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LEOFOO DEVELOPMENT CO., LTD.

ANNUAL REPORT 2023

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LEOFOO DEVELOPMENT CO., LTD.

Annual Report 2023

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III. Contact Information of Stock Transfer Agency:
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Address: 1F., No.95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City 100, Taiwan

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Tel: 03-319-8888

Website: https://www.ey.com/zh_tw

V. Overseas Securities Exchange where Securities are Listed and Method of Inquiry: None.

VI. Corporation Website: http://www.leofoo.com.tw

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Chapter 1. Letter to Shareholders

Dear shareholders,

Leofoo Travel Group achieved operating revenue of NT$2,211,095,000 in 2023, a total revenue growth of 32%. As the COVID-19 pandemic subsided and the global tourism industry gradually recovered, with the government opening up to international visitors to Taiwan and domestic exhibitions, tourism, and events continuing to rebound, the Group’s theme parks, zoos, hotels, restaurants, and retail stores won consumer recognition with their high-quality services and diverse travel choices, driving robust operations for the Group. The Company would like to hereby report the following operating results for 2023:

I. 2023 Business Report

(I) Business Plan Implementation Results

1. Guanshi Headquarters

   In 2023, the number of visitors to the Leofoo Village Theme Park was 1,237,891, an increase of 67,222 or 5.7% over 1,170,669 visitors in 2022. The occupancy rate of Leofoo Resort Guanshi was 45.9% in 2023, a increase of 3.7% compared to the 42.2% seen in 2022. The operating income of Guanshi Headquarters was $1,245,792,000, of which $581,736,000, or 46.7% of the revenue, was from theme park operations, $203,266,000, or 16.3%, was from resort accommodation, $261,451,000, or 21.0%, was from food & beverage operations, $158,649,000, or 12.7%, was from retail sales, and $40,690,000, or 3.3%, was from other income sources.

2. Taipei Branch

   In 2023, the former Leofoo Hotel officially began the reconstruction process for unsafe and old urban buildings. .

3. Nangang Branch

   In 2023, the operating revenue of Courtyard by Marriott Taipei was $864,428,000, of which $486,416,000, or 56.3％ of the revenue of Nangang Branch, was from hotel accommodation (with occupancy rate of 65.2%); $322,130,000, or 37.2% of the revenue of Nangang Branch, was from food & beverage operations; and $55,882,000 or 6.5% of the revenue of Nangang Branch, was from other income sources.

4. Changchun Branch

The occupancy rate of Leofoo Residences was 81.5% in 2023. The operating revenue of Changchun Branch was $99,856,000.

(II) Consolidated Financial Statements

1. Assets, Liabilities, and Equity:

As of December 31, 2023, the Company's total assets amounted to $15,639,317,000, of which total liabilities amounted to $10,813,632,000, or 69% of total assets, and total equity amounted to $4,825,685,000, or 31% of total assets.

2. Profit and Loss:

Operating revenues for 2023 were $2,211,095,000. After deducting operating costs of $1,458,294,000 (cost ratio of 66%), the gross operating profit was $752,801,000 (gross margin of 34%). Operating expenses were $676,859,000 (expense ratio of 31%), net operating profit was $75,942,000 (operating profit ratio of 3%), non-operating expenses were $173,686,000, net loss from continuing operations before tax was $97,744,000 (pre-tax net loss ratio of 4%), and net loss after tax for the period was $97,744,000.

3. Budget Implementation Review:

In accordance with the Regulations Governing the Publication of Financial Forecasts of Public Companies, the Company is not required to disclose financial forecast information for 2023, and thus there is no information on budget implementation available for 2023.

II. Summary of the Business Plan for 2024 and the Company's Future Development Strategy

◎ **Leofoo Village Theme Park**

The Leofoo Village Theme Park owns the largest open safari park in Taiwan, including about 70 species and over 1,000 animals, providing the general public of Taiwan the opportunity to see the beauty of wildlife at close quarters. The park also features the unique "Sudan Rhino Bus" activity experience that leads people deeper into the rhino breeding research hub, which boasts the best breeding results in Asia, to see the rhino ecology for themselves. The park aims to create brand value differentiation with the theme of animals, to integrate the development of new type of amusement products and activities to open up new customer segments and channels, and to cooperate with partners from different industries for breakthroughs to trigger discussion and amplify our presence. attracting domestic visitors to revisit the park. The park's four theme villages of "The Wild West," "South Pacific," "Arabian Palace," and "African Tribe" can be called a true domestic fantasy land of a theme park. Aside from more than 30 exciting park rides, the park also features regular performances of various spectacular cabaret shows and parades, more than 10 five-star restaurants with a variety of authentic cuisine, as well as themed shops and more, all of which let visitors enjoy the fun and excitement offered by the theme villages in an environment of entertainment that feels like being taken back in time and creates an atmosphere that combines fantasy and reality.

