Note 1
	Yu Der Investment Corp.	Republic of China	General investing	7,000	7,000	700,000	0	7,740	8,140	106	Note 1
Benz Investment Ltd.	Yu Der Investment Corp.	Republic of China	General investing	73,000	73,000	7,300,000	0	80,611	8,140	1,102	Note 1
	De Hong Investment Corp.	Republic of China	General investing	135,000	135,000	13,500,000	0	205,563	18,459	1,597	Note 1
	Yu Hong Investment Corp.	Republic of China	General investing	120,000	120,000	12,000,000	0	161,787	10,828	688	Note 1

Note1: Recognized in audited financial statements.

Note2: Recognized in unaudited financial statements.

Attachment 6: Information on major shareholders

Shares / Name of Major Shareholder	Number of Shares	Percentage of Ownership
Shihlin Electric & Engineering Corporation	66,918,617	18.23%
HCT Logistics Co., Ltd.	28,157,000	7.67%
De Hong Investment Corp.	29,034,000	7.91%
Xin He Investment Corp.	24,463,000	6.66%
Jine De Sheng Co., Ltd.	20,512,000	5.59%
Yu Hong Investment Corp.	20,372,000	5.55%

(1) The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

(2) If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

VI. Financial difficulties encountered by the Company and/or its affiliates in the recent year and as of the publication date of the annual report, and its impact on the Company's financial status:

Not applicable. The Company and its affiliates had not encountered any financial difficulties.

VII. Review and Analysis of Financial Status and Performance and Risk Management

I. Analysis of Financial Status

Unit：NT$ thousands

Item \ Year	2022	2021	Discretion	
			Amount	%
Current assets	10,502,919	7,652,098	2,850,821	37.26
Property, plant, and equipment	1,385,261	5,370,056	(3,984,795)	(74.20)
Non-current assets	6,754,642	4,131,104	2,623,538	63.51
Total assets	18,642,822	17,153,258	1,489,564	8.68
Current liabilities	1,341,044	4,067,270	(2,726,226)	(67.03)
Non-current liabilities	3,876,403	1,143,144	2,733,259	239.10
Total liabilities	5,217,447	5,210,414	7,033	0.13
Shareholder's equity attributable to the parent company	13,420,902	11,938,222	1,482,680	12.42
Capital stock	3,669,234	3,669,234	0	0.00
Capital surplus	2,941,681	2,943,143	(1,462)	(0.05)
Retailed earnings	4,489,680	2,810,154	1,679,526	59.77
Other equity	2,320,307	2,515,691	(195,384)	(7.77)
Non-controlling Interest	4,473	4,622	(149)	(3.22)
Total equities	13,425,375	11,942,844	1,482,531	12.41

Note: The ratio of increase or decrease is less than 20%, the analysis can be exempted

Analysis and explanation of the increase and decrease ratio:

1. Current assets: Mainly due to the increase in other receivables
2. Property, plant and equipment: Mainly due to the decrease in buildings and equipment
3. Non-current assets: Mainly due to the increase in right-of-use assets.
4. Current liabilities: Mainly due to the decrease in short-term borrowings.
5. Non-current liabilities: Mainly due to the increase in lease liabilities - non-current.
6. Retained earnings: Mainly due to the net profit carryforward for the period.

II. Financial Performance

(1) Comparison and Analysis of Financial Performance in the last two years

Unit：NT$ thousands

Item \ Year	2022	2021	Amount Increase (decrease)	Ratio (%)
Net Operating income	1,449,384	1,518,343	(68,959)	(4.54)
Operating Cost	1,442,934	1,256,469	186,465	14.84
Gross profit	6,450	261,874	(255,424)	(97.54)
Operating Expenses	742,114	634,684	107,430	16.93
Operating profit (loss)	(735,664)	(372,810)	(362,854)	97.33
Non-Operating income and expense	1,837,588	289,579	1,548,009	534.57
Net income (loss) before tax	1,101,924	(83,231)	1,185,155	(1423.93)
Tax expense	13,630	4,952	8,678	175.24
Net income (loss)	1,088,294	(88,183)	1,176,477	(1334.13)
Other comprehensive profit and loss	267,143	851,123	(583,980)	(68.61)
Total comprehensive profit and loss	1,355,437	762,940	592,497	77.66

Note: The ratio of increase or decrease is less than 20%, the analysis can be exempted.

