Lion Travel Service Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Lion Travel Service Co., Ltd. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard 10, “Consolidated Financial Statements.” In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Lion Travel Service Co., Ltd. and subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

LION TRAVEL SERVICE CO., LTD.

By

____
WEN-JEH WANG
Chairman

March 15, 2024

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Lion Travel Service Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Lion Travel Service Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows:

<u>Occurrence of the Operating Revenue from Group Tours</u>

The Group's operating revenue from group tours amounted to $20,434,183 thousand, which accounted for 95% of the consolidated operating revenue in 2023. As a result of the global lifting of epidemic prevention measures, restrictions on outbound and inbound travel groups have been gradually lifted. While the operating revenue from outbound group tours has significantly increased, the operating revenue from domestic tourism group tours this year amounted to $2,245,373 thousand, showing significant growth compared to the previous year. Therefore, we considered the operating revenue from group tours in domestic tourism as a key audit matter.

The main audit procedures we performed in respect of the above area included the following:

1. We obtained an understanding of the internal controls relating to the group tour revenue, and we have tested the operating effectiveness of the controls.

2. We selected samples of the recorded the domestic group tours, and we verified the occurrence of the group tours against the group tours checklist and supporting documents.

Other Matter

We have also audited the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Ching-Cheng Yang and Han-Ni Fang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2024

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 3,673,659	39	$ 2,949,357	46
Financial assets at fair value through profit or loss - current (Notes 4 and 16)	6	-	8	-
Notes receivable (Notes 4 and 9)	24,117	-	12,095	-
Accounts receivable (Notes 4, 9, 20 and 29)	669,049	7	402,082	6
Current tax assets (Notes 4 and 22)	2,307	-	1,403	-
Inventories (Note 4)	-	-	2,037	-
Prepayments (Notes 14 and 29)	2,016,107	21	650,939	10
Other current financial assets (Notes 4 and 8)	139,057	2	152,587	3
Other current assets (Note 29)	36,647	-	23,640	1
Total current assets	6,560,949	69	4,194,148	66
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 7)	305,563	3	354,033	6
Investment accounted for using the equity method (Note 11)	706,002	8	-	-
Property, plant and equipment (Notes 4, 12 and 29)	443,938	5	398,576	6
Right-of-use assets (Notes 4, 13 and 29)	942,632	10	815,686	13
Goodwill (Note 4)	15,024	-	15,024	-
Intangible assets (Notes 4 and 29)	5,506	-	6,100	-
Deferred tax assets (Notes 4 and 22)	269,794	3	334,541	5
Other non-current assets (Notes 4, 9 and 14)	222,208	2	268,632	4
Total non-current assets	2,910,667	31	2,192,592	34
TOTAL	$ 9,471,616	100	$ 6,386,740	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 4 and 15)	$ -	-	$ 150,000	2
Contract liabilities - current (Note 20)	2,728,694	29	1,425,047	22
Notes payable (Note 4)	70,503	1	31,004	1
Accounts payable (Notes 4, 26 and 29)	1,117,481	12	790,634	13
Other payables (Notes 4 and 17)	328,313	3	150,887	2
Current tax liabilities (Notes 4 and 22)	4,365	-	140	-
Lease liabilities - current (Notes 4 and 13)	139,936	2	122,813	2
Current portion of bonds payable (Notes 4 and 16)	4,217	-	207,039	3
Current portion of long-term borrowings (Notes 4 and 15)	41,184	-	482,922	8
Other current liabilities	176,727	2	151,266	2
Total current liabilities	4,611,420	49	3,511,752	55
NON-CURRENT LIABILITIES				
Contract liabilities - non-current (Note 20)	30,815	-	34,538	1
Long-term borrowings (Notes 4 and 15)	50,920	1	590,561	9
Deferred tax liabilities (Notes 4 and 22)	353	-	-	-
Lease liabilities - non-current (Notes 4 and 13)	866,049	9	742,117	12
Net defined benefit liabilities (Notes 4 and 18)	65,750	1	64,229	1
Other non-current liabilities (Note 4)	24,101	-	11,766	-
Total non-current liabilities	1,037,988	11	1,443,211	23
Total liabilities	5,649,408	60	4,954,963	78
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)				
Share capital				
Ordinary shares	932,280	10	789,820	13
Collected in advance	22	-	18,944	-
Capital surplus	1,511,228	16	1,185,546	18
Retained earnings				
Special reserve	61,904	-	61,904	1
Unappropriated earnings (accumulated deficit)	1,388,879	15	(669,635)	(11)
Other equity	(165,065)	(2)	(127,897)	(2)
Total equity attributable to owners of the Company	3,729,248	39	1,258,682	19
NON-CONTROLLING INTERESTS	92,960	1	173,095	3
Total equity	3,822,208	40	1,431,777	22
TOTAL	$ 9,471,616	100	$ 6,386,740	100

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

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20 and 29)	$ 21,512,163	100	$ 3,300,266	100
OPERATING COSTS (Notes 13, 21 and 29)	(18,270,845)	(85)	(2,713,829)	(82)
GROSS PROFIT	3,241,318	15	586,437	18
OPERATING EXPENSES (Notes 13, 18, 21 and 29)	(2,307,581)	(11)	(1,376,630)	(42)
INCOME (LOSS) FROM OPERATIONS	933,737	4	(790,193)	(24)
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 29)				
Other income	49,602	-	53,110	2
Other gains and losses	527,420	3	28,809	1
Finance costs	(27,366)	-	(41,901)	(1)
Share of profit of associates	9,145	-	-	-
Interest income	26,445	-	9,310	-
Total non-operating income and expenses	585,246	3	49,328	2
PROFIT (LOSS) BEFORE INCOME TAX	1,518,983	7	(740,865)	(22)
INCOME TAX (EXPENSE) BENEFIT (Notes 4 and 22)	(83,696)	(1)	12,379	-
NET INCOME (LOSS)	1,435,287	6	(728,486)	(22)
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit plans (Note 18)	(4,219)	-	18,311	1
Unrealized loss on investments in equity instruments at fair value through other comprehensive loss	(30,108)	-	(2,687)	-

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LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023 Amount	2023 %	2022 Amount	2022 %
Share of other comprehensive income of associates accounted for using the equity method	$ 875	-	$ -	-
Income tax related to items that will not be reclassified subsequently (Note 22)	843	-	(3,662)	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(7,270)	-	8,720	-
Other comprehensive (loss) income for the year, net of income tax	(39,879)	-	20,682	1
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 1,395,408	6	$ (707,804)	(21)
NET INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 1,392,466	7	$ (684,284)	(21)
Non-controlling interests	42,821	-	(44,202)	(1)
	$ 1,435,287	7	$ (728,486)	(22)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Owners of the Company	$ 1,351,832	6	$ (665,068)	(20)
Non-controlling interests	43,576	-	(42,736)	(1)
	$ 1,395,408	6	$ (707,804)	(21)
EARNINGS (LOSS) PER SHARE (Note 23)				
Basic earnings (loss) per share	$ 15.21		$ (8.91)	
Diluted earnings per share	$ 15.08			

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company										
							Other Equity				
	Share Capital			Retained Earnings							
	Ordinary Shares	Collected in Advance	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Loss on Financial Assets at Fair Value Through Other Comprehensive Loss	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2022	$ 747,226	$ 5,636	$ 1,210,694	$ 30,827	$ 61,904	$ (463,605)	$ (95,597)	$ (36,917)	$ 1,460,168	$ 173,957	$ 1,634,125
Offsetting of 2021 deficit											
Legal reserve used to cover accumulated deficit	-	-	-	(30,827)	-	30,827	-	-	-	-	-
Capital surplus used to cover accumulated deficit	-	-	(432,778)	-	-	432,778	-	-	-	-	-
Net loss for the year ended December 31, 2022	-	-	-	-	-	(684,284)	-	-	(684,284)	(44,202)	(728,486)
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	14,649	7,130	(2,563)	19,216	1,466	20,682
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	(669,635)	7,130	(2,563)	(665,068)	(42,736)	(707,804)
Convertible bonds converted to ordinary shares	42,594	13,308	401,645	-	-	-	-	-	457,547	-	457,547
Changes in percentage of ownership interests in subsidiaries	-	-	5,174	-	-	-	-	50	5,224	(5,224)	-
Share-based payment arrangements of subsidiaries	-	-	811	-	-	-	-	-	811	570	1,381
Non-controlling interests	-	-	-	-	-	-	-	-	-	46,528	46,528
BALANCE AT DECEMBER 31, 2022	789,820	18,944	1,185,546	-	61,904	(669,635)	(88,467)	(39,430)	1,258,682	173,095	1,431,777
Offsetting of 2022 deficit											
Capital surplus used to cover accumulated deficit	-	-	(669,635)	-	-	669,635	-	-	-	-	-
Other changes in capital surplus	-	-	62	-	-	-	-	-	62	-	62
Net income for the year ended December 31, 2023	-	-	-	-	-	1,392,466	-	-	1,392,466	42,821	1,435,287
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(3,376)	(7,103)	(30,155)	(40,634)	755	(39,879)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	1,389,090	(7,103)	(30,155)	1,351,832	43,576	1,395,408
Issuance of ordinary shares for cash	100,000	-	747,835	-	-	-	-	-	847,835	-	847,835
Convertible bonds converted to ordinary shares	42,460	(18,922)	179,717	-	-	-	-	-	203,255	-	203,255
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	(178,744)	(178,744)
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount	-	-	44,382	-	-	-	-	(121)	44,261	(44,261)	-
Changes in percentage of ownership interests in subsidiaries	-	-	(289)	-	-	-	-	-	(289)	289	-
Share-based payment transaction	-	-	23,610	-	-	-	-	-	23,610	3,070	26,680
Non-controlling interests	-	-	-	-	-	-	-	-	-	95,935	95,935
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(211)	-	211	-	-	-
BALANCE AT DECEMBER 31, 2023	$ 932,280	$ 22	$ 1,511,228	$ -	$ 61,904	$ 1,388,879	$ (95,570)	$ (69,495)	$ 3,729,248	$ 92,960	$ 3,822,208

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

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) before income tax	$ 1,518,983	$ (740,865)
Adjustments for:		
Depreciation expense	217,888	200,826
Amortization expense	1,611	1,525
Expected credit loss recognized (reversed) recognized	(792)	1,139
Net gain on financial assets and liabilities at fair value through profit or loss	(128)	(1,490)
Interest expense	27,366	41,901
Interest income	(26,445)	(9,310)
Share-based compensation	26,680	1,381
Share of profit of associates	(9,145)	-
Loss on disposal of property, plant and equipment	751	2,099
Net gain on disposal of subsidiaries	(523,110)	-
Impairment loss	608	-
Gain on lease adjustments	(21)	-
Changes in operating assets and liabilities		
Notes receivable	(16,842)	(10,386)
Accounts receivable	(412,989)	(254,461)
Inventories	(642)	(951)
Prepayments	(1,610,727)	(361,695)
Other current assets	(13,035)	(19,348)
Contract liabilities	1,356,518	774,428
Notes payable	39,499	27,744
Accounts payable	451,918	563,652
Other payables	207,156	14,852
Other current liabilities	35,348	8,045
Net defined benefit liabilities	(2,698)	(1,081)
Cash generated from operations	1,267,752	238,005
Interest received	26,445	9,310
Interest paid	(12,187)	(19,827)
Income tax (paid) received	(1,394)	256
Net cash generated from operating activities	1,280,616	227,744
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(29,337)	(245,580)
Proceeds from sale of financial assets at fair value through other comprehensive income	30,742	-
Proceeds from capital reduction of investee and return of investment in financial assets at fair value through other comprehensive income	567	1,333
Acquisition of subsidiary	-	(8,057)
Disposal of a subsidiary	(146,736)	-
Payments for property, plant and equipment	(134,682)	(51,766)

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LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from disposal of property, plant and equipment	$ 1,119	$ 649
Increase in refundable deposits	(17,575)	(7,643)
Acquisition of intangible assets	(1,209)	(1,000)
Proceeds from disposal of intangible assets	192	-
Decrease in other current financial assets	1,430	34,468
Increase in other non-current assets	-	(149,361)
Decrease in other non-current assets	92,655	-
Increase in prepayments for equipment	(32,843)	(2,674)
Net cash used in investing activities	(235,677)	(429,631)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	-	150,000
Repayments of short-term borrowings	(150,000)	-
Proceeds from long-term borrowings	32,053	570,000
Repayments of long-term borrowings	(1,013,432)	(389,732)
Increase in guarantee deposits received	12,335	1,927
Repayments of the principal portion of lease	(139,873)	(133,366)
Issuance of ordinary shares for cash	847,835	-
Partial disposal of interests in subsidiaries without loss of control	68,160	-
Changes in non-controlling interests	29,320	46,528
Gain on exercise of vesting rights	62	-
Net cash (used in) generated from financing activities	(313,540)	245,357
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(7,097)	8,282
NET INCREASE IN CASH AND CASH EQUIVALENTS	724,302	51,752
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,949,357	2,897,605
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 3,673,659	2,949,357

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Lion Travel Service Co., Ltd. (the "Company") was incorporated in Taiwan in June 1977.