In addition to planning various themed promotional activities for visitors of different age groups, the marketing strategy also includes inviting world-class professional performance groups such as international light sculpture teams to amplify the benefits and leave visitors with a deep impression of the park. The strategy also includes comprehensive planning of various supporting services for other businesses, integrating the industrial chain of dining, accommodation, tourism, shopping, and entertainment in the hope of boosting Leofoo's brand recognition and building a better, more diverse image for visitors, offering a new and refreshing experience every time they visit the park.

In the future, the Company will continue to invest great efforts in creating realistic experiences in the park, fully revitalizing the seasonal celebrations: Tombstone on Halloween, the garden party, Christmas, animal parties, mascot character IP development, etc. The Company has been planning various new and unique products, cooperating with partners in different industries to continue the creation of a theme park that creates the most laughter and touching memories through innovative technology, services, and emotional experiences, as well as with the diverse experience activities at the Leofoo Resort Guanshi, to meet the trend of becoming a multifaceted amusement park for the whole family. The ultimate goals are to become a vibrant and joyful producer in the minds of visitors and to achieve sustainable management.

◎ **Leofoo Water Park**

Leofoo Water Park not only offers some 15 choices of great value water park rides, it is also the only water park in Taiwan features the characteristics of a Greek village style. Bringing together all the resources of Leofoo Village Theme Park to promote the enjoyment of activities both on water and on land, Leofoo Water Park is extremely popular among families with elementary school children, as well as among high school and college students. In the face of global climate change, summer temperatures are rising year after year and the demand for visiting water parks is increasing. With our well-trained staff, Leofoo Water Park will continue to provide the safest, highest quality, and most satisfying water recreation services to visitors.

◎ **Leofoo Resort Guanshi**

◎ Leofoo Resort Guanshi is the best animal ecology hotel in Asia. The concept of the resort is “non-toxic, environmentally friendly, back-to-basics and private scenic spot,” and it features an African safari and eco-friendly style, bringing together respect for nature, education, and entertainment. Taking a trip to the wild touches the hearts of visitors, as the resort gives them a new and unique vacation experience. Leofoo Resort Guanshi has become the leading brand among parent-child travel resorts, successfully leading a new trend in travel in Asia and building a deeper destination while also bringing comfort to every visitor. Cultural tour packages such as the farm-to-table food tour, bee keeping, the paddy field farming experience, and Hakka/tea factory visits have been planned and launched. In the future, through a sustainable operation model, the resort will act as the main body to link various types of travel in harmony with nature, forming a complete ecological vacation environment. The hotel is located right next to the Leofoo Village Theme Park, and is built to suit for the lives of the animals and its habitat. By just opening the window, hotel guests can see various kinds of free-range African herbivores, which makes the ecological tourism and traffic flow of the entertainment of the amusement park complete. The resort also extends on the overall resources and tourism charm of the Leofoo Village Theme Park.

◎ **Courtyard by Marriott Taipei**

Leofoo Travel Group has successfully partnered with Courtyard by Marriott Hotel, an international brand under Marriott International, to bring a new international hotel chain to the Taiwan market. It is a rare large-scale property of more than 52,900 square meters to be located within Taipei City in recent years. It is located in the golden area between stations on the Taiwan Railway, Taiwan High Speed Rail, and Taipei Metro systems, and is a collection of shopping malls, office buildings, a and five-star tourist hotel. It combines the Group’s food and beverage, bakery, property management, and construction resources, and is located near the Nangang Exhibition Hall and the Neihu Science Park. In addition to being a strong fit for the demands of group travel and conferences for tourists on business trips, the hotel also co-organized official large-scale arts and cultural events and connected local community resources, creating a gateway to the tourist attractions of Northern and Eastern Taiwan developed with a focus on creating a resort hotel within the city.