Analysis and explanation of the increase and decrease ratio:

1. Operating margin: Mainly due to the renovation of the Ambassador Taipei and the cooperative development project of the Ambassador Kaohsiung in 2022, the operating costs increased, which led to a decrease in operating margin.
2. Operating loss: Mainly due to the renovation of the Ambassador Taipei and the cooperative development project of the Ambassador Kaohsiung in 2022, the operating costs increased, which led to an increase in operating losses in 2022.
3. Non-Operating income and expense: The increase in non-operating income and expenses in 2022 was mainly due to the combined effect of the gain on the sale 50% of the land of the Ambassador Kaohsiung in 2022 and the loss on the retirement of the assets of the Ambassador Taipei renovation and the Ambassador Kaohsiung joint construction.
4. Net profit (loss) before tax: Mainly due to the benefit from land sale 50% of the Ambassador Kaohsiung in 2022, the increase in pre-tax profits.
5. Income tax expense: Mainly due to the increase in deferred income tax expenses related to the original occurrence of temporary differences and their reversal.
6. Net profit (loss) for the current period: Based on the above reasons, the current period is a net profit before tax.
7. Other comprehensive profit and loss: Mainly due to the decrease in unrealized gains (losses) from investments in equity instruments.
8. Total comprehensive profit and loss for the current period: Mainly due to the increase in net profit for the current period.

(2) For the possible impact and response plans of expected sales volume and reference on the future financial operations of the Company, please refer to Page 3~5.

III. Cash Flow

(1) 2022 Cash Flow Analysis:

Unit： NT$ thousand

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round	Cash outflow over the year	Cash Surplus (Deficit)	Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
515,448	(2,263,167)	3,237,592	1,489,873	—	—

(2) Analysis and explanation of cash flow changes in recent years

Unit：NT$ thousand

Item	2022	2021	Amount	%
Operating activities	$ (2,263,167)	$ (105,324)	(2,157,843)	2048.77
Investing activities	6,815,400	(2,121,462)	8,936,862	(421.26)
Financing activities	(3,577,808)	2,307,267	(5,885,075)	(255.07)

Note: The ratio of increase or decrease is less than 20%, the analysis can be exempted.

Analysis and explanation of the increase and decrease ratio:

Operating activities: Mainly due to the increase in other receivables in 2022.

Investing activities: Mainly due to the sale and leaseback of real estate of Ambassador Hsinchu, and the 50% sales income of the land price of the Ambassador Kaohsiung in 2022.

Financing activities: Mainly due to the increase in repayment of borrowings in 2022.

(3) Remedial measures for insufficient cash and liquidity analysis:

The Company has no shortage of cash liquidity, so it is not applicable

(4) Analysis of cash liquidity in the coming year

Unit： NT$ thousands

Balance of cash-beginning	Net Cash Inflows from Operating Activities all year round are expected	Expect Cash outflow over the year	Expected Cash Surplus (Deficit)	Expected Remedy for Deficit in Cash	
				Investment Plan	Financing Plan
1,489,873	(61,694)	85,195	1,513,374	—	—

IV. The Effect upon Financial Operations of Any Major Capital Expenditures in the Most Recent Years

(1) Major Capital Expenditure Items and Source of Capital：

Unit： NT$ thousand

Project Items	Actual or Planned Source of Capital	Actual or Planned Date of Completion	Total Amount of Funds Needed	Actual or Expected Capital Expenditure		
				2021	2022	2023
Renovation Project of Liaoning Restaurant	Own Funds, Loans	2022	99,000	24,000	75,000	-
Renovation Project of Hsinchu Shopping Mall	Own Funds, Loans	2024	65,000	25,000	35,000	5,000
Taipei Reconstruction (Phase) Project	Own Funds, Loans	2024	578,000	12,000	230,000	287,000

(2) Anticipated benefits

1. The anticipated increase in production, sales, and gross profit: N/A.
2. Other benefits (such as product quality, pollution prevention, cost reduction, etc.)

