Formosa International Hotels Corporation and Subsidiaries

Consolidated Financial Statements and Auditors' Review Report

2024 and 2023 Q2

(Stock Code: 2707)

Company address: 1~20F, No. 3, Lane 39, Section 2, Chung-Shan North Road, Taipei City, Taiwan

Telephone: (02) 2523-8000

Formosa International Hotels Corporation and Subsidiaries

2024 and 2023 Q2 Consolidated Financial Statements and Auditors' Review Report

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Auditors' Review Report

Letter Reference No. 24001460 issued by the Ministry of Finance (MOF)

Formosa International Hotels Corporation:

Introduction

We have reviewed the accompanying consolidated financial statements of Formosa International Hotels Corporation and subsidiaries (hereinafter referred to as "FIH Group"), which comprise the consolidated balance sheets as of June 30, 2024 and 2023, and the consolidated statement of comprehensive income for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the statements of changes in equity and cash flows for the six months ended June 30, 2024 and 2023, as well as the notes to the consolidated financial statements, including a summary of significant accounting policies. The preparation of the consolidated financial statements with a fair presentation according to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, "Interim Financial Report" recognized and endorsed into effect by the Financial Supervisory Commission (FSC) is the responsibility of the management, and we are responsible to form a conclusion for the consolidated financial statements according to the review results.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with Review Standards No. 2410, "Reviews of Financial Statements" in the Republic of China. The procedures for reviewing the consolidated financial statements include inquiries (mainly with personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than the scope of an audit, and we may not be able to discover material matters that can be identified through an audit; therefore, we cannot express an audit opinion.

Basis for Qualified Conclusion

As mentioned in Note 4 (c) to the consolidated financial statements, the financial statements of certain non-material subsidiaries for the same period included in the above consolidated financial statements have not been reviewed by CPAs. Their total assets as of June 30, 2024 and 2023 were NT$1,549,202 thousand and NT$1,702,519 thousand, accounting for 14.72% and 16.32% of the consolidated total assets, respectively. Total liabilities amounted to NT$366,752 thousand and NT$445,631 thousand, accounting for 5.78% and 7.15% of consolidated total liabilities, respectively. The total comprehensive income for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 was NT$(23,650) thousand, NT$70,832 thousand, NT$39,221 thousand, and NT$128,488 thousand, accounting for (8.10)%, 18.13%, 4.90%, and 16.91% of the consolidated total comprehensive income, respectively. In addition, FIH Group's investment accounted for using the equity method was evaluated and disclosed based on the financial statements of the same period that were not reviewed by CPAs. As of June 30, 2024 and 2023, the balance of the investment was NT$1,173,094 thousand and NT$1,124,182 thousand, accounting for 11.14% and 10.78% of the consolidated total assets, respectively. The comprehensive income (including the share of profit or loss and the share of other comprehensive income of affiliates accounted for using the equity method) for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 was NT$9,368 thousand, NT$3,503 thousand, NT$14,925 thousand, and NT$6,763 thousand, accounting for 3.21%, 0.90%, 1.86%, and 0.89% of the consolidated comprehensive income, respectively.

Qualified Conclusion

According to our review results, except for the possible effect of adjustments to the consolidated financial statements if the financial statements of certain non-material subsidiaries and investments accounted for using the equity method mentioned in the Basis for Qualified Conclusion paragraph have been reviewed by CPAs, the consolidated financial statements, in all material respects, comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34, “Interim Financial Report” recognized and endorsed into effect by the FSC, and can fairly present the consolidated financial positions of the FIH Group as of June 30, 2024 and 2023 and the consolidated financial performance for the three months ended June 30, 2024 and 2023 and six months ended June 30, 2024 and 2023 and consolidated cash flow for the six months ended June 30, 2024 and 2023.

PWC Taiwan

Certified Public Accountant
Chin-Lien Huang
Hsiu-Ling Li

Financial Supervisory Commission
Approved document number: Reference No. 1100348083.
Formerly the Securities & Futures Commission (SFC), Ministry of Finance (MOF).
Approved document number: Reference No. 0960038033

August 12, 2024

Formosa International Hotels Corporation and Subsidiaries
Consolidated Balance Sheet
As of June 30, 2024 and December 31 and June 30, 2023

Unit: NT$ thousand

	Assets	Note	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current assets							
1100	Cash and cash equivalents	(6) (a)	$ 902,592	9	$ 475,230	4	$ 1,638,641	16
1110	Financial assets at fair value through profit or loss - current	(6) (b) and (8)	2,749,041	26	2,767,248	26	1,377,384	13
1136	Financial assets at amortized cost - current	(6) (a) (d) and (8)	622,555	6	694,837	7	680,963	7
1150	Notes receivable, net	(6) (e)	12,162	-	14,923	-	5,753	-
1170	Account receivable, net	(6) (e)	197,309	2	209,364	2	141,431	1
1200	Other receivables	(6) (l)	105,945	1	407,583	4	414,942	4
1220	Current income tax assets		5,236	-	5,236	-	-	-
130X	Inventories	(6) (f)	18,396	-	27,528	-	24,665	-
1410	Prepayments		56,864	-	56,831	1	46,852	-
11XX	**Total current assets**		4,670,100	44	4,658,780	44	4,330,631	41
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income – non-current	(6) (c)	500	-	500	-	500	-
1535	Financial assets at amortized cost - non-current	(6) (a) (d) and (8)	57,059	1	55,842	1	55,892	1
1550	Investments accounted for using equity method	(6) (g)	1,173,094	11	1,111,183	10	1,124,182	11
1600	Property, plant and equipment	(6) (h) (m) (n), and (8)	1,889,011	18	1,949,026	18	2,006,071	19
1755	Right-of-use assets	(6) (i)	2,584,937	25	2,711,851	26	2,768,353	27
1780	Intangible assets	(6) (k)	20,923	-	20,923	-	20,923	-
1840	Deferred tax assets		36,361	-	38,115	-	33,405	-
1900	Other non-current assets	(6) (l)	95,012	1	84,973	1	91,939	1
15XX	**Total non-current assets**		5,856,897	56	5,972,413	56	6,101,265	59
1XXX	**Total assets**		$ 10,526,997	100	$ 10,631,193	100	$ 10,431,896	100

(Continued)

Formosa International Hotels Corporation and Subsidiaries
Consolidated Balance Sheet
As of June 30, 2024 and December 31 and June 30, 2023

Unit: NT$ thousand

	Liabilities and Equity	Note	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities							
2100	Short-term borrowings	(6) (m) and (8)	$ 86,714	1	$ 86,714	1	$ 86,714	1
2130	Contract Liabilities - current	(6) (v)	490,065	5	615,853	6	538,568	5
2150	Notes payable	(6) (ac)	48,166	-	72,132	1	100,283	1
2170	Accounts payable		184,638	2	251,744	2	213,341	2
2200	Other payables	(6) (o)	2,319,583	22	1,133,804	11	1,903,077	18
2230	Current income tax liabilities	(6) (ac)	189,791	2	372,856	3	190,471	2
2280	Lease liabilities - current	(6) (p)	260,280	2	252,902	2	247,161	3
2300	Other current liabilities		37,611	-	57,133	1	33,167	-
21XX	**Total current liabilities**		3,616,848	34	2,843,138	27	3,312,782	32
	Non-current liabilities							
2527	Contract liabilities－non-current	(6) (v)	10,481	-	8,229	-	9,362	-
2570	Deferred tax liabilities		1,834	-	1,825	-	1,786	-
2580	Lease liabilities - non-current	(6) (p)	2,433,202	23	2,554,554	24	2,602,192	25
2600	Other non-current liabilities	(6) (e) (r) (ac)	279,585	3	275,519	2	303,261	3
25XX	**Total non-current liabilities**		2,725,102	26	2,840,127	26	2,916,601	28
2XXX	**Total liabilities**		6,341,950	60	5,683,265	53	6,229,383	60
	Equity attributable to Owners of the parent							
	Capital	(6) (s)						
3110	Common stock		1,274,032	12	1,274,032	12	1,274,032	12
	Capital surplus	(6) (t)						
3200	Capital surplus		222,383	2	222,383	2	222,383	2
	Retained earnings	(6) (u)						
3310	Legal reserve		1,274,032	12	1,274,032	12	1,274,032	12
3320	Special reserve		292,358	3	271,432	3	271,432	3
3350	Unappropriated earnings		1,087,054	10	1,837,923	17	1,128,139	11
	Other equity							
3400	Other equity		(220,322)	(2)	(292,358)	(3)	(271,778)	(3)
31XX	**Total equity attributable to shareholders of the parent**		3,929,537	37	4,587,444	43	3,898,240	37
36XX	**Non-controlling interests**		255,510	3	360,484	4	304,273	3
3XXX	**Total equity**		4,185,047	40	4,947,928	47	4,202,513	40
	Significant contingent liabilities and unrecognized contractual commitment	(9)						
	Significant Events After Reporting Period	(11)						
3X2X	**Total liabilities and equity**		$ 10,526,997	100	$ 10,631,193	100	$ 10,431,896	100

Please also refer to the consolidated financial statements notes attached at the end which is part of the consolidated financial report.

Chairman: Steven Pan　　Managerial officer: Wei-Cheng Wu　　Accounting Officer: Chien-Nan Tsao

Formosa International Hotels Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand
(Except earnings per share in NT$)

	Item	Note	For the three months ended June 30, 2024 Amount	%	For the three months ended June 30, 2023 Amount	%	For the six months ended June 30, 2024 Amount	%	For the six months ended June 30, 2023 Amount	%
4000	Operating revenue	(6) (j) (v)	$ 1,388,047	100	$ 1,598,677	100	$ 3,135,152	100	$ 3,337,377	100
5000	Operating costs	(6) (f) (q) (aa) (ab)	(948,099)	(69)	(1,012,610)	(64)	(2,028,950)	(65)	(2,099,661)	(63)
5950	Gross profit		439,948	31	586,067	36	1,106,202	35	1,237,716	37
	Operating expenses	(6) (f) (q) (aa) (ab)								
6100	Selling expense		(6,076)	-	(6,767)	-	(14,221)	-	(13,922)	-
6200	Administrative expense		(150,597)	(11)	(153,307)	(10)	(306,821)	(10)	(305,773)	(9)
6000	Total operating expenses		(156,673)	(11)	(160,074)	(10)	(321,042)	(10)	(319,695)	(9)
6900	Operation profit		283,275	20	425,993	26	785,160	25	918,021	28
	Non-operating income and expenses									
7100	Interest income	(6) (d) (w)	22,514	2	21,961	1	33,657	1	30,991	1
7010	Other income	(6) (x)	22,237	1	7,116	1	32,115	1	10,615	-
7020	Other gains and losses	(6) (b) (y)	27,060	2	27,912	2	65,939	2	19,171	1
7050	Finance cost	(6) (i) (z)	(12,148)	(1)	(12,864)	(1)	(24,485)	(1)	(25,979)	(1)
7060	Share of profit/(loss) of associates and joint ventures accounted for under equity method	(6) (g)	9,368	1	3,503	-	14,925	1	6,763	-
7000	Total non-operating income and expenses		69,031	5	47,628	3	122,151	4	41,561	1
7900	**Profit before tax**		352,306	25	473,621	29	907,311	29	959,582	29
7950	Income tax expense	(6) (ac)	(69,491)	(5)	(100,936)	(6)	(178,969)	(6)	(199,614)	(6)
8200	**Net income**		$ 282,815	20	$ 372,685	23	$ 728,342	23	$ 759,968	23
	Other comprehensive income of the current period (net)									
	Items that may be reclassified subsequently to profit or loss									
8361	Exchange differences on the translation of financial statements of foreign operations		$ 9,111	1	$ 18,008	1	$ 72,043	3	($ 354)	-
8360	Total for the items that may be reclassified subsequently to profit or loss		9,111	1	18,008	1	72,043	3	(354)	-
8300	**Other comprehensive income of the current period (net)**		$ 9,111	1	$ 18,008	1	$ 72,043	3	($ 354)	-
8500	**Total comprehensive income**		$ 291,926	21	$ 390,693	24	$ 800,385	26	$ 759,614	23
	Net income attributable to:									
8610	Owners of the parent		$ 295,339	21	$ 343,770	21	$ 720,173	23	$ 705,450	21
8620	Non-controlling interests		(12,524)	(1)	28,915	2	8,169	-	54,518	2
			$ 282,815	20	$ 372,685	23	$ 728,342	23	$ 759,968	23
	Total comprehensive income attributable to:									
8710	Owners of the parent		$ 304,447	22	$ 361,788	22	$ 792,209	26	$ 705,104	21
8720	Non-controlling interests		(12,521)	(1)	28,905	2	8,176	-	54,510	2
			$ 291,926	21	$ 390,693	24	$ 800,385	26	$ 759,614	23
	Earning per share									
9750	Basic earnings per share	(6) (ad)	$	2.32	$	2.70	$	5.65	$	5.54
9850	Diluted earnings per share	(6) (ad)	$	2.31	$	2.69	$	5.64	$	5.53

Please also refer to the consolidated financial statements notes attached at the end which is part of the consolidated financial report.