The Company engages mainly in packaged tours, transportation ticketing, visa application, providing tour guides and other travel-related services.

The Company's shares have been listed on the Taiwan Stock Exchange (TWSE) since September 24, 2013.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as the "Group") are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 14, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for the financial instruments which are measured at fair value, and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 10, Tables 5 and 6 for the detailed information of subsidiaries (including percentages of ownership and main businesses).

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured at the non-controlling interests' proportionate share of the recognized amounts of the acquiree's identifiable net assets. Other types of non-controlling interests are measured at fair value.

f. Foreign currencies

In preparing the financial statements of each individual entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income; in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items dominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of the Company's foreign operations (including subsidiaries and branches in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Company's entire interest in a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

g. Inventories

Inventories consist of raw materials and finished goods are stated at the lower of cost or net realizable value. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group’s share of the equity of associates.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group’s share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group’s share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group’s net investment in the associate), the Group discontinues recognizing its share of further loss, if any. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment’s fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group’s consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

l. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use asset and intangible assets, excluding goodwill, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

m. Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified as at FVTPL.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other current financial assets and refundable deposits, are measured at amortized cost, which equals to gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial asset that is not credit impaired on purchase or origination but has subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings. Fair value is determined in the manner described in Note 28.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable, other current financial assets and refundable deposits), financial assets at FVTPL and investments in equity instruments that are measured at FVTOCI.

The Group always recognizes lifetime expected credit losses (ECLs) for notes receivable, accounts receivable and overdue receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company’s own equity instruments.

3) Financial liabilities

a) Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Convertible bonds

The component parts of compound instruments (i.e., convertible bonds) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

On initial recognition, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or upon the instrument’s maturity date. Any embedded derivative liability is measured at fair value.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised; in which case, the balance recognized in liabilities and equity will be transferred to ordinary shares and capital surplus - share premiums. When the conversion option remains unexercised at maturity, the balance recognized in equity will be transferred to capital surplus - share premiums.

Transaction costs that relate to the issuance of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations, and recognizes revenue when performance obligations are satisfied.

1) Revenue from the rendering of services

The Group recognized revenue from group tours over time, that is, as the customers receive and consume the benefits provided by the Group’s performance. Other service revenue is recognized as services are provided and may be or can be realized.

2) Revenue from the sale of goods

Revenue from the sale of goods comes from the sales of catering and souvenirs, which is measured at the fair value after consideration of sales return and allowance. Revenue is recognized when the significant risks and rewards of ownership of the goods have been transferred to the customer, while the Group retain neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, as the amount of revenue can be measured reliably and is probable that the economic benefits associated with the transaction will flow to the Group, and the costs incurred or to be incurred in respect of the transaction can be measured reliably. When it is probable that a discount will occur and the amount can be measured reliably, it is recognized as a deduction of revenue when the sale is recognized.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for by applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

p. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

q. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expenses in the period they occur. Remeasurement, comprising actuarial gains and losses, and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

r. Share-based payment arrangements - employee share options

Employee share options granted to employees

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - share premiums. The expense is recognized in full at the grant date if the grants are vested immediately. The grant date of issued ordinary shares for cash that are reserved for employees is the date determined by the Company's decision on the subscription base date.

s. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 53,325	$ 40,392
Checking accounts and demand deposits	3,328,336	2,450,381
Cash equivalents (investments with original maturities of less than 3 months)		
Time deposits	291,998	458,584
	$ 3,673,659	$ 2,949,357
Rates	0%-1.80%	0%-4.11%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	**2022**
Non-current		
FVTOCI - equity instrument	$ 305,563	$ 354,033

FVTOCI - Equity Instrument

	December 31	
	2023	2022
Non-current		
Domestic investments		
Taiwan innovation board and emerging market shares		
Tigerair Taiwan Co., Ltd.	$ 86,596	$ 92,850
Vigor Kobo Co., Ltd.	4,138	2,283
Unlisted shares		
Lavender Cottage Co., Ltd.	25,200	25,200
Development of cultural and creative value of Venture Capital Co., Ltd.	3,192	3,759
Yuyupas Co., Ltd.	2,120	2,120
Circle Island Tours Co., Ltd.	900	900
Riversoft Inc.	816	15,000
Foreign investments		
Unlisted shares		
Traveler Co., Ltd.	176,060	205,380
Japan Hotel Advanced Technologies Co., Ltd.	6,541	6,541
	$ 305,563	$ 354,033

The above investments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The Group sold ordinary shares of Tigerair Taiwan Co., Ltd. at the amount of fair value of $30,742 thousand in 2023. The amount of other equity - financial assets measured at fair value through other comprehensive income of the unrealized loss of $211 thousand was transferred to retained earnings.

In 2022, the Group acquired preferred shares of Traveler Co., Ltd. for $205,380 thousand, ordinary shares of Lavender Cottage Co., Ltd. for $25,200 thousand, and preferred shares of Riversoft Inc. for $15,000 thousand.

8. OTHER CURRENT FINANCIAL ASSETS

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ 12,517	$ -
Pledged time deposits and demand deposits	126,540	152,587
	$ 139,057	$ 152,587
Rates	0%-4.81%	1.00%-1.44%

Refer to Note 30 for information relating to other current financial assets pledged as security.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OVERDUE RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 24,117	$ 12,095
Less: Allowance for impairment loss	-	-
	$ 24,117	$ 12,095
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 671,421	$ 403,967
Less: Allowance for impairment loss	(2,372)	(1,885)
	$ 669,049	$ 402,082
Overdue receivables (account listed under other non-current assets)		
Overdue receivables	$ 2,281	$ 6,987
Less: Allowance for impairment loss	(2,281)	(6,987)
	$ -	$ -

a. Notes receivable

The checks received by the Group are cashed either right after the reporting period or within one month after the issue date; thus, the Group did not recognize an allowance for impairment loss in the reporting periods.

b. Accounts receivable and overdue receivables

The Group's sales transactions are settled through cash, checks, bank remittances and credit cards. The accounts receivable refer to package tours, ticketing, credit cards, and commissions. Individual customers have to pay before their trips, and corporate customers and other travel service companies have to make payments based on the credit terms or the contracts. The Group prepares an aging table of accounts receivable on monthly basis to review and confirm whether there is any overdue payment. If there is any abnormal payment, the Group instructs the relevant units to pursue it to avoid impairment loss. If there is any uncollectible amount, it will be transferred to collection and the legal department will handle the follow-up.

The Group applies the simplified approach to providing for expected credit losses prescribed, which permits the use of lifetime expected loss provision for all trade receivables. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance was based on past due status.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are past due, whichever occurs earlier. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of notes receivable, accounts receivable and overdue receivables based on the Group's provision matrix.

December 31, 2023

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 675,760	$ 17,185	$ 546	$ 4,328	$ 697,819
Loss allowance (Lifetime ECLs)	-	(52)	(273)	(4,328)	(4,653)
Amortized cost	$ 675,760	$ 17,133	$ 273	$ -	$ 693,166

December 31, 2022

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 398,829	$ 15,241	$ 790	$ 8,189	$ 423,049
Loss allowance (Lifetime ECLs)	(97)	(189)	(397)	(8,189)	(8,872)
Amortized cost	$ 398,732	$ 15,052	$ 393	$ -	$ 414,177

Except for overdue receivables already provided with 100% allowance for loss, the Group recognized within 0% to 50% allowance for all accounts receivable overdue under 180 days, 50% to 100% allowance for all accounts receivable overdue between 181 days and 365 days, and 100% allowance for all accounts receivable overdue over 365 days.

The movements of the loss allowance of notes receivables, accounts receivable and overdue receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 8,872	$ 8,319
Add: Expected credit loss (reversed) recognized (1)	(792)	1,139
Less: Amounts written off (2)	(2,953)	(586)
Less: Disposal of subsidiaries	(474)	-
Balance at December 31	$ 4,653	$ 8,872

1) Compared with January 1, 2023 and 2022, the balances of loss allowance on December 31, 2023 and 2022 increased by $274,770 thousand and increased by $263,660 thousand, respectively, resulted from the notes receivable, accounts receivable and overdue receivables net decreased by $792 thousand and net increased by $1,139 thousand, respectively.

2) Due to partial receivables could not be recovered, the Group wrote off accounts receivable and related allowance of $2,953 thousand and $586 thousand for the years ended December 31, 2023 and 2022, respectively.

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership December 31 2023	Proportion of Ownership December 31 2022	Remark
The Company	Lion International Holding Limited ("Lion Holding")	Investments	100.00	100.00	
	Lion DMC International Co., Ltd. ("Lion DMC")	Travel industry	100.00	100.00	
	Shuangshi Investment Co., Ltd. ("Shuangshi Investment")	Investments	100.00	100.00	
	Lion (Fujian) International Travel Service Co., Ltd. ("Fujian Lion")	Travel industry	90.00	90.00	
	LionBobby International Travel Service Co., Ltd. ("LionBobby")	Travel industry	55.00	55.00	
	Nookin Hotel penghu Co., Ltd. (formerly known as Lion Hotel Management & Consulting Co., Ltd. "Nookin")	Management consulting activities	100.00	100.00	
	Lion International Insurance Service Co., Ltd. ("Lion Insurance")	Property insurance broker	100.00	100.00	
Lion Holding	Lion International Travel Service Co., Ltd. (YVR) ("Lion YVR")	Travel industry	100.00	100.00	
	Lion International Travel Service Pty., Ltd. (SYD) ("Lion SYD")	Travel industry	100.00	100.00	
	Lion International Travel Service Co., Ltd. (AKL) ("Lion AKL")	Travel industry	100.00	100.00	
	Lion International Travel Service Co., Ltd. (HK) ("Lion HK")	Travel industry	100.00	100.00	
	US Lion Travel ("US Lion")	Travel industry	100.00	100.00	
	Lion Travel Service Co., Ltd. (JPN) ("Lion JPN")	Travel industry	100.00	100.00	
	Lion International Travel Service Co., Ltd. (THA) ("Lion THA")	Travel industry	49.00	49.00	a
	Lion International Holding (China) Limited ("Lion Holding (China)")	Management consulting activities	100.00	100.00	
	Travel Story, Inc. ("Travel Story")	Travel industry	100.00	100.00	
	Lion Travel Service Co., Ltd. (KR) ("Lion KR")	Travel industry	85.00	85.00	
	Lion Travel Service Co., Ltd. (UK) ("Lion UK")	Travel industry	100.00	-	b
Shuangshi Investment	Lion Information Technology Co., Ltd. ("Lion Information")	Information technology activities	100.00	100.00	
	Lion Express Co., Ltd. ("Lion Express")	Tour bus transportation activities	100.00	100.00	
	Ansett Tour Co., Ltd. ("Ansett Tour")	Tour bus transportation activities	100.00	100.00	
	Travel Around Investment Holding Co., Ltd. ("Travel Around Investment")	Investments	100.00	100.00	
Lion HK	Lion International Travel Service (Shanghai) Co., Ltd. ("Lion Shanghai")	Travel industry	100.00	100.00	
Travel Around Investment	Unitravel Services Co., Ltd. ("Unitravel")	Travel industry	-	58.77	c
	Xinflight Travel Service Co., Ltd. ("Xinflight Travel")	Travel industry	100.00	100.00	
	Fontrip Technology Co., Ltd. ("Fontrip Technology")	Information technology activities	38.86	38.86	a
Lion Holding (China)	Lion Travel International Holding Limited ("Lion Travel Holding")	Travel industry	100.00	100.00	
Lion Travel Holding	Skylion International Travel Service Co., Ltd. ("Skylion Travel")	Travel industry	100.00	100.00	
Unitravel	New Vision Travel Service Co., Ltd. ("New Vision")	Travel industry	-	100.00	c
	Gan Tan Co., Ltd. ("Gan Tan")	Catering business	-	40.00	c
	TTN Media Group Corporation ("TTN Media")	Magazine publishing	-	50.00	c
Lion Express	Kinmen Lion International Express Co., Ltd. ("Kinmen Lion Express")	Tour bus transportation activities	100.00	100.00	
Fontrip Technology	Fontrip Technology (Japan) Co., Ltd. ("Fontrip Technology JPN")	Information technology activities	100.00	100.00	
Nookin	Unitravel Hotel Co., Ltd. ("Unitravel Hotel")	Hotel industry	-	-	b and d

a. Although the Group held only 49% interest in Lion THA and 38.86% interest in Fontrip Technology, the Group was able to direct Lion THA's, and Fontrip Technology's activities; thus, the Group had control over these investees.