Renovation Project of Liaoning Restaurant,

In response to the 2022 reconstruction program officially started, A CUT Steakhouse and Sichuan cuisine restaurant, Cantonese cuisine restaurant migrate temporarily to Liaoning building, continuing to provide classic delicious, so the renovation project will be carried out.

Renovation Project of Hsinchu Shopping Mall

In response to the investment promotion of the Hsinchu shopping mall, in order to meet the needs of new tenants, the interior of the shopping mall has been renovated and equipment has been updated.

Taipei Reconstruction (Phase) Project

The reconstruction plan was officially launched, and the demolition and reconstruction (phase) works continued in 2022.

V. Reinvestment policy in the most recent year, the main reason for its profit or loss, improvement plan, and investment plan for the next year:

(1) The reinvestment policy in the most recent year, the main reason for its profit or loss, and the improvement plan:

Please refer to pages 86~87 and 237 of the annual report.

(2) Investment plan for the next year:

Hsinchu Shopping Mall continues to attract investment. To meet the needs of new tenants, interior renovations and equipment upgrades are being carried out. Therefore, the Company will continue to seek suitable investment targets, hoping to create greater profits for the Company.

The demolition and reconstruction work of the Taipei continued.

VI. Risks Assessment:

(1) Organizational structure of risk management

The risk management framework is centrally managed and implemented hierarchically based on the nature of the business and risk types, and the risk points are controlled and checked by the audit department.

The risk management organization is as follows:

Dept. in charge	Risk type	Risk point
CEO Office	Strategic and operational risks	Responsible for the formulation of the Company's business strategies and the evaluation of operating efficiency.
COO Office		Responsible for the decision-making management and operation strategy as well as the research and development of new business investment.
Catering Business Unit		Responsible for the research and development of innovative catering products.
Human Resource Division		Responsible for the formulation, implementation and evaluation of the HR policies and procedures as well as the talent management process.
Finance Division	Financial risk Credit risk Liquidity risk	Responsible for the capital management, the stock affairs, and the consolidation of the management reports to guarantee the reliability of financial reporting as well as to make sure the business operation is fully compliant with regulations.
Guest Room Business Unit	Marketing risk	Responsible for the formulation of marketing strategies, product mix, and promotion
IT Center	Information security risk	Responsible for network management, system development and maintenance, and information security.
Occupational Safety and Health Dept.	Labor safety risks	Formulate occupational disaster prevention plans and guide each branch center to implement labor safety and health management.

(2) In the most recent year and as of the publication date of the annual report, the impact on the Company's profit due to the changes of interest rate, exchange rate, and inflation, as well as the action plans:

a. The impact of interest rate changes

The short-term and long-term loans undertaken by the Company are debts with floating interest rates. Therefore, changes in market interest rates will cause the effective interest rates of short-term and long-term loans to fluctuate, which will cause future cash flows to fluctuate. When the market interest rate increases/decreases by ten basis points, it will increase/decrease the cash outflow of the Company by NT$ 0 thousand in the coming year. The Group will continue to maintain good relationships with banks, obtain preferential loan conditions, and minimize the risk of interest rate fluctuations.

b. The impact of exchange rate changes

The relative depreciation of the New Taiwan Dollar will help foreign tourists to travel to

Taiwan, and it will also benefit the domestic tourism market due to the relative increase costs of travel abroad. Therefore, the relative depreciation of the New Taiwan Dollar will help the business growth; vice versa. The Group has set up a dedicated department to regularly review exchange rate changes in order to formulate corresponding action plans

c Inflation

Under the pressure of rising prices, the Group established subsidiaries for procurement integration to reduce purchase costs in response to inflation.

d. Market risk

The Company's market risk is the risk of financial instruments that fluctuate in their fair value or cash flow due to changes in market prices. Market risks mainly include exchange rate risk, interest rate risk, and other price risks (such as equity instruments). In practice, a single change of a single risk factor rarely occurs, and the changes of each risk factor are usually mutual related. The Company has formulated relevant policies to respond to each risk.

e. Credit risk

Credit risk refers to the risk that the counterparty cannot fulfill the obligations set out in the contract and will result in financial losses. The credit risk of the Company is due to business activities (mainly accounts and notes receivable) and financial activities (mainly bank deposits and various financial instruments).