Chairman: Steven Pan　　Managerial officer: Wei-Cheng Wu　　Accounting Officer: Chien-Nan Tsao

Formosa International Hotels Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

		Equity attributable to Owners of the parent								
				Retained earnings						
	Note	Common stock	Issued at premium	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on the translation of financial statements of foreign operations	Total	Non-controlling interests	Total Equity
From January 1 to June 30, 2023										
Balance as of January 1, 2023		$ 1,274,032	$ 222,383	$ 1,274,032	$ 423,809	$ 1,417,871	($ 271,432)	$ 4,340,695	$ 365,099	$ 4,705,794
Net income		-	-	-	-	705,450	-	705,450	54,518	759,968
Other comprehensive income of the current period		-	-	-	-	-	(346)	(346)	(8)	(354)
Total comprehensive income		-	-	-	-	705,450	(346)	705,104	54,510	759,614
Appropriations and distributions of 2022 earnings	(6) (u)									
Reversal of special reserves		-	-	-	(152,377)	152,377	-	-	-	-
Cash dividends		-	-	-	-	(1,147,559)	-	(1,147,559)	-	(1,147,559)
Cash dividends attributable to non-controlling interests		-	-	-	-	-	-	-	(115,336)	(115,336)
Balance as of June 30, 2023		$ 1,274,032	$ 222,383	$ 1,274,032	$ 271,432	$ 1,128,139	($ 271,778)	$ 3,898,240	$ 304,273	$ 4,202,513
From January 1 to June 30, 2024										
Balance as of January 1, 2024		$ 1,274,032	$ 222,383	$ 1,274,032	$ 271,432	$ 1,837,923	($ 292,358)	$ 4,587,444	$ 360,484	$ 4,947,928
Net income		-	-	-	-	720,173	-	720,173	8,169	728,342
Other comprehensive income of the current period		-	-	-	-	-	72,036	72,036	7	72,043
Total comprehensive income		-	-	-	-	720,173	72,036	792,209	8,176	800,385
Appropriations and distributions of 2023 earnings	(6) (u)									
Special reserve		-	-	-	20,926	(20,926)	-	-	-	-
Cash dividends		-	-	-	-	(1,450,116)	-	(1,450,116)	-	(1,450,116)
Cash dividends attributable to non-controlling interests		-	-	-	-	-	-	-	(113,150)	(113,150)
Balance as of June 30, 2024		$ 1,274,032	$ 222,383	$ 1,274,032	$ 292,358	$ 1,087,054	($ 220,322)	$ 3,929,537	$ 255,510	$ 4,185,047

Please also refer to the consolidated financial statements notes attached at the end which is part of the consolidated financial report.

Chairman: Steven Pan   Managerial officer: Wei-Cheng Wu   Accounting Officer: Chien-Nan Tsao

Formosa International Hotels Corporation and Subsidiaries
Consolidated statements of cash flows
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Note	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flows from operating activities			
Income before income tax		$ 907,311	$ 959,582
Adjusted items			
Adjustments to reconcile profit (loss)			
Net (gains) losses on financial assets and liabilities measured at fair value through profit or loss	(6) (b) (y)	(12,993)	9,386
Share of profits for the associates using equity method	(6) (g)	(14,925)	(6,763)
Depreciation expense	(6) (h) (i) (aa)	285,789	298,585
Business facilities transferred to expenses	(6) (h)	13,216	14,335
Losses from disposal of property, plant and equipment	(6) (y)	-	241
Lease modification losses	(6) (i) (y)	-	197
Transfer of overdue accounts payable to other revenue	(6) (x)	(96)	(107)
Interest expense	(6) (i) (z)	24,485	25,979
Interest income	(6) (d) (w)	(33,657)	(30,991)
Change in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss (FVTPL)		31,200	993,191
Notes receivable		2,761	3,368
Accounts receivable		12,055	35,549
Other receivables		317,738	(532)
Inventories		9,190	13,161
Prepayments		(108)	13,529
Changes in operating liabilities			
Contract liabilities		(123,536)	(129,631)
Notes payable		(13,954)	(31,069)
Accounts payable		(67,106)	(67,863)
Other payables		(341,035)	(171,138)
Other current liabilities		(19,522)	5,355
Accrued pension liabilities		(793)	(5,445)
Other non-current liabilities		(853)	(4,666)
Cash inflows generated from operating activities		975,167	1,924,253
Interest received		32,972	24,740
Dividends received	(6) (g)	15,985	8,942
Interest paid		(24,487)	(25,980)
Income tax paid		(365,393)	(322,828)
Net cash inflows from operating activities		634,244	1,609,127

(Continued)

Formosa International Hotels Corporation and Subsidiaries
Consolidated statements of cash flows
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Note	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flows from investing activities			
Increase in financial assets at amortized cost - current		($ 1,776,907)	($ 2,458,317)
Decrease in financial assets at amortized cost - current		1,829,742	2,400,614
Increase in financial assets at amortized cost - non-current		(1,217)	(1,258)
Acquisition of property, plant and equipment	(6) (ae)	(91,232)	(117,650)
Increase in refundable deposits		(3,110)	(124)
Decrease in refundable deposits		2,659	4,197
Increase in prepayments for equipment		(11,594)	(1,819)
Net cash outflow from investing activities		(51,659)	(174,357)
Cash flows from financing activities			
Increase in guarantee deposits received	(6) (af)	2,802	2,087
Decrease in guarantee deposits received	(6) (af)	(1,980)	(3,680)
Payments of lease liabilities	(6) (af)	(128,540)	(132,063)
Dividends paid to non-controlling interests		(40,822)	(115,336)
Net cash used in financing activities		(168,540)	(248,992)
Effect of exchange rate changes		13,317	(306)
Increase in cash and cash equivalents in the current period		427,362	1,185,472
Cash and cash equivalents, beginning of the year		475,230	453,169
Cash and cash equivalents, end of the year		$ 902,592	$ 1,638,641

Please also refer to the consolidated financial statements notes attached at the end which is part of the consolidated financial report.

Chairman: Steven Pan Managerial officer: Wei-Cheng Wu Accounting Officer: Chien-Nan Tsao

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

The Formosa International Hotels Corporation ("the Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China R.O.C. The principal business of the Company and subsidiaries (hereinafter referred to as "the Group") engages in the operation of international tourist hotels. The Group also operates Chinese & Western restaurants, cafes, bars, conference halls, and so forth. The company also provides consulting services for hotel management, consultation and diagnostic analysis for various types of leisure industry facilities.

(2) Date and procedure for approving the financial statements

These consolidated financial statements were published after being submitted to the Board of Directors on August 12, 2024.

(3) Application of new and revised standards and interpretations

(a) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRSs") that came into effect as endorsed by the Financial Supervisory Commission (hereinafter referred to as "FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2024 are listed as follows:

New Standard, Interpretations	Effective date by International Accounting Standards Board (IASB)
Amendments to IFRS 16, "Lease liability in a Sale and Leaseback"	January 1, 2024
Amendment to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendment to IAS 1, "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier Financing Arrangements"	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(b) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC effective from 2025 are as follows:

New Standard, Interpretations	Effective date by International Accounting Standards Board (IASB)
Amendments to IAS No. 21, "Lack of Convertibility"	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(c) IFRSs issued by the IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs as endorsed by the FSC are as follows:

New Standard, Interpretations	Effective date by International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7, "Amendments to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	To be determined by the International Accounting Standards Board
IFRS 17, "Insurance contracts"	January 1, 2023
Amendment to IFRS 17, "Insurance Contracts"	January 1, 2023
Amendment to IFRS 17, "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
IFRS 18, "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19, "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS - Volume 11	January 1, 2026

Except for those stated below, the Group has evaluated that the amendments to the above standards and interpretations will not have a material impact on the Group's financial position and financial performance.

IFRS 18, "Presentation and Disclosures of Financial Statements"

IFRS 18, "Presentation and Disclosures of Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds the disclosure of management performance measurement, and strengthens the use of the summarization and subdivision principles in the main financial statements and notes.

(4) Summary of significant accounting policies

Apart from the Compliance Statement, Basis of Preparation, Basis of consolidation, and the additional parts of the significant accounting policies, the remaining is equivalent to Note 4 to the 2023 consolidated financial statements. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(a) Compliance Statement

1. The consolidated financial statements have been prepared in accordance with the Rules Governing the Preparation of Financial Statements by Securities Issuers and IAS 34, "Interim Financial Report"

recognized and endorsed into effect by the FSC.

2. These consolidated financial statements should be read in conjunction with the 2023 consolidated financial statements.

(b) Basis of Preparation

1. Except for the following significant items, these consolidated financial statements have been prepared under the historical cost convention:
   1) Financial assets at fair value through profit or loss.
   2) Financial assets at fair value through other comprehensive income.
   3) Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.
2. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred to herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(c) Basis of consolidation

1. Basis for preparation of consolidated financial statements

   The preparation principles of these consolidated financial statements are equivalent to that of the 2023 consolidated financial statements.
2. Subsidiaries included in the consolidated financial statements:

			Shareholding percentage			
Investor	Name of subsidiary	Nature of business	June 30, 2024	December 31, 2023	June 30, 2023	Remark
Formosa International Hotels Corporation	GRAND FORMOSA TAROKO HOTEL CORPORATION (Grand Formosa Taroko)	Hotel business and scenic area recreation business, tennis court, swimming pool, and further management and consulting for tourism and recreation business	55	55	55	Note 1, 2, and 6
Formosa International Hotels Corporation	Silks International Investment Inc. (Silks)	Investment	100	100	100	Notes 1 and 2

			Shareholding percentage			
Investor	Name of subsidiary	Nature of business	June 30, 2024	December 31, 2023	June 30, 2023	Remark
Formosa International Hotels Corporation	Silks Palace At National Palace Museum (Silks Palace)	Food and beverage service	100	100	100	Notes 1 and 2
Formosa International Hotels Corporation	Regent Apartment Building Management and Maintenance Co., Ltd. (Regent Apartment Building)	Apartment building management services	50.01	50.01	50.01	Notes 1 and 2
Formosa International Hotels Corporation	Silks Global Holding, Limited (Silks Global)	Investment	100	100	100	
Silks International Investment Inc.	Silks Premier Hotel Management (Shanghai) Co., Ltd. (Silks Premier)	Hotel management, property management, and building design consultation	51	51	51	Note 1, 2, and 5
Silks Global Holding, Limited	Silks Hospitality (BVI) Limited	Investment	100	100	100	
Silks Global Holding, Limited	Silks Denmark (BVI) Limited	Investment	-	-	100	Note 4
Silks Global Holding, Limited	Silks Residences Limited	Investment	100	100	100	
Silks Global Holding, Limited	FIH Management Limited	Hotel business management	100	100	100	Note 7

			Shareholding percentage			
Investor	Name of subsidiary	Nature of business	June 30, 2024	December 31, 2023	June 30, 2023	Remark
Silks Denmark(BVI) Limited	Silks A/S	Hotel business management	-	-	100	Note 2, 3
Silks Hospitality (BVI) Limited	Silks Hospitality, LLC	Cruise ship trademark business	100	100	100	

Note 1: As it did not meet the definition of a material subsidiary, the financial statements for the same period not reviewed by CPAs were adopted for the six months ended June 30, 2024.

Note 2: As it did not meet the definition of a material subsidiary, the financial statements for the same period not reviewed by CPAs were adopted for the six months ended June 30, 2023.

Note 3: Silks A/S was approved for dissolution by the board of directors on October 17, 2022. The record date for dissolution was October 31, 2022, which was written off on June 12, 2023. Liquidation was completed on August 7, 2023.

Note 4: Silks Denmark (BVI) Limited was dissolved by the directors' declaration on August 31, 2023, and the liquidation was completed on September 15, 2023.

Note 5: The Board of Directors resolved to dissolve Silks Premier Hotel Management (Shanghai) Co., Ltd. in the fourth quarter of 2023, and the relevant liquidation procedures are still in progress.

Note 6: Grand Formosa Taroko was affected by the severe earthquake on April 3, and the roads in the Taroko National Park were not accessible. Considering the safety issue of tourists, the operation is suspended until the end of August. Subsequently, adjustments will be made as needed and until Taroko National Park is open for business again. The aforementioned suspension of business has no material impact on the Group's finance and business.

Note 7: FIH Management Limited conducted a capital reduction in cash of US$10,000 thousand in June 2024, and the related capital reduction procedures are still in progress. In addition, it remitted dividends of US$6,000 thousand in July 2024 to Silks Global, and the remittance procedure has been completed.

3. Subsidiaries included in the consolidated financial statements: None of such situations.
4. Adjustments and treatment method for the subsidiaries during the accounting period: None of such situations.
5. Significant restrictions: None of such situations.
6. Subsidiaries that have non-controlling interests that are material to the Group: None of such situations.

(d) Employee benefits

Pension - defined benefit plan

The pension cost ratio based on the actuarial decisions at the end of the preceding fiscal year is adopted to calculate the pension cost of the interim period on the basis of the period from the beginning of the year to the end of the period. If there are significant market changes and major reductions, settlements or other major one-time events after the end, adjustments will be made and relevant information will be disclosed according to the above-mentioned policies.