b. The Group invested in Unitravel Hotel and Lion UK during the period of January to April in 2023.

c. Travel Around Investment disposed of partial interest in Unitravel in July 2023, and its interest decreased from 58.77% to 50.88%. On October 25, 2023, Travel Around Management waived the subscription right of share issuance for cash capital increase of Unitravel. The shareholding ratio of the Group was reduced from 50.88% to 38.28%. After evaluation, the Group has lost control of Unitravel. Therefore, Unitravel and its subsidiaries should not be included in the consolidated financial report starting from the date of losing control.

d. Unitravel Hotel was dissolved on September 2023.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associate(s)

	December 31, 2023
Associate that is not individually material	
Unitravel	$ 706,002

The board of directors of the former subsidiary, Unitravel, approved a cash capital increase of $50,000 thousand on August 8, 2023. The Company's board of directors approved on September 14, 2023 to waive the subscription right of share issuance for cash capital increase of Unitravel. The shareholding ratio of the Group was reduced from 50.88% to 38.28%. After evaluation, the Group has lost control of Unitravel. Therefore, Unitravel and its subsidiaries should not be included in the consolidated financial report starting from the date of losing control. In addition, the residual investment was evaluated using the fair value on the date of losing control, and it was accounted for using the equity method (associate). Refer to Note 25 for additional information.

	December 31, 2023
The share held by the merging company	
Net income for the current year	$ 9,145
Other comprehensive income	875
Total comprehensive income	$ 10,020

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31, 2023
Name of Associate	
Unitravel	$ 750,810

The Group is the single largest shareholder of Unitravel, with a 38.28% equity interest. Given the degree of other shareholders involvement in prior stockholders' meetings and the record of voting rights for major proposals, which indicates that the Group has no substantial ability to direct the relevant activities, the Group has no control but only significant influence over the companies.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Computer Equipment	Transportation Equipment	Office Equipment	Total
Cost						
Balance at January 1, 2022	$ 39,527	$ 30,957	$ 68,122	$ 333,417	$ 197,494	$ 669,517
Additions	-	-	3,300	12,359	36,107	51,766
Disposals	-	-	(25,686)	(15,587)	(15,578)	(56,851)
Reclassification	-	-	(1,927)	-	15,312	13,385
Effects of foreign currency exchange differences	-	-	(20)	1,459	603	2,042
Balance at December 31, 2022	$ 39,527	$ 30,957	$ 43,789	$ 331,648	$ 233,938	$ 679,859
Accumulated depreciation						
Balance at January 1, 2022	$ -	$ 13,747	$ 44,607	$ 102,427	$ 96,240	$ 257,021
Depreciation expense	-	553	11,704	35,851	28,652	76,760
Disposals	-	-	(25,462)	(14,519)	(14,122)	(54,103)
Reclassification	-	-	(461)	-	461	-
Effects of foreign currency exchange differences	-	-	(28)	1,194	439	1,605
Balance at December 31, 2022	$ -	$ 14,300	$ 30,360	$ 124,953	$ 111,670	$ 281,283
Carrying amount at December 31, 2022	$ 39,527	$ 16,657	$ 13,429	$ 206,695	$ 122,268	$ 398,576
Cost						
Balance at January 1, 2023	$ 39,527	$ 30,957	$ 43,789	$ 331,648	$ 233,938	$ 679,859
Additions	-	-	38,603	37,029	59,050	134,682
Disposals	-	-	(19,007)	(1,050)	(11,767)	(31,824)
Reclassification	-	-	-	-	1,895	1,895
Disposal of a subsidiary	-	-	(2,411)	-	(10,527)	(12,938)
Effects of foreign currency exchange differences	-	-	(722)	196	(88)	(614)
Balance at December 31, 2023	$ 39,527	$ 30,957	$ 60,252	$ 367,823	$ 272,501	$ 771,060
Accumulated depreciation						
Balance at January 1, 2023	$ -	$ 14,300	$ 30,360	$ 124,953	$ 111,670	$ 281,283
Depreciation expense	-	553	9,975	35,070	33,630	79,228
Impairment loss	-	-	-	608	-	608
Disposals	-	-	(19,059)	-	(10,895)	(29,954)
Disposal of a subsidiary	-	-	(581)	-	(3,019)	(3,600)
Effects of foreign currency exchange differences	-	-	(720)	179	98	(443)
Balance at December 31, 2023	$ -	$ 14,853	$ 19,975	$ 160,810	$ 131,484	$ 327,122
Carrying amount at December 31, 2023	$ 39,527	$ 16,104	$ 40,277	$ 207,013	$ 141,017	$ 443,938

The Group derecognized the license plates of the aforementioned tour buses due to the anticipated reduction in future economic benefits. It resulted in the recoverable amount being less than the carrying amount, leading to the recognition of impairment loss of $608 thousand for the year ended 2023.

Due to the impact of COVID-19 pandemic in the tourism industry, the Group carried out a review of the recoverable amount of the property, plant and equipment, and determined that the recoverable amount exceeded the carrying amount, there was no indication of impairment for the year ended December 31, 2022.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, as follows:

Buildings	55 years
Computer equipment	3-10 years
Transportation equipment	5-10 years
Office equipment	3-10 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 30.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amount		
Land and buildings	$ 942,632	$ 815,686

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ 272,366	$ 45,359
Depreciation charge for right-of-use assets		
Land and buildings	$ 138,660	$ 124,066

No impairment assessment was performed for the year ended December 31, 2023 because there was no indication of impairment.

Due to the impact of COVID-19 pandemic in the tourism industry, the Group carried out a review of the recoverable amount of the right-of-use assets, and determined that the recoverable amount exceeded the carrying amount, there was no indication of impairment for the year ended December 31, 2022.

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amount		
Current	$ 139,936	$ 122,813
Non-current	$ 866,049	$ 742,117

Discount rate for lease liabilities was as follows:

	December 31	
	2023	**2022**
Buildings	1.42%-2.25%	1.42%-2.01%

c. Material leasing activities and terms

The Group leases land and buildings for the use as offices and stores with lease terms of 1 to 20 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. For the years ended December 31, 2023 and 2022, the Group repaid the principal portion of lease liabilities amount to $139,873 thousand and $133,366 thousand, respectively.

e. Other lease information

	For the Year Ended December 31	
	2023	**2022**
Expenses relating to short-term leases	$ 33,131	$ 17,984
Expenses relating to low-value asset leases	$ 2,931	$ 5,153
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 593	$ -
Total cash outflow for leases	$ (176,528)	$ (156,503)

The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. OTHER ASSETS

	December 31	
	2023	**2022**
Current		
Prepayments		
Prepaid tour costs	$ 1,864,014	$ 525,750
Inventory of supplies	106,858	91,436
Prepaid expenses	35,723	20,031
Prepayment for purchases	7,694	6,954
Overpaid sales tax	1,818	6,768
	$ 2,016,107	$ 650,939
Non-current		
Other assets		
Refundable deposits	$ 126,635	$ 113,946
Prepayments for investments (Note)	60,000	150,000
Prepayments for equipment	35,573	4,686
	$ 222,208	$ 268,632

In December 2023, the Company prepaid an investment in Lion Hotel Management & Consulting Co., Ltd. ("Lion Hotel Management"). As of December 31, 2023, the registration of the establishment had not been completed, so the account listed under prepayments for investments. The registration of the establishment was approved by the New Taipei City Government on January 5, 2024. The Company holds 100% ownership interest and voting rights in Lion Hotel Management.

15. BORROWINGS

a. Short-term borrowings

	December 31, 2022
Unsecured borrowings	
Line of credit borrowings	$ 150,000
Rates	2.03%-2.25%

b. Long-term borrowings

	December 31	
	2023	2022
Secured borrowings		
Bank loans	$ 32,881	$ 57,685
Unsecured borrowings		
Line of credit borrowings	59,223	1,015,798
Less: Current portions of long-term borrowings	(41,184)	(482,922)
	$ 50,920	$ 590,561
Rates	2.37%-2.60%	0%-2.47%

The Group obtained bank loans with transportation equipment and time deposits pledged as security (refer to Note 28). During the years ended December 31, 2023 and 2022, the Group obtained new bank borrowings in the amounts of $32,053 thousand and $570,000 thousand, which were repayable in the next 3 to 3.58 and 2 to 3 years, respectively.

Due to financial planning, the Group repaid long-term borrowings ahead of schedule in the amount of $589,485 thousand during the period from 2023.

16. BONDS PAYABLE

	December 31	
	2023	2022
1st Unsecured domestic convertible bonds	$ -	$ 16,292
2nd Unsecured domestic convertible bonds	4,217	190,747
Less: Current portion	(4,217)	(207,039)
	$ -	$ -

a. Initially unsecured domestic convertible bonds

On June 30, 2020, the Company issued 7 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $700,000 thousand. The maturity date of the bonds is on June 30, 2023.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $80.6. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. The conversion price was adjusted to $76.8 as of December 31, 2023. Conversion may occur at any time between October 1, 2020 and June 30, 2023.

If the bonds are not converted between October 1, 2020 and May 21, 2023, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days, the Company may send a copy of "Debt Rebate Notice" with expiration of one month by registered mail within the next 30 trading days. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company have to redeem the bonds at their par value in cash within 5 trading days following the base date.

The bondholders may opt for early redemption of the bonds after hold two years from date of issuance, June 30, 2022, it shall be the base date for early redemption of the bonds. The Company should send a copy of "Notice of Put Provision" to the bondholders by registered mail within 40 days before the base date of redemption (i.e., May 21, 2022), and the bondholders may require the Company to redeem the bonds at 100.5% par value of the bonds in cash. Upon receiving the request for redemption, the Company have to redeem the bonds in cash within 5 business days after the redemption date.

The convertible bonds contain both liability and equity components. The equity component is presented in equity under the heading of capital surplus - options. The liability components are classified as embedded derivative liabilities and non-derivative liabilities. The embedded derivatives are measured at fair value; the fair value amounted to $0 thousand and $(8) on December 31, 2023 and 2022, respectively. The non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $0 thousand and $16,292 thousand on December 31, 2023 and 2022, respectively. The effective interest rate of the liability components was 1.38% per annum on initial recognition.

Liability component on January 1, 2022 (account listed under current portion of bonds payable of $278,754 thousand)	$ 278,754
Interest charged at an effective interest rate of 1.38%	1,850
Convertible bonds converted to ordinary shares	(264,216)
Valuation gain on financial instrument	(104)
Liability component at December 31, 2022 (account listed under current portion of bonds payable of $16,292 thousand and financial assets at fair value through profit or loss - current of $8 thousand)	$ 16,284

(Continued)

Liability component on January 1, 2023 (account listed under bonds payable of $16,292 thousand and financial liabilities at fair value through profit or loss - non-current of $8 thousand)	$ 16,284
Interest charged at an effective interest rate of 1.38%	22
Convertible bonds converted to ordinary shares	(16,307)
Valuation loss on financial instrument	1
Liability component on December 31, 2023	$ -

(Concluded)

As of December 31, 2023, the convertible bonds with face value of $700,000 thousand were all converted to 8,906 thousand ordinary shares.

b. Second unsecured domestic convertible bonds

On December 9, 2021 the Company issued 4 thousand, 0% NTD-denominated unsecured convertible bonds in Taiwan, with an aggregate principal amount of $400,000 thousand. The maturity date of the bonds is on December 9, 2024.

Each bond entitles the holder to convert it into ordinary shares of the Company at a conversion price of $92.5. In case of ex-right or ex-dividend, the price should be adjusted according to the conversion price adjustment formula. The conversion price was adjusted to $90.4 as of December 31, 2023. Conversion may occur at any time between March 10, 2022 and December 9, 2024.

If the bonds are not converted between March 10, 2022 and October 30, 2024, and the closing price of ordinary shares has exceeded 30% of the current conversion price for 30 consecutive trading days, the Company may send a copy of “Debt Rebate Notice” with expiration of one month by registered mail within the next 30 trading days. The aforementioned period is calculated from the delivery of mail, and the expiration date of the period is determined as the base date for recovery of bonds. The Company have to redeem the bonds at their par value in cash within 5 trading days following the base date.

The bondholders may opt for early redemption of the bonds after hold two years from date of issuance, December 9, 2023, it shall be the base date for early redemption of the bonds. The Company should send a copy of “Notice of Put Provision” to the bondholders by registered mail within 40 days before the base date of redemption (i.e., October 30, 2023), and the bondholders may require the Company to redeem the bonds at 100.5% par value of the bonds in cash. Upon receiving the request for redemption, the Company have to redeem the bonds in cash within 5 business days after the redemption date.

The convertible bonds contain both liability and equity components. The equity component is presented in equity under the heading of capital surplus - options. The liability components are classified as embedded derivative liabilities and non-derivative liabilities. The embedded derivatives are measured at fair value; the fair value amounted to $(6) and $0 thousand on December 31, 2023 and 2022, respectively. The non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $4,217 thousand and $190,747 thousand on December 31, 2023 and 2022, respectively. The effective interest rate of the liability components was 2% per annum on initial recognition.

Liability component on January 1, 2022 (account listed under bonds payable $376,981 thousand and financial liabilities at fair value through profit or loss - non-current $1,520 thousand)	$ 378,501
Interest charged at an effective interest rate of 2%	6,963
Convertible bonds converted to ordinary shares	(193,331)
Valuation gain on financial instrument	(1,386)
Liability component on December 31, 2022 (account listed under current portion of bonds payable of $190,747 thousand)	$ 190,747
Liability component on January 1, 2023 (account listed under current portion of bonds payable of $190,747 thousand)	$ 190,747
Interest charged at an effective interest rate of 2%	541
Convertible bonds converted to ordinary shares	(186,948)
Valuation gain on financial instrument	(129)
Liability component on December 31, 2023 (account listed under bonds payable $4,217 thousand and financial liability at fair value through profit or loss - non-current $6 thousand)	$ 4,211

As of December 31, 2023, the convertible bonds with face value of $395,700 thousand were converted to 4,324 thousand ordinary shares.

17. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Accrued expense payable	$ 248,035	$ 147,737
Accrued remuneration to employees and directors	55,602	-
Sales tax payable	24,676	3,150
	$ 328,313	$ 150,887

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company and domestic subsidiaries make monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Furthermore, foreign subsidiaries also make monthly contributions at certain percentages of the basic salary of their employees.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor ("the Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 123,266	$ 118,198
Fair value of plan assets	(57,516)	(53,969)
Net defined benefit liabilities	$ 65,750	$ 64,229

Movements in net defined benefit liabilities (assets) were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2022	$ 143,803	$ (60,182)	$ 83,621
Service cost			
Current service cost	456	-	456
Net interest expense (income)	899	(383)	516
Recognized in profit or loss	1,355	(383)	972
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(4,995)	(4,995)
Actuarial gain			
Changes in financial assumptions	(9,889)	-	(9,889)
Experience adjustments	(3,427)	-	(3,427)
Recognized in other comprehensive income	(13,316)	(4,995)	(18,311)
Contributions from the employer	-	(2,053)	(2,053)
Benefits paid	(13,644)	13,644	-
Balance at December 31, 2022	118,198	(53,969)	64,229

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Service cost			
Current service cost	$ 199	$ -	$ 199
Net interest expense (income)	1,625	(756)	869
Recognized in profit or loss	1,824	(756)	1,068
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(450)	(450)
Actuarial loss			
Changes in financial assumptions	1,556	-	1,556
Experience adjustments	3,113	-	3,113
Recognized in other comprehensive income	4,669	(450)	4,219
Contributions from the employer	-	(3,766)	(3,766)
Benefits paid	(1,425)	1,425	-
Balance at December 31, 2023	$ 123,266	$ (57,516)	$ 65,750

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	2022
Discount rates	1.25%	1.38%
Expected rates of salary increase	2.00%	2.00%

If possible reasonable change in each of the significant actuarial assumptions occurs and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rates		
0.5% increase	$ (6,059)	$ (6,015)
0.5% decrease	$ 6,516	$ 6,470
Expected rates of salary increase		
0.5% increase	$ 6,337	$ 6,299
0.5% decrease	$ (5,953)	$ (5,916)

The above sensitivity analysis may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
The expected contributions to the plan for the next year	$ 5,150	$ 2,042
The average duration of the defined benefit obligation	12 years	11 years

19. EQUITY

a. Share capital

Ordinary shares

	December 31	
	2023	**2022**
Number of shares authorized (in thousands)	100,000	100,000
Amounts of authorized shares	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid shares (in thousands)	93,228	78,982
Amount of issued and fully paid shares	$ 932,280	$ 789,820
Collected in advance	$ 22	$ 18,944

On August 11, 2022, the Company’s board of directors resolved to issue 10,000 thousand ordinary shares with a par value of $10, for a consideration of $85 per share which increased the share capital issued. On December 5, 2022, the above transaction was approved by the FSC, and the subscription base date was set on February 17, 2023.

As of December 31, 2022, the bondholders of the unsecured convertible bonds had requested to convert the bonds into 10,876 thousand ordinary shares which had been fully recognized as ordinary shares. The date of issuance of new shares was on March 23, 2023, and the registration change has been completed, included under the common stock equity.

As of December 31, 2023, the bondholders of the unsecured convertible bonds had requested to convert the bonds into 13,230 thousand shares, 2 thousand of which had been recognized under collected in advance amounted to $22 thousand. The date of issuance of new shares is on March 14, 2024.

b. Capital surplus

	December 31	
	2023	**2022**
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>		
Recognized from issuance of ordinary shares	$ 1,465,477	$ 1,165,147
Difference between the actual acquisition or disposition of the equity price of subsidiaries and carry amount	44,382	-
<u>May be used to offset a deficit only</u>		
Recognized from changes in percentage of ownership interests in subsidiaries (2)	1,131	11,783
Exercise of vesting rights	62	-
<u>May not be used for any purpose</u>		
Share warrants of convertible bonds	176	8,616
	$ 1,511,228	$ 1,185,546

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in a subsidiary that resulted from equity transactions other than actual disposal or acquisition.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to employees' compensation and remuneration of directors in Note 21-(g).

The Company's dividends policy takes into consideration development plans, investment environment, capital requirement, market competition and shareholder's profit. Every year, distribution of bonuses to shareholders is not lower than 10% of appropriated earnings. Bonuses could be cash dividends or share dividends and cash dividends are not lower than 30% of total dividends.

Legal reserve should be appropriated until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve exceeds 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The offsetting of deficit for 2022 and 2021 approved in the shareholder's meeting on June 20, 2023 and June 16, 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Capital surplus used to cover accumulated deficit	$ 669,635	$ 432,778
Legal reserve used to cover accumulated deficit		$ 30,827

The appropriations of earnings for 2023 had been proposed by the Company's board of directors on March 14, 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	Dividend Per Share (NT$)
Legal reserve	$ 138,888	
Special reserve	37,168	
Cash dividends	746,222	$ 8

The appropriation of earnings for 2023 will be resolved by the shareholder's meeting to be held on June 20, 2024.

d. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (88,467)	$ (95,597)
Recognized during the year		
Exchange differences on translating the financial statements of foreign operations	(7,103)	7,130
Balance at December 31	$ (95,570)	$ (88,467)

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (39,430)	$ (36,917)
Recognized during the year		
Unrealized loss - equity instruments	(30,155)	(2,563)
Cumulative unrealized loss of equity instrument transferred to retained earnings due to disposal	211	-
Disposal of partial interest in subsidiaries (Note 26)	(121)	-
Changes in percentage of ownership interests in subsidiaries	-	50
Balance at December 31	$ (69,495)	$ (39,430)

e. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 173,095	$ 173,957
Share of profit (loss) for the year	42,821	(44,202)
Other comprehensive (loss) income during the year		
Exchange differences on translating the financial statements of foreign entities	(657)	1,590
Unrealized gain (loss) on financial assets at FVTOCI	1,412	(124)
Acquisition of non-controlling interests in subsidiaries	-	3,528
Issuance of ordinary shares in subsidiaries	29,320	63,250
Reduction of ordinary shares in subsidiaries	-	(20,250)
Share-based payment transactions of subsidiaries	3,070	570
Disposal of partial interest in subsidiaries (Note 26)	68,160	-
Disposal of interest in subsidiaries (Note 25)	(178,744)	-
Differences between the acquisition or disposition of the equity price of subsidiaries and the carrying amount (Note 25)	(44,261)	-
Changes in percentage of ownership interests in subsidiaries (Note 25)	289	(5,224)
Others	(1,545)	-
Balance at December 31	$ 92,960	$ 173,095

20. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Tour revenue	$ 20,827,752	$ 2,997,883
Others	684,411	302,383
	$ 21,512,163	$ 3,300,266

a. Disaggregation of revenue

	For the Year Ended December 31	
	2023	2022
Type of contract revenue		
Package tour revenue	$ 20,434,183	$ 2,843,770
FIT revenue	393,569	154,113
Others	684,411	302,383
	$ 21,512,163	$ 3,300,266

b. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable (Note 9)	$ 669,049	$ 402,082	$ 149,361
Contract liabilities - current	$ 2,728,694	$ 1,425,047	$ 650,557
Contract liabilities - non-current	$ 30,815	$ 34,538	$ 34,600

The changes in the balance of contract liabilities primarily result from the timing difference between the Group’s satisfaction of performance obligations and the respective customer’s payment.

21. NET INCOME (LOSS)

a. Other income

	For the Year Ended December 31	
	2023	2022
Rental income	$ 11,291	$ 9,968
Government grants	1,131	7,668
Others	37,180	35,474
	$ 49,602	$ 53,110

b. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Gain on disposal of subsidiaries (Note 25)	$ 523,110	$ -
Net foreign exchange gain	7,827	35,271
Net gain on fair value changes of financial assets and liabilities at fair value through profit or loss	128	1,490
Gain on lease adjustments	21	-
Impairment loss	(608)	-
Loss on disposal of property, plant and equipment	(751)	(2,099)
Others	(2,307)	(5,853)
	$ 527,420	$ 28,809

c. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on lease liabilities	$ 15,581	$ 12,878
Interest on bank loans	11,222	20,210
Interest on convertible bonds	563	8,813
	$ 27,366	$ 41,901

d. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 26,445	$ 9,310

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 43,823	$ 42,625
Operating expenses	174,065	158,201
	$ 217,888	$ 200,826
An analysis of amortization by function		
Operating costs	$ 1,500	$ 1,500
Operating expenses	111	25
	$ 1,611	$ 1,525

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 67,392	$ 49,936
Defined benefit plans (Note 18)	1,068	972
	68,460	50,908
Other employee benefits	1,857,035	1,107,334
Total employee benefits expense	$ 1,925,495	$ 1,158,242
An analysis of employee benefits expense by function		
Operating costs	$ 165,890	$ 142,186
Operating expenses	1,759,605	1,016,056
	$ 1,925,495	$ 1,158,242

g. Compensation of employees and remuneration of directors

The Company accrues compensation of employees and remuneration of directors at the rates of no less than 3% and no higher than 2%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

Due to loss before income tax for the year ended December 31, 2022, the Company did not accrue compensation of employees and remuneration of directors.