The customer base is diversified, and the credit concentration risk of receivables is relatively insignificant.

The Finance Department manages the credit risk of bank deposits and other financial instruments in accordance with the Company’s policies. Since the Company's trading partners are determined by internal control procedures, they are creditworthy banks and investment-grade financial institutions, corporate organizations, and government agencies. There are no major performance concerns and therefore no major credit risks.

f. Liquidity risk

The Company's working capital is sufficient to support the business, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations. The equity products and other long-term investments invested by the Company (for the club membership) have no active market, so they are expected to have liquidity risks. Through diversified investment and setting limits for single and overall investments, they are regularly assessed by leadership team and submit it to the board of directors for review or approval to manage risks.

g. Strategic and operational risks

In accordance with the organizational structure of risk management, the CEO office, COO office, catering business group and human resources department carry out strategic and operational risk control.

h. Financial risk

The financial department manages financial risks, responsible for the capital management, stock matters and the consolidation of various management reports to achieve the reliability of financial reporting and adopting various corresponding measures in accordance with relevant laws, regulations, and policies.

(3) In the most recent year and as of the publication date of the annual report, the status of policies for engaging in high-risk, high-leverage investments, fund lending to others, endorsements and derivatives transactions, the main reasons for profit or loss, and future countermeasures:

The Company does not engage in high-risk and high-leverage investment activities. It has established "funds lending to others operating procedures", "endorsement operating procedures" and "engaged in derivative financial product transaction processing procedures" and abides by the above operating procedures. Currently, there is no risk in which funds are loaned to others, endorsed by others, or engaged in derivative financial products.

(4) Future R&D plans and estimated R&D expenses:

Not applicable due to industry characteristics.

(5) In the most recent year and as of the publication date of the annual report, the impact of major political and regulation changes on the Company's business and corresponding measures:

1. The Financial Supervision and Administration Commission of the Executive Yuan announced on May 14, 2009, that listed companies should prepare financial reports in accordance with IFRS (International Financial Reporting Standards and important accounting standards) since 2013, and the Group has implemented it in accordance with relevant regulations. For the consolidated financial statements and individual financial statements of the Year 2022, please refer to pages 115~119 and 204~208.
2. In accordance with the regulations of the Taiwan Stock Exchange's "Methods for the Preparation and Filing of Sustainability Reports by Listed Companies" and the requirements of the regulatory mail No. 1030024645 dated November 25, 103, the Company in the food industry and it’s catering revenue accounted for 50% of the total revenue and those companies in financial and insurance industries, chemical industries, and listed companies with a share capital of more than NT$10 billion, should submit the “Corporate Social Responsibility Report” every year, with reference to the latest edition of the Sustainability Reporting Guidelines, Industry Supplementary Guidelines and Supplementary Guidelines issued by the Global Sustainability Reporting Association (GRI). For listed companies in food industry and catering revenue accounted for more than 50% of total revenue, their Corporate Social Responsibility report should obtain an opinion issued by an accountant. In response to the requirements of the competent authority, the Company has established a " Promoting Sustainable Development Committee" to take charge of related matters. Currently, the "Sustainability Report of the year 2021" was issued in September 2022, and it has been approved by the Ernst & Young Accounting Firm in accordance with the consortium. The "Confirmation Standard Bulletin No. 1" issued by the Accounting Research and Development Foundation in Taiwan (ARDF), issued a conviction report, which was also announced on the Company's official website. //investor.ambassador-hotels.com/report/2021Amb-ESGReport.pdf)

(6) In the most recent year and as of the publication date of the annual report, the impact of technological changes on the Company's business and corresponding measures:

In recent years, the government has implemented various tourism policies, and many companies have rushed into the tourism industry. In addition to stimulating the vigorous development and competition of the tourism industry, it also stimulates the industrial environment and revitalizes the market. In response to this competitive market, the Company has actively carried out organizational changes and talent development to improve the service quality of the Company in response to the fierce competitive environment.

(7) In the most recent year and as of the publication date of the annual report, the impact of changes in the corporate image on corporate crisis management and countermeasures:

To feedback to society, the Company donates Yeang Der Group scholarships to many public welfare organizations every year, which can not only subsidize students from poor families, but also cultivate talents in the tourism industry. The Company continued to promote various charity activities in 2022 to expand the scope of social care. In recent years, the Company has remained a sound corporate image, and there is no risk.

(8) In the most recent year and as of the publication date of the annual report, expected benefits, and possible risks of mergers and acquisitions as well as countermeasures: No applicable.

(9) In the most recent year and as of the date of publication of the annual report, the expected benefits, possible risks, and corresponding measures of the expansion of the plant: No applicable.

(10) In the most recent year and as of the publication date of the annual report, the risks due to the purchase or sales concentration and the corresponding measures:

The Company's purchase and sales channels are stable, and there is no risk of excessive concentration**.**

(11) Directors, supervisors, or major shareholders holding more than 10% of the shares, the impact, risks, and countermeasures of a large number of transfers or replacements of equity on the Company: No applicable.

(12) The impact, risks, and countermeasures of the change of leadership team on the Company: No applicable.

(13) Major litigation or non-litigation events whose results may have a significant impact on shareholders' equity or securities prices: No applicable**.**

(14) Other risks and countermeasures

Food safety and new viruses, such as the new coronavirus, SARS, bird flu, H1N1 and H7N9, etc., are potential risks for the hotel industry. Since the outbreak of the new coronavirus epidemic, the government has implemented border controls and foreign tourists

have plummeted, which has had a huge impact on the hotel industry. The Company has established a crisis management team to carefully manage the risk. The Company continues to obtain HACCP certification (Hazard Analysis and Critical Control Points) from the Department of Health every year, which represents a high degree of recognition in terms of food hygiene and safety and quality control, and has set up laboratories in accordance with government regulations in 2016, Taking preventive measures to control food management in compliance with hygienic standards, and in the future, will continue to strive to strictly control food safety for consumers.

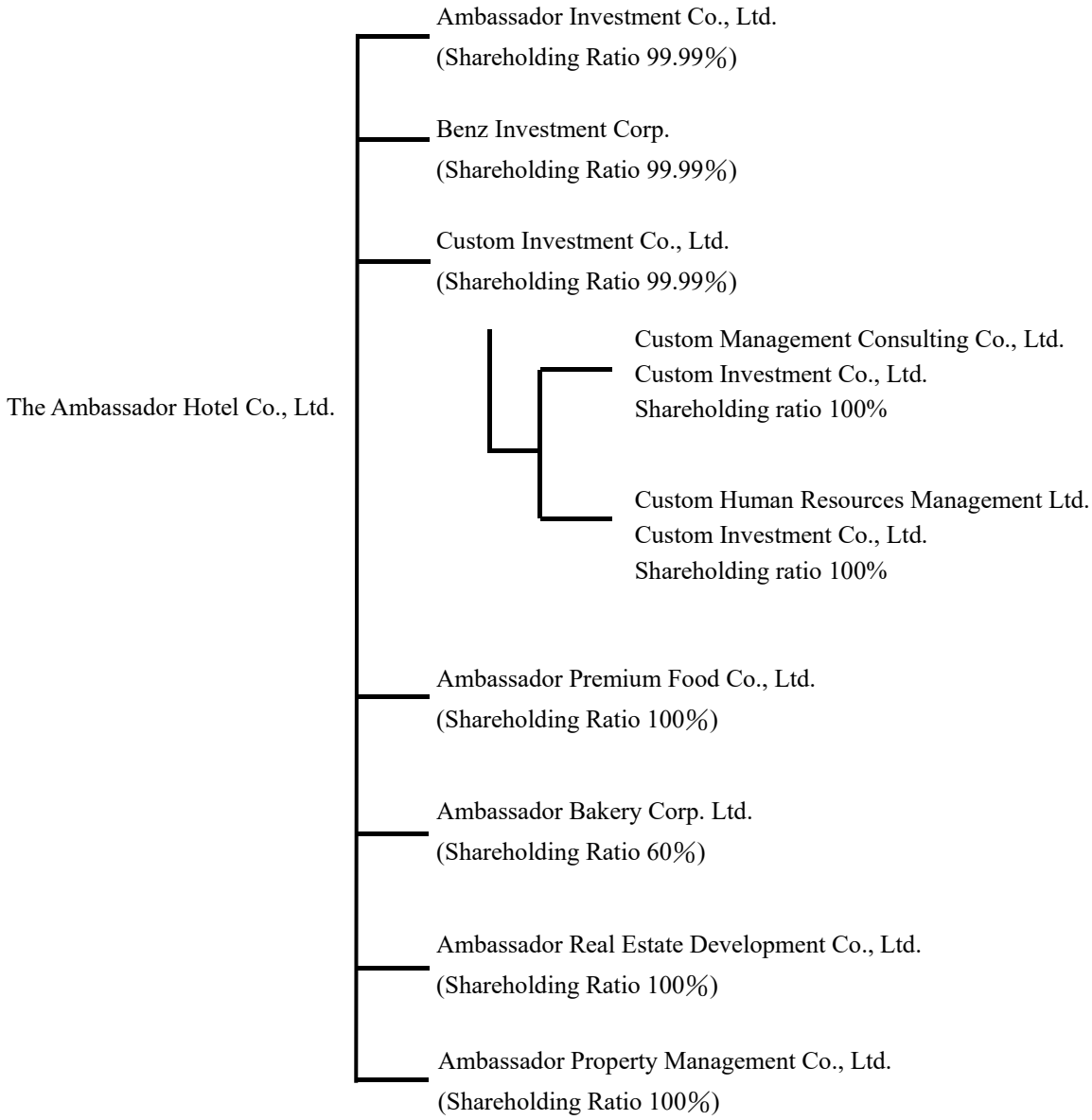
VII. Other Major Matters: None.