(e) Income tax

The income tax expenses of the interim period is calculated by applying the estimated annual average effective tax rate to the profit or loss before tax for the interim period, and relevant information will be disclosed according to the above-mentioned policies.

(5) Major accounting judgments, estimates, and major sources of uncertainty for assumptions

There is no significant change in the current period. Please refer to Note (5) of the 2023 consolidated financial statements.

(6) Description of important accounting items

(a) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and revolving funds	$ 9,591	$ 15,979	$ 10,111
Checking accounts	13,816	13,739	13,536
Demand deposit	664,285	275,512	254,994
Time deposit	64,900	-	1,200,000
Cash equivalents - Bond repurchase	150,000	170,000	160,000
Total	$ 902,592	$ 475,230	$ 1,638,641

1. The Group maintains good credit with various financial institutions to divert credit risks. There are low expectations for the likelihood of contract breaches.
2. The Group’s bank deposits required to be deposited into the performance guarantee trust account due to the standard contracts for gift certificates as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT$89,913, NT$129,847 and NT$119,376, respectively, recorded under “Financial assets at amortized cost - current”. Please refer to Note (6) (d) and Note (8) for the details.
3. The Company's certificates of limited use as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT$599, NT$634, and NT$486, respectively, booked in “Financial assets at amortized cost - current.” Please refer to Note (6) (d) and Note (8).
4. As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group held time deposits maturing at more than three months at NT$532,043, NT$564,356, and NT$561,101, respectively, recorded under “Financial assets at amortized cost – current.” Please refer to Note (6) (d) for details.
5. The Company's certificates of limited use as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT$57,059, NT$55,842, and NT$55,892, respectively, booked in “Financial assets at amortized cost - non-current.” Please refer to Note (6) (d) and Note (8).

(b) Financial assets measured at fair value through profit or loss - Current

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current item:			
Financial assets mandatorily measured at fair value through profit or loss			
Beneficiary certificates	$ 2,735,160	$ 2,757,285	$ 1,373,364
Valuation adjustment	13,881	9,963	4,020
Total	$ 2,749,041	$ 2,767,248	$ 1,377,384

1. Financial assets measured at fair value through (loss) profit recognized in profit or loss, their statements are as follows:

Item	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 6,229	$ 942

Item	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 12,993	($ 9,386)

2. There have been no arrangements of the Group's financial assets at fair value through profit or loss pledged to others as collateral, please refer to Note (8).
3. Credit risk information relating to financial assets at fair value through profit or loss (FVTPL). Please refer to Note (12) (b).

(c) Financial assets measured at fair value through other comprehensive income - Non-current

Item	June 30, 2024	December 31, 2023	June 30, 2023
Noncurrent item:			
Equity instruments			
Private company stock	$ 500	$ 500	$ 500

1. The Group chooses to classify strategic investments as financial assets at fair value through other comprehensive income. The fair value of these investments as of June 30, 2024, December 31, 2023, and June 30, 2023 were valued at NT$500.
2. The Group's maximum exposure to credit risk for financial assets measured at fair value through other comprehensive income before consideration of associated collateral held or other credit enhancements as of June 30, 2024, December 31, 2023, and June 30, 2023 are NT$500 for each year.

(d) Financial assets at amortized cost

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current item:			
Restricted bank deposit - trust gift certificate	$ 89,913	$ 129,847	$ 119,376
Time deposits maturing in more than three months	532,043	564,356	561,101
Pledged time certificate of deposit	599	634	486
Total	$ 622,555	$ 694,837	$ 680,963
Noncurrent item:			
Pledged time certificate of deposit	$ 57,059	$ 55,842	$ 55,892

1. Financial assets at amortized cost recognized in profit or loss, their statements are as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Interest income	$ 8,939	$ 6,486

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest income	$ 17,278	$ 11,977

2. The Group's maximum exposure to credit risk for financial assets measured at amortized costs, before consideration of associated collateral held or other credit enhancements was NT$679,614, NT$750,679 and NT$736,855 as of June 30, 2024, December 31, 2023, and June 30, 2023, respectively.
3. There have been no arrangements of the Group's financial assets at amortized cost pledged to others as collateral, please refer to Note (8).
4. Credit risk information relating to financial assets at amortized cost. Please refer to Note (12) (b). The trading counterparts of the Group's investment on the certificates of deposit are financial institutions of excellent credit. The expected possibility of occurrence of violation is fairly low.

(e) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 12,162	$ 14,923	$ 5,753
Accounts receivable	$ 198,495	$ 210,550	$ 142,617
Less: Loss allowance	(1,186)	(1,186)	(1,186)
Total	$ 197,309	$ 209,364	$ 141,431

1. Aging analysis of accounts receivables and notes receivables is stated below:

	June 30, 2024		December 31, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 198,495	$ 12,162	$ 210,550	$ 14,923

	June 30, 2023	
	Accounts receivable	Notes receivable
Not past due	$ 142,617	$ 5,753

The number of overdue days forms the basis of the aging analysis for the above.

2. As of June 30, 2024, December 31, 2023, June 3, 2023, and January 1, 2023, the balance for the receivables (including notes receivable) for the contracts between the Group and customers are NT$210,657, NT$225,473, NT$148,370, and NT$187,287, respectively.

3. The guarantee deposits for the accounts receivable that the Group held as of June 30, 2024, December 31, 2023, and June 30, 2023 were NT$168,900, NT$168,078 and NT$168,758, respectively, recorded in “Other non-current liabilities”.

4. The Group’s maximum exposure to credit risk for notes receivable, before consideration of associated collateral held or other credit enhancements as of June 30, 2024, December 31, 2023, and June 30, 2023 was NT$12,162, NT$14,923, and NT$5,753, respectively, and the maximum exposure to credit risk as of June 30, 2024, December 31, 2023, and June 30, 2023 was NT$197,309, NT$209,364, and NT$141,431, respectively.

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

(f) Inventories

	June 30, 2024	December 31, 2023	June 30, 2023
Food products	$ 10,125	$ 18,544	$ 15,745
Beverages (including alcohol drinks)	8,271	8,984	8,920
Total	$ 18,396	$ 27,528	$ 24,665

The Group’s cost of inventories recognized in operating costs and operating expenses for the three months ended June 30, 2024 and 2023 are NT$252,893, NT$287,250, NT$575,975, and NT$627,058, respectively.

(g) Investments accounted for using equity method

1. Details of the investments are as follows:

Name of affiliated enterprise	June 30, 2024	December 31, 2023	June 30, 2023
Regent Hospitality Worldwide Inc. (RHW)	$ 1,173,094	$ 1,111,183	$ 1,124,182

2. Associates using the Equity Method, their shares as follows:

Name of affiliated enterprise	From April 1 to June 30, 2024	From April 1 to June 30, 2023
RHW	$ 9,368	$ 3,503

Name of affiliated enterprise	From January 1 to June 30, 2024	From January 1 to June 30, 2023
RHW	$ 14,925	$ 6,763

3. Basic information on the Group's associates as follows:

		Ownership (%)			
Name of company	Main business venue	June 30, 2024	December 31, 2023	June 30, 2023	Measurement method
RHW	Cayman Islands	49%	49%	49%	Equity method

4. Summary of financial information on the Group's associates as follows:

Balance Sheet

	RHW		
	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	$ 25,994	$ 25,312	$ 16,903
Non-current assets	472,259	446,936	453,194
Current liabilities	(1,230)	(5,317)	(2,296)
Non-current liabilities	(3,562)	(3,224)	(2,824)
Net total assets	$ 493,461	$ 463,707	$ 464,977
Share of the net assets of the associates (Note)	$ 241,796	$ 227,216	$ 227,839

Note: Differences in the carrying value and recognizable net assets are goodwill.

Statements of Comprehensive Income

	RHW	
	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Revenue	$ 21,156	$ 8,320
Profit of (loss) for the period from continuing operations	$ 19,119	$ 7,149
Total of the current other comprehensive profit (loss)	$ 19,119	$ 7,149
Dividends received from associates	$ 10,297	$ 3,762

	RHW	
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Revenue	$ 32,961	$ 14,465
Profit of (loss) for the period from continuing operations	$ 30,459	$ 13,802
Total comprehensive (loss) income for the current period	$ 30,459	$ 13,802
Dividends received from associates	$ 15,985	$ 8,942

5. RWH owns the Regent overseas brand trademark and franchise. The Group holds 49% equity in the company and joint management with IHG. This cooperative relationship allows for expansion into the international market and development of the Regent global hotel brand.
6. The Group does not have circumstances of using equity method investments to provide pledge.

(h) Property, plant and equipment

	Land	Buildings	Computers and communication facilities	Transportation equipment	Office equipment	Business facilities	Leasehold improvement	Other equipment	Uncompleted engineering and equipment to be inspected	Total
January 1, 2024										
Cost	$ 273,472	$ 2,505,149	$ 31,316	$ 12,409	$ 17,714	$ 174,211	$ 437,859	$ 1,094,462	$ 10,953	$ 4,557,545
Accumulated depreciation	-	(1,741,688)	(14,635)	(4,529)	(10,560)	-	(215,655)	(621,452)	-	(2,608,519)
	$ 273,472	$ 763,461	$ 16,681	$ 7,880	$ 7,154	$ 174,211	$ 222,204	$ 473,010	$ 10,953	$ 1,949,026
2024										
January 1	$ 273,472	$ 763,461	$ 16,681	$ 7,880	$ 7,154	$ 174,211	$ 222,204	$ 473,010	$ 10,953	$ 1,949,026
Additions	-	19,566	6,562	68	-	8,534	434	43,223	17,075	95,462
Re-classification	-	1,351	-	-	-	(234)	-	1,981	(1,049)	2,049
Depreciation expense	-	(61,578)	(4,108)	(965)	(520)	-	(12,462)	(64,676)	-	(144,309)
Business facilities transferred to expenses	-	-	-	-	-	(13,216)	-	-	-	(13,216)
Net exchange difference	-	-	-	-	-	-	-	(1)	-	(1)
June 30	$ 273,472	$ 722,800	$ 19,135	$ 6,983	$ 6,634	$ 169,295	$ 210,176	$ 453,537	$ 26,979	$ 1,889,011
June 30, 2024										
Cost	$ 273,472	$ 2,526,066	$ 37,878	$ 12,477	$ 17,714	$ 169,295	$ 447,264	$ 1,111,380	$ 26,979	$ 4,622,525
Accumulated depreciation	-	(1,803,266)	(18,743)	(5,494)	(11,080)	-	(237,088)	(657,843)	-	(2,733,514)
Total	$ 273,472	$ 722,800	$ 19,135	$ 6,983	$ 6,634	$ 169,295	$ 210,176	$ 453,537	$ 26,979	$ 1,889,011

	Land	Buildings	Computers and communication facilities	Transportation equipment	Office equipment	Business facilities	Leasehold improvement	Other equipment	Uncompleted engineering and equipment to be inspected	Total
January 1, 2023										
Cost	$ 273,472	$ 2,647,150	$ 30,295	$ 18,024	$ 22,008	$ 175,108	$ 453,639	$ 1,240,769	$ 12,931	$ 4,873,396
Accumulated depreciation	-	(1,805,855)	(12,947)	(8,327)	(13,497)	-	(202,440)	(763,675)	-	(2,806,741)
	$ 273,472	$ 841,295	$ 17,348	$ 9,697	$ 8,511	$ 175,108	$ 251,199	$ 477,094	$ 12,931	$ 2,066,655
2023										
January 1	$ 273,472	$ 841,295	$ 17,348	$ 9,697	$ 8,511	$ 175,108	$ 251,199	$ 477,094	$ 12,931	$ 2,066,655
Additions	-	11,333	2,192	-	-	12,866	115	43,950	38,256	108,712
Disposal	-	(304)	(294)	-	-	-	(3,237)	(406)	-	(4,241)
Re-classification	-	-	114	-	-	1,699	400	2,042	(2,556)	1,699
Depreciation expense	-	(67,830)	(3,436)	(1,503)	(752)	-	(13,610)	(65,285)	-	(152,416)
Business facilities transferred to expenses	-	-	-	-	-	(14,335)	-	-	-	(14,335)
Net exchange difference	-	-	-	-	-	-	-	(3)	-	(3)
June 30	$ 273,472	$ 784,494	$ 15,924	$ 8,194	$ 7,759	$ 175,338	$ 234,867	$ 457,392	$ 48,631	$ 2,006,071
June 30, 2023										
Cost	$ 273,472	$ 2,635,145	$ 32,256	$ 18,024	$ 22,008	$ 175,338	$ 440,819	$ 1,250,194	$ 48,631	$ 4,895,887
Accumulated depreciation	-	(1,850,651)	(16,332)	(9,830)	(14,249)	-	(205,952)	(792,802)	-	(2,889,816)
Total	$ 273,472	$ 784,494	$ 15,924	$ 8,194	$ 7,759	$ 175,338	$ 234,867	$ 457,392	$ 48,631	$ 2,006,071

1. The Group had no instance of capitalization on interest from property, plant and equipment for the six months ended June 30, 2024 and 2023.
2. The Group uses property, plant and equipment for pledge. Please refer to Note (8) for more details.
3. There have been no significant changes to the depreciation and useful life of the Group's property, Plant and Equipment. Please refer to Note (4) (p) of the 2023 consolidated financial statements.

(i) Lease transactions - Lessee

1. Underlying assets of lease by the Group include buildings and operations venues. The lease period is from 1984 to 2035. All lease contracts are negotiated separately and include various terms and conditions. The information on the carrying amount of the Group's right-of-use assets and the depreciation expenses recognized are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Book value	Book value	Book value
Land	$ 803,494	$ 844,553	$ 885,612
Building	1,781,443	1,867,298	1,882,741
Total	$ 2,584,937	$ 2,711,851	$ 2,768,353

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
	Depreciation expense	Depreciation expense
Land	$ 20,529	$ 20,530
Building	50,422	52,056
Total	$ 70,951	$ 72,586

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
	Depreciation expense	Depreciation expense
Land	$ 41,059	$ 41,059
Building	100,421	105,110
Total	$ 141,480	$ 146,169

2. (1) The Company has signed the contract on establishing the rights of superficies with the Taipei City government in 1976. The retaining period is counted starting from the date of completion (1984) for the registration of the rights of superficies, for a period of 25 years, and extended further for another 25 years for a total of no more than 50 years. During the contract period, the Company shall pay rent to the Taipei City government each year according to a certain percentage of the announced land price. If the agreed rent price is insufficient to cover the land value tax payments to the Taipei City government, adjustments shall be made according to the actual land value tax amount paid each year. When the term expires, the Company shall not arbitrarily dismantle the fixed equipment attached to the building, and shall transfer both the building and the fixed equipment back to the Taipei City government unconditionally.

(2) After paying the royalties of the superficies of Grand Formosa Taroko to the China Travel Service (Taiwan), set up the superficies with the National Property Administration, MOF. The expiration period is until 2029. The main contents of the contract include:

A. Each year the land rent is calculated based on a specific percentage of the announced land price (except that if the land price announcement is unspecified, the land price shall be evaluated based on the property).

B. When the setting up of superficies expires, all of the buildings above ground shall be unconditionally owned by the National Property Administration, MOF.

3. The additions to the right-of-use assets for the Group for the six months ended June 30, 2024 and 2023 are NT$14,566 and NT$1,951, respectively.
4. Information on profit and loss item relating to the lease contract is as follows:

Items with influence to profit and loss for the current period	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Interest expense on lease liabilities	$ 11,279	$ 12,057
Expense on short-term lease contracts	2,613	1,210
Expenses of low value leased assets	-	3
Variable lease payments	10,483	8,281
Lease modification losses	-	197

Items with influence to profit and loss for the current period	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest expense on lease liabilities	$ 22,792	$ 24,473
Expense on short-term lease contracts	4,914	2,426
Expenses of low value leased assets	-	7
Variable lease payments	24,685	17,688
Lease modification losses	-	197

5. The total lease cash outflow of the Group for the six months ending June 30, 2024, and 2023 were NT$180,931 and NT$176,657, respectively.
6. Impact of change of lease payment to lease liabilities. Please refer to Note (9) (b) 3.

(j) Lease transactions - Lessor

1. The Company leases various assets including underground stores and parking lots. Rental contracts are typically made for periods of 2019 to 2029. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.
2. The profits recognized by the Group based on the operating lease contracts for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023 are as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Rental income	$ 64,399	$ 58,266
Rent revenue recognized as variable lease payments	108,103	104,692
	$ 172,502	$ 162,958

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Rental income	$ 127,038	$ 118,389
Rent revenue recognized as variable lease payments	188,147	193,269
	$ 315,185	$ 311,658

3. Analysis on the expiration dates of the lease payments for the operating leases are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not later than 1 year	$ 244,735	$ 270,874	$ 259,429
More than 1 year but less than 2 years	157,786	175,124	201,032
More than 2 years but less than 3 years	108,593	119,750	131,094
More than 3 years but less than 4 years	86,374	94,651	90,708
More than 4 years but less than 5 years	5,829	47,229	79,573
More than 5 years	-	-	4,581
	$ 603,317	$ 707,628	$ 766,417

(k) Intangible assets

	Trademark, franchise and brand management rights	
	2024	2023
	Cost	Cost
January 1/June 30	$ 20,923	$ 20,923

The Company has acquired the Regent trademark and franchise in Taiwan Region in June 2018. Its scope of use is as follows:

1. The Company owns the perpetual license for Regent in Taiwan region and it is allowed to expand marketing activities for Regent Taiwan overseas. IHG is also allowed to promote Regent business in Taiwan.
2. The Company is not permitted to use the Regent trademark in its overseas marketing, nor for use or licensing of the trademark.
3. The Company can only use Regent Taipei trademark in related retail marketing channel in Taiwan and overseas.
4. For the name of the Regent domain name, the Company is limited to using only Regent Taiwan.com, Regent Taipei.com or Regent xxxx.com.tw.

5. If the Company has new Regent Hotel establishments in the future, it shall follow the brand standard established by IHG in addition to that of Regent Taipei.

(l) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Refundable deposits	$ 79,814	$ 79,363	$ 86,104
Prepayments for equipment	10,194	606	681
Others	5,004	5,004	5,154
Total	$ 95,012	$ 84,973	$ 91,939

Long term receivables are mainly receivables for the Regent overseas brand trademark and franchise to IHG and the sale of some of the subsidiaries of Regent Global. The amount is US$26,200 thousand. On January 28, 2021, US$13,100 thousand (equivalent to NT$373,874) was collected. After considering the time value for the remaining amount at US$13,078 thousand (equivalent to NT$401,632) and US$12,948 thousand (equivalent to NT$403,206) as of December 31, 2023 and June 30, 2023 respectively, the amount has been transferred to other receivables and collected in January 2024.

(m) Short-term borrowings

Type of borrowings	June 30, 2024	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 86,714	1.99%	Millerful no.1 REIT - Beneficiary certificates

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 86,714	1.86%	Millerful no.1 REIT - Beneficiary certificates

Type of borrowings	June 30, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 86,714	1.80%	Millerful no.1 REIT - Beneficiary certificates

Regarding the collateral provided by the Group’s short-term borrowings, please refer to the details in Note (8).

(n) Short-term notes and bills payable

Regarding the collateral provided by the Group’s short-term notes and bills payable, please refer to the details in Note (8).

(o) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Dividends payable	$ 1,522,444	$ -	$ 1,147,559
Collection payable (Note)	265,253	367,280	133,454
Salary and wages payable	224,993	383,138	259,993
Equipment payable	36,699	32,469	30,229
Insurance expenses payable	23,900	27,590	24,137
Advertisement expense payable	19,045	13,867	17,749
Royalty payable	17,350	11,392	12,605
Sales tax payable	16,462	49,627	25,969
Utilities expense payable	15,944	10,071	13,734
Service charge payable	10,592	7,200	6,672
Retirement pension payable	10,429	9,730	9,947
Property tax payable	1,614	18,210	2,608
Others	154,858	203,230	218,421
Total	$ 2,319,583	$ 1,133,804	$ 1,903,077

Note: Mainly refers to the collections that need to be paid after opening the invoice on behalf of the tenants of the shopping mall and adjusting the commission amount.

(p) Lease liabilities

Item	June 30, 2024	December 31, 2023	June 30, 2023
Lease liabilities - current	$ 260,280	$ 252,902	$ 247,161
Lease liabilities - non-current	$ 2,433,202	$ 2,554,554	$ 2,602,192

Total amount for the interest expense and cash outflow for the current period, please refer to Note (6) (i).

(q) Retirement pension

1. 1) In accordance with the Labor Standards Act, the Company and its domestic subsidiaries have a defined benefit retirement plan that applies to all regular employees' years of service prior to the implementation of the Labor Standards Act on July 1, 2005, and to employees who elect to continue to be subject to the Labor Standards Act after the implementation of the Labor Standards Act for subsequent years of service. For employees who meet the retirement criteria, pension payments are calculated based on the years of service and the average salary for the six months prior to retirement, with two bases for each year of service up to and including 15 years and one base for each year of service in excess of 15 years, subject to a maximum accumulation limit of 45 bases. The Company and domestic subsidiaries deposit 2% of monthly salaries and wages into a dedicated pension account in the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. Before the end of each year, the Company and domestic subsidiaries estimate the balance in the dedicated account of the Labor Retirement Reserve. If the balance is not sufficient to pay the aforementioned amount of pension benefits to employees eligible for retirement in the following year, the Company and domestic subsidiaries will make a lump-sum

appropriation for the difference by the end of March of the following year.

2) The pension costs recognized under the defined contribution pension plans by the Group for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were NT$759, NT$891, NT$1,519, and NT$1,783, respectively.

3) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024, amount to NT$3,566.

2. 1) Effective July 1, 2005, the Company and domestic companies have a defined contribution pension plan under the Labor Pension Act, which is applicable to the Company's domestic employees. The Company and domestic subsidiaries make monthly contributions of 6% of an employee’s salary to their personal account at the Bureau of Labor Insurance for those who choose to be subject to the labor pension scheme under the “Labor Pension Act”. Employee pensions are paid monthly or in a lump-sum depending on the amount of an employee’s individual pension account and accumulated earning.

2) Subsidiaries in Mainland China adopt the pension insurance system according to the regulations of the governments of the People’s Republic of China. Each month, a certain percentage of the total salary for the local employee is allocated to the pension insurance system. For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, the allocation percentage was 20%. The pensions of each employee are managed, coordinated and arranged by the government. The Group does not have further obligations beside making monthly allocations.

3) The pension costs recognized under the defined contribution pension plans by the Group for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were NT$15,680, NT$15,594, NT$32,131, and NT$31,198, respectively.

3. Silks Global Group adopts the defined contribution plan. Based on the local government regulations, the Group allocates pension on a monthly basis and record it in current expenses. The pension costs recognized under the defined contribution pension plans by the above-mentioned company for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 were NT$0, NT$12, NT$0, and NT$29, respectively.

4. Silks has not hired employees formally. Thus, there is no establishment of the retirement rules.

(r) Other non-current liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Net defined benefit liabilities	$ 58,448	$ 59,241	$ 58,554
Guarantee deposits received	168,900	168,078	168,758
Tax payable	28,552	23,662	48,165
Decommissioning costs	23,685	24,538	27,784
Total	$ 279,585	$ 275,519	$ 303,261

1. Details of the net defined benefit liabilities, please refer to Note (6) (q).
2. The guarantee deposits is mainly the collection of lease deposit of the shopping street tenants and the membership storage amount.
3. Tax payables are:
   1) The National Taxation Bureau, Ministry of Finance, supports tax payers who were affected by COVID-19 pandemic and allowed profit-seeking enterprises to pay in installments over the course of one year the income tax for 2020 and 2021, the 2021 business tax, and the 2021 and 2022 house tax.
   2) Grand Formosa Taroko, a subsidiary of the Company, was affected by the severe earthquake on April 3 and applied to pay the 2023 income tax for profit-seeking enterprises in installments for tax due over the course of one year.
4. According to the announced policy and suitable contract or regulations requirements, the Group has obligations for some of the property, plant and equipment in their dismantling, removal or restoring the location. Thus, the costs for their dismantling, removal or restoring the location are recognized in the provisions for liabilities (decommissioning liabilities).

   Changes to decommissioning costs:

	Decommissioning costs			
	2024		2023	
Balance as of January 1	$	24,538	$	32,450
Amount actually paid in the current period	(	553)		-
Reclassified to other income in current period	(	300)	(	4,666)
Balance as of June 30	$	23,685	$	27,784

(s) Capital

1. As of June 30, 2024, the Company's authorized capital is NT$5,000,000 for 500,000 thousand shares, and the paid-in capital is NT$1,274,032. The face value is NT$10 and it can be issued by installments.
2. Adjustments to the number of the Company's outstanding common stock are as follows:

	2024	2023
January 1/June 30	127,403 thousand shares	127,403 thousand shares

(t) Capital surplus

Pursuant to the Company Act, capital surplus arising from the income derived from the issuance of new shares at a premium and the income from endowments received by the company can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. In addition, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized as mentioned above should not exceed 10% of the paid-in capital each year. The company shall not use the capital reserve to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

(u) Retained earnings

1. Each quarter, when there are earnings after settlement, the following shall be observed

for the appropriation of earnings. An estimation shall first be made on the amount of tax payable; accumulated losses shall be paid; the amount for employee and director remuneration shall be estimated; followed by allocating 10% as legal reserve. However, when legal reserve has accumulated to reach the amount of the paid-in capital, this provision does not apply, and special reserve shall be allocated or reversed according to the laws or regulations of competent authority. If there are earnings remaining, the remainder and the earnings from the previous quarter shall become the undistributed amount of shareholders' dividends. The Board will prepare the proposal for earnings distribution. When it is to be distributed in the form of new shares, the matter shall be resolved by the shareholders' meeting. When distributing in the form of cash, the distribution is to be determined by Board meeting resolution.

If there is earnings for the annual settlement, they have to be allocated for tax payments and make up for the losses from past years. The remainder to be appropriated as follows:

1) Allocate 10% as legal reserve. Where such legal reserve amounts to the total paid-in capital, this provision shall not apply.
2) When necessary, allocate or reversal of special reserves according to the laws and regulations.