The compensation of employees and the remuneration of directors for the year ended December 31, 2023, which were approved by the Company's board of directors on March 14, 2024, are as follows:

	For the Year Ended December 31, 2023
Accrual rate	
Employees' compensation	3.24%
Remuneration of directors	0.45%

	For Year 2023	
	Employees' Compensation	Remuneration of Directors
Amounts approved in the board of directors' meeting	$ 48,000	$ 6,789
Amounts recognized in the annual financial statements	$ 48,496	$ 6,789

Since the amount of the above-mentioned difference in 2023 was not significant, it was adjusted to the profit and loss for the year ended December 31, 2024.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate in the subsequent period.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 66,917	$ 58,585
Foreign exchange losses	(59,090)	(23,314)
Net gain	$ 7,827	$ 35,271

22. INCOME TAX

a. Major components of income tax (expense) benefit were as follows:

	For the Year Ended December 31	
	2023	**2022**
Current tax		
In respect of the current year	$ (17,593)	$ (213)
Income tax on unappropriated earnings	(84)	(4)
Adjustments for prior year	(222)	1,037
	(17,899)	820
Deferred tax		
In respect of the current year	(65,720)	11,559
Prior year adjustments	(77)	-
	(65,797)	11,559
Income tax (expense) benefit recognized in profit or loss	$ (83,696)	$ 12,379

A reconciliation of accounting profit and income tax (expense) benefit were as follows:

	For the Year Ended December 31	
	2023	**2022**
Profit (loss) before income tax	$ 1,518,983	$ (740,865)
Income tax (expense) benefit calculated at the statutory rate	$ (291,691)	$ 167,818
Nondeductible expenses in determining taxable income	202	(1,783)
Tax-exempt income	97,791	(14,072)
Additional income tax under the alternative minimum tax act	(2,895)	-
Income tax on unappropriated earnings	(84)	(4)
Unrecognized loss carryforwards and deductible temporary differences	(15,571)	(141,837)
Utilized loss carryforwards	128,851	1,220
Adjustments for prior years' tax	(299)	1,037
Income tax (expense) benefit recognized in profit or loss	$ (83,696)	$ 12,379

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	**2022**
Deferred tax		
Recognized in the current year:		
Remeasurement on defined benefit plans	$ 843	$ (3,662)

c. Current tax assets and liabilities

	December 31 2023	December 31 2022
Current tax assets		
Tax refund receivable	$ 2,307	$ 1,403
Current tax liabilities		
Income tax payable	$ 4,365	$ 140

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

For the year ended December 31, 2023

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Disposal of Subsidiary	December 31, 2023
Deferred tax assets					
Temporary differences					
Allowance for impaired receivables	$ 2,282	$ 5,358	$ -	$ (94)	$ 7,546
Foreign operations accounted for using equity method	10,397	56	-	-	10,453
Unrealized exchange loss	614	(562)	-	(52)	-
Defined benefit plans	12,791	(540)	843	-	13,094
Loss carryforward	308,457	(69,756)	-	-	238,701
	$ 334,541	$ (65,444)	$ 843	$ (146)	$ 269,794

	Beginning Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	December 31, 2023
Deferred tax liabilities				
Temporary differences				
Unrealized exchange gain	$ -	$ 353	$ -	$ 353

For the year ended December 31, 2022

Deferred tax assets	January 1, 2022	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	December 31, 2022
Temporary differences				
Allowance for impaired receivables	$ 2,794	$ (512)	$ -	$ 2,282
Foreign operations accounted for using equity method	3,579	6,818	-	10,397
Unrealized exchange loss	400	214	-	614
Defined benefit plans	16,669	(216)	(3,662)	12,791
Loss carryforward	303,202	5,255	-	308,457
	$ 326,644	$ 11,559	$ (3,662)	$ 334,541

e. Unused loss carryforwards for which deferred tax assets have not been recognized in the consolidated financial statements.

	December 31	
	2023	2022
Loss carryforwards		
Expiry in 2025	$ -	123
Expiry in 2026	265	324
Expiry in 2027	18,671	18,686
Expiry in 2028	27,029	32,036
Expiry in 2029	39,071	40,851
Expiry in 2030	62,369	66,583
Expiry in 2031	89,844	101,828
Expiry in 2032	54,668	703,537
Expiry in 2033	64,020	-
	$ 355,937	$ 963,968

f. Information on unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 265	2026
18,671	2027
27,029	2028
39,071	2029
62,369	2030
643,190	2031
694,828	2032
64,020	2033
$ 1,549,443	

g. Income tax assessments

The tax returns of the Company, Lion DMC, Shuangshi Investment, Lion Information, Ansett Tour, Kinmen Lion Express, Travel Around Investment, Fontrip Technology, Lion Express, Xinflight Travel, LionBobby and Lion Insurance have also been provided for assessment by the tax authorities through 2021.

23. EARNINGS (LOSS) PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	**2022**
Basic earnings (loss) per share	$ 15.21	$ (8.91)
Diluted earnings per share	$ 15.08	

The earnings (loss) and weighted average number of ordinary shares outstanding used in the computation of earnings (loss) per share were as follows:

Net Profit (Loss) for the Period

	For the Year Ended December 31	
	2023	**2022**
Income (loss) for the period attributable to owners of the Company	$ 1,392,466	$ (684,284)
Effect of potentially dilutive ordinary shares:		
Convertible bonds	435	
Income used in the computation of diluted per share	$ 1,392,901	

Weighted Average Number of Ordinary Shares Outstanding (In Thousand Shares)

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic earnings (loss) per share	91,558	76,820
Effect of potentially dilutive ordinary shares:		
Convertible bonds	433	
Employees' compensation	346	
Weighted average number of ordinary shares used in the computation of diluted earnings per share	92,337	

24. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan for Cash Capital Increase

The Company was approved by the FSC on December 5, 2022 to issue 10,000 thousand shares for cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscriptions of 1,000 thousand shares in total. The number of shares retained for employees' subscription and the subscription price of $22.19 were confirmed on January 10, 2023.

The Company used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase on January 10, 2023. Relevant information is as follows:

Share price on the grant date (in dollars)	$107
Exercise price (in dollars)	$85
Expected ratio of share price fluctuation	38.96%
Expected duration	35 days
Risk-free interest rate	0.81%

Employee Share Option Plan for Cash Capital Increase by Subsidiaries - Unitravel

Unitravel was approved by the FSC on August 29, 2023 to issue 5,000 thousand shares for cash capital increase. The board of directors resolved to retain 10% of the issued shares for employees' subscriptions of 500 thousand shares in total. The number of shares retained for employees' subscription and the subscription price of $8.98 were confirmed on September 8, 2023.

Unitravel used the Black-Scholes option evaluation model to calculate the fair value of employee subscriptions for cash capital increase on September 8, 2023. Relevant information is as follows:

Share price on the grant date (in dollars)	$90.47
Exercise price (in dollars)	$90
Expected ratio of share price fluctuation	70.54%
Expected duration	43 days
Risk-free interest rate	0.93%

In 2023, the compensation of employees recognized was $26,680 thousand.

25. DISPOSAL OF SUBSIDIARIES

The board of directors of the former subsidiary, Unitravel, approved a cash capital increase of $50,000 thousand on August 8, 2023. The Company's board of directors approved on September 14, 2023 to waive the subscription right of share issuance for cash capital increase for Unitravel. The shareholding ratio of the Group was reduced from 50.88% to 38.28%. After evaluation, the Group has lost control of Unitravel.

a. Analysis of assets and liabilities on the date control was lost

	Unitravel and Its Subsidiaries
CURRENT ASSETS	
Cash and cash equivalents	$ 146,736
Notes receivable	4,820
Accounts receivable	144,159
Inventories	2,679
Prepayments	245,559
Other current financial assets	12,100
Other current assets	28
NON-CURRENT ASSETS	
Financial assets at fair value through other comprehensive income - non-current	16,390
Property, plant and equipment	9,338
Right-of-use assets	3,473
Deferred tax assets	146
Other non-current assets	4,946

(Continued)

	Unitravel and Its Subsidiaries
CURRENT LIABILITIES	
Contract liabilities - current	$ (56,594)
Accounts payable	(125,071)
Other payables	(28,765)
Current tax liabilities	(13,184)
Lease liabilities - current	(1,295)
Other current liabilities	(9,887)
NON-CURRENT LIABILITIES	
Lease liabilities - non-current	(2,417)
Net assets disposed of	$ 353,161

(Concluded)

b. Gain on disposal of subsidiaries

	Unitravel
Fair value of equity interests	$ 695,982
Net assets disposed of	(353,161)
Non-controlling interests	178,744
Gain on disposal	521,565
Other	1,545
	$ 523,110

The Group's net gain on disposal of Unitravel was accounted for in other gains and losses in the accompanying financial statements.

26. EQUITY TRANSACTION WITH NON-CONTROLLING INTERESTS

On July 26, 2023, the Group disposed of 7.89% of its interest in Unitravel Service Co., Ltd., and its interest, therefore, decreased from 58.77% to 50.88%.

As the aforementioned transaction did not have effect on the Group's control over the subsidiary, it was recognized as equity transaction.

	Unitravel
Cash consideration received	$ 68,160
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	(23,899)
Differences recognized from equity transaction	$ 44,261

Line items adjusted for equity transaction

Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 44,382
Other equity - unrealized valuation loss on financial assets at FVTOCI	(121)
	$ 44,261

On June 7, 2022, the Group subscribed for additional new shares of Unitravel at a percentage different from its existing ownership percentage and reduced its continuing interest from 60.56% to 58.77%.

	Unitravel
Cash consideration paid	$ (54,050)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	59,274
Differences recognized from equity transaction	$ 5,224
Line items adjusted for equity transaction	
Capital surplus - changes in percentage of ownership interests in subsidiary	$ 5,224

27. CAPITAL MANAGEMENT

The Groups' capital management strategy is based on its need for working capital and capital expenditure for product processing (e.g., advance ticket purchases or table reservations), sales promotion, marketing and distribution of dividends.

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

Except as shown on the table below, the management concluded that the carrying value of financial instruments that are not measured at fair value approximates the fair value of financial instruments.

December 31, 2023

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 4,217	$ 9,374	$ -	$ -	$ 9,374

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 207,039	$ 252,407	$ -	$ -	$ 252,407

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 6	$ -	$ 6
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic innovation board and emerging market shares	$ 90,734	$ -	$ -	$ 90,734
Domestic unlisted common shares	-	-	32,228	32,228
Foreign unlisted shares	-	-	182,601	182,601
	$ 90,734	$ -	$ 214,829	$ 305,563

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 8	$ -	$ 8
Financial assets at FVTOCI				
Investment in equity instruments				
Emerging market shares	$ 95,133	$ -	$ -	$ 95,133
Domestic unlisted common shares	-	-	46,979	46,979
Foreign unlisted shares	-	-	211,921	211,921
	$ 95,133	$ -	$ 258,900	$ 354,033

There were no transfers between Levels 1 and 2 in current and prior years.

2) Valuation techniques and inputs applied for the purpose of Level 1 fair value measurement

The fair value of financial instruments with standard terms and conditions and traded in active markets is determined with reference to the quoted market prices.

3) Valuation techniques and inputs applied for the purpose of Level 2 fair value measurement

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly in the active markets, and these include quoted prices of similar financial instruments in active market, prices for identical or similar financial assets or liabilities in markets that are not active, or valuation models which have observable inputs based on accessible data from the markets, such as interest rates, yield curve, and volatility.

4) Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

The required input cost of evaluating domestic and foreign unlisted shares is not economical, so the Group used net value of investment target company and adopts the market approach as the basis for evaluation.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
FVTPL		
Mandatorily classified as at FVTPL	$ 6	$ 8
Measured at amortized cost (Note 1)	4,632,517	3,630,067
Financial assets at FVTOCI	305,563	354,033
Financial liabilities		
Measured at amortized cost (Note 2)	1,636,719	2,414,813

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable, other current financial assets and refundable deposits.

Note 2: The balances included financial liabilities measured at amortized cost, which comprise short-term borrowings, notes payable, accounts payable, other payables, bonds payable (including current portion of bonds payable), long-term borrowings (including current portion of long-term borrowings) and guarantee deposits received.

d. Financial risk management objectives and policies

The financial risks on the Group's operations pertain to market, credit, and liquidity. For financial risk management, the Group not only identifies and evaluates the market uncertainties but also applies a conservative approach to its operations. That is, the Group does not use or trade higher-risk derivative financial instruments and other complex financial instruments. This way, the Group protects itself from the effects of adverse market fluctuations.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Currency risk

The Group manages currency risk by using derivative financial instruments, i.e., the Group uses these instruments for hedging against adverse changes in exchange rates. In addition, reserves have been set up for each foreign currency required for operations, and these reserves are reviewed regularly for adequacy.

The carrying amounts of the Group's foreign currency-denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group was mainly exposed to the JPY, USD, EUR and RMB.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollars (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rate is 5%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and the translation of these items at the end of the reporting period is adjusted for a 5% change in foreign currency rates. A positive number below indicates an increase in pretax profit in the New Taiwan dollars due to a 5% weakening against the relevant currency. For a 5% strengthening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pretax profit, and the balances below would be negative.

	For the Year Ended December 31	
	2023	**2022**
JPY	$ 8,021	$ 3,673
USD	6,640	26,150
EUR	3,836	2,447
RMB	1,537	666

The above amounts were mainly attributable to period-end balances of cash in banks and outstanding foreign currency receivables and payables, which were not hedged at the end of reporting period.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds and bank deposits at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring that the most cost-effective hedging strategies are applied.

The carrying amounts of the Group’s financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 259,993	$ 336,533
Financial liabilities	4,217	207,946
Cash flow interest rate risk		
Financial assets	3,457,312	2,688,265
Financial liabilities	92,104	1,222,576

Sensitivity analysis

The sensitivity analysis below was determined based on the Group’s exposure to interest rates for both derivative and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management’s assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Group’s pre-tax profit for the years ended December 31, 2023 and 2022 would have increased or decreased by $33,652 thousand and $14,657 thousand, respectively, which was mainly a result of the changes of net position of variable-rate bank deposits and variable-rate borrowings.

The Group’s sensitivity to interest rates increased during the current year mainly due to the increase in variable rate financial assets.

c) Other price risk

The Group was exposed to equity price risk through its investments in equity securities. Equity investments are held for strategic rather than for trading purposes; the Group does not actively trade these investments. The Group measured price risk of investments in equity securities by performing sensitivity analysis.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $15,278 thousand and $17,702 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group’s sensitivity to price risk decreased during the current year mainly due to the decrease in fair value.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in uncollectible receivables that could bring financial loss to the Group. The Group manages credit risk as follows:

a) For the maintenance or enhancement of the quality of receivables, the Group evaluates the creditworthiness of commercial customers and other travel service companies before transacting with them. The Group has also implemented a receivables management and collection system to reduce credit risk.

b) The Group enters into financial instrument contracts only with banks that have good credit status; thus, the Group has no significant risk arising from breach of contracts.

Further, there is no concentration of credit risk because the Group diversifies its customer or financial transaction counterparty pool.

3) Liquidity risk

The main objective of the Group's liquidity risk management-specifically in relation to cash, cash equivalents, banking facilities and so on - is to ensure that the Group has sufficient funds for its daily operations and activities. In addition, the receivable collection periods are similar to those in the market. For example, the Group requires that the settlement of check payments should be within one month after the check issue date. Payments for credit cards and other receivables should be settled within one month of the statement dates. Accounts payable should be settled within 90 days after the transaction. Further, the Group sees to it that funds are sufficient to cover daily operations as well as meet its bank borrowing obligation.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Lease liabilities	$ 11,383	$ 24,054	$ 104,499	$ 519,213	$ 346,836	$ 1,005,985
Floating rate instrument	2,324	7,908	30,952	50,920	-	92,104
Fixed rate instrument	-	-	4,217	-	-	4,217
	$ 13,707	$ 31,962	$ 139,668	$ 570,133	$ 346,836	$ 1,102,306

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 156,880	$ 558,867	$ 369,091

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Lease liabilities	$ 10,331	$ 20,720	$ 91,762	$ 541,198	$ 200,919	$ 864,930
Floating rate instrument	175,594	318,371	138,050	590,561	-	1,222,576
Fixed rate instrument	-	-	207,946	-	-	207,946
	$ 185,925	$ 339,091	$ 437,758	$ 1,131,759	$ 200,919	$ 2,295,452

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 134,335	$ 573,796	$ 203,663

b) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually:		
Amount used	$ 59,223	$ 1,165,798
Amount unused	2,041,391	1,080,825
	$ 2,100,614	$ 2,246,623
Secured bank overdraft facilities which may be extended by mutual agreement:		
Amount used	$ 32,881	$ 57,685
Amount unused	35,680	5,680
	$ 68,561	$ 63,365

29. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. In addition to those disclosed in other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party categories and its relationship with the Group

Related Name	Relationship with the Group and Other Related Parties
Unitravel	Associates (Note)
Gan Tan Co., Ltd.	Associates (Note)
TTN Media Group Corporation	Associates (Note)
Hsin Shih Lu Co., Ltd.	Substantive related party
JWI Marketing Co., Ltd.	Substantive related party
XinMedia Co., Ltd. (XinMedia)	Substantive related party
American Vacation, Inc.	Substantive related party

(Continued)

Related Name	Relationship with the Group and Other Related Parties
Lion Consulting Co., Ltd.	Substantive related party
Lion Investment Co., Ltd.	Substantive related party
Travel Trend Investment Co., Ltd.	Substantive related party
XIN Investment Co., Ltd.	Substantive related party
Industrial Technology Research Institute (ITRI)	Substantive related party
Guan Yi International Co., Ltd.	Substantive related party
Gong Le You Co., Ltd	Substantive related party
JWI Technology Trade Co., Ltd.	Substantive related party
Lion Car Co., Ltd.	Substantive related party
Lavender Cottage Co., Ltd.	Substantive related party
Moncoeur Co., Ltd.	Substantive related party
Da Yan Forest Co., Ltd.	Substantive related party
Antung Investment Co., Ltd.	Substantive related party
Le Shine International Design Co., Ltd (Le Shine)	Substantive related party
Natural Takeover Life Proposal Co., Ltd.	Substantive related party
Jinn's Publishers Co., Ltd.	Substantive related party
Next Tourism Consulting Co., Ltd	Substantive related party
Xin Style Media Co., Ltd.	Substantive related party
Lion Startup Hub Co., Ltd.	Substantive related party

(Concluded)

Note: Due to the loss of control over Unitravel, it was converted from a subsidiary to an associate starting in the fourth quarter of 2023.

b. Operating revenue

Line Item	Related Party Category	For the Year Ended December 31 2023	2022
Operating revenue	Associates	$ 21,753	$ -
	Substantive related party	46,123	19,195
		$ 67,876	$ 19,195

The selling prices in related-party transactions were not significantly different from those for transactions with third parties.

c. Operating costs

Line Item	Related Party Category	For the Year Ended December 31 2023	2022
Operating costs	Associates	$ 1,065	$ -
	Substantive related party	86,187	71,112
		$ 87,252	$ 71,112

The purchase prices in related-party transactions were not significantly different from those for transactions with third parties.

d. Accounts receivable from related parties

Line Item	Related Party Category	December 31 2023	December 31 2022
Accounts receivable	Associates	$ 10,712	$ -
	Substantive related party	989	1,176
		$ 11,701	$ 1,176

The outstanding accounts receivable from related parties were unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized on accounts receivable from related parties.

e. Accounts payable to related parties

Line Item	Related Party Category	December 31 2023	December 31 2022
Accounts payable	Associates	$ 9,011	$ -
	Substantive related party	4,306	5,267
		$ 13,317	$ 5,267

The outstanding accounts payable to related parties were unsecured and payable in cash.

f. Prepayments

Related Party Category	December 31 2023	December 31 2022
Substantive related party	$ 1,226	$ -

g. Prepayments of equipment

Related Party Category	December 31 2023	December 31 2022
Substantive related party/Le Shine	$ 19,405	$ -

h. Acquisition of property, plant and equipment

Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Substantive related party/Le Shine	$ 26,887	$ -

i. Disposal of property, plant and equipment

	Proceeds		Gain (Loss) on Disposal	
	For the Year Ended December 31		For the Year Ended December 31	
Related Party Category	2023	2022	2023	2022
Substantive related party	$ 37	$ 32	$ -	$ -

j. Lease arrangements

1) Acquisition of right-of-use assets

Related Party Category	For the Year Ended December 31 2023	2022
Substantive related party	$ -	$ 274

2) Interest expense

Related Party Category	For the Year Ended December 31 2023	2022
Substantive related party	$ -	$ 17

3) Lease transactions

The revenues and expenses related to lease transactions with related parties were based on market conditions and were not significantly different from those for transactions with third parties.

Line Item	Related Party Category	For the Year Ended December 31 2023	2022
Rental revenue	Associates	$ 770	$ -
	Substantive related party		
	JWI	3,530	4,832
	Gong Le You	2,840	2,040
	Others	1,830	2,970
		$ 8,970	$ 9,842
Rental expense	Associates	$ 39	$ -
	Substantive related party	3,092	169
		$ 3,131	$ 169

The balances of other lease receivables from related parties were as follows:

Line Item	Related Party Category	December 31 2023	2022
Other current assets	Substantive related party	$ 678	$ -

k. Acquisition of other assets

Related Party Category/Name	Line Items	Purchase Price For the Year Ended December 31 2023	2022
Substantive related party/ITRI	Intangible assets	$ 952	$ -

l. Other transactions with related parties

1) Revenue from administration services

The Group provided administrative service to related parties and recognized the revenue from services as a reduction of operating expenses.

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
Associates	$ 79	$ -
Substantive related party	7,121	15,854
	$ 7,200	$ 15,854

The balances of other receivables from related parties were as follows:

		December 31	
Line Item	**Related Party Category**	**2023**	**2022**
Other current assets	Associates	$ 20	$ -
	Substantive related party	439	84
		$ 459	$ 84

2) Advertising, video production and travel magazine expenses

Related parties produced advertisements and travel videos for the Group, and the Group subscribed to travel magazines published by related parties, which related expenses were recognized as advertising expenses.

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
Associates	$ 95	$ -
Substantive related party	18,484	6,030
	$ 18,579	$ 6,030

3) Employee education and training

The related party provides employee education, training and other services to the Group, and the training fees are recorded in the account.

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
Substantive related party	$ 6,038	$ 3,000

m. Compensation of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 200,157	$ 103,339
Post-employment benefits	8,807	6,322
Share-based payments	11,770	-
	$ 220,734	$ 109,661

The remunerations of directors and key executives were determined by the remunerations committee on the basis of individual performance and market trends.

30. ASSETS PLEDGED AS COLLATERALS OR FOR SECURITY

	December 31	
	2023	2022
Pledged deposits and demand deposits	$ 126,540	$ 152,587
Property, plant and equipment, net	97,639	127,123
	$ 224,179	$ 279,710

Pledged time deposits are mainly for time deposits with the Tourism Bureau Ministry of Transportation and Communications and collaterals for financing loans. Pledged demand deposits are mainly for credit card machine deposits and operating letters of guarantee provided to banks for business purposes and are recorded as other financial assets - current.

31. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group were as follows:

a. Letters of guarantee obtained by the Group from banks and issued for hotel and transportation reservations, which amounted to $2,949,139 thousand and $1,034,790 thousand as of December 31, 2023 and 2022, respectively.

b. Letters of guarantee provided to buy tickets from airlines and others, which amounted to $446,466 thousand and $237,747 thousand as of December 31, 2023 and 2022, respectively.

c. The Group’s contractual commitment with cruise lines was unpaid, which amounted to $306,757 thousand as of December 31, 2023.

d. As of December 31, 2023, the Group had contracted contracts to renovate buildings and purchase computer software, but the unpaid price amount was $19,017 thousand.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
JPY	$ 1,233,509	0.22 (JPY:NTD)	$ 271,372
USD	8,478	30.71 (USD:NTD)	260,359
EUR	4,266	34.01 (EUR:NTD)	145,087
RMB	7,382	4.33 (RMB:NTD)	31,964
GBP	430	39.18 (GBP:NTD)	16,847
CHF	447	36.54 (CHF:NTD)	16,333
AUD	764	21.00 (AUD:NTD)	16,044
CAD	633	23.22 (CAD:NTD)	14,698
USD	409	7.77 (USD:HKD)	12,517
HKD	1,953	3.93 (HKD:NTD)	7,675
THB	6,846	0.90 (THB:NTD)	6,161
SGD	250	23.31 (SGD:NTD)	5,828
NZD	226	19.50 (NZD:NTD)	4,407
			$ 809,292
Financial liabilities			
Monetary items			
USD	4,154	30.71 (USD:NTD)	$ 127,569
JPY	504,362	0.22 (JPY:NTD)	110,960
EUR	2,010	34.01 (EUR:NTD)	68,360
THB	19,867	0.90 (THB:NTD)	17,880
AUD	440	21.00 (AUD:NTD)	9,240
CHF	202	36.54 (CHF:NTD)	7,381
NZD	320	19.50 (NZD:NTD)	6,240
RMB	282	4.33 (RMB:NTD)	1,221
			$ 348,851

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 18,081	30.70 (USD:NTD)	$ 555,087
JPY	432,296	0.23 (JPY:NTD)	99,428
EUR	2,167	32.74 (EUR:NTD)	70,948
RMB	3,021	4.41 (RMB:NTD)	13,323
AUD	276	20.85 (AUD:NTD)	5,755
HKD	561	3.94 (HKD:NTD)	2,210
CHF	62	33.24 (CHF:NTD)	2,061
NZD	105	19.45 (NZD:NTD)	2,042
GBP	49	37.10 (GBP:NTD)	1,818
			$ 752,672
Financial liabilities			
Monetary items			
USD	1,045	30.70 (USD:NTD)	$ 32,082
JPY	112,911	0.23 (JPY:NTD)	25,970
EUR	672	32.74 (EUR:NTD)	22,001
AUD	592	20.85 (AUD:NTD)	12,343
THB	3,315	0.89 (THB:NTD)	2,950
KRW	71,512	0.02 (KRW:NTD)	1,430
			$ 96,776

The significant realized and unrealized net foreign exchange gains were as follows:

	For the Year Ended December 31			
	2023		2022	
Functional Currencies	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Loss
NTD	1 (NTD:NTD)	$ 7,827	1 (NTD:NTD)	$ 35,271

33. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

1) Financing provided to others. (None)

2) Endorsements/guarantees provided. (Table 1)

3) Marketable securities held. (Table 2)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (None)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 3)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)

9) Trading in derivative instruments. (None)

10) Intercompany relationships and significant intercompany transactions. (Table 4)

11) Information on investees. (Table 5)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receiving of services.

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder. (Table 7)

34. SEGMENT INFORMATION

The information provided to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance, focuses on the types of goods or services delivered or provided. The Group's reportable segments were distinguished by operating segments.

Segments revenues and operating results

The following was an analysis of the Group's revenue and operating results by reportable segments.

	Travel Department	Others	Elimination	Total
For the year ended December 31, 2023				
Revenues from external customers	$ 20,984,394	$ 527,769	$ -	$ 21,512,163
Inter-segment revenues	863,615	498,516	(1,362,131)	-
Segment revenues	$ 21,848,009	$ 1,026,285	$ (1,362,131)	$ 21,512,163
Segment income (loss)	$ 977,542	$ (63,563)	$ 19,758	$ 933,737
Non-operating income (expenses)				585,246
Profit before income tax				$ 1,518,983
For the year ended December 31, 2022				
Revenues from external customers	$ 3,046,398	$ 253,868	$ -	$ 3,300,266
Inter-segment revenues	38,185	399,392	(437,577)	-
Segment revenues	$ 3,084,583	$ 653,260	$ (437,577)	$ 3,300,266
Segment income (loss)	$ (762,824)	$ (48,090)	$ 20,721	$ (790,193)
Non-operating income (expenses)				49,328
Loss before income tax				$ (740,865)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No. (Note 1)	Endorser/Guarantor	Endorsee/Guarantee Receiver		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 3)	Maximum Amount Endorsed/ Guaranteed During the Period (Note 4)	Outstanding Endorsement/ Guarantee at the End of the Period (Note 5)	Actual Borrowing Amount (Note 6)	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries (Note 7)	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent (Note 7)	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China (Note 7)	Note
		Name	Relationship (Note 2)											
0	Lion Travel Service Co., Ltd	Lion Shanghai	b	$ 745,849	$ 44,210	$ 43,290	$ -	$ -	1.16	$ 3,729,248	Y	N	Y	
	(“the Company”)	Lion JPN	b	745,849	21,750	21,750	-	-	0.58	3,729,248	Y	N	N	

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

a. “0” for the Company.
b. Subsidiaries are numbered from “1”.

Note 2: Relationships between the endorser/guarantor and the endorsee/guarantee receiver:

a. The Company and guarantee party have business deals.
b. The Company directly and indirectly owned over 50% of guaranteed party’s voting stocks.
c. The guaranteed party owned directly and indirectly over 50% of the Company’s voting stocks.
d. The Company directly and indirectly owned over 90% of guaranteed party’s voting stocks.
e. The guarantor and guaranteed party are peers in contract projects or co-builders in accordance with contract provisions which require mutual insurance company.
f. Owing to the joint venture funded by all shareholders on its endorsement of its holding company.
g. Peers in performance bond joint security of pre-sale house contract under Consumer Protection Act.

Note 3: The maximum balance of the aggregate endorsement/guarantee should not exceed 100% of the endorser’s net value as shown in its latest financial statements. The maximum balance of the endorsement/guarantee to an individual counterparty should not exceed 20% of the endorser’s net value as shown in its latest financial statements.

Note 4: The balance of the period as the highest guarantee of endorsement.

Note 5: Amount approved by the Company’s board of directors. The Company’s board follows Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies Article 12-8 Hierarchy of decision-making authority and delegation that means the amount was decided by the chairman of the board of directors.

Note 6: To fill in the amount which used by the borrowing company.

Note 7: Parent company as subsidiary’s guarantor, subsidiary as parent company’s guarantor and guarantee companies from China are marked Y.

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	December 31, 2023				Note (Note 4)
				Shares (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
Lion Travel Service Co., Ltd. (“the Company”)	Stock							
	Traveler Co., Ltd.	-	Financial assets at FVTOCI - non-current	139	$ 176,060	9.64%	$ 176,060	Note 6
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,033	68,309	0.45%	68,309	Note 7
	Lavender Cottage Co., Ltd.	Substantive related party	Financial assets at FVTOCI - non-current	700	25,200	11.37%	25,200	
	Riversoft Inc.	-	Financial assets at FVTOCI - non-current	300	816	10.80%	816	Note 8
	Japan Hotel Advanced Technologies Co., Ltd	-	Financial assets at FVTOCI - non-current	1	6,541	2.10%	6,541	
	Development of cultural and creative value of Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	543	3,192	0.67%	3,192	
	Circle Island Tours Co., Ltd.	-	Financial assets at FVTOCI - non-current	100	900	11.11%	900	
Shuangshi Investment	Stock							
	Vigor Kobo Co., Ltd.	-	Financial assets at FVTOCI - non-current	140	4,138	0.57%	4,138	Note 7
LionBobby	Stock							
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	544	18,287	0.12%	18,287	Note7
	Yuyupas Co., Ltd.	-	Financial assets at FVTOCI - non-current	240	2,120	4.80%	2,120	

Note 1: The marketable securities in this table are related to stocks, bonds, beneficiary certificates and short-term investments of IFRS 9 “Financial Instruments.”

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

Note 3: The carrying amount of the financial assets at fair value through profit or loss is shown as the carrying amount after adjustment for fair value and net of allowance for losses. The carrying amount of the financial assets that is not measured at fair value is the carrying amount of the amortized cost (net of allowance for losses).

Note 4: If the marketable securities listed are subject to restrictions due to the provision of guarantees, pledged borrowings or other contractual restrictions, the number of shares provided as guarantees or pledged borrowings, the amounts of guarantees or pledged borrowings and the restrictions on their use should be indicated in the note column.

Note 5: The information about subsidiaries, associates and joint ventures, please refer to Tables 5 and 6.

Note 6: Traveler Co., Ltd.’s stock fair value was estimated by applying an income approach.

Note 7: The fair value of emerging stock was calculated based on the average of the last trading price on the last trading day of December 31, 2023.

Note 8: Riversoft Inc.’s stock fair value was estimated by applying the comparable company method.

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction (Note 1)		Notes/Accounts Receivable (Payable)		Note (Note 2)
			Purchase/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Lion Travel Service Co., Ltd. (“the Company”)	Lion Express	Grandson company	Purchase	$ 218,078	1.39	Same as those for unrelated parties	No significant difference	No significant difference	$ (19,400)	1.66	
	Lion JPN	Grandson company	Purchase	193,340	1.23	Same as those for unrelated parties	No significant difference	No significant difference	(15,872)	1.36	
	Lion THA	Grandson company	Purchase	120,745	0.77	Same as those for unrelated parties	No significant difference	No significant difference	(17,389)	1.49	
Lion Information	The Company	Parent company	Sales	217,483	90.50	Same as those for unrelated parties	No significant difference	No significant difference	24,030	88.14	

Note 1: If the terms of the related party transaction are different from the normal terms of the transaction, the differences and the reasons for the differences should be described in the unit price and credit period columns.

Note 2: If there is any prepayment, the reason, contract terms, amount and difference from the general transaction type should be stated in the remarks column.

Note 3: Paid-in capital represents the parent company's paid-in capital. If the issuer's shares have no par value or have a par value other than NT$10 per share, the 20% transaction amount of paid-in capital is calculated based on the equity attributable to the owners of the parent company in the balance sheet the calculation is based on 10% of the equity attributable to the owners of the parent company.

Note 4: Transactions between investee companies have been eliminated upon the preparation of the consolidated financial statements.

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company	Counterparty	Flow of Transactions (Note 2)	Transaction Details (Note 4)			
				Financial Statement Account	Amount (Note 5)	Payment Terms	% to Total Sales or Assets (Note 3)
0	Lion Travel Service Co., Ltd. (the "Company")	Unitravel	2	Operating revenue	$ 48,325	Without significant difference from transactions with unrelated parties	0.51
		US Lion	2	Operating revenue	16,036	Without significant difference from transactions with unrelated parties	0.07
		Lion KR	2	Operating revenue	5,868	Without significant difference from transactions with unrelated parties	0.03
		Lion JPN	2	Operating costs	193,340	Without significant difference from transactions with unrelated parties	2.04
		Lion THA	2	Operating costs	120,745	Without significant difference from transactions with unrelated parties	1.27
		Unitravel	2	Operating costs	97,522	Without significant difference from transactions with unrelated parties	1.03
		Lion SYD	2	Operating costs	97,006	Without significant difference from transactions with unrelated parties	1.02
		US Lion	2	Operating costs	82,186	Without significant difference from transactions with unrelated parties	0.87
		Lion YVR	2	Operating costs	57,354	Without significant difference from transactions with unrelated parties	0.61
		Lion AKL	2	Operating costs	54,455	Without significant difference from transactions with unrelated parties	0.57
		Lion KR	2	Operating costs	9,881	Without significant difference from transactions with unrelated parties	0.10
		Lion Information	2	Other income	10,900	Without significant difference from transactions with unrelated parties	0.12
		Lion Information	2	Prepayments	69,243	Without significant difference from transactions with unrelated parties	0.73
		Skylion Travel	2	Prepayments	11,185	Without significant difference from transactions with unrelated parties	0.12
		Lion THA	2	Prepayments	10,273	Without significant difference from transactions with unrelated parties	0.11
		Lion Express	2	Accounts payable	19,400	Without significant difference from transactions with unrelated parties	0.20
		Lion THA	2	Accounts payable	17,389	Without significant difference from transactions with unrelated parties	0.18
		Lion JPN	2	Accounts payable	15,872	Without significant difference from transactions with unrelated parties	0.17
		Lion SYD	2	Accounts payable	6,714	Without significant difference from transactions with unrelated parties	0.07
		Lion AKL	2	Accounts payable	5,834	Without significant difference from transactions with unrelated parties	0.06
		Lion Information	2	Other payables	24,030	Without significant difference from transactions with unrelated parties	0.25
1	Fujian Lion	Skylion Travel	4	Prepayments	28,965	Without significant difference from transactions with unrelated parties	0.31
2	Lion Express	the Company	2	Operating revenue	218,078	Without significant difference from transactions with unrelated parties	2.30
2	Lion Information	the Company	2	Operating revenue	217,483	Without significant difference from transactions with unrelated parties	2.30
2	Lion JPN	Unitravel	6	Operating revenue	48,611	Without significant difference from transactions with unrelated parties	0.51
2	Ansett Tour Co., Ltd.	Lion Express	6	Operating revenue	27,600	Without significant difference from transactions with unrelated parties	0.29
2	Lion THA	Unitravel	6	Operating revenue	7,607	Without significant difference from transactions with unrelated parties	0.08
2	Lion Information	Unitravel	6	Operating revenue	6,826	Without significant difference from transactions with unrelated parties	0.07
2	Lion YVR	US Lion	6	Operating revenue	5,907	Without significant difference from transactions with unrelated parties	0.06
2	Lion JPN	Lion KR	6	Operating revenue	5,094	Without significant difference from transactions with unrelated parties	0.05
2	Lion Information	Lion Express	6	Operating revenue	4,445	Without significant difference from transactions with unrelated parties	0.05
2	Fontrip Technology	the Company	2	Operating revenue	4,112	Without significant difference from transactions with unrelated parties	0.04
2	Lion Shanghai	Skylion Travel	6	Prepayments	11,849	Without significant difference from transactions with unrelated parties	0.12

(Continued)

Note 1: The business relationships among the parent company, subsidiaries and sub-subsidiaries are numbered, as follows:

a. "0" represents the parent company.
b. "1" represents the subsidiary.
c. "2" represents the grandson company.

Note 2: The relationships between counterparties are numbered as follows:

a. 1 - from the parent company to the subsidiary.
b. 2 - from the parent company to the grandson company.
c. 3 - between subsidiaries.
d. 4 - from the subsidiary to the grandson company.
e. 5 - from the grandson company to the subsidiary
f. 6 - between grandson companies.

Note 3: Percentage of consolidated operating revenues or consolidated total assets: If the account is in the balance sheet account, it was calculated by dividing the ending balance by the consolidated total assets; if the account is in the income statement, it was calculated by dividing the cumulative balance throughout the year by the consolidated operating revenue.

Note 4: The material transactions in this table whether determined by the Company according to the principle of materiality or not.

Note 5: The transactions between the Company and investee companies have already been eliminated in the preparation of the consolidated financial statements.

(Concluded)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Business and Product	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee (Note 2 b)	Share of Profit (Loss) (Note 2 c)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	%	Carrying Amount			
Lion Travel Service Co., Ltd. (the "Company")	Shuangshi Investment	Taiwan	Investments	$ 434,000	$ 384,000	47,400	100	$ 1,041,507	$ 577,148	$ 577,148	Subsidiary
	Lion Holding	Hong Kong	Investments	542,846	448,234	133,374	100	376,053	(28,757)	(28,757)	Subsidiary
	Lion DMC	Taiwan	Travel industry	97,980	97,980	10,000	100	50,671	(5,425)	(5,425)	Subsidiary
	LionBobby	Taiwan	Travel industry	41,250	41,250	4,125	55	13,226	(991)	(545)	Subsidiary
	Nookin	Taiwan	Management consultants	200,000	-	20,000	100	178,142	(21,738)	(21,738)	Subsidiary
	Lion Insurance	Taiwan	Property insurance brokers	30,000	10,000	3,000	100	24,429	(4,544)	(4,544)	Subsidiary
Shuangshi Investment	Lion Information	Taiwan	Information technology industry	14,301	14,301	3,000	100	17,051	(6,540)	(6,540)	Grandson company
	Lion Express	Taiwan	Tour bus transportation industry	210,336	160,336	21,500	100	161,493	(10,237)	(10,237)	Grandson company
	Ansett Tour	Taiwan	Tour bus transportation industry	40,517	40,517	5,000	100	42,136	(1,243)	(1,243)	Grandson company
	Travel Around Investment	Taiwan	Investments	156,000	156,000	17,900	100	815,956	595,362	595,362	Grandson company
Lion Holding	Lion YVR	Canada	Travel industry	30,635	7,695	650	100	16,939	(18,421)	(18,421)	Grandson company
				CAD 1,112	CAD 112				(CAD 798)	(CAD 798)	
	Lion SYD	Australia	Travel industry	1,961	1,961	44	100	7,523	96	96	Grandson company
				AUD 67	AUD 67				AUD 5	AUD 5	
	Lion AKL	New Zealand	Travel industry	8,278	2,527	0.4	100	6,573	196	196	Grandson company
				NZD 413	NZD 113				NZD 10	NZD 10	
	Lion HK	Hong Kong	Travel industry	63,780	63,780	3	100	78,684	(8,786)	(8,786)	Grandson company
				HKD 16,294	HKD 16,294				(HKD 2,207)	(HKD 2,207)	
	US Lion	United States	Travel industry	33,015	13,284	1,000	100	20,015	(1,318)	(1,318)	Grandson company
				USD 1,000	USD 360				(USD 42)	(USD 42)	
	Lion JPN	Japan	Travel industry	85,927	85,927	27	100	43,112	2,041	2,041	Grandson company
				JPY 274,000	JPY 274,000				JPY 9,181	JPY 9,181	
	Lion THA	Thailand	Travel industry	11,579	11,579	1,323	49	19,148	8,360	4,096	Grandson company
				THB 12,395	THB 12,395				THB 9,325	THB 4,569	
	Travel Story	Japan	Travel industry	18,362	18,362	7	100	6,904	(378)	(378)	Grandson company
				JPY 63,600	JPY 63,600				(JPY 1,698)	(JPY 1,698)	
	Lion KR	Korea	Travel industry	19,994	19,994	8,500	85	8,239	(5,370)	(4,565)	Grandson company
				KRW 850,000	KRW 850,000				(KRW 223,759)	(KRW 190,195)	
	Lion UK	United Kingdom	Travel industry	11,895	-	300	100	11,615	(138)	(138)	Grandson company
				GBP 300	GBP -				(GBP 4)	(GBP 4)	
Travel Around Investment	Unitravel	Taiwan	Travel industry	106,569	123,106	7,733	38	706,002	139,517	73,488	Associate (Note 4)
	Xinflight Travel	Taiwan	Travel industry	10,000	10,000	1,000	100	22,451	8,889	8,889	Subsidiary of grandson company
	Fontrip Technology	Taiwan	Information technology industry	56,530	39,050	4,604	39	35,175	(14,109)	(5,482)	Subsidiary of grandson company
Lion Express	Kinmen Lion Express	Taiwan	Tour bus transportation industry	30,000	30,000	5,330	100	13,938	(4,526)	(4,526)	Subsidiary of grandson company
Fontrip Technology	Fontrip Technology JPN	Japan	Information technology industry	4,406	4,406	2	100	3,459	(450)	(450)	Subsidiary of grandson company
				JPY 20,000	JPY 20,000				(JPY 2,022)	(JPY 2,022)	
Nookin	Unitravel Hotel	Taiwan	Hotel industry	-	-	-	-	-	264	264	Grandson company (Note 5)

(Continued)

Note 1: If a listed company has a foreign holding company and is in accordance with local laws and regulations to adopt consolidated financial statements as main financial statements, the disclosure of information about the foreign investee company may be limited to the relevant information of the holding company.

Note 2: The information was not presented above, it should be filled in according to the regulations below:

a. "Investee", "Location", "Main Business and Product", "Original Investment Amount" and "Shares at the end of the period" should be filled in followed by the Company invest directly or indirectly and noted the relationship between each investee.
b. "Net Income (Loss) of the Investee" column should be filled in each investee net income (loss).
c. "Share of Profit (Loss)" column only needs to be filled in amount of profit or loss of each subsidiary and each investee company accounted for using the equity method, recognized by the Company as a direct investment. When filling in the column of "Share of profit (loss) recognized in each subsidiary as a direct investment", the Company should confirm net income (loss) of the investee included share of profit or loss.

Note 3: Information on investments in mainland China, please refer to Table 6.

Note 4: Travel Around Investment lost control over Unitravel in November 2023, thus converting from a subsidiary to an associate company.

Note 5: Unitravel Hotel was dissolved on September 2023.

Note 6: Expect for Unitravel, the investee company was merged into the Group.

(Concluded)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2(b)2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023	Note
					Outward	Inward							
Lion Fujian	Travel industry	$ 61,420 USD 2,000	The Company reinvested in Mainland China	$ 55,278 USD 1,800	$ - USD -	$ - USD -	$ 55,278 USD 1,800	$ 2,118 RMB 482	90	$ 1,906 RMB 434	$ 48,628	$ -	
Lion Shanghai	Travel industry	30,710 USD 1,000	Lion HK reinvested in Mainland China	30,710 USD 1,000	- USD -	- USD -	30,710 USD 1,000	(169) (RMB 38)	100	(169) (RMB 38)	69,485	-	
Lion Holding (China)	Management consulting activities	178,118 USD 5,800	Lion Holding reinvested in Mainland China	178,118 USD 5,800	- USD -	- USD -	178,118 USD 5,800	(3,047) (RMB 693)	100	(3,047) (RMB 693)	93,036	-	
Lion Travel Holding	Travel industry	95,238 RMB 22,000	Lion Holding (China) reinvested in Mainland China	95,238 RMB 22,000	- RMB -	- RMB -	95,238 RMB 22,000	(3,151) (RMB 717)	100	(3,151) (RMB 717)	50,579	-	
Skylion Travel	Travel industry	15,152 RMB 3,500	Lion Travel Holding reinvested in Mainland China	9,957 RMB 2,300	- RMB -	- RMB -	9,957 RMB 2,300	(2,627) (RMB 598)	100	(2,627) (RMB 598)	(37,941)	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 285,603 USD 9,300	$ 844,525 (Note 4) USD 27,500	$ 2,237,548

Note 1: Investment is divided into the following three categories:

a. Direct investment in mainland China.
b. Reinvestment in mainland China companies through the third region (please indicated the third area of investment company).
c. Others.

(Continued)

Note 2: The investment gain (loss) recognized in current period:

a. If the investment is under preparation and there is no investment gain or loss, it should be stated.
b. The investment gain (loss) was determined based on the following basis:

1) The financial statements were audited and certified by an international accounting firm in cooperation with a R.O.C. accounting firm.
2) The financial statements were audited by the CPA of the parent company in Taiwan.
3) Others.

Note 3: The relevant amounts in this table should be presented in New Taiwan dollar.

Note 4: The Investment Commission approved the investment amount in foreign currencies, and the investment amount has not exceeded the limit as of the current year.

Note 5: Except for the net income (loss) of the investee was calculated at the average exchange rate for the year ended December 31, 2023; the others were presented at the exchange rate on December 31, 2023.

Note 6: The investee company was merged into the Group.

(Concluded)

TABLE 7

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
WANG, WEN-JEH	14,087,001	15.10
CHEN, FENG-CHUI	6,025,598	6.46

Note 1: The information of major shareholders is calculated by the Taiwan Depository & Clearing Corporation (“TDCC”) on the last business day of the quarter; the calculation includes the total number of ordinary shares and special shares delivered by the Company and held by the shareholders without physical registration (including treasury shares); the listed shareholders are those with more than 5% holding. The share capital recorded in the Company's consolidated financial report and the actual number of shares delivered without physical registration may be different due to the difference in the basis of calculation.

Note 2: If the shareholder delivered the shares to a trust, the information mentioned above is disclosed by the individual trustor who opened the trust account. As for the shareholder’s handling of insider shareholding declarations with more than 10% of the shares in accordance with the Securities Exchange Act, the shareholdings include the shares held plus the shares delivered to the trust with the right to make decisions on the trust property. For information on insider equity declaration, please refer to Market Observation Post System.