VIII. Special Disclosure

I. Affiliated Companies

1. Affiliates Consolidated Business Report

(1) Organizational chart of affiliations (Preparation base date: Dec. 31, 2022)



(2) The basic information of affiliated companies

Unit: NTD thousand

Name of Company	Date of incorporation	Address	Paid-in capital	Main Business Items
Ambassador Investment Co., Ltd.	1998.07.10	14F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.)	561,000	Investment
Benz Investment Corp.	1998.07.18	14F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.)	508,000	Investment
Custom Investment Co., Ltd.	2000.12.14	14F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City, Taiwan (R.O.C.)	735,000	Investment
Custom Human Resources Management Ltd.	2003.11.11	2F., No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	1,000	Manpower dispatch and corporate management
Custom Management Consulting Co., Ltd.	2003.11.11	2F., No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	10,000	Residential and building cleaning services Building Management Service
Ambassador Premium Food Co., Ltd.	2009.08.31	2F., No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	48,700	Trading of fresh and dried aquatic products and food wholesale related business
Ambassador Bakery Corp. Ltd.	2017.04.21	No. 4, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	10,000	Baking and steaming food manufacturing industry
Ambassador Real Estate Development Co., Ltd.	2020.06.02	2F., No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	5,000	Real estate development, lease, and sale
Ambassador Property Management Co., Ltd.	2021.03.31	2F., No. 9, Ln. 65, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City, Taiwan (R.O.C.)	10,000	Apartment Building Management Services

Note 1：All related companies, regardless of size, have been exposed.

Note 2：If each affiliate has a factory and the sales value of the factory's products exceeds 10% of the operating income of the controlling company, the name of the factory, date of establishment, address and the main production items of the factory shall be added.

Note 3：If the affiliate is a foreign company, the name and address of the company are expressed in English, the date of establishment is also expressed in AD dates, and the amount of paid-in capital is expressed in foreign currencies (and the exchange rate on the date of the statement shall be added).

Note 4：It is to fill in the data as of the printing date of the annual report.

(3) Shareholders concluded as the existence of the controlling and subordinate company relation：

None.

(4) Industries covered by all the affiliates

(a) The businesses operated by the Company and its affiliated companies include tourist hotel industry, general investment industry, manpower dispatch industry, house leasing, construction of public construction, new town development and building management services, real estate development in the hotel industry, Fresh food wholesale and engineering installation design, etc.

(b) Division of main business:

Custom Human Resources Management Ltd.:

The department is composed of senior executives from domestic and foreign majors, who are assigned to posts in the Company's halls.