If there are earnings, its balance plus the accumulated undistributed earnings from the previous quarter shall be proposed by the Board for its appropriation. When the distribution is in issuance of new shares, the proposal shall be resolved by the shareholders' meeting on the distribution. When distribution is in the form of cash, it must be resolved in a board meeting with more than two-thirds of the board present, voted in favor by more than half of attending directors, and reported in the upcoming shareholders' meeting.

In accordance with Article 241 of the Company Act, the Company shall allocate in whole or in parts the legal reserve and capital surplus according to the original shareholders proportion and when distributing new shares or cash, it shall proceed according to the preceding method resolved for distribution.

2. The Company's lifecycle is in a stable growth stage and will observe the changes to the internal and external environment in seek of sustainable operation and long term development. It will consider the company's future capital expense budget and need while sustaining the stability of dividends distribution. During each quarter and every year, when the Company distributes its cash dividends, it allocates more than 50% of the accumulated distributable earnings as shareholder bonuses. Of which cash dividends must not be lower than 10% of the shareholder bonuses.

3. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

4. 1) The 2022 dividends of NT$1,147,559 were distributed in cash by the Board of Directors' resolution on March 20, 2023. The 2022 earnings distribution proposal on June 15, 2023 was also approved as follows:

	2022	
	Amount	Dividend per share (NT$)
Reversal of special reserves	($ 152,377)	
Cash dividends	1,147,559	$ 9.0073
Total	$ 995,182	

2) The 2023 dividends of NT$1,450,116 were distributed in cash by the Board of Directors' resolution on March 11, 2024. The 2023 earnings distribution proposal on June 13, 2024 was also approved as follows:

	2023	
	Amount	Dividend per share (NT$)
Special reserve	$ 20,926	
Cash dividends	1,450,116	$ 11.3821
Total	$ 1,471,042	

(v) Operating revenue

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Revenue from contracts with customers		
Food and beverage service revenue	$ 696,715	$ 763,551
Guest-service revenue	456,425	591,473
Technical service revenue	30,827	50,750
Other service revenue	31,578	29,945
Subtotal	1,215,545	1,435,719
Lease revenue	172,502	162,958
Total	$ 1,388,047	$ 1,598,677

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Revenue from contracts with customers		
Food and beverage service revenue	$ 1,588,602	$ 1,665,069
Guest-service revenue	1,103,316	1,200,114
Technical service revenue	65,668	101,934
Other service revenue	62,381	58,602
Subtotal	2,819,967	3,025,719
Lease revenue	315,185	311,658
Total	$ 3,135,152	$ 3,337,377

Note: Other service revenue is listed in Note (14) (c) within the food and beverage department, guest room department, leasing department, and technical service and operation management department.

1. Revenue from contracts with customers

The Group's revenue is derived from the provision of products and services which are gradually transferred as time passes and at a certain point in time. The revenue can be sub-divided into the following major product lines and geographical regions:

	Taiwan				Overseas region	
From April 1 to June 30, 2024	Food and beverage service	Guest-service	Technical service	Other service	Technical service	Total
Revenue	$ 696,797	$ 456,736	$ 30,573	$ 31,690	$ 286	$1,216,082
Revenue from internal transactions	(82)	(311)	(32)	(112)	-	(537)
Revenue from contracts with external customers	$ 696,715	$ 456,425	$ 30,541	$ 31,578	$ 286	$1,215,545

	Taiwan				Overseas region	
From April 1 to June 30, 2023	Food and beverage service	Guest-service	Technical service	Other service	Technical service	Total
Revenue	$ 763,648	$ 592,746	$ 48,202	$ 29,945	$ 3,323	$1,437,864
Revenue from internal transactions	(97)	(1,273)	(775)	-	-	(2,145)
Revenue from contracts with external customers	$ 763,551	$ 591,473	$ 47,427	$ 29,945	$ 3,323	$1,435,719

	Taiwan	Overseas region

From January 1 to June 30, 2024	Food and beverage service	Guest-service	Technical service	Other service	Technical service	Total
Revenue	$1,588,746	$1,103,633	$ 65,743	$ 62,544	$ 1,807	$2,822,473
Revenue from internal transactions	(144)	(317)	(1,882)	(163)	-	(2,506)
Revenue from contracts with external customers	$1,588,602	$1,103,316	$ 63,861	$ 62,381	$ 1,807	$2,819,967

	Taiwan				Overseas region	
From January 1 to June 30, 2023	Food and beverage service	Guest-service	Technical service	Other service	Technical service	Total
Revenue	$1,665,267	$1,202,888	$ 99,190	$ 58,602	$ 4,294	$3,030,241
Revenue from internal transactions	(198)	(2,774)	(1,550)	-	-	(4,522)
Revenue from contracts with external customers	$1,665,069	$1,200,114	$ 97,640	$ 58,602	$ 4,294	$3,025,719

2. Contract assets and contract liabilities

The Group does not have related contract assets recognized as customer contract revenue. The Group recognized the contract liabilities as follows:

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract liabilities:				
Contract liabilities - Advance receipts - Current	$ 490,065	$ 615,853	$ 538,568	$ 667,670
Contract liabilities - Advance receipts - Non-Current	10,481	8,229	9,362	9,891
Total	$ 500,546	$ 624,082	$ 547,930	$ 677,561

Contract liabilities at beginning period recognized as revenue in current period

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Contract liabilities balance at beginning of period recognized as revenue in current period		
Advance receipts - Current	$ 53,092	$ 92,780
	From January 1 to June 30, 2024	From January 1 to June 30, 2023

Contract liabilities balance at beginning of period recognized as revenue in current period Advance receipts - Current	$ 231,146	$ 298,989

(w) Interest income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Income of interest from financial assets measured at amortized cost	$ 8,939	$ 6,486
Interest from cash in the bank	4,225	3,748
Interests of long term receivables	-	1,982
Other interest income	9,350	9,745
Total	$ 22,514	$ 21,961

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income of interest from financial assets measured at amortized cost	$ 17,278	$ 11,977
Interest from cash in the bank	5,982	5,157
Interests of long term receivables	685	3,933
Other interest income	9,712	9,924
Total	$ 33,657	$ 30,991

(x) Other income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Insurance claim income	$ 19,282	$ 87
Government grants revenue	834	601
Transfer of overdue accounts payable to other revenue	-	91
Others	2,121	6,337
Total	$ 22,237	$ 7,116

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Insurance claim income	$ 19,365	$ 413
Government grants revenue	8,071	2,156
Transfer of overdue accounts payable to other revenue	96	107
Others	4,583	7,939
Total	$ 32,115	$ 10,615

(y) Other gains and losses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Net gain on financial assets at fair value through profit or loss	$ 6,229	$ 942
Losses from disposal of property, plant and equipment	-	(238)
Lease modification losses	-	(197)
Net foreign exchange gain	20,746	27,409
Miscellaneous income (expenditure)	85	(4)
Total	$ 27,060	$ 27,912

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Net gains (losses) on financial assets measured at fair value through profit or loss	$ 12,993	($ 9,386)
Losses from disposal of property, plant and equipment	-	(241)
Lease modification losses	-	(197)
Net foreign exchange gain	44,470	28,998
Miscellaneous income (expenditure)	8,476	(3)
Total	$ 65,939	$ 19,171

(z) Finance cost

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Interest expense:		
Lease liabilities	$ 11,279	$ 12,057
Bank borrowings	423	388
Others	446	419
Total	$ 12,148	$ 12,864

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest expense:		
Lease liabilities	$ 22,792	$ 24,473
Bank borrowings	826	749
Others	867	757
Total	$ 24,485	$ 25,979

(aa) Additional information other than expenses by nature

	From April 1 to June 30, 2024		
	Cost	Expenses	Total
Employee benefit expense	$ 341,085	$ 74,528	$ 415,613
Depreciation expense of property, plant and equipment	68,540	3,973	72,513
Depreciation expense of right-of-use assets	70,889	62	70,951
	$ 480,514	$ 78,563	$ 559,077

	From April 1 to June 30, 2023		
	Cost	Expenses	Total
Employee benefit expense	$ 354,127	$ 72,320	$ 426,447
Depreciation expense of property, plant and equipment	72,086	3,650	75,736
Depreciation expense of right-of-use assets	72,523	63	72,586
	$ 498,736	$ 76,033	$ 574,769

	From January 1 to June 30, 2024		
	Cost	Expenses	Total
Employee benefit expense	$ 722,448	$ 151,232	$ 873,680
Depreciation expense of property, plant and equipment	136,526	7,783	144,309
Depreciation expense of right-of-use assets	141,355	125	141,480
	$ 1,000,329	$ 159,140	$ 1,159,469

	From January 1 to June 30, 2023		
	Cost	Expenses	Total
Employee benefit expense	$ 728,060	$ 147,840	$ 875,900
Depreciation expense of property, plant and equipment	145,165	7,251	152,416
Depreciation expense of right-of-use assets	146,043	126	146,169
	$ 1,019,268	$ 155,217	$ 1,174,485

(ab) Employee benefit expense

	From April 1 to June 30, 2024		
	Cost	Expenses	Total
Wages and salaries	$ 281,579	$ 54,918	$ 336,497
Labor and health insurance fees	29,738	5,312	35,050
Pension costs	13,798	2,641	16,439
Remuneration of Directors	-	2,870	2,870
Other personnel expenses	15,970	8,787	24,757
	$ 341,085	$ 74,528	$ 415,613

	From April 1 to June 30, 2023		
	Cost	Expenses	Total
Wages and salaries	$ 296,464	$ 57,348	$ 353,812
Labor and health insurance fees	29,796	5,332	35,128
Pension costs	13,928	2,569	16,497
Remuneration of Directors	-	2,774	2,774
Other personnel expenses	13,939	4,297	18,236
	$ 354,127	$ 72,320	$ 426,447

	From January 1 to June 30, 2024		
	Cost	Expenses	Total
Wages and salaries	$ 600,159	$ 114,524	$ 714,683
Labor and health insurance fees	60,771	10,612	71,383
Pension costs	28,351	5,299	33,650
Remuneration of Directors	-	6,509	6,509
Other personnel expenses	33,167	14,288	47,455
	$ 722,448	$ 151,232	$ 873,680

	From January 1 to June 30, 2023		
	Cost	Expenses	Total
Wages and salaries	$ 610,834	$ 115,877	$ 726,711
Labor and health insurance fees	61,240	10,961	72,201
Pension costs	27,930	5,080	33,010
Remuneration of Directors	-	6,004	6,004
Other personnel expenses	28,056	9,918	37,974
	$ 728,060	$ 147,840	$ 875,900

1. According to the Company’s Articles of Association, the Company shall appropriate 5% as profit-sharing remuneration for employees and no more than 0.5% as profit-sharing remuneration for directors of the remainder of the profit for the year, if any, after deducting the accumulated losses from the profit for the current year.
2. The estimated amounts for the Company’s employee remuneration for the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023 are NT$19,700, NT$22,462, NT$47,351, and NT$45,991, respectively. The estimated amounts for directors are NT$1,970, NT$2,246, NT$4,735, and NT$4,599. The aforementioned amounts are accounted under the wages and salaries title.

   The estimation uses 5% and 0.5% based on the analysis of profits for the six months ended June 30, 2024.

   The Board has resolved that the amount for the 2023 employee and director remuneration and of that recognized in the 2023 financial report to be consistent. The aforementioned remuneration to employees and directors will be paid in cash. As of June 30, 2024, the actual distribution of employee remuneration for 2023 has not yet been made.

   Related information on the employee and director remuneration passed by the Company’s Board of Directors can be obtained from the MOPS website.

(ac) Income tax

1. Income tax expense

   Components of income tax expense:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Income tax for current period:		
Income tax generated for the current period	$ 67,438	$ 96,782
(Overestimation) underestimation of income tax of the preceding year	(94)	2,237
Total income tax for current period	67,344	99,019
Deferred tax:		
Origin and reversal of temporary differences	2,147	1,917
Total deferred tax	2,147	1,917
Income tax expense	$ 69,491	$ 100,936

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income tax for current period:		
Income tax generated for the current period	$ 176,578	$ 197,255
(Overestimation) underestimation of income tax of the preceding year	(94)	2,237
Total income tax for current period	176,484	199,492
Deferred tax:		
Origin and reversal of temporary differences	2,485	122
Total deferred tax	2,485	122
Income tax expense	$ 178,969	$ 199,614

2. The Company's profit-seeking enterprise income tax has been approved by the tax collection authorities until 2022.
3. To assist taxpayers who were affected by the COVID-19 pandemic, the National Taxation Bureau, Ministry of Finance allowed income tax installment payments for profit-seeking enterprises in 2020 and 2021. The Company has issued checks. As of June 30, 2024, December 31, 2023, and June 30, 2023, the balances were NT$38,918, NT$72,592, and NT$106,266, respectively. These are recorded in notes payable according to their liquidity for NT$38,918, NT$53,133, and NT$67,348, respectively, and in "other non-current liabilities" for NT$0, NT$19,459, and NT$38,918, respectively.
4. Grand Formosa Taroko, a subsidiary of the Company, was affected by the severe earthquake on April 3 and applied for the payment installments for profit-seeking

enterprises in 2023. The balance as of June 30, 2024 was NT$43,449 and was accounted for as "income tax liabilities for the period" of NT$14,897 and "other non-current liabilities" of NT$28,552, respectively.