◎ **Leofoo Food**

The Group is moving towards a new vision of retail catering, integrating virtual and physical channels. Reputable brands under the Group such as Moonlight Cantonese Restaurant, Leofoo Palace, Leofoo Hotel, Elite Bakery, and Elite Concept may all be purchased online to serve our loyal customers, offering 24-hour service during the COVID-19 pandemic. The products are also available in numerous physical stores such as Carrefour, and the concept is that everyone should be able to enjoy cuisine made by five-star chefs at home. The products we offer to our customers are based on the four major service principles of natural ingredients, healthy cooking, friendliness to the Earth, and fresh local produce, giving our customers absolute safety when enjoying our products.

◎ **Leofoo A+ Serviced Commercial Office Building**

Starting from a Japanese-style, high-precision, and personalized safety structure, integrating carbon reduction, people-oriented design, technology, business, and other features, Leofoo A+ Serviced Commercial Office Building will be a benchmark commercial office building in the Songjiang Nanjing business district. The building will receive five major domestic and international building labels, including the U.S. Green Building Council’s LEED and WELL Building Standard certification, the Green Building Label, the Intelligent Building Label, and the Structure Accreditation Label. The building not only serves a sustainable building that takes care of the health of employees, but also offers strong personalized value-added services. Through Leofoo’s hotel-style serviced property management and the full support of a team of thousands of employees, Leofoo A+ Serviced Commercial Office Building provides a sophisticated service experience, and in response to the market changes brought about by the COVID-19 pandemic, the Group aims to build a novel office environment with a full range of smart technology and health concepts.

III. Effect of External Competition, Regulatory Environment, and the Overall Business Environment

The Group’s management team is leading all employees to maintain consumer support and expectations of the Group’s businesses. In the face of emerging hotels and amusement parks competing for a share of the tourism market and fierce competition in the tourism industry, the Group is still actively launching various marketing programs, developing new customer segments, and actively expanding its external business locations. The Group continues to surpass itself, refine its services, and provide better and more comprehensive tourism products. Combing the elements of fashionable and international characteristics, the Group is committed to becoming the No. 1 tourism brand in consumers' hearts by cultivating the Taiwanese tourism market with a globalized vision. The Group also implements internal control management and active cost cutting in order to achieve the goal of maximizing profits; it has also been maintaining a sound financial structure.

Looking ahead, the Group will not only strengthen its soft services, but also replace its hard facilities with new ones in order to provide customers with the best places to create wonderful memories, while also actively expanding its brands externally. The Group expects to continue to expand its revenue and generate greater profits for the Company to benefit the shareholders and live up to their expectations.

We wish you good health and all the best.

Leofoo Development Co., Ltd.

Chairman: Feng-Ru Chuang

President: Feng-Ru Chuang

Accounting Supervisor: Ting-Wen Shih

Chapter 2. Company Profile

I. Company Profile

(I) Date of Incorporation: January 27, 1968

(II) Contact Information of Headquarters, Branches, and Subsidiaries

Information of Headquarters:

Address of Headquarters: Tel: 03-547-5665
No. 60, Gongzigou, Guanxi Township, Hsinchu County

Address of Taipei branch: Tel: 02-2507-3211
No. 168, Changchun Rd., Taipei City

Address of Nanjing branch: Tel: 02-6615-6565
B1, No. 172, Changchun Rd., Taipei City

Address of Changchun branch: Tel: 02-7701-0165
2F, No. 38, Sec. 1, Nanjing E. Rd., Taipei City

Address of Nangang branch: Tel: 02-2654-6565
7F, No. 359, Sec. 7, Zhongxiao E. Rd., Taipei City

Address of Zhongxiao branch: Tel: 02-2654-6565
7F-1, No. 369, Sec. 7, Zhongxiao E. Rd., Taipei City

Information of Subsidiaries:

Leofoo Development & Construction Co., Ltd. Tel: 02-2515-0222
Address: B1, No. 172, Changchun Rd., Taipei City

Leofoo Property Management Co., Ltd. Tel: 02-2515-0222
Address: B1, No. 172, Changchun Rd., Taipei City

Izzy Construction Co., Ltd. Tel: 02-2515-0222
Address: B1, No. 172, Changchun Rd., Taipei City

Leofoo Agronomy Co., Ltd. Tel: 03-547-5665
Address: No. 60, Gongzigou, Guanxi Township, Hsinchu County

Elite Catering Company Limited Tel: 02-6615-6565
Address: B1, No. 172, Changchun Rd., Taipei City