Custom Management Consulting Co., Ltd.:

Responsible for the cleaning services and building management services inside and outside the Company's buildings.

Ambassador Premium Food Co., Ltd.:

It is a business related to the trading of fresh and dried aquatic products and food wholesale.

Ambassador Bakery Corp. Ltd.:

It is engaged in the manufacture of baked and steamed food.

Ambassador Real Estate Development Co., Ltd.:

It is engaged in the development, lease, and sale of real estate.

Ambassador Property Management Co., Ltd.:

Apartment Building Management Services.

(5) The profiles of Directors, Supervisors and Chairman of affiliates.

Unit: share ; %

Name of Company	Job Title	Name or Legal Representative	Shares	
			Number of Shares	Shareholding ratio
Ambassador Investment Co., Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	56,098,939	99.99%
	Chairman	Zhao, Jie-Yun		
	Director	Lin, Shih-Ying		
	Director	He, Jhong-Ren		
	Supervisor	Lee, Ying-Chu	0	-
Benz Investment Corp.		Legal Representative of The Ambassador Hotel Co., Ltd.	50,798,841	99.99%
	Chairman	Zhao, Jie-Yun		
	Director	Lin, Shih-Ying		
	Director	He, Jhong-Ren		
	Supervisor	Lee, Ying-Chu	0	-
Custom Investment Co., Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	73,498,924	99.99%
	Chairman	Zhao, Jie-Yun		
	Director	Lin, Shih-Ying		
	Director	He, Jhong-Ren		
	Supervisor	Lee, Ying-Chu	0	-
Custom Human Resources Management Ltd.		Legal Representative of Custom Investment Co., Ltd.	100,000	100.00%
	Chairman	Emmet Hsu		
	Director	Lee, Yuan-Ci		
	Director	Lin, Xing-Guo		
	Director	Lee, Wei-Yi		
	Director	Guo, Ci-Syuan		
	Supervisor	Wang, Zai-Jheng	0	-
Custom Management Consulting Co., Ltd.		Legal Representative of Custom Investment Co., Ltd.	1,000,000	100.00%
	Chairman	Lee, Wei-Yi		
	Director	He, Jhong-Ren		
	Director	Wang, Chung-Hang		
	Supervisor	Tseng, Guo-Wei	0	-
Ambassador Premium Food Co., Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	4,870,000	100.00%
	Chairman	Lee, Yuan-Ci		
	Director	Lin, Xing-Guo		
	Director	Lee, Wei-Yi		
	Director	Lin, Jian-Long		
	Supervisor	He, Jhong-Ren	0	-

Name of Company	Job Title	Name or Legal Representative	Shares	
			Number of Shares	Shareholding ratio
Ambassador Bakery Corp. Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	600,000	60.00%
	Chairman	Lee, Yuan-Ci		
	Director	Yang, Qian-Yi		
	Director	Lin, Jian-Long		
	Supervisor	He, Jhong-Ren	0	-
Ambassador Real Estate Development Co., Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	500,000	100%
	Chairman	Lin, Xing-Guo		
	Director	Lee, Yuan-Ci		
	Director	Lee, Wei-Yi		
	Supervisor	He, Jhong-Ren	0	-
Ambassador Property Management Co., Ltd.		Legal Representative of The Ambassador Hotel Co., Ltd.	1,000,000	100%
	Chairman	Lee, Wei-Yi		
	Director	Lin, Xing-Guo		
	Director	Lee, Yuan-Ci		
	Supervisor	Lee, Ying-Chu	0	-

Note 1: If the affiliated company is a foreign company, list the position equivalent

Note 2: If the invested company is a company limited by shares, fill in the number of shares and shareholding ratio, and fill in the amount of capital contribution and the ratio of capital contribution and indicate otherwise

Note 3: When Director and Supervisor are legal persons, the relevant information of the representative shall be disclosed separately

Note 4: Fill in the data as of the printing date of the annual report

(6) Overview of affiliates operation:

Unit: NTD thousands

Name of Company	Paid-in capital	Total assets	Total liabilities	Net value	Operating revenue	Operating profit	Net income	EPS (after Tax)
Ambassador Investment Co., Ltd.	561,000	975,470	270	975,200	14,946	14,711	14,711	0.26
Benz Investment Corp.	508,000	1,188,457	839	1,187,618	21,607	21,417	21,417	0.42
Custom Investment Co., Ltd.	735,000	1,266,800	292	1,266,508	11,785	11,424	11,615	0.16
Custom Human Resources Management Ltd.	1,000	19,960	2,333	17,627	-	(36)	42	0.42
Custom Management Consulting Co., Ltd.	10,000	20,436	2,140	18,296	6,686	131	257	0.26
Ambassador Premium Food Co., Ltd.	48,700	52,399	343	52,056	64,940	(3,574)	(3,510)	(0.72)
Ambassador Bakery Corp. Ltd.	10,000	12,320	1,138	11,182	10,900	783	637	0.64
Ambassador Real Estate Development Co., Ltd	5,000	9,725	3,609	6,116	24,528	987	796	1.59
Ambassador Property Management Co., Ltd.	10,000	9,783	1,247	8,536	2,418	(796)	(781)	(0.78)

Note 1: All affiliated companies, regardless of their size, should be exposed.

Note 2: If the affiliated company is a foreign company, the relevant figures are shown in Taiwan dollars at the exchange rate on the reporting date.

Note 3: All affiliated companies are financial information prepared in accordance with the Financial Accounting Standards and generally accepted accounting principles in the Commercial Accounting Law and Commercial Accounting Standards.

Note 4: It is to fill in the financial information for 2022.

2. Consolidated financial statement of affiliates: Please refer to P.115~P.119

3. Information on endorsements and guarantees of affiliated companies, fund loans to others, and transactions of derivative financial products:

1. Endorsement guarantee for others: None.
2. Loan funds to others: None.
3. Engaged in derivative financial product transactions: None

4. Affiliate Report: N/A

II. Private placement of securities over past year and up to the date of publication of the annual report: N/A

III. Status of company stock held or disposed of by subsidiaries over past year and up to the date of publication of the annual report: N/A

VI. Any matters of material significance that could have affected shareholder equity or securities price last year and up to the date of publication of the annual report, pursuant to the regulation of article 36-3-2 of securities laws: N/A

V. Evaluation basis and method of asset and liability evaluation

(1) Allowance for bad debts

Guest room income is collected by cash and credit card accounting for about 50%. For the travel agencies and airlines that have long-term cooperation with the Company, they will sign the bill first and the payment is usually collected later. Catering income is cash and credit card accounting for about 80%. Well-known companies sign the bill first and the payment is collected later. The trading conditions between the Company and customers are determined after comprehensive consideration of the customers' financial status, operating status, sales capacity, and historical transactions. Regarding the allowance for bad debts policy, the Company made allowances for bad debts at the end of June and December at 2% of the receivables. The Company also evaluated the possibility of collection of payment based on the aging of accounts receivable, and carefully evaluates its business, debt, and operating status, and set aside allowance for bad debts if there are any abnormalities.

(2) Allowance for reduction of inventory to market

The inventory turnover days of the fresh products can be eliminated in about 3 days; the inventory turnover days of general items is about 15 days, so the Company has no loss of inventory depreciation.

(3) Financial assets and liabilities measurement

Measured quarterly in accordance with International Accounting Standard No. 9 "Financial Instruments".

VI. Key performance indicators of industry differentiation (KPI)

Year / Branch	Housing Rate		Average House Price	
	2022	2022Budget (KPI target)	2022	2022Budget (KPI target)
Taipei Branch	Note	Note	Note	Note
Hsinchu Branch	48.9%	50.2%	2,927	2,635
Kaohsiung Branch	51.4%	55.0%	2,297	2,051

Note: The guest room of the Ambassador Hotel Taipei was closed from July 2021.

VII. Adopt hedge accounting and its objectives and methods: N/A

VIII. Procedures for handling important internal information

The Company has clearly defined the internal major information processing operating procedures, and announced on the Company's website:

https://www.ambassador-hotels.com/, please refer to the Company website for details.

IX. Other matters that require additional description: N/A

The Ambassador Hotel Co., Ltd.

Chairman Emmet Hsu

Notice to readers

This English version annual report is a summary translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English version and Chinese version, the Chinese version shall prevail.