(ad) Earning per share

	From April 1 to June 30, 2024		
	After-tax amount	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 295,339	127,403	$ 2.32
Diluted earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 295,339	127,403	
Assumed conversion of all dilutive potential ordinary shares			
Employees' payroll and bonus payable	-	226	
Current period net income plus potential effects of common stock attributable to common stock shareholders of the parent	$ 295,339	127,629	$ 2.31

	From April 1 to June 30, 2023		
	After-tax amount	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 343,770	127,403	$ 2.70
Diluted earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 343,770	127,403	
Assumed conversion of all dilutive potential ordinary shares			
Employees' payroll and bonus payable	-	177	
Current period net income plus potential effects of common stock attributable to common stock shareholders of the parent	$ 343,770	127,580	$ 2.69

	From April 1 to June 30, 2023		
	After-tax amount	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 343,770	127,403	$ 2.70
Diluted earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 343,770	127,403	
Assumed conversion of all dilutive potential ordinary shares			
Employees' payroll and bonus payable	-	177	
Current period net income plus potential effects of common stock attributable to common stock shareholders of the parent	$ 343,770	127,580	$ 2.69

	From January 1 to June 30, 2024		
	After-tax amount	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 720,173	127,403	$ 5.65
Diluted earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 720,173	127,403	
Assumed conversion of all dilutive potential ordinary shares			
Employees' payroll and bonus payable	-	397	
Current period net income plus potential effects of common stock attributable to common stock shareholders of the parent	$ 720,173	127,800	$ 5.64

	From January 1 to June 30, 2023		
	After-tax amount	Weighted average number of shares outstanding (shares in thousands)	Earnings per share (NT$)
Basic earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 705,450	127,403	$ 5.54
Diluted earnings per share			
Current period net income attributable to common shares shareholders of the parent	$ 705,450	127,403	
Assumed conversion of all dilutive potential ordinary shares			
Employees' payroll and bonus payable	-	268	
Current period net income plus potential effects of common stock attributable to common stock shareholders of the parent	$ 705,450	127,671	$ 5.53

(ae) Supplementary information on cash flows

1. Only some of the investing activities with cash payments:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Procurement of property, plant and equipment	$ 95,462	$ 108,712
Add: Accounts payable - equipment, at the beginning of the period	32,469	39,167
Add: Accounts payable - equipment, at the end of the period	(36,699)	(30,229)
Payments in cash for the current period	$ 91,232	$ 117,650

2. Financing activities that are of no effects to cash flow:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Declared cash dividends but not yet distributed by the parent company	$ 1,450,116	$ 1,147,559
Declared cash dividends but not yet distributed by subsidiaries	72,328	-
	$ 1,522,444	$ 1,147,559

(af) Changes in liabilities from financing activities

	2024				
	Short-term borrowings	Guarantee deposits received	Lease liabilities	Dividends payable	Liabilities from financing activities-gross
January 1	$ 86,714	$ 168,078	$ 2,807,456	$ -	$ 3,062,248
Changes in cash flows from financing activities	-	822	(128,540)	-	(127,718)
Increase in right-of-use assets	-	-	14,566	-	14,566
Discounted and amortized interest expense	-	-	22,792	-	22,792
Interest paid	-	-	(22,792)	-	(22,792)
Declared dividends but not yet distributed	-	-	-	1,522,444	1,522,444
June 30	$ 86,714	$ 168,900	$ 2,693,482	$1,522,444	$ 4,471,540

	2023				
	Short-term borrowings	Guarantee deposits received	Lease liabilities	Dividends payable	Liabilities from financing activities-gross
January 1	$ 86,714	$ 170,351	$ 3,013,365	$ -	$ 3,270,430
Changes in cash flows from financing activities	-	(1,593)	(132,063)	-	(133,656)
Increase in right-of-use assets	-	-	1,951	-	1,951
Decrease in right-of-use assets	-	-	(33,900)	-	(33,900)
Discounted and amortized interest expense	-	-	24,473	-	24,473
Interest paid	-	-	(24,473)	-	(24,473)
Declared dividends but not yet distributed	-	-	-	1,147,559	1,147,559
June 30	$ 86,714	$ 168,758	$ 2,849,353	$1,147,559	$ 4,252,384

(7) Related party transactions

The Group does not have significant related party transactions.

Key management remuneration information

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Wages and salaries and other short-term employee benefits	$ 9,697	$ 12,421
Post-employment benefits	126	108
Total	$ 9,823	$ 12,529

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Wages and salaries and other short-term employee benefits	$ 21,076	$ 24,136
Post-employment benefits	288	216
Total	$ 21,364	$ 24,352

(8) Mortgage and pledge of assets

Statements of the guarantees provided by the Group's assets:

	Carrying value			
Asset item	June 30, 2024	December 31, 2023	June 30, 2023	Guarantee purpose
Financial assets measured at fair value through profit or loss - Current				
-Beneficiary certificates	$ 144,959	$ 144,911	$ 145,104	Short-term borrowings guarantee
Financial assets at amortized cost - current				
Demand deposit	89,913	129,847	119,376	Gift voucher standard form contract performance guarantee trust account
- Time deposit	599	634	486	Guarantee fund for cooperative education
Subtotal	90,512	130,481	119,862	
Financial assets at amortized cost - non-current				
- Time deposit	45,010	43,912	43,912	Performance bond of leased building
- "	11,949	11,830	11,880	Guarantee fund for cooperation
- "	100	100	100	Gasoline deposit
Subtotal	57,059	55,842	55,892	
Property, plant and equipment				
- Lands and buildings	239,860	243,278	251,252	Short-term borrowings and short-term notes payable limit guarantee
Total	$ 532,390	$ 574,512	$ 572,110	

(9) Significant contingent liabilities and unrecognized contractual commitments

(a) Contingency

None of such situations.

(b) Commitment

Besides the narration of Note (6) (k), other major commitments are as follows:

1. The Company has signed an agreement providing technical service, entrustment management and franchise for an international five-star rating hotel and hotel construction as follows:

Contract counterparty	Contract subject matter	Period	Service expense calculation and collection method
(1) Rong Chiang International Ltd.	Silks Place Yilan	Five years from the renewal date	Calculate a certain percentage of the operation revenue on a monthly basis
(2) YUI-MOM SILKS CLUB CO., LTD.	Silks Club	Starting from the date of official opening of the hotel onwards for 20 years	"
(3) YBH INTERNATIONAL LTD.	Just Sleep Kaohsiung Station (front station)	"	"
(4) YBH INTERNATIONAL LTD.	Just Sleep Kaohsiung Station (Zhongzheng)	"	"
(5) YBH INTERNATIONAL LTD.	Just Sleep Hualien	"	"
(6) SILICON BAY TECHNOLOGY CO., LTD.	Just Sleep Taipei Sanchong	"	"
(7) Heya Travel Co., Ltd.	Just Sleep Tainan	"	"
(8)MINATO CREATE CO., LTD.	JUST SLEEP OSAKA	Starting from the date of official opening of the hotel onwards for 10 years	"
(9) Hungmao International Development Co., Ltd.	Just Sleep Taipei Kenting	Preparation period	Collect service revenue based on preparation progress
(10) Eastern Home Shopping & Leisure Co., Ltd.	Silks X Linkou	"	"
(11) SET STUDIO PARK CO., LTD.	Silks Place Taoyuan	"	"
(12) Eastern Ocean	Wellspring by Silk	"	"

Contract counterparty	Contract subject matter	Period	Service expense calculation and collection method
Hot Spring Hotel Co., Ltd.			
(13) Eastern Home Shopping & Leisure Co., Ltd.	Just Sleep Linkou	"	"

2. The entrustment contract signed by the Company for entrusted operation management is as follows:

Contract counterparty	Contract subject matter	Period	Service expense and royalties calculation
A	Hostel	Since January 16, 2013 to December 31, 2024, and renewed in August 2023 to December 31, 2034 for a total of 22 years	Since the first day of the test operation until the expiration or termination date of the entrustment operation period, the royalties are paid on a fixed and monthly basis. Additionally, a certain percentage of the operating revenue is used to pay the management royalties.

3. The major contracts for the leasing of shopping malls, hotel and restaurant management are as follows:

Lessor	Lease subject matter	Period	Rent calculation and payment method
(1) WANHWA ENTERPRISE COMPANY	Wanhwa Enterprise Building 5th~9th Floor	Since April 20, 2009 to April 19, 2027, a total of 18 years	Monthly payment of fixed rent, and an increase of 5% every 3 years
(2) Cathay Life Insurance Company, Ltd.	Tainan Cathay Plaza	Since March 12, 2014 to March 11, 2034, a total of 20 years	Monthly payment of fixed rent, from the 5th year an increase starting each year according to the contract
(3) Company D	No. 8 and 10, Ln. 24, Deyang Rd., Jiaoxi Township, Yilan County, Taiwan	Since November 1, 2013 to October 31, 2033, a total of 20 years	Monthly payment of fixed rent, an increase of 3% starting from the fourth year and every three years afterward. It is calculated by a certain percentage of one of the operating categories.
(4) Company E	No. 67, Wenquan Rd., Jiaoxi Township, Yilan County	Since December1, 2015 to November 30, 2035, a total of 20 years	"

(5) Company K	No. 19 and No. 19-1, Quanyuan Rd., Beitou Dist., Taipei City	Starting from the date of rent (inclusive of the day), a total of 20 years	The rent is fixed monthly and increases by 3% every 5 years
(6) Company L	Magistrate Residence Living Centre 1F, Meals and Beverages Business Area and Kitchen Area	Since August 31, 2022 to April 30, 2025, a total of 2.6 years	Calculation of rent is based on revenue, but guaranteed revenue shall be achieved.
(7) Company M	Shopping Mall, No. 303, Lequn 3rd Rd., Zhongshan Dist., Taipei City	Since March 1, 2024 to February 28, 2030, a total of 6 years	"

4. Main rental lease contracts signed and entered into by the Company are as follows:

Lessee	Lease subject matter	Period	Rent calculation and collection method
USPACE TECH CO., LTD.	Underground level 4 and 5 of Regent Taipei	Since August 1, 2023 to July 31, 2028, a total of 5 years	Monthly collection of fixed rent. When the lessee raises the parking fees, the rent shall be adjusted according to the proportion of the parking fee raised.

5. The Company has established the five-star “Silks Place Hotel” in Tainan City at the Tainan Cathay Plaza. Thus, we have signed and entered into a lease contract with Cathay Life Insurance Company, Ltd. In accordance with the contract agreement, we have filed for application with the Taipei Fubon Bank, the guarantee credit line and submitted a performance bond of NT$45,010 for the period covering November 6, 2008 to March 11, 2034.
6. On the entrustment contract for operations signed by the Company and A, application of a guarantee deposit of NT$10,000 shall be made to Mega International Commercial Bank for contract fulfillment according to the contract. The period is from September 20, 2012 to September 19, 2024.
7. On the lease contract signed by the Company and K, the application of the credit guarantee amount of NT$26,965 shall be made to Mega International Commercial Bank for contract fulfillment according to the contract. The period is from November 6, 2022 to November 5, 2024.
8. Silks Palace participated in the “Private Participation in the National Palace Museum Food and Beverage Service Center Plan”. Silks Palace, thus, has signed a development and operations contract and a land rights establishment contract with the National Palace Museum in December 2005. The main contents of the contracts are as follows:
   1) Development and operation period: Starting from the day of signing the superficies set up contract onwards for 25 years, if the evaluation results show an operation performance at good standing, application for priority entrustment of continuing management may be submitted attaching relevant information in accordance with relevant regulations. However, continuing management shall not surpass 10 years.
   2) Royalty, rent and security deposit:
      A. Development royalty: One time payment shall be made 7 days before the beginning of

the operation for each of the investment item of the execution plan proposed by Silks Palace At National Palace Museum Corp.

B. Management royalty: After the operation begins, the royalty is calculated based on the agreed percentage of the total operating revenue of the previous fiscal year audited and verified by the CPAs. The management royalty of the previous year has to be paid before August 31 each year.

C. Rent: It is calculated based on the "Regulations for Favorable Rentals Regarding Public Land Lease and Superficies in Infrastructure Projects".

D. Performance bond: Silks Palace At National Palace Museum provides a performance bond of NT$5,000, which will be returned 3 months after the completion of all related procedures for assets transfer according to the contract.

3) Restrictive terms:

A. The following financial percentage shall be maintained during the development and operation period:

a. Current ratio shall be more than 100%.

b. The total liabilities amount shall be less than 1.5 times of the net worth.

B. The financial plans of Silks Palace Forbidden City shall be adjusted based on the financial plan proposed after the selection and evaluation.

C. Besides obtaining agreement by the National Palace Museum, the Silks Palace At National Palace Museum Corp. shall not make re-investments of other businesses.

D. For the assets and liabilities acquired by the Silks Palace At National Palace Museum Corp. due to the operation plan, it shall not set up any burden: The assets and liabilities shall not be transferred or rented without authorization from the National Palace Museum.