Leofoo Investment Limited Tel: 02-2654-6565
Address: Sertus Chambers, P.O. Box 603, Apia, Samoa

Leofoo (Hong Kong) Limited Tel: 02-2654-6565
Address: Unit 706, Haleson Building, No.1 Jubilee Street, Hong Kong

II. Company History

2001	• 【The Westin Taipei – "Best New Business Hotel in Asia Pacific Region"】 by noted Australian magazine Business Asia.】
2002	• 【The Westin Taipei – "Best Business Hotel in Taiwan" by noted Australian magazine Business Asia.】
2004	• 【The Westin Taipei – "Best Business Hotel in Taiwan" by noted Australian magazine Business Asia.】
2013	• 【The Westin Taipei Summer Palace – 3rd in Taiwan's Top 100 Restaurants, No. 1 Beijing Restaurant in Taipei.】 • 【Leofoo Village Theme Park – Bronze Award of American Marketing Association Effie Award】 • 【Leofoo Village Theme Park – Golden Staff Award of Global Views Monthly】 • 【Leofoo Village Theme Park – Theme Park Service Grand Prize of Next Magazine】 • 【Leofoo Village Theme Park – Golden Service Award of Common Wealth Magazine】 • 【Summer Palace, The Westin Taipei – Top 10 self-service restaurants voted online】
2014	• 【Leofoo Resort Guanshi – Top 10 Family Hotels in Taiwan for the Year】
2016	• 【Leofoo Residences, apartment hotel – "Certificate of Excellence Award" of TripAdvisor】
2017	• 【The Westin Taipei – "Best Business Hotel Award" of World Travel Awards】 • 【Courtyard by Marriott Taipei – Friendly Taipei Nice Hotel】 • 【Leofoo Residences, apartment hotel – TripAdvisor Certificate of Excellence Award】

2018	• 【Sunrise restaurant, Courtyard by Marriott Taipei – Commercial Times Taiwan Service Industry Grand Evaluation Silver Medal in 2018 and 2017.】 • 【Moonlight restaurant, Courtyard by Marriott Taipei – “Certificate of Excellence Award” of TripAdvisor】 • 【Sunrise restaurant, Courtyard by Marriott Taipei – “Certificate of Excellence Award” of TripAdvisor】 • 【Courtyard by Marriott Taipei – Bronze Award of Star Hotel】 • 【Courtyard by Marriott Taipei and Leofoo Resort Guanshi – “Certificate of Excellence Award” of TripAdvisor】 • 【Courtyard by Marriott Taipei – Hotel.com Travellers’ Choice Award Winner】 • 【Chuang Foo Foundation – Ministry of Education Social Education Contribution Award for Organizations】 • 【Leofoo Village Theme Park – The 6th National Education Environment Award – Excellence in the Private Sector Category】 • 【Leofoo Tourism Group – Buying Power Procurement First Prize/Special Prize】 • 【Leofoo Village Theme Park – 16th Annual Service First Award of Next Magazine】
2019	• 【Courtyard by Marriott Taipei – Michelin Guide Taipei recommends “Top-level comfort and enjoyment” with a 4-star Black rating.】 • 【Leofoo Tourism Group – Happiness Enterprise Gold Award of 1111 Job Bank】 • 【Chuang Foo Foundation – National Sustainable Development Award (Non-Governmental Organization Category)】
2020	• 【Leofoo Tourism Group – Buying Power Procurement 2nd Prize (Amount Reaching NT$1 Million or Above)】
2021	• 【Courtyard by Marriott Taipei – Taipei City Energy Conservation Leadership Recommendation Award (Industrial Group A)】 • 【Leofoo Tourism Group – Selected for the Taipei British Chamber of Commerce Best Innovation in Health and Wellbeing Award】 • 【Courtyard by Marriott Taipei – World Travel & Tourism Council – Safe Travels Stamp Accreditation】 • 【Leofoo Tourism Group – Happiness Enterprise Gold Award of 1111 Job Bank】 • 【Leofoo Tourism Group – Buying Power Special Prize】

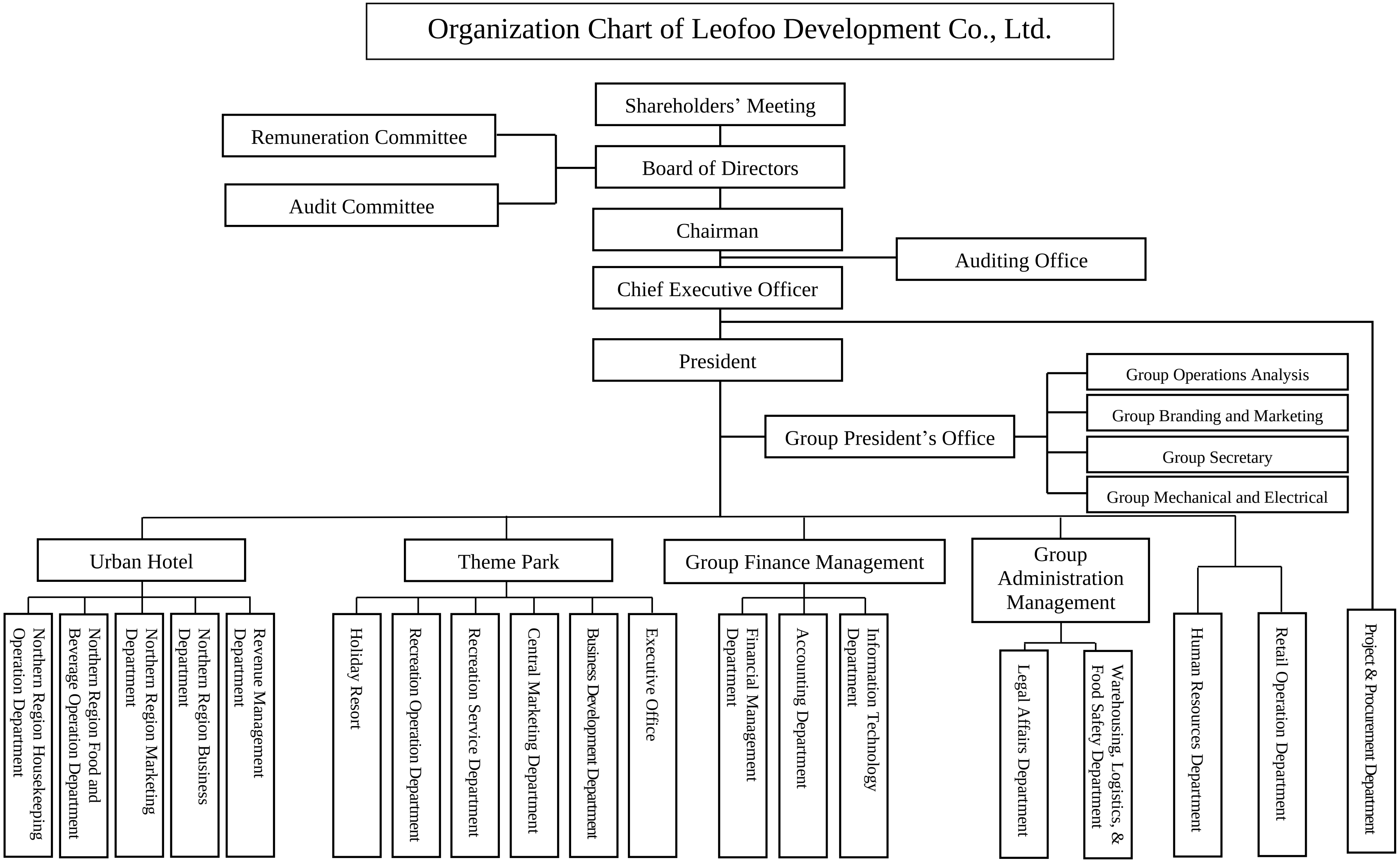
2022	• 【BuyingPower Procurement 3rd Prize (Amount Reaching NT$1 Million or Above)】 • 【Courtyard by Marriott Taipei – Taipei City Government Industrial Excellence Award】 • 【Cape of Good Hope Restaurant, Leofoo Resort Guanshi and Sunrise restaurant, Courtyard by Marriott Taipei – Green Restaurant Certification.】 • 【Courtyard by Marriott Taipei was awarded the Environmental Protection Agency's Environmental Label Hotel Silver Certification.】 • 【Leofoo Tourism Group – CSR and ESG Outstanding Model Award: Environmentally Friendly Category of Global Views.】
2023	• 【Japan Tourism Awards "Sustainable Development and Social Responsibility – Tourism for All" Gold Award】 • 【Pacific Asia Travel Association (PATