Lion Travel Service Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Three Months Ended March 31, 2024 and 2023 and Independent Auditors' Review Report

Deloitte.

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INDEPENDENT AUDITORS' REVIEW REPORT

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

Introduction

We have reviewed the accompanying consolidated balance sheets of Lion Travel Service Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of March 31, 2024 and 2023, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as 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 International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Note 10 to the consolidated financial statements, the financial statements of some non-significant subsidiaries included in the consolidated financial statements referred to in the first paragraph were not reviewed. As of March 31, 2024 and 2023, the combined total assets of these non-significant subsidiaries were NT$1,809,999 thousand and NT$1,718,384 thousand, respectively, representing 16.88% and 22.51%, respectively, of the consolidated total assets, and the combined total liabilities of these subsidiaries were NT$641,105 thousand and NT$491,770 thousand, respectively, representing 9.75% and 9.79%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive (loss) income of these subsidiaries were NT$(19,358) thousand and NT$5,021 thousand, respectively, representing (5.97%) and 3.72%, respectively, of the consolidated total comprehensive income (loss). As disclosed in Note 11 to the consolidated financial statements, as of March 31, 2024, the investments accounted for using the equity method of associates were NT$737,154 thousand; for the three months ended March 31, 2024, the share of profit of associates amounted to $31,171 thousand. The financial statements of associates included in the consolidated financial statements referred to in the first paragraph were not reviewed. Other non-significant subsidiary information disclosed in Note 32 to the consolidated financial statements was based on unreviewed financial statements as of and for the same reporting periods as those of the Company.

Qualified Conclusion

Based on our reviews, except for adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments in associates accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2024 and 2023, and its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2024

Notice to Readers

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 review such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review 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' review report and consolidated financial statements shall prevail.

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	$ 4,641,783	44	$ 3,673,659	39	$ 3,783,274	50
Financial assets at fair value through profit or loss - current (Notes 16 and 27)	-	-	6	-	69	-
Notes receivable (Note 9)	26,453	-	24,117	-	15,802	-
Accounts receivable (Notes 9, 20 and 28)	688,914	7	669,049	7	566,609	7
Current tax assets (Note 4)	2,805	-	2,307	-	1,603	-
Inventories	-	-	-	-	2,121	-
Prepayments (Notes 14 and 28)	2,366,385	22	2,016,107	21	1,060,410	14
Other current financial assets (Notes 8 and 29)	137,669	1	139,057	2	146,069	2
Other current assets (Note 28)	30,203	-	36,647	-	19,481	-
Total current assets	7,894,212	74	6,560,949	69	5,595,438	73
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 7 and 27)	303,366	3	305,563	3	390,710	5
Investment accounted for using the equity method (Note 11)	737,154	7	706,002	8	-	-
Property, plant and equipment (Notes 12, 28 and 29)	442,412	4	443,938	5	391,116	5
Right-of-use assets (Note 13)	910,966	8	942,632	10	784,216	10
Goodwill	15,024	-	15,024	-	15,024	-
Intangible assets (Note 28)	6,298	-	5,506	-	5,700	-
Deferred tax assets (Note 4)	193,774	2	269,794	3	327,128	5
Other non-current assets (Notes 9, 14 and 28)	219,458	2	222,208	2	126,232	2
Total non-current assets	2,828,452	26	2,910,667	31	2,040,126	27
TOTAL	$ 10,722,664	100	$ 9,471,616	100	$ 7,635,564	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 15)	$ -	-	$ -	-	$ 50,000	1
Contract liabilities - current (Note 20)	3,287,713	31	2,728,694	29	2,295,875	30
Notes payable	113,332	1	70,503	1	53,270	1
Accounts payable (Note 28)	1,465,447	14	1,117,481	12	781,429	10
Other payables (Notes 17 and 28)	338,250	3	328,313	3	95,243	1
Current tax liabilities (Note 4)	4,203	-	4,365	-	4	-
Lease liabilities - current (Note 13)	138,950	1	139,936	2	120,259	2
Current portion of bonds payable (Notes 16 and 27)	-	-	4,217	-	29,613	-
Current portion of long-term borrowings (Note 15)	41,558	-	41,184	-	159,496	2
Other current liabilities	182,081	2	176,727	2	177,387	2
Total current liabilities	5,571,534	52	4,611,420	49	3,762,576	49
NON-CURRENT LIABILITIES						
Contract liabilities - non-current (Note 20)	31,120	-	30,815	-	34,538	1
Long-term borrowings (Notes 15 and 29)	41,703	-	50,920	1	429,013	6
Deferred tax liabilities (Note 4)	919	-	353	-	407	-
Lease liabilities - non-current (Note 13)	836,882	8	866,049	9	713,658	9
Net defined benefit liabilities (Note 4)	64,673	1	65,750	1	63,995	1
Other non-current liabilities	25,330	-	24,101	-	16,607	-
Total non-current liabilities	1,000,627	9	1,037,988	11	1,258,218	17
Total liabilities	6,572,161	61	5,649,408	60	5,020,794	66
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 19)						
Share capital						
Ordinary shares	932,777	9	932,280	10	889,820	12
Collected in advance	-	-	22	-	39,543	-
Capital surplus	1,514,978	14	1,511,228	16	2,112,798	28
Retained earnings						
Special reserve	61,904	1	61,904	-	61,904	1
Unappropriated earnings (accumulated deficit)	1,714,250	16	1,388,879	15	(576,556)	(8)
Other equity	(163,294)	(2)	(165,065)	(2)	(97,326)	(1)
Total equity attributable to owners of the Company	4,060,615	38	3,729,248	39	2,430,183	32
NON-CONTROLLING INTERESTS	89,888	1	92,960	1	184,587	2
Total equity	4,150,503	39	3,822,208	40	2,614,770	34
TOTAL	$ 10,722,664	100	$ 9,471,616	100	$ 7,635,564	100

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

(With Deloitte & Touche review report dated May 9, 2024)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 20 and 28)	$ 5,944,609	100	$ 3,291,525	100
OPERATING COSTS (Notes 21 and 28)	(4,933,337)	(83)	(2,709,198)	(82)
GROSS PROFIT	1,011,272	17	582,327	18
OPERATING EXPENSES (Notes 13, 18, 21 and 28)	(659,693)	(11)	(478,688)	(15)
INCOME FROM OPERATIONS	351,579	6	103,639	3
NON-OPERATING INCOME AND EXPENSES (Notes 21 and 28)				
Other income	8,447	-	9,233	-
Other gains and losses	10,225	-	252	-
Finance costs	(4,578)	-	(9,099)	-
Share of profit of associates	31,171	1	-	-
Interest income	2,836	-	3,204	-
Total non-operating income and expenses	48,101	1	3,590	-
PROFIT BEFORE INCOME TAX	399,680	7	107,229	3
INCOME TAX EXPENSE (Notes 4 and 22)	(76,972)	(2)	(7,820)	-
NET INCOME FOR THE PERIOD	322,708	5	99,409	3
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive (loss) income	(2,197)	-	36,677	1
Share of other comprehensive loss of associates accounted for using the equity method	(19)	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	3,578	-	(944)	-
Other comprehensive income for the period	1,362	-	35,733	1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 324,070	5	$ 135,142	4

(Continued)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31			
	2024		2023	
	Amount	%	Amount	%
NET INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 325,371	5	$ 93,079	3
Non-controlling interests	(2,663)	-	6,330	-
	$ 322,708	5	$ 99,409	3
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Company	$ 327,142	5	$ 123,650	4
Non-controlling interests	(3,072)	-	11,492	-
	$ 324,070	5	$ 135,142	4
EARNINGS PER SHARE (Note 23)				
Basic earnings per share	$ 3.49		$ 1.08	
Diluted earnings per share	$ 3.47		$ 1.06	

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

(With Deloitte & Touche review report dated May 9, 2024) (Concluded)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to the Owners of the Company									
	Share Capital			Retained Earnings		Other Equity				
	Ordinary Shares	Collected in Advance	Capital Surplus	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income (Loss)	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2023	$ 789,820	$ 18,944	$ 1,185,546	$ 61,904	$ (669,635)	$ (88,467)	$ (39,430)	$ 1,258,682	$ 173,095	$ 1,431,777
Net income for the three months ended March 31, 2023	-	-	-	-	93,079	-	-	93,079	6,330	99,409
Other comprehensive income (loss) for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(890)	31,461	30,571	5,162	35,733
Total comprehensive income (loss) for the three months ended March 31, 2023	-	-	-	-	93,079	(890)	31,461	123,650	11,492	135,142
Issuance of ordinary shares for cash	100,000	-	747,835	-	-	-	-	847,835	-	847,835
Convertible bonds converted to ordinary shares	-	20,599	157,227	-	-	-	-	177,826	-	177,826
Share-based payment transaction	-	-	22,190	-	-	-	-	22,190	-	22,190
BALANCE AT MARCH 31, 2023	$ 889,820	$ 39,543	$ 2,112,798	$ 61,904	$ (576,556)	$ (89,357)	$ (7,969)	$ 2,430,183	$ 184,587	$ 2,614,770
BALANCE AT JANUARY 1, 2024	$ 932,280	$ 22	$ 1,511,228	$ 61,904	$ 1,388,879	$ (95,570)	$ (69,495)	$ 3,729,248	$ 92,960	$ 3,822,208
Net income (loss) for the three months ended March 31, 2024	-	-	-	-	325,371	-	-	325,371	(2,663)	322,708
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	3,962	(2,191)	1,771	(409)	1,362
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	325,371	3,962	(2,191)	327,142	(3,072)	324,070
Convertible bonds converted to ordinary shares	497	(22)	3,750	-	-	-	-	4,225	-	4,225
BALANCE AT MARCH 31, 2024	$ 932,777	$ -	$ 1,514,978	$ 61,904	$ 1,714,250	$ (91,608)	$ (71,686)	$ 4,060,615	$ 89,888	$ 4,150,503

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

(With Deloitte & Touche review report dated May 9, 2024)

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 399,680	$ 107,229
Adjustments for:		
Depreciation expense	59,574	50,364
Amortization expense	441	400
Expected credit loss reversed	(696)	(344)
Net gain on financial assets and liabilities at fair value through profit or loss	-	(145)
Interest expense	4,578	9,099
Interest income	(2,836)	(3,204)
Share-based compensation	-	22,190
Share of profit of associates	(31,171)	-
Loss on disposal of property, plant and equipment	12	1
Gain on lease adjustments	-	(21)
Changes in operating assets and liabilities		
Notes receivable	(2,336)	(3,707)
Accounts receivable	(19,169)	(164,251)
Inventories	-	(84)
Prepayments	(350,278)	(409,471)
Other current assets	6,444	4,159
Contract liabilities	559,324	870,828
Notes payable	42,829	22,266
Accounts payable	347,966	(9,205)
Other payables	9,954	(55,180)
Other current liabilities	5,354	26,121
Net defined benefit liabilities	(1,077)	(234)
Cash generated from operations	1,028,593	466,811
Interest received	2,836	3,204
Interest paid	(544)	(6,007)
Income tax paid	(1,046)	(336)
Net cash generated from operating activities	1,029,839	463,672
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(15,754)	(10,671)
Proceeds from disposal of property, plant and equipment	84	425
Increase in refundable deposits	(22,067)	(9,328)
Acquisition of intangible assets	(1,233)	-
Decrease in other current financial assets	1,388	6,518
Decrease in other non-current assets	60,000	150,068
Increase in prepayments for equipment	(40,554)	-
Decrease in prepayments for equipment	-	501
Net cash (used in) generated from investing activities	(18,136)	137,513

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LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Three Months Ended March 31	
	2024	**2023**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of short-term borrowings	$ -	$ (100,000)
Proceeds from long-term borrowings	1,515	-
Repayments of long-term borrowings	(10,358)	(484,966)
Increase in guarantee deposits received	1,229	4,841
Repayment of the principal portion of lease	(39,524)	(34,048)
Issuance of ordinary shares for cash	-	847,835
Net cash (used in) generated from financing activities	(47,138)	233,662
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	3,559	(930)
NET INCREASE IN CASH AND CASH EQUIVALENTS	968,124	833,917
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3,673,659	2,949,357
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 4,641,783	$ 3,783,274

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

(With Deloitte & Touche review report dated May 9, 2024) (Concluded)

(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 May 9, 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 a material impact on the Group's accounting policies.

b. 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
IFRS 18 "Presentation and Disclosure in Financial Statements"	January 1, 2027
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 to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

<u>IFRS 18 ”Presentation and Disclosure in Financial Statements”</u>

IFRS 18 will supersede IAS 1” Presentation of Financial Statements”. The main changes comprise:

1) Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discounted operations categories.

2) The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.

3) Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as ‘other’ only if it cannot find a more informative label.

4) Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, 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 interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

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. 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 profit or loss and other 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 4 and 5 for the detailed information of subsidiaries (including percentages of ownership and main businesses).

d. Other material accounting policies

Except for the following, the accounting policies applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2023.

1) Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The material accounting judgments and key sources of estimation applied to these consolidated financial statements are consistent with those applied to the consolidated financial statements for the year ended December 31, 2023.

6. CASH AND CASH EQUIVALENTS

	March 31, 2024	December 31, 2023	March 31, 2023
Cash on hand	$ 87,431	$ 53,325	$ 66,417
Checking accounts and demand deposits	4,249,432	3,328,336	3,306,636
Cash equivalents (investments with original maturities of less than 3 months)			
Time deposits	304,920	291,998	410,221
	$ 4,641,783	$ 3,673,659	$ 3,783,274
Rates	0.8%-1.80%	0%-1.80%	0%-4.72%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
FVTOCI - equity instrument	$ 303,366	$ 305,563	$ 390,710

FVTOCI - Equity Instrument

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current			
Domestic investments			
Taiwan innovation board and emerging market shares			
Tigerair Taiwan Co., Ltd.	$ 86,338	$ 86,596	$ 129,150
Vigor Kobo Co., Ltd.	2,940	4,138	2,660
Unlisted shares			
Lavender Cottage Co., Ltd.	25,200	25,200	25,200
Development of cultural and creative value of Venture Capital Co., Ltd.	3,267	3,192	3,759
Yuyupas Co., Ltd.	2,120	2,120	2,120
Circle Island Tours Co., Ltd.	900	900	900
Riversoft Inc.	-	816	15,000

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Foreign investments			
Unlisted shares			
Traveler Co., Ltd.	$ 176,060	$ 176,060	$ 205,380
Japan Hotel Advanced Technologies Co., Ltd.	6,541	6,541	6,541
	$ 303,366	$ 305,563	$ 390,710

(Concluded)

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.

8. OTHER CURRENT FINANCIAL ASSETS

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Time deposits with original maturities of more than 3 months	$ 17,103	$ 12,517	$ -
Pledged time deposits and demand deposits	120,566	126,540	146,069
	$ 137,669	$ 139,057	$ 146,069
Rates	0.001%-4.81%	0%-4.81%	0.55%-1.57%

Refer to Note 29 for information relating to other current financial assets pledged as security.

9. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OVERDUE RECEIVABLES

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable			
At amortized cost			
Gross carrying amount	$ 26,453	$ 24,117	$ 15,802
Less: Allowance for impairment loss	-	-	-
	$ 26,453	$ 24,117	$ 15,802

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable			
At amortized cost			
Gross carrying amount	$ 690,515	$ 671,421	$ 567,103
Less: Allowance for impairment loss	(1,601)	(2,372)	(494)
	$ 688,914	$ 669,049	$ 566,609
Overdue receivables (account listed under other non-current assets)			
Overdue receivables	$ 2,356	$ 2,281	$ 8,034
Less: Allowance for impairment loss	(2,356)	(2,281)	(8,034)
	$ -	$ -	$ -

(Concluded)

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:

March 31, 2024

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 695,825	$ 19,547	$ -	$ 3,952	$ 719,324
Loss allowance (Lifetime ECLs)	-	(5)	-	(3,952)	(3,957)
Amortized cost	$ 695,825	$ 19,542	$ -	$ -	$ 715,367

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

March 31, 2023

	Up to 90 Days	91 to 180 Days	181 to 365 Days	Over 365 Days	Total
Gross carrying amount	$ 554,556	$ 27,606	$ 560	$ 8,217	$ 590,939
Loss allowance (Lifetime ECLs)	-	(15)	(296)	(8,217)	(8,528)
Amortized cost	$ 554,556	$ 27,591	$ 264	$ -	$ 582,411

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 Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 4,653	$ 8,872
Less: Expected credit loss reserved*	(696)	(344)
Balance at March 31	$ 3,957	$ 8,528

* Compared with January 1, 2024 and 2023, the balances of loss allowance on March 31, 2024 and 2023 increased by $21,505 thousand and increased by $167,890 thousand, respectively, resulted from the notes receivable, accounts receivable and overdue receivables net decreased by $696 thousand and net increased by $344 thousand, respectively.

10. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership March 31, 2024	Proportion of Ownership December 31, 2023	Proportion of Ownership March 31, 2023	Remark
The Company	Lion International Holding Limited (“Lion Holding”)	Investments	100.00%	100.00%	100.00%	
	Lion DMC International Co., Ltd. (“Lion DMC”)	Travel industry	100.00%	100.00%	100.00%	
	Shuangshi Investment Co., Ltd. (“Shuangshi Investment”)	Investments	100.00%	100.00%	100.00%	
	Lion (Fujian) International Travel Service Co., Ltd. (“Fujian Lion”)	Travel industry	90.00%	90.00%	90.00%	
	LionBobby International Travel Service Co., Ltd. (“LionBobby”)	Travel industry	55.00%	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%	100.00%	
	Lion International Insurance Service Co., Ltd. (“Lion Insurance”)	Property insurance broker	100.00%	100.00%	100.00%	
	Lion Hotel Management & Consulting Co., Ltd. (“Lion Hotel Management”)	Management consulting activities	100.00%	-	-	c
Lion Holding	Lion International Travel Service Co., Ltd. (YVR) (“Lion YVR”)	Travel industry	100.00%	100.00%	100.00%	
	Lion International Travel Service Pty., Ltd. (SYD) (“Lion SYD”)	Travel industry	100.00%	100.00%	100.00%	
	Lion International Travel Service Co., Ltd. (AKL) (“Lion AKL”)	Travel industry	100.00%	100.00%	100.00%	
	Lion International Travel Service Co., Ltd. (HK) (“Lion HK”)	Travel industry	100.00%	100.00%	100.00%	
	US Lion Travel (“US Lion”)	Travel industry	100.00%	100.00%	100.00%	
	Lion Travel Service Co., Ltd. (JPN) (“Lion JPN”)	Travel industry	100.00%	100.00%	100.00%	
	Lion International Travel Service Co., Ltd. (THA) (“Lion THA”)	Travel industry	49.00%	49.00%	49.00%	b
	Lion International Holding (China) Limited (“Lion Holding (China)”)	Management consulting activities	100.00%	100.00%	100.00%	
	Travel Story, Inc. (“Travel Story”)	Travel industry	100.00%	100.00%	100.00%	
	Lion International Travel Service Co., Ltd. (KR) (“Lion KR”)	Travel industry	85.00%	85.00%	85.00%	
	Lion International Travel Service Co., Ltd. (UK) (“Lion UK”)	Travel industry	100.00%	100.00%	-	c
Shuangshi Investment	Lion Information Technology Co., Ltd. (“Lion Information”)	Information technology activities	100.00%	100.00%	100.00%	
	Lion Express Co., Ltd. (“Lion Express”)	Tour bus transportation activities	100.00%	100.00%	100.00%	
	Ansett Tour Co., Ltd. (“Ansett Tour”)	Tour bus transportation activities	100.00%	100.00%	100.00%	
	Travel Around Investment Holding Co., Ltd. (“Travel Around Investment”)	Investments	100.00%	100.00%	100.00%	
Lion HK	Lion International Travel Service (Shanghai) Co., Ltd. (“Lion Shanghai”)	Travel industry	100.00%	100.00%	100.00%	
Travel Around Investment	Unitravel Service Co., Ltd. (“Unitravel”)	Travel industry	-	-	58.77%	d
	Xinflight Travel Service Co., Ltd. (“Xinflight Travel”)	Travel industry	100.00%	100.00%	100.00%	
	Fontrip Technology Co., Ltd. (“Fontrip Technology”)	Information technology activities	38.86%	38.86%	38.86%	b
Lion Holding (China)	Lion Travel International Holding Limited (“Lion Travel Holding”)	Travel industry	100.00%	100.00%	100.00%	
Lion Travel Holding	Skylion International Travel Service Co., Ltd. (“Skylion Travel”)	Travel industry	100.00%	100.00%	100.00%	
Unitravel	New Vision Travel Service Co., Ltd. (“New Vision”)	Travel industry	-	-	100.00%	d
	Gan Tan Co., Ltd. (“Gan Tan”)	Catering business	-	-	40.00%	d
	TTN Media Group Corporation (“TTN Media”)	Magazine Publishing	-	-	50.00%	d

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership March 31, 2024	December 31, 2023	March 31, 2023	Remark
Lion Express	Kinmen Lion International Express Co., Ltd. ("Kinmen Lion Express")	Tour bus transportation activities	100.00%	100.00%	100.00%	
Fontrip Technology	Fontrip Technology (Japan) Co., Ltd. ("Fontrip Technology JPN")	Information technology activities	100.00%	100.00%	100.00%	
Nookin	Unitravel Hotel Co., Ltd. ("Unitravel Hotel")	Hotel Industry	-	-	100.00%	e

(Concluded)

a. The financial statements of subsidiaries included in the consolidated financial statements were not reviewed by independent auditors. As of March 31, 2024 and 2023, the combined total assets of these non-significant subsidiaries were $1,809,999 thousand and $1,718,384 thousand, respectively, representing 16.88% and 22.51%, respectively, of the consolidated total assets, and combined total liabilities of these subsidiaries were $641,105 thousand and $491,770 thousand, respectively, representing 9.75% and 9.79%, respectively, of the consolidated total liabilities; for the three months ended March 31, 2024 and 2023, the amounts of combined comprehensive (loss) income of these subsidiaries were $(19,358) thousand and $5,021 thousand, respectively, representing (5.97)% and 3.72%, respectively, of the consolidated total comprehensive (loss) income.

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

c. The Group invested in Lion Hotel Management & Consulting and Lion UK in January 2024 and April 2023.

d. 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.

e. Unitravel Hotel was dissolved on September 2023.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in associate(s)

	March 31, 2024	December 31, 2023
Associate that is not individually material		
Unitravel	$ 737,154	$ 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 to the consolidated financial statements for the year ended December 31, 2023. for additional information.

Investments were accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments were calculated based on financial statements which have been reviewed.

	For the Three Months Ended March 31, 2024
The share held by the merging company	
Net income for the current year	$ 31,171
Other comprehensive loss	(19)
Total comprehensive income	$ 31,152

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

Name of Associate	March 31, 2024	December 31, 2023
Unitravel	$ 893,254	$ 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, 2023	$ 39,527	$ 30,957	$ 43,789	$ 331,648	$ 233,938	$ 679,859
Additions	-	-	4,563	50	6,058	10,671
Disposals	-	-	(4,925)	(400)	(4,361)	(9,686)
Reclassification	-	-	107	-	1,120	1,227
Effect of foreign currency exchange differences	-	-	(645)	73	(101)	(673)
Balance at March 31, 2023	$ 39,527	$ 30,957	$ 42,889	$ 331,371	$ 236,654	$ 681,398
Accumulated depreciation						
Balance at January 1, 2023	$ -	$ 14,300	$ 30,360	$ 124,953	$ 111,670	$ 281,283
Depreciation expense	-	138	2,033	8,822	7,917	18,910
Disposals	-	-	(4,899)	-	(4,361)	(9,260)
Effect of foreign currency exchange differences	-	-	(644)	62	(69)	(651)
Balance at March 31, 2023	$ -	$ 14,438	$ 26,850	$ 133,837	$ 115,157	$ 290,282
Carrying amount at December 31, 2022 and January 1, 2023	$ 39,527	$ 16,657	$ 13,429	$ 206,695	$ 122,268	$ 398,576
Carrying amount at March 31, 2023	$ 39,527	$ 16,519	$ 16,039	$ 197,534	$ 121,497	$ 391,116

(Continued)

	Land	Buildings	Computer Equipment	Transportation Equipment	Office Equipment	Total
Cost						
Balance at January 1, 2024	$ 39,527	$ 30,957	$ 60,252	$ 367,823	$ 272,501	$ 771,060
Additions	-	-	9,365	-	6,389	15,754
Disposals	-	-	(915)	(15,520)	(99)	(16,534)
Reclassification	-	-	-	-	5,371	5,371
Effect of foreign currency exchange differences	-	-	38	(463)	50	(375)
Balance at March 31, 2024	$ 39,527	$ 30,957	$ 68,740	$ 351,840	$ 284,212	$ 775,276
Accumulated depreciation						
Balance at January 1, 2024	$ -	$ 14,853	$ 19,975	$ 160,810	$ 131,484	$ 327,122
Depreciation expense	-	138	3,485	8,777	10,174	22,574
Disposals	-	-	(819)	(15,520)	(99)	(16,438)
Effect of foreign currency exchange differences	-	-	26	(459)	39	(394)
Balance at March 31, 2024	$ -	$ 14,991	$ 22,667	$ 153,608	$ 141,598	$ 332,864
Carrying amount at December 31, 2023 and January 1, 2024	$ 39,527	$ 16,104	$ 40,277	$ 207,013	$ 141,017	$ 443,938
Carrying amount at March 31, 2024	$ 39,527	$ 15,966	$ 46,073	$ 198,232	$ 142,614	$ 442,412

(Concluded)

No impairment assessment was performed for the three months ended March 31, 2024 and 2023 because there was no indication of impairment.