9. Operating lease arrangements

Please refer to Notes (6) (i), (j) and (p) for details.

10. The subsidiary - FIH Management Limited (hereinafter referred to as "FML") has signed and entered into a shareholder negotiation agreement with IHG and RHW on July 1, 2018. The contents of the agreement cover future internal management and operation of RHW, related cost and expense distribution, Regent brand development planning and use restrictions, financial audit information and related matters to equity purchase and sale. It was also agreed that shareholders held 49% of the RHW equity held by FML from 2026 to 2033, that FML has the rights to sell the equity to IHG, and that IHG has the rights to purchase from FML. The transaction price is calculated based on "11 times the operating revenue after adjustments according to the contract agreement in the previous year before the exercise of rights".

(10) <u>Losses from major disasters</u>

None of such situations.

(11) <u>Material events after the reporting period</u>

Please refer to the descriptions in Note (4) (c).

(12) Others

(a) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group uses the debt-to-capital ratio to monitor its capital, and such ratio is calculated by dividing the total debt by the total capital.

(b) Financial instruments

1. Financial instruments by category

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets			
Financial assets at fair value through profit or loss (FVTPL)			
Financial assets mandatorily measured at fair value through profit or loss	$ 2,749,041	$ 2,767,248	$ 1,377,384
Financial assets at fair value through profit or loss (FVTOCI)			
Designation option for investments in equity instruments	500	500	500
Financial assets at amortized cost			
Cash and cash equivalents	902,592	475,230	1,638,641
Financial assets at amortized cost - current	622,555	694,837	680,963
Notes receivable	12,162	14,923	5,753
Accounts receivable	197,309	209,364	141,431
Other receivables	105,945	407,583	414,942
Financial assets at amortized cost - non-current	57,059	55,842	55,892
Refundable deposits	79,814	79,363	86,104
	$ 4,726,977	$ 4,704,890	$ 4,401,610

	June 30, 2024	December 31, 2023	June 30, 2023
Financial liabilities			
Financial liabilities measured at amortized cost			
Short-term borrowings	$ 86,714	$ 86,714	$ 86,714
Notes payable (current and non-current)	48,166	95,794	148,448
Accounts payable	184,638	251,744	213,341
Other payables	2,319,583	1,133,804	1,903,077
Guarantee deposits received	168,900	168,078	168,758
	$ 2,808,001	$ 1,736,134	$ 2,520,338
Lease liabilities - current	$ 260,280	$ 252,902	$ 247,161
Lease liabilities - non-current	$ 2,433,202	$ 2,554,554	$ 2,602,192

2. Risk management policy

1) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Group's overall risk management policy emphasizes the unforeseeable matters of the financial market and seeks to lower the effects from potential disadvantages to the Group's financial position and performance.

2) The Group's Finance Department performs risk management work in compliance with the policy approved by the Board of Directors. The Group's Finance Department works closely with each of the operating unit within the Group to carry out its responsibilities in the identification, assessment and hedging of financial risks. The board of directors provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

3. Nature and extend of significant financial risks

1) Market risk

Foreign currency exchange rate risk

A. The Group is a multinational operation. We are influenced by exchange rate risk from the transactions of relatively different currencies from the Company and subsidiaries' functional currency, which is mainly the USD and JPY. Related exchange rate risk derives from commercial transactions and recognized assets and liabilities.

B. The Group engages in businesses that involve several non-functional currencies (NT$ is the functional currency of the Company and some of the subsidiaries, while USD and JPY are the functional currency of some of the subsidiaries) which are impacted by exchange rate volatilities. The foreign currency assets with significant impacts of exchange rate volatilities are as follows:

	June 30, 2024		
	Foreign currency (in thousand)	Currency exchange rate	Book value (NT$)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD: NT$	$ 2,020	32.45	$ 65,549
USD: JPY	10,198	160.88	330,925
EUR: USD	1,947	1.0696	67,580
Non-monetary items			
USD: NT$	55,879	32.45	1,813,279
JPY: NT$	1,660,452	0.2017	334,913

	December 31, 2023		
	Foreign currency (in thousand)	Currency exchange rate	Book value (NT$)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD: NT$	$ 1,964	30.71	$ 60,314
USD: JPY	10,069	141.39	309,219
EUR: USD	1,947	1.1065	66,159
Non-monetary items			
USD: NT$	54,852	30.71	1,684,494
JPY: NT$	1,424,482	0.2172	309,397

	June 30, 2023		
	Foreign currency (in thousand)	Currency exchange rate	Book value (NT$)
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD: NT$	$ 1,922	31.14	$ 59,851
USD: JPY	9,838	144.84	306,355
EUR: USD	1,567	1.0857	52,980
Non-monetary items			
USD: NT$	54,208	31.14	1,688,052
JPY: NT$	1,425,597	0.2150	306,503

C. On the Group’s monetary items, foreign currency exchange rate volatility has cast a significant impact on all of the exchange rate gains (inclusive of those realized and unrealized) recognized for the three months ended June 30, 2024 and 2023 and the six months ended 2024 and 2023, and the aggregate amounts are NT$20,746, NT$27,409, NT$44,470, and NT$28,998, respectively.

D. Analysis of foreign currency market risks due to effects from significant exchange rate fluctuations as below:

	From January 1 to June 30, 2024		
		Sensitivity analysis	
	Range of variation	Effects on profit and loss	Effects to other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD: NT$	1%	$ 655	$ -
USD: JPY	1%	3,309	-
EUR: USD	1%	676	-
Non-monetary items			
USD: NT$	1%	-	18,133
JPY: NT$	1%	-	3,349

	From January 1 to June 30, 2023		
		Sensitivity analysis	
	Range of variation	Effects on profit and loss	Effects to other comprehensive income
(Foreign currency: Functional currency)			
Financial assets			
Monetary items			
USD: NT$	1%	$ 599	$ -
USD: JPY	1%	3,064	-
EUR: USD	1%	530	-
Non-monetary items			
USD: NT$	1%	-	16,881
JPY: NT$	1%	-	3,065

Price risks

A. The Group's debt and equity instruments exposed to price risk are accounted for in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. In order to manage the price risk of debt and equity instrument investment, the Group diversifies its investment portfolio. The diversification method is based on the limit set by the Group.

B. The Group mainly invests in domestic open-ended funds and closed-end funds. The prices of these debt instruments will be affected by the uncertainty of the future value of the investment targets. If the price of such debt instruments increases or decreases by 1%, and all other factors remain unchanged, the net profit after tax for the six months ended June 30, 2024 and 2023 will increase or decrease by NT$27,490 and NT$13,774 due to the gains or losses of debt instruments measured at fair value through profit or loss.

2) Credit risk

A. The Group's credit risk refers to risks of financial losses due to default by the clients or transaction counterparties of financial instruments on the contract obligations. The default mainly derives from account receivable that the counterparties were unable to clear the payments according to the payment collection term and other financial assets at amortized cost.

B. The Group builds credit risk management from the group perspectives. Only banks and financial institutions having a rating of "A" level by the independent ratings can become a counterparty in the dealings. According to the internal credit policy, each of the operating entity within the Group shall conduct management and credit risk analysis for each new customer before forming the terms and conditions for the payments and goods delivery. Internal risk control assesses the credit quality of the customers by taking into account its financial position, past experiences and other factors. The limits of individual risks are established by the Board of Directors based on the internal and external rating, and are applied for the regular monitoring of the credit facilities.

C. The Group adopts the premise provided by IFRS 9. When the contractual payments are overdue by more than 90 days, it is deemed a breach of contract.

D. The Group adopts IFRS 9 to provide the following assumptions as the basis for judging whether the credit risk of financial instruments has increased significantly since the initial recognition:

When the contractual payments overdue from the payment terms for more than 30 days, the credit risks of the financial assets are deemed to have increased significantly since the initial recognition.

E. The Group applies the simplified approach to the account receivables based on the characteristics of the customers according to the customer ratings and customer type for estimation of the expected credit losses using the loss ratio method as the basis.

F. The Group incorporates the business observation report of the Taiwan Institute of Economic Research (TIER) for future forward-looking considerations to estimate the allowance for losses on accounts receivable of customers based on the loss rate of historical and current information for a specific period. The Group's expected loss rate for accounts receivable that are due and overdue as of June 30, 2024, December 31, 2023, and June 30, 2023 are not significant.

G. The allowance for losses of the accounts receivable, to which the Group applies the simplified approach, is not significant and is not recognized for the six months ended June 30, 2024 and 2023.

3) Liquidity risk

A. The cash flow projection is performed by every individual operation within the Group and compiled by the Finance Department of the Group. The Group's Finance Department monitors the projections for the Group's needs of funds to ensure that there are sufficient funding to support operating requirements. Such projections take into consideration the financial percentage targets of internal balance sheet and external regulatory requirements.

B. When the remaining cash held by all operating entities exceeds the amount needed for the management of the operating funds, the remaining capital shall be invested in the saving deposit with interest, time deposit, currency market, and securities. The chosen instruments have appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of June 30, 2024, December 31, 2023, and June 30, 2023, the Group holds currency market positions at NT$4,015,310, NT$3,632,205, and NT$3,408,375, respectively. It is expected to immediately generate cash flow to help manage current risk.

C. Statements for the unused loan amounts are as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Within 1 year	$ 2,176,160	$ 2,134,262	$ 2,189,462

D. The table below analyses the Group's non-derivative financial liabilities into relevant maturity groupings, non-derivative financial liabilities are based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The contractual cash flow amount disclosed in the following table is the undiscounted amount.

Non-derivative financial liabilities: June 30, 2024	Within 1 year	1 to 2 years	2 years and above
Short-term borrowings	$ 86,714	$ -	$ -
Notes payable	48,166	-	-
Accounts payable	184,638	-	-
Other payables	2,319,583	-	-
Lease liabilities (current and non-current)	302,709	310,272	2,312,231
Guarantee deposits received	-	52,089	116,811

Non-derivative financial liabilities: December 31, 2023	Within 1 year	1 to 2 years	2 years and above
Short-term borrowings	$ 86,714	$ -	$ -
Notes payable (current and non-current)	72,132	23,662	-
Accounts payable	251,744	-	-
Other payables	1,133,804	-	-
Lease liabilities (current and non-current)	297,317	306,895	2,457,223
Guarantee deposits received	-	47,599	120,479

Non-derivative financial liabilities: June 30, 2023	Within 1 year	1 to 2 years	2 years and above
Short-term borrowings	$ 86,714	$ -	$ -
Notes payable (current and non-current)	100,283	48,165	-
Accounts payable	213,314	-	-
Other payables	1,903,077	-	-
Lease liabilities (current and non-current)	292,565	297,023	2,530,558
Guarantee deposits received	-	45,498	123,260

(c) Fair value information

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

   Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access on the measurement date. An active market refers to a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. Fair value of the beneficiary certificates from the Group's investments included.

   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. The Group's investment in equity instruments without active market is included in Level 3.

2. The Group's financial instruments not measured at fair value and the carrying amounts of these financial instruments is a reasonable approximation of fair value: Including cash and cash equivalents, notes receivable, accounts receivable, other receivables, financial assets measured at amortized cost, refundable deposits, short-term borrowings, notes payable, accounts payable, other payables, and guarantee deposits.

3. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets is as follows:

   (1) Related information on classifications based on the nature of the Group's assets:

June 30, 2024	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurement disclosures				
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certificates	$ 2,749,041	$ -	$ -	$ 2,749,041
Financial assets at fair value through profit or loss (FVTOCI)				
Equity securities	$ -	$ -	$ 500	$ 500

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurement disclosures				
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certificates	$ 2,767,248	$ -	$ -	$ 2,767,248
Financial assets at fair value through profit or loss (FVTOCI)				
Equity securities	$ -	$ -	$ 500	$ 500

June 30, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurement disclosures				
Financial assets at fair value through profit or loss (FVTPL)				
Beneficiary certificates	$ 1,377,384	$ -	$ -	$ 1,377,384
Financial assets at fair value through profit or loss (FVTOCI)				
Equity securities	$ -	$ -	$ 500	$ 500

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

A. The Group used market quoted prices as their fair values (i.e., Level 1),which are listed below according to the characteristics of the instruments:

	Close-end funds	Open-end funds
Quoted market price	Closing price	Net worth

B. Except for above financial instruments with active markets, the fair value of other financial instruments is measured using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

C. When assessing non-standard and low-complexity financial instruments, for example, debt instrument for which no active market exists, interest rate swap contracts, foreign exchange swap contracts, and option, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

D. The output of valuation model is an estimated value and the valuation technique may not be able to reflect all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model would be adjusted accordingly with additional parameters, such as model risk or liquidity risk. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, the management believes that adjustment to valuation is appropriate and necessary in order to reasonably represent the fair value of financial and non-financial instruments in the consolidated balance sheet. The parameters and pricing information used during valuation are carefully assessed and appropriate adjustments are made based on current market conditions.

E. Since the amount for the equity securities of financial assets at fair value through profit or loss (FVTOCI) is not significant, the amount is measured at initial investment cost.

4. There was no transfer between levels 1 and 2 for the six months ended June 30, 2024 and 2023.
5. There have been no circumstances of transfer in or out of Level 3 for the six months ended June 30, 2024 and 2023.

(13) Disclosures in Notes

(a) Information About Significant Transactions

1. Lending of funds to others: None of such situations.
2. Provision of endorsements and guarantees to others: None of such situations.
3. Holding of marketable securities at the end of the period (not including subsidiaries, associates and controlling joint ventures): Please refer to Table 1.
4. Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of paid-in capital or more: Please refer to Table 2.
5. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: None of such situations.
6. Disposal of real estate reaching NT$300 million or 20% of paid-in capital or more: None of such situations.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid in capital or more: None of such situations.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: None of such situations.
9. Engaging in derivatives trading: None of such situations.
10. Business relationships and significant transactions between the parent company and its subsidiaries and among the subsidiaries and amounts: None of such situations.

(b) Related information about reinvestment business

Related information on the investee companies including name and location (investee companies in Mainland China excluded): Please refer to Table 3.

(c) Information on Investments in Mainland China

1. Basic profile: Please refer to Table 4.
2. Significant transaction matters incurred for businesses in third area and investee companies in Mainland China through reinvestments, directly or indirectly controlled by the company: None of such situations.

(d) Information of major shareholders

Information on major shareholders: Please refer to Table 5.

(14) Segments information

(a) General information

Management has determined the reportable operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. There have been no significant changes to the enterprise formation, basis for division of departments and the basis for measurement of the department's information for the current period.

(b) Measurement of department information

The Group makes measurement based on the operation department's revenue and the departmental net operation profit and loss, and as the basis for evaluating performance. It will also eliminate the transaction between departments.

(c) Segments information

Reportable segment information to provide to major operation decision-makers

From January 1 to June 30, 2024

	Food and beverage department	Guestroom department	Technical service and operation management department	Lease department	Investment department	Adjustments and write-off	Consolidated
External revenue	$ 1,580,082	$ 1,144,365	$ 71,753	$ 338,952	$ -	$ -	$ 3,135,152
Internal revenue	144	317	2,045	247	-	(2,753)	-
Departmental revenue	$ 1,580,226	$ 1,144,682	$ 73,798	$ 339,199	$ -	($ 2,753)	$ 3,135,152
Net operating income of departments	$ 247,380	$ 278,364	$ 40,873	$ 218,560	($ 17)	$ -	$ 785,160
Net operating income of departments includes:							
Depreciation	$ 61,382	$ 205,664	$ 998	$ 17,728	$ 17	$ -	$ 285,789

From January 1 to June 30, 2023

	Food and beverage department	Guestroom department	Technical service and operation management department	Lease department	Investment department	Adjustments and write-off	Consolidated
External revenue	$ 1,660,594	$ 1,231,737	$ 106,901	$ 338,145	$ -	$ -	$ 3,337,377
Internal revenue	198	2,774	1,550	247	-	(4,769)	-
Departmental revenue	$ 1,660,792	$ 1,234,511	$ 108,451	$ 338,392	$ -	($ 4,769)	$ 3,337,377
Net operating income of departments	$ 253,669	$ 399,321	$ 56,851	$ 208,206	($ 26)	$ -	$ 918,021
Net operating income of departments includes:							
Depreciation	$ 69,244	$ 203,987	$ 1,068	$ 24,268	$ 18	$ -	$ 298,585

(d) Adjustments information on departmental income

For the six months ended June 30, 2024 and 2023, departmental income and income before tax from continuing operations, the adjustments are as follows:

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income for segments of the Group which should be reported	$ 785,160	$ 918,021
Non-operating income and expenses	122,151	41,561
Income before tax from continuing operations	$ 907,311	$ 959,582

Formosa International Hotels Corporation and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and controlling joint ventures)

June 30, 2024

Table 1

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Name of company held	Type and name of marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Account title	At end of period: Number of units	Book value (Note 3)	Ownership held by the Company	Fair value	Remark (Note 4)
Formosa International Hotels Corporation	Share List of Centenary International Technology Co., Ltd.	-	Financial assets measured at fair value through other comprehensive income - Non-current	-	$ 500	-	$ 500	
	Yuanta Wan Tai Money Market Fund	-	Financial assets measured at fair value through profit or loss- Current	27,011,665	$ 422,903	-	$ 422,903	
	Yuanta De- Bao Money Market Fund	-	〃	30,042,748	373,371	-	373,371	
	Yuanta De-Li Money Market Fund	-	〃	20,919,708	353,060	-	353,060	
	Millerful R1 Real Estate Investment Trust	-	〃	30,000,000	300,600	-	300,600	
	CAPITAL MONEY MARKET FUND	-	〃	17,204,336	287,244	-	287,244	
	Shin Kong Chi-Shin Money-Market Fund	-	〃	16,955,026	271,397	-	271,397	
	Federal Money Market Fund	-	〃	19,640,188	268,389	-	268,389	
	FUBON CHI-HSIANG MONEY MARKET FUND	-	〃	15,635,963	253,454	-	253,454	
					$ 2,530,418		$ 2,530,418	
Silks Palace At National Palace Museum Corp.	Eastspring Investments Well Pool Money Market Fund	-	Financial assets measured at fair value through profit or loss- Current	1,304,008	$ 18,320	-	$ 18,320	
	Shin Kong Chi-Shin Money-Market Fund	-	〃	833,110	13,336	-	13,336	
	Yuanta De- Bao Money Market Fund	-	〃	810,780	10,076	-	10,076	
	Yuanta De-Li Money Market Fund	-	〃	155,888	2,631	-	2,631	
					$ 44,363		$ 44,363	
Regent Apartment Building Management and Maintenance Co., Ltd.	Millerful R1 Real Estate Investment Trust	-	Financial assets measured at fair value through profit or loss- Current	14,508,481	$ 145,375	-	$ 145,375	Note 5
	Federal Money Market Fund	-	〃	2,113,727	28,885	-	28,885	
					$ 174,260		$ 174,260	

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the aforementioned items within the scope of IFRS 9, ''Financial Instruments''.

Note 2: If the securities issuer is not a related party, this field can be omitted.

Note 3: For the book value measured at fair value, please fill in Column B the book balance after adjustment for fair value evaluation and deducting the accumulated impairment amount; for book value not measured at fair value, please fill in Column B the book balance by taking the original acquisition cost or post-amortization cost and deducting the accumulated impairment.

Note 4: The number of shares provided as collateral or pledges, the amount of collateral or pledges, and the restriction of use shall be indicated in the remark column of the listed marketable securities that are restricted due to provision of collateral, pledge of loans, or other agreements.

Note 5: Pledged 14,467,000 units for short-term borrowings, amounting to NT$144,959.

Formosa International Hotels Corporation and Subsidiaries

Aggregate purchases or sales of the same securities reaching NT$300 million or 20% of paid-in capital or more

For the six months ended June 30, 2024

Table 2

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Buying and selling company	Type and Name of Marketable Securities (Note 1)	Account title	Counter-parties (Note 2)	Relationship (Note 2)	Beginning		Buy (Note 3)		Sell (Note 3)				End of the period		
					Number of units	Amount (Note 5)	Number of units	Amount	Number of units	Selling price	Book cost	loss	Number of units	Amount (Note 5)	Valuation gains/losses
Formosa International Hotels Corporation	Yuanta Wan Tai Money Market Fund	Financial assets measured at fair value through profit or loss- Current	-	-	17,424,405	$ 270,249	27,518,585	$ 430,000	17,931,325	$ 280,000	$ 278,636	$ 1,364	27,011,665	$ 421,613	$ 1,290
"	CAPITAL MONEY MARKET FUND	"	-	-	24,008,498	396,712	10,939,077	182,000	17,743,239	295,000	293,406	1,594	17,204,336	285,306	1,938
"	Federal Money Market Fund	"	-	-	26,627,561	360,103	24,602,371	335,000	31,589,744	430,000	428,069	1,931	19,640,188	267,034	1,355

Note 1: Marketable securities in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the aforementioned items.

Note 2: For investors whose securities are accounted for under the equity method, both fields are required; others are left blank.

Note 3: The cumulative amount of purchases and sales shall be separately calculated at the market price to determine whether it reaches NT$300 million or 20% of the paid-in capital.

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

Note 5 : Exclude valuation gains of securities.

Formosa International Hotels Corporation and Subsidiaries

Related information on the investee companies including name and location (investee companies in Mainland China excluded)

For the six months ended June 30, 2024

Table 3

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Investor	Name of investee company	Location	Main business activities	Initial investment amount		Shares held at end of period			Income of the investee company	Investment income (loss)	Remark
				End of current period	End of last year	Number of shares	Ratio	Book value			
Formosa International Hotels Corporation	Grand Formosa Taroko Hotel Corporation	Taiwan	Management consulting for hotel operations and tourism and entertainment businesses	$ 342,473	$ 342,473	24,897,933	55	$ 288,958	($ 301)	($ 166)	Subsidiary of the Company
Formosa International Hotels Corporation	Silks Palace At National Palace Museum Corp.	Taiwan	F&B business	221,000	221,000	20,122,076	100	148,775	(2,599)	(2,599)	Subsidiary of the Company
Formosa International Hotels Corporation	Silks International Investment Inc.	British Virgin Islands	Investment	23,899	23,899	185	100	334,913	49,487	49,487	Subsidiary of the Company
Formosa International Hotels Corporation	Regent Apartment Building Management and Maintenance Co., Ltd.	Taiwan	Apartment building management services	10,000	10,000	1,000,200	50.01	65,428	16,936	8,469	Subsidiary of the Company
Formosa International Hotels Corporation	Silks Global Holding, Limited	British Virgin Islands	Investment	1,171,553	1,171,553	11,838,820	100	1,813,279	32,778	32,778	Subsidiary of the Company
Silks Global Holding, Limited	Silks Hospitality (BVI) Limited	British Virgin Islands	Investment	181,193	181,193	1,000	100	2,887	17	Note	Subsidiaries of the Company
Silks Global Holding, Limited	Silks Residences Limited	United States	Investment	-	-	1	100	14,701	983	"	Subsidiaries of the Company
Silks Global Holding, Limited	FIH Management Limited	Hong Kong	Hotel business manager	347,800	347,800	251,046,449	100	1,708,635	31,923	"	Subsidiaries of the Company
FIH Management Limited	Regent Hospitality Worldwide,Inc.	Cayman Islands	Trademark registration	251,646	251,646	7,942,900	49	1,173,094	30,459	"	Investment under equity method
Silks Hospitality (BVI) Limited	Silks Hospitality, LLC	United States	Cruise ship trademark t	-	-	-	100	2,430	17	"	Third-tier subsidiary of the Company

Note: The profit and loss of the investee company has been included in its investing company's. It shall not be expressed separately again to avoid confusion.

Formosa International Hotels Corporation and Subsidiaries

Investment information in Mainland China - Basic information

For the six months ended June 30, 2024

Table 4

(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

Name of investee	Main business	Paid-in capital	Method of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the current period	Investment amount remitted outwards or recovered in the current period: Outward	Investment amount remitted outwards or recovered in the current period: Recovered	Accumulated investment amount remitted from Taiwan at the end of the current period	Income of the investee company for the current period	Direct or indirect shareholding of the Company	Investment income (loss) recognized by the Company for the current period (Note 2(2)C)	Book value of investment at end of period	income repatriated by the end of the	Remark
Silks Premier Hotel Management(Shanghai) Co., Ltd.	Hotel management, property management, and building design	$ 5,303	2	$ 2,247	$ -	$ -	$ 2,247	($ 330)	51%	($ 169)	$ 104	$ -	

Name of company	Accumulated amount of investment remitted from Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission, MOEA	The limit of investment in Mainland China as specified by the Investment Commission, MOEA
Silks Premier Hotel Management(Shanghai)	$ 2,247	$ 2,247	$ 2,511,028

Note 1: Investment methods are divided into the following three types. Just need to indicate the type of investment:

(1) Direct investment in Mainland China

(2) Reinvestment in Mainland China through third-party companies (reinvesting in Mainland China through subsidiary Silks International Investment Inc.)

(3) Other methods

Note 2: Recognized in the investment income column for the current period:

(1) If the investment is in preparation and there is no investment profit or loss, it shall be specified.

(2) The recognition bases for investment gains and losses are classified into the following three types, which shall be specified.

A. Financial statements reviewed by an international accounting firm that has partnered with the R.O.C. accounting firm.

B. Financial statements reviewed by the parent company's financial statement auditor in Taiwan.

C. Others.

Note 3: Figures in foreign currencies in this table were converted to NT$ at the exchange rate on the date of financial reporting. The paid-in capital was US$140 thousand, and the accumulated investment amount remitted from Taiwan at the beginning and end of the current period was US$71 thousand.

Note 4: The Board of Directors resolved to dissolve Silks Premier Hotel Management (Shanghai) Co., Ltd. in the fourth quarter of 2023, and the relevant liquidation procedures are still in progress.

Formosa International Hotels Corporation and Subsidiaries

Information of major shareholders

June 30, 2024

Table 5

Name of major shareholders	Shares	
	Quantity of shareholdings	Ownership held by the Company
Nan Feng Hsing Enterprise Co., Ltd.	54,167,834	42.51%
Qing Cheng Corp.	11,015,923	8.64%