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 29.

13. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2024	December 31, 2023	March 31, 2023
Carrying amount			
Land and buildings	$ 910,966	$ 942,632	$ 784,216

	For the Three Months Ended March 31	
	2024	**2023**
Additions to right-of-use assets	$ 5,316	$ 8,971
Depreciation charge for right-of-use assets		
Land and buildings	$ 37,000	$ 31,454

No impairment assessment was performed for the three months ended March 31, 2024 and 2023 because there was no indication of impairment.

b. Lease liabilities

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Carrying amount			
Current	$ 138,950	$ 139,936	$ 120,259
Non-current	$ 836,882	$ 866,049	$ 713,658

Discount rate for lease liabilities was as follows:

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Land and buildings	1.42%-2.25%	1.42%-2.25%	1.42%-2.13%

c. Material leasing activities and terms

The Group leases 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 buildings at the end of the lease terms.

d. For the three months ended March 31, 2024 and 2023, the Group repaid the principal portion of lease liabilities amounts to $39,524 thousand and $34,048 thousand, respectively.

e. Other lease information

	For the Three Months Ended March 31	
	2024	**2023**
Expenses relating to short-term leases	$ 11,581	$ 5,218
Expenses relating to low-value asset leases	$ 488	$ 1,236
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 182	$ -
Total cash outflow for leases	$ (51,775)	$ (40,502)

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

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Prepayments			
Prepaid tour costs	$ 2,222,401	$ 1,864,014	$ 936,640
Inventory of supplies	97,457	106,858	96,308
Prepaid expenses	32,400	35,723	18,942
Prepayment for purchases	9,047	7,694	6,116
Overpaid sales tax	5,080	1,818	2,404
	$ 2,366,385	$ 2,016,107	$ 1,060,410
Non-current			
Other assets			
Refundable deposits	$ 148,702	$ 126,635	$ 123,274
Prepayments for equipment	70,756	35,573	2,958
Prepayments for investment (Note)	-	60,000	-
	$ 219,458	$ 222,208	$ 126,232

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

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured borrowings			
Line of credit borrowings	$ -	$ -	$ 50,000
Rates	-	-	2.25%

b. Long-term borrowings

	March 31, 2024	December 31, 2023	March 31, 2023
Secured borrowings			
Bank loans	$ 29,046	$ 32,881	$ 52,005
Unsecured borrowings			
Line of credit borrowings	54,215	59,223	536,504
Less: Current portions of long-term borrowings	(41,558)	(41,184)	(159,496)
	$ 41,703	$ 50,920	$ 429,013
Rates	2.49%-2.72%	2.37%-2.60%	0%-2.60%

The Group obtained bank loans with transportation equipment and time deposits pledged as security (refer to Note 29). During the three months ended March 31, 2024, the Group obtained new bank borrowings in the amounts of $1,515 thousand, which were repayable in the next 2.83 years.

16. BONDS PAYABLE

	March 31, 2024	December 31, 2023	March 31, 2023
1st Unsecured domestic convertible bonds	$ -	$ -	$ 1,496
2nd Unsecured domestic convertible bonds	-	4,217	28,117
Less: Current portion	-	(4,217)	(29,613)
	$ -	$ -	$ -

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 March 31, 2024. 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 non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $0 thousand, $0 thousand and $1,496 thousand on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The effective interest rate of the liability components was 1.38% per annum on initial recognition.

Liability component at January 1, 2023 (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
Interest charged at an effective interest rate of 1.38%	22
Convertible bonds converted to common stock	(14,811)
Valuation loss on financial instrument	1
Liability component at March 31, 2023 (account listed under current portion of bonds payable of $1,496 thousand)	$ 1,496

As of March 31, 2024, 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 adjusted to $90.4 as of March 31, 2024. 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 $0 thousand, $(6) and $(69) thousand on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The non-derivative liabilities are measured at amortized cost; the amortized cost amounted to $0 thousand, $4,217 thousand and $28,117 thousand on March 31, 2024, December 31, 2023 and March 31, 2023, respectively. The effective interest rate of the liability components was 2% per annum on initial recognition.

Liability component at 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%	462
Convertible bonds converted to ordinary shares	(163,015)
Valuation gain on financial instrument	(146)
Liability component at March 31, 2023 (account listed under current portion of bonds payable of $28,117 thousand and financial assets at fair value through profit or loss - current of $69 thousand)	$ 28,048
Liability component at January 1, 2024 (account listed under current portion of bonds payable of $4,217 thousand and financial assets at fair value through profit or loss - current of $6 thousand)	$ 4,211
Interest charged at an effective interest rate of 2%	14
Convertible bonds converted to ordinary shares	(4,225)
Liability component at March 31, 2024	$ -

As of March 31, 2024, the convertible bonds with face value of $400,000 thousand were converted to 4,371 thousand ordinary shares.

17. OTHER LIABILITIES

	March 31, 2024	December 31, 2023	March 31, 2023
Current			
Other payables			
Accrued expense payable	$ 239,338	$ 248,035	$ 85,807
Accrued remuneration to employees and directors	79,975	55,602	-
Sales tax payable	18,937	24,676	9,436
	$ 338,250	$ 328,313	$ 95,243

18. RETIREMENT BENEFIT PLANS

Employee benefit expenses in respect of the Group’s defined benefit retirement plans were $385 thousand and $267 thousand for the three months ended March 31, 2024 and 2023, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022.

19. EQUITY

a. Share capital

Ordinary Shares

	March 31, 2024	December 31, 2023	March 31, 2023
Number of authorized shares (in thousands)	100,000	100,000	100,000
Amount of authorized shares	$ 1,000,000	$ 1,000,000	$ 1,000,000
Number of issued and fully paid shares (in thousands)	93,278	93,228	88,982
Amount of issued and fully paid shares	$ 932,777	$ 932,280	$ 889,820
Collected in advance	$ -	$ 22	$ 39,543

As of March 31, 2023, upon the request of the bondholders, the unsecured convertible bonds that were converted into ordinary shares were 12,936 thousand, of which 2,060 thousand ordinary shares were recognized under collected in advance in the amount of $20,599 thousand. The date of issuance of new shares was May 9, 2023.

As of December 31, 2023, upon the request of the bondholders, the unsecured convertible bonds that were converted into ordinary shares were 13,230 thousand, of which 2 thousand ordinary shares were recognized under collected in advance in the amount of $22 thousand. The date of issuance of new shares was March 14, 2024.

As of March 31, 2024, upon the request of the bondholders, the unsecured convertible bonds that were converted into fully recognized ordinary shares were 13,277 thousand, of which 50 thousand ordinary shares had not yet completed the change registration. The change registration of the aforementioned ordinary shares was then completed on April 24, 2024.

b. Capital surplus

	March 31, 2024	December 31, 2023	March 31, 2023
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)			
Recognized from issuance of ordinary shares	$ 1,469,403	$ 1,465,477	$ 2,099,779
Difference between the actual acquisition or disposition of the equity price of subsidiaries and carry amount	44,382	44,382	-
May be used to offset a deficit only			
Recognized from changes in percentage of ownership interests in subsidiary (2)	1,131	1,131	11,783
Exercise of vesting rights	62	62	-

(Continued)

	March 31, 2024	December 31, 2023	March 31, 2023
May not be used for any purpose			
Share warrants of convertible bonds	$ -	$ 176	$ 1,236
	$ 1,514,978	$ 1,511,228	$ 2,112,798

(Concluded)

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 approved in the shareholder's meeting on June 20, 2023 were as follows:

	2022
Capital surplus used to cover accumulated deficit	$ 669,635

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 Three Months Ended March 31	
	2024	2023
Balance at January 1	$ (95,570)	$ (88,467)
Recognized during the period		
Exchange differences on translating the financial statements of foreign operations	3,962	(890)
Balance at March 31	$ (91,608)	$ (89,357)

2) Unrealized valuation loss on financial assets at FVTOCI

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ (69,495)	$ (39,430)
Recognized during the period		
Unrealized (loss) gain - equity instruments	(2,191)	31,461
Balance at March 31	$ (71,686)	$ (7,969)

e. Non-controlling interests

	For the Three Months Ended March 31	
	2024	2023
Balance at January 1	$ 92,960	$ 173,095
Share of (loss) profit for the period	(2,663)	6,330
Other comprehensive income during the period		
Exchange difference on translating the financial statements of foreign entities	(384)	(54)
Unrealized (loss) gain on financial assets at FVTOCI	(25)	5,216
Balance at March 31	$ 89,888	$ 184,587

20. REVENUE

	For the Three Months Ended March 31	
	2024	2023
Revenue from contracts with customers		
Tour revenue	$ 5,722,339	$ 3,128,416
Others	222,270	163,109
	$ 5,944,609	$ 3,291,525

a. Disaggregation of revenue

	For the Three Months Ended March 31	
	2024	2023
Type of contract revenue		
Package tour revenue	$ 5,622,018	$ 3,047,097
FIT revenue	100,321	81,319
Others	222,270	163,109
	$ 5,944,609	$ 3,291,525

b. Contract balances

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Accounts receivable (Note 9)	$ 688,914	$ 669,049	$ 566,609	$ 402,082
Contract liabilities - current	$ 3,287,713	$ 2,728,694	$ 2,295,875	$ 1,425,047
Contract liabilities - non-current	$ 31,120	$ 30,815	$ 34,538	$ 34,538

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

a. Other income

	For the Three Months Ended March 31	
	2024	2023
Rental income	$ 3,991	$ 2,144
Government grants	7	215
Others	4,449	6,874
	$ 8,447	$ 9,233

b. Other gains and losses

	For the Three Months Ended March 31	
	2024	2023
Net foreign exchange gain	$ 10,789	$ 635
Net gain on financial assets and liabilities at fair value through profit or loss	-	145
Gain on lease adjustments	-	21
Loss on disposal of property, plant and equipment	(12)	(1)
Others	(552)	(548)
	$ 10,225	$ 252

c. Finance costs

	For the Three Months Ended March 31	
	2024	2023
Interest on bank loans	$ 527	$ 5,543
Interest on lease liabilities	4,037	3,072
Interest on convertible bonds	14	484
	$ 4,578	$ 9,099

d. Interest income

	For the Three Months Ended March 31	
	2024	2023
Bank deposits	$ 2,836	$ 3,204

e. Depreciation and amortization

	For the Three Months Ended March 31	
	2024	2023
An analysis of depreciation by function		
Operating costs	$ 11,108	$ 10,879
Operating expenses	48,466	39,485
	$ 59,574	$ 50,364
An analysis of amortization by function		
Operating costs	$ 375	$ 375
Operating expenses	66	25
	$ 441	$ 400

f. Employee benefits expense

	For the Three Months Ended March 31	
	2024	2023
Post-employment benefits		
Defined contribution plans	$ 21,252	$ 15,233
Defined benefit plans (Note 18)	385	267
	21,637	15,500
Other employee benefits	514,891	395,997
Total employee benefits expense	$ 536,528	$ 411,497
An analysis of employee benefits expense by function		
Operating costs	$ 47,330	$ 38,185
Operating expenses	489,198	373,312
	$ 536,528	$ 411,497

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.

The compensation of employees and the remuneration of directors and supervisors for the three months March 31, 2024 are as follows:

	For the Three Months Ended March 31, 2024
Accrual rate	
Employees’ compensation	5.32%
Remuneration of directors	0.74%
Amounts	
Employees’ compensation	$ 21,381
Remuneration of directors	2,993

As of March 31, 2023, the Company still have accumulated deficit, therefore, 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.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors for 2024 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

h. Gains or losses on foreign currency exchange

	For the Three Months Ended March 31	
	2024	2023
Foreign exchange gains	$ 20,343	$ 15,907
Foreign exchange losses	(9,554)	(15,272)
Net gain	$ 10,789	$ 635

22. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense were as follows:

	For the Three Months Ended March 31	
	2024	2023
Current tax		
Adjustments for prior year	$ (386)	$ -
Deferred tax		
In respect of the current period	(76,586)	(7,808)
Adjustments for prior year	-	(12)
Income tax expense recognized in profit or loss	$ (76,972)	$ (7,820)

b. Income tax assessments

The tax returns of the Company have been assessed by the tax authorities through 2021. Nevertheless, to be conservative, including Lion DMC, Shuangshi Investment, Lion Information, Ansett Tour, Kinmen Lion Express, Travel Around Investment, Fontrip Technology, Lion Express, Xinflight Travel, LionBobby, Lion Insurance and Nookin provided for the income tax assessed by the tax authorities through 2022.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Three Months Ended March 31	
	2024	2023
Basic earnings per share	$ 3.49	$ 1.08
Diluted earnings per share	$ 3.47	$ 1.06

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

Net Profit for the Period

	For the Three Months Ended March 31	
	2024	2023
Income for the period attributable to owners of the Company	$ 325,371	$ 93,079
Effect of potentially dilutive ordinary shares:		
Convertible bonds	14	339
Income used in the computation of diluted per share	$ 325,385	$ 93,418

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

	For the Three Months Ended March 31	
	2024	**2023**
Weighted average number of ordinary shares used in the computation of basic earnings per share	93,270	86,527
Effect of potentially dilutive ordinary shares:		
Employees' compensation	522	-
Convertible bonds	-	1,529
Weighted average number of ordinary shares used in the computation of diluted earnings per share	93,792	88,056

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 stock price fluctuation	38.96%
Expected duration	35 days
Risk-free interest rate	0.81%

For the three months ended March 31, 2023, the compensation of employees recognized was $22,190 thousand.

25. EXPLANATORY COMMENTS ABOUT THE SEASONALITY OR CYCLICALITY OF INTERIM OPERATIONS

The travel industry is highly seasonal in nature. Based on past experience, the Group's operations peak annually during the Chinese New Year holiday in the first quarter and the summer holidays in the third quarter. The Group recognizes revenue on over time of services.

In the second quarter and fourth quarter of each year, the Group's expenditures increase because of tourism promotion. The Group cannot measure the future benefits of these expenditures, so it recognizes these expenditures as current expenses.

26. 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.

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

March 31, 2023

	Carrying Amount	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial liabilities					
Financial liabilities at amortized cost					
Convertible bonds	$ 29,613	$ 49,361	$ -	$ -	$ 49,361

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

1) Fair value hierarchy

March 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic innovation board and emerging market shares	$ 89,278	$ -	$ -	$ 89,278
Domestic unlisted shares	-	-	31,487	31,487
Foreign unlisted shares	-	-	182,601	182,601
	$ 89,278	$ -	$ 214,088	$ 303,366

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 6	$ -	$ 6

(Continued)

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investment in equity instruments				
Domestic innovation board and emerging market shares	$ 90,734	$ -	$ -	$ 90,734
Domestic unlisted shares	-	-	32,228	32,228
Foreign unlisted shares	-	-	182,601	182,601
	$ 90,734	$ -	$ 214,829	$ 305,563

(Concluded)

March 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Redeemable and puttable options of convertible bonds	$ -	$ 69	$ -	$ 69
Financial assets at FVTOCI				
Investment in equity instruments				
Emerging market shares	$ 131,810	$ -	$ -	$ 131,810
Domestic unlisted shares	-	-	46,979	46,979
Foreign unlisted shares	-	-	211,921	211,921
	$ 131,810	$ -	$ 258,900	$ 390,710

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

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

	March 31, 2024	December 31, 2023	March 31, 2023
Financial assets			
FVTPL			
Mandatorily classified as at FVTPL	$ -	$ 6	$ 69
Measured at amortized cost (Note 1)	5,643,521	4,632,517	4,635,028
Financial assets at FVTOCI	303,366	305,563	390,710
Financial liabilities			
FVTPL			
Measured at amortized cost (Note 2)	2,025,620	1,636,719	1,614,671

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, 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 31.

Sensitivity analysis

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

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 Three Months Ended March 31	
	2024	**2023**
USD	$ 9,659	$ 20,689
JPY	4,940	3,919
EUR	2,852	3,356

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 reporting period were as follows:

	March 31, 2024	**December 31, 2023**	**March 31, 2023**
Fair value interest rate risk			
Financial assets	$ 278,361	$ 259,993	$ 299,261
Financial liabilities	-	4,217	30,512
Cash flow interest rate risk			
Financial assets	4,375,690	3,457,312	3,542,958
Financial liabilities	83,261	92,104	637,610

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 three months ended March 31, 2024 and 2023 would have increased or decreased by $10,731 thousand and $7,263 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 period 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.

<u>Sensitivity analysis</u>

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

If equity prices had been 5% higher/lower, the pre-tax other comprehensive income for the three months ended March 31, 2024 and 2023 would have increased/decreased by $15,168 thousand and $19,356 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 period 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.

March 31, 2024

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Total
Lease liabilities	$ 12,121	$ 23,421	$ 103,408	$ 520,827	$ 316,055	$ 975,832
Floating rate instrument	2,337	8,055	31,166	41,703	-	83,261
	$ 14,458	$ 31,476	$ 134,574	$ 562,530	$ 316,055	$ 1,059,093

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 154,007	$ 558,703	$ 337,372

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

March 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	$ 10,189	$ 20,189	$ 89,881	$ 537,543	$ 176,115	$ 833,917
Floating rate instrument	67,251	23,087	118,259	429,013	-	637,610
Fixed rate instrument	-	1,496	29,016	-	-	30,512
	$ 77,440	$ 44,772	$ 237,156	$ 966,556	$ 176,115	$ 1,502,039

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years
Lease liabilities	$ 133,566	$ 568,372	$ 178,206

b) Financing facilities

	March 31, 2024	December 31, 2023	March 31, 2023
Unsecured bank overdraft facilities, reviewed annually:			
Amount used	$ 54,215	$ 59,223	$ 586,504
Amount unused	1,695,840	2,041,391	1,648,861
	$ 1,750,055	$ 2,100,614	$ 2,235,365
Secured bank overdraft facilities which may be extended by mutual agreement:			
Amount used	$ 29,046	$ 32,881	$ 52,005
Amount unused	-	35,680	35,680
	$ 29,046	$ 68,561	$ 87,685

28. 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 Party Name	Relationship Between the Group and Other Related Parties
Unitravel	Associates (Note)
Gan Tan Co., Ltd.	Associates (Note)
TTN Media Group Corporation	Associates (Note)
New Vision Travel Service Co., Ltd.	Associates (Note)
Hsin Shih Lu Co., Ltd.	Substantive related party
JWI Marketing Co., Ltd. (JWI)	Substantive related party
XinMedia Co., Ltd. (XinMedia)	Substantive related party
American Vacation, Inc.	Substantive related party
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	Substantive related party
Guan Yi International Co., Ltd.	Substantive related party
Gong Le You Co., Ltd (Gong Le You)	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

(Continued)

Related Party Name	Relationship Between the Group and Other Related Parties
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
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

		For the Three Months Ended March 31	
Line Item	**Related Party Category**	**2024**	**2023**
Operating revenue	Associates	$ 77,024	$ -
	Substantive related party	4,634	1,939
		$ 81,658	$ 1,939

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

c. Operating costs

		For the Three Months Ended March 31	
Line Item	**Related Party Category**	**2024**	**2023**
Operating costs	Associates	$ 2,060	$ -
	Substantive related party	17,529	14,557
		$ 19,589	$ 14,557

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	March 31, 2024	December 31, 2023	March 31, 2023
Accounts receivable	Associates	$ 17,735	$ 10,712	$ -
	Substantive related party	829	989	1,540
		$ 18,564	$ 11,701	$ 1,540

The outstanding accounts receivable from related parties were unsecured. For the three months ended March 31, 2024 and 2023, no impairment loss was recognized on accounts receivable from related parties.

e. Accounts payable to related parties

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Accounts payable	Associates	$ 9,077	$ 9,011	$ -
	Substantive related party	6,175	4,306	988
		$ 15,252	$ 13,317	$ 988
Other payables	Substantive related party	$ 10,790	$ 3,663	$ 690

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

f. Prepayments

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments	Substantive related party	$ 3,207	$ 1,226	$ -

g. Prepayments of equipment

Line Item	Related Party Category	March 31, 2024	December 31, 2023	March 31, 2023
Prepayments of equipment	Substantive related party/Le Shine	$ 46,004	$ 19,405	$ 648

h. Acquisition of property, plant and equipment

	Purchase Price For the Three Months Ended March 31	
Related Party Category/Name	**2024**	**2023**
Substantive related party/Le Shine	$ 6,598	$ -

i. Disposal of property, plant and equipment

	Proceeds For the Three Months Ended March 31		Gain (Loss) on Disposal For the Three Months Ended March 31	
Related Party Category	**2024**	**2023**	**2024**	**2023**
Substantive related party	$ 84	$ -	$ -	$ -

j. Lease arrangements

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.

		For the Three Months Ended March 31	
Line Item	**Related Party Category**	**2024**	**2023**
Rental revenue	Associates		
	Unitravel	$ 1,010	$ -
	Substantive related party		
	JWI	825	1,095
	Gong Le You	750	590
	XinMedia	450	225
	Others	195	133
		$ 3,230	$ 2,043
Rental expense	Associates	$ 53	$ -
	Substantive related party	1,069	-
		$ 1,122	$ -

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

Line Item	**Related Party Category**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**
Other current assets	Substantive related party	$ 551	$ 678	$ 1,954

k. Acquisition of other assets

		Purchase Price	
		For the Three Months Ended March 31	
Related Party Category/Name	**Line Items**	**2024**	**2023**
Substantive related party	Intangible assets	$ 381	$ -

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 Three Months Ended March 31	
Related Party Category	**2024**	**2023**
Associates	$ 1,038	$ -
Substantive related party	2,514	2,287
	$ 3,552	$ 2,287

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

Line Item	**Related Party Category**	**March 31, 2024**	**December 31, 2023**	**March 31, 2023**
Other current assets	Associates	$ 976	$ 20	$ -
	Substantive related party	1,024	439	537
		$ 2,000	$ 459	$ 537

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 Three Months Ended March 31	
Related Party Category	**2024**	**2023**
Substantive related party	$ 10,327	$ 1,924

3) Training fees

The related party provides employee education, training and other services to the Group, which related expenses were recognized as training fees.

	For the Three Months Ended March 31	
Related Party Category	**2024**	**2023**
Substantive related party	$ 2,050	$ 750

4) Employee benefits

The related party provides spring party and other benefits to the Group, which related expenses were recognized as employee benefits.

Related Party Category	For the Three Months Ended March 31 2024	2023
Substantive related party	$ 3,900	$ -

m. Compensation of key management personnel

	For the Three Months Ended March 31 2024	2023
Short-term employee benefits	$ 19,748	$ 15,972
Post-employment benefits	1,371	1,018
	$ 21,119	$ 16,990

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

29. ASSETS PLEDGED AS COLLATERALS OR FOR SECURITY

	March 31, 2024	December 31, 2023	March 31, 2023
Pledged deposits and demand deposits	$ 120,566	$ 126,540	$ 146,069
Property, plant and equipment, net	95,025	97,639	122,809
	$ 215,591	$ 224,179	$ 268,878

Pledged time deposits are mainly for time deposits with the Tourism Bureau Ministry of Transportation and Communications, collaterals for financing loans and operating letters of guarantee provided to banks for business purposes. 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.

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group are the following:

a. Letters of guarantee obtained by the Group from banks and issued for hotel and transportation reservations, which amounted to $2,974,629 thousand, $2,949,139 thousand and $1,696,650 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

b. Letters of guarantee provided to buy tickets from airlines and others, which amounted to $574,041 thousand, $446,466 thousand and $284,306 thousand as of March 31, 2024, December 31, 2023 and March 31, 2023, respectively.

c. The Group’s contractual commitment with cruise lines was unpaid, which amounted to $151,850 thousand and $306,757 thousand as of March 31, 2024 and December 31, 2023, respectively.

d. As of March 31, 2024 and December 31, 2023, the Group had contracted contracts to renovate buildings and purchase computer software, but the unpaid price amount was $88,785 and $19,017 thousand, respectively.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group’s significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 11,247	31.99 (USD:NTD)	$ 359,792
JPY	1,140,730	0.21 (JPY:NTD)	239,553
EUR	5,438	34.47 (EUR:NTD)	187,448
RMB	6,651	4.41 (RMB:NTD)	29,331
THB	24,909	0.88 (THB:NTD)	21,920
CAD	823	23.62 (CAD:NTD)	19,439
GBP	430	40.39 (GBP:NTD)	17,368
CHF	423	35.50 (CHF:NTD)	15,017
AUD	677	20.83 (AUD:NTD)	14,102
NZD	474	19.11 (NZD:NTD)	9,058
USD	409	7.82 (USD:HKD)	3,198
HKD	631	4.09 (HKD:NTD)	2,581
			$ 918,807
Financial liabilities			
Monetary items			
USD	5,208	31.99 (USD:NTD)	$ 166,604
JPY	670,275	0.21 (JPY:NTD)	140,758
EUR	3,783	34.47 (EUR:NTD)	130,400
RMB	9,567	4.41 (RMB:NTD)	42,190
THB	25,667	0.88 (THB:NTD)	22,587
AUD	616	20.83 (AUD:NTD)	12,831
NZD	583	19.11 (NZD:NTD)	11,141
CHF	244	35.50 (CHF:NTD)	8,662
GBP	110	40.39 (GBP:NTD)	4,443
HKD	696	4.09 (HKD:NTD)	2,847
			$ 542,463

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

March 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 15,304	30.44 (USD:NTD)	$ 465,854
JPY	555,284	0.23 (JPY:NTD)	127,715
EUR	3,558	33.15 (EUR:NTD)	117,948
RMB	10,270	4.43 (RMB:NTD)	45,496
HKD	2,209	3.88 (HKD:NTD)	8,571
GBP	180	37.66 (GBP:NTD)	6,779
CHF	189	33.30 (CHF:NTD)	6,294
AUD	219	20.33 (AUD:NTD)	4,452

(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount
NZD	$ 228	19.04 (NZD:NTD)	$ 4,341
SGD	96	22.91 (SGD:NTD)	2,199
THB	2,147	0.89 (THB:NTD)	1,911
			$ 791,560
Financial liabilities			
Monetary items			
USD	1,711	30.44 (USD:NTD)	$ 52,083
EUR	1,533	33.15 (EUR:NTD)	50,819
JPY	214,501	0.23 (JPY:NTD)	49,335
AUD	415	20.33 (AUD:NTD)	8,437
THB	6,835	0.89 (THB:NTD)	6,083
NZD	314	19.04 (NZD:NTD)	5,979
GBP	58	37.66 (GBP:NTD)	2,184
RMB	13	4.43 (RMB:NTD)	58
			$ 174,978

(Concluded)

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

	For the Three Months Ended March 31			
	2024		2023	
Functional Currency	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
NTD	1 (NTD:NTD)	$ 10,789	1 (NTD:NTD)	$ 635

32. 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. (None)

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 3)

11) Information on investees. (Table 4)

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 5)

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 period.

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

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 period 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 period 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 6)

33. 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 three months ended March 31, 2024				
Revenues from external customers	$ 5,771,790	$ 172,819	$ -	$ 5,944,609
Inter-segment revenues	232,386	135,937	(368,323)	-
Segment revenues	$ 6,004,176	$ 308,756	$ (368,323)	$ 5,944,609
Segment income (loss)	$ 360,239	$ (13,674)	$ 5,014	$ 351,579
Non-operating income (expenses)				48,101
Profit before income tax				$ 399,680
For the three months ended March 31, 2023				
Revenues from external customers	$ 3,155,902	$ 135,623	$ -	$ 3,291,525
Inter-segment revenues	99,045	100,010	(199,055)	-
Segment revenues	$ 3,254,947	$ 235,633	$ (199,055)	$ 3,291,525
Segment income (loss)	$ 119,375	$ (20,430)	$ 4,694	$ 103,639
Non-operating income (expenses)				3,590
Profit before income tax				$ 107,229

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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 (“the Company”)	Lion Shanghai	b	$ 812,123	$ 44,080	$ 44,080	$ 13,224	$ -	1.09	$ 4,060,615	Y	N	Y	
		Lion JPN	b	812,123	21,210	21,160	-	-	0.52	4,060,615	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
MARCH 31, 2024
(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	March 31, 2024				Note (Note 4)
				Shares (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
Lion Travel Service Co., Ltd. (“the Company”)	Shares							
	Traveler Co., Ltd.	-	Financial assets at FVTOCI - non-current	139	$ 176,060	8.54%	$ 176,060	Note 6
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	2,033	68,106	0.45%	68,106	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	-	10.80%	-	
	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	3,267	0.67%	3,267	Note 8
	Circle Island Tours Co., Ltd.	-	Financial assets at FVTOCI - non-current	100	900	11.11%	900	
Shuangshi Investment	Shares							
	Vigor Kobo Co., Ltd.	-	Financial assets at FVTOCI - non-current	140	2,940	0.57%	2,940	Note 7
LionBobby	Shares							
	Tigerair Taiwan Co., Ltd.	-	Financial assets at FVTOCI - non-current	544	18,232	0.12%	18,232	Note 7
	Yuyupas Co., Ltd.	-	Financial assets at FVTOCI - non-current	240	2,120	4.80%	2,120	

Note 1: The marketable securities in this table is 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 a 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 4 and 5.

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

Note 7: The fair value of innovation board and emerging stock was calculated based on the average of the last trading price on the last trading day of March 31, 2024.

Note 8: Development of Cultural and Creative Value of Venture Capital Co., Ltd. was dissolved on January 24, 2024, which had been in the process of liquidation.

TABLE 3

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(Amounts 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")	Lion KR	2	Operating revenue	$ 12,464	Without significant difference from transactions with unrelated parties	0.21
		US Lion	2	Operating revenue	11,791	Without significant difference from transactions with unrelated parties	0.20
		Lion JPN	2	Operating revenue	4,209	Without significant difference from transactions with unrelated parties	0.07
		Fontrip Technology	2	Operating revenue	2,585	Without significant difference from transactions with unrelated parties	0.04
		Lion JPN	2	Operating costs	76,265	Without significant difference from transactions with unrelated parties	1.28
		Lion THA	2	Operating costs	37,141	Without significant difference from transactions with unrelated parties	0.62
		Lion SYD	2	Operating costs	35,399	Without significant difference from transactions with unrelated parties	0.60
		Lion AKL	2	Operating costs	29,194	Without significant difference from transactions with unrelated parties	0.49
		US Lion	2	Operating costs	8,388	Without significant difference from transactions with unrelated parties	0.14
		Lion KR	2	Operating costs	5,579	Without significant difference from transactions with unrelated parties	0.09
		Lion Information	2	Other revenue	3,540	Without significant difference from transactions with unrelated parties	0.06
		US Lion	2	Accounts receivable	8,088	Without significant difference from transactions with unrelated parties	0.08
		Lion Information	2	Prepayments	73,776	Without significant difference from transactions with unrelated parties	0.69
		Lion JPN	2	Prepayments	24,257	Without significant difference from transactions with unrelated parties	0.23
		Skylion Travel	2	Prepayments	11,011	Without significant difference from transactions with unrelated parties	0.10
		Lion THA	2	Prepayments	9,997	Without significant difference from transactions with unrelated parties	0.09
		Lion Shanghai	2	Prepayments	4,528	Without significant difference from transactions with unrelated parties	0.04
		Fujian Lion	1	Prepayments	4,250	Without significant difference from transactions with unrelated parties	0.04
		Lion JPN	2	Accounts payable	32,881	Without significant difference from transactions with unrelated parties	0.31
		Lion Express	2	Accounts payable	26,556	Without significant difference from transactions with unrelated parties	0.25
		Lion THA	2	Accounts payable	11,697	Without significant difference from transactions with unrelated parties	0.11
		Lion AKL	2	Accounts payable	10,737	Without significant difference from transactions with unrelated parties	0.10
		Lion SYD	2	Accounts payable	6,790	Without significant difference from transactions with unrelated parties	0.06
		US Lion	2	Accounts payable	3,661	Without significant difference from transactions with unrelated parties	0.03
1	Fujian Lion	Skylion Travel	4	Prepayments	30,458	Without significant difference from transactions with unrelated parties	0.28
		Lion Shanghai	4	Prepayments	3,767	Without significant difference from transactions with unrelated parties	0.04

(Continued)

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)
2	Lion Information	The Company	2	Operating revenue	$ 59,309	Without significant difference from transactions with unrelated parties	1.00
2	Lion Express	The Company	2	Operating revenue	58,658	Without significant difference from transactions with unrelated parties	0.99
2	Ansett Tour	Lion Express	6	Operating revenue	7,200	Without significant difference from transactions with unrelated parties	0.12
2	Fontrip Technology JPN	Fontrip Technology	6	Operating revenue	6,215	Without significant difference from transactions with unrelated parties	0.10
2	Ansett Tour	Lion Express	6	Accounts receivable	2,621	Without significant difference from transactions with unrelated parties	0.02
2	Lion Shanghai	Skylion Travel	6	Prepayments	12,006	Without significant difference from transactions with unrelated parties	0.11

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 interim cumulative balance 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 THREE MONTHS ENDED MARCH 31, 2024
(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 March 31, 2024			Net Income (Loss) of the Investee (Note 2 b)	Share of Profit (Loss) (Note 2 c)	Note
				March 31, 2024	December 31, 2023	Shares (In Thousands)	%	Carrying Amount			
Lion Travel Service Co., Ltd. (the "Company")	Shuangshi Investment	Taiwan	Investments	$ 434,000	$ 434,000	47,400	100	$ 1,064,782	$ 24,528	$ 24,528	Subsidiary
	Lion Holding	Hong Kong	Investments	542,846	542,846	133,374	100	373,117	(6,052)	(6,052)	Subsidiary
	Lion DMC	Taiwan	Travel industry	97,980	97,980	10,000	100	48,992	(1,679)	(1,679)	Subsidiary (Note 6)
	LionBobby	Taiwan	Travel industry	41,250	41,250	4,125	55	13,363	304	167	Subsidiary (Note 6)
	Nookin	Taiwan	Management consultants	200,000	200,000	20,000	100	172,521	(5,621)	(5,621)	Subsidiary (Note 6)
	Lion Insurance	Taiwan	Property insurance brokers	30,000	30,000	3,000	100	27,558	3,129	3,129	Subsidiary (Note 6)
	Lion Hotel Management	Taiwan	Management consultants	60,000	-	6,000	100	59,994	(6)	(6)	Subsidiary (Note 6)
Shuangshi Investment	Lion Information	Taiwan	Information technology industry	14,301	14,301	3,000	100	11,961	(5,090)	(5,090)	Grandson company (Note 6)
	Lion Express	Taiwan	Tour bus transportation industry	210,336	210,336	21,500	100	164,157	2,664	2,664	Grandson company (Note 6)
	Ansett Tour	Taiwan	Tour bus transportation industry	40,517	40,517	5,000	100	41,366	(770)	(770)	Grandson company (Note 6)
	Travel Around Investment	Taiwan	Investments	156,000	156,000	17,900	100	843,656	27,755	27,755	Grandson company (Note 6)
Lion Holding	Lion YVR	Canada	Travel industry	65,855	30,635	800	100	46,949	(5,643)	(5,643)	Grandson company (Note 6)
				CAD 2,612	CAD 1,112				(CAD 242)	(CAD 242)	
	Lion SYD	Australia	Travel industry	1,961	1,961	44	100	7,930	465	465	Grandson company (Note 6)
				AUD 67	AUD 67				AUD 22	AUD 22	
	Lion AKL	New Zealand	Travel industry	8,278	8,278	0.4	100	7,259	825	825	Grandson company (Note 6)
				NZD 413	NZD 413				NZD 43	NZD 43	
	Lion HK	Hong Kong	Travel industry	99,000	63,780	3.4	100	84,727	(3,718)	(3,718)	Grandson company (Note 6)
				HKD 18,294	HKD 16,294				(HKD 924)	(HKD 924)	
	US Lion	United States	Travel industry	33,015	33,015	1,000	100	20,325	(515)	(515)	Grandson company (Note 6)
				USD 1,000	USD 1,000				(USD 16)	(USD 16)	
	Lion JPN	Japan	Travel industry	85,927	85,927	27	100	45,297	3,362	3,362	Grandson company (Note 6)
				JPY 274,000	JPY 274,000				JPY 15,852	JPY 15,852	
	Lion THA	Thailand	Travel industry	11,579	11,579	1,323	49	20,965	4,550	2,230	Grandson company (Note 6)
				THB 12,395	THB 12,395				THB 5,152	THB 2,524	
	Travel Story	Japan	Travel industry	18,362	18,362	7	100	6,601	(116)	(116)	Grandson company (Note 6)
				JPY 63,600	JPY 63,600				(JPY 549)	(JPY 549)	
	Lion KR	Korea	Travel industry	19,994	19,994	8,500	85	5,616	(3,114)	(2,647)	Grandson company (Note 6)
				KRW 850,000	KRW 850,000				(KRW 130,842)	(KRW 111,216)	
	Lion UK	United Kingdom	Travel industry	11,895	11,895	300	100	12,377	399	399	Grandson company (Note 6)
				GBP 300	GBP 300				GBP 10	GBP 10	
Travel Around Investment	Unitravel	Taiwan	Travel industry	106,569	106,569	7,733	38	737,154	81,423	31,171	Associate (Note 4)
	Xinflight Travel	Taiwan	Travel industry	10,000	10,000	1,000	100	21,909	(542)	(542)	Subsidiary of grandson company (Note 6)
	Fontrip Technology	Taiwan	Information technology industry	56,530	56,530	4,604	39	32,216	(7,522)	(2,923)	Subsidiary of grandson company (Note 6)

(Continued)

Investor Company	Investee Company (Notes 1 and 2)	Location	Main Business and Product	Original Investment Amount		As of March 31, 2024			Net Income (Loss) of the Investee (Note 2 b)	Share of Profit (Loss) (Note 2 c)	Note
				March 31, 2024	December 31, 2023	Shares (In Thousands)	%	Carrying Amount			
Lion Express	Kinmen Lion Express	Taiwan	Tour bus transportation industry	$ 30,000	$ 30,000	5,330	100	$ 12,996	$ (942)	$ (942)	Subsidiary of grandson company (Note 6)
Fontrip Technology	Fontrip Technology JPN	Japan	Information technology industry	4,406 JPY 20,000	4,406 JPY 20,000	2	100	3,178	(187) (JPY 883)	(187) (JPY 883)	Subsidiary of grandson company (Note 6)

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 5.

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

Note 5: Expect for Unitravel, the investee company was merged into the Group.

Note 6: The calculation was based on unreviewed financial statements as of March 31, 2024.

(Concluded)

TABLE 5

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2024
(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, 2024	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2(b)3)	Carrying Amount as of March 31, 2024	Accumulated Repatriation of Investment Income as of March 31, 2024	Note
					Outward	Inward							
Lion Fujian	Travel industry	$ 63,980 USD 2,000	The Company reinvested in Mainland China	$ 57,582 USD 1,800	$ - USD -	$ - USD -	$ 57,582 USD 1,800	$ (544) (RMB 125)	90	$ (490) (RMB 112)	$ 49,021	$ -	
Lion Shanghai	Travel industry	31,990 USD 1,000	Lion HK reinvested in Mainland China	31,990 USD 1,000	- USD -	- USD -	31,990 USD 1,000	(980) (RMB 225)	100	(980) (RMB 225)	69,767	-	
Lion Holding (China)	Management consulting activities	185,542 USD 5,800	Lion Holding reinvested in Mainland China	185,542 USD 5,800	- USD -	- USD -	185,542 USD 5,800	(2,750) (RMB 630)	100	(2,750) (RMB 630)	91,958	-	
Lion Travel Holding	Travel industry	96,976 RMB 22,000	Lion Holding (China) reinvested in Mainland China	96,976 RMB 22,000	- RMB -	- RMB -	96,976 RMB 22,000	(2,773) (RMB 635)	100	(2,773) (RMB 635)	48,702	-	
Skylion Travel	Travel industry	15,428 RMB 3,500	Lion Travel Holding reinvested in Mainland China	10,138 RMB 2,300	- RMB -	- RMB -	10,138 RMB 2,300	(2,683) (RMB 615)	100	(2,683) (RMB 615)	(41,343)	-	

Accumulated Outward Remittance for Investment in Mainland China as of March 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 297,507 USD 9,300	$ 879,725 (Note 4) USD 27,500	$ 2,436,369

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 period.

Note 5: Except for the net income (loss) of the investee was calculated at the average exchange rate for the three months ended March 31, 2024; the others were presented at the exchange rate on March 31, 2024.

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

(Concluded)

TABLE 6

LION TRAVEL SERVICE CO., LTD. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
MARCH 31, 2024

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	6.45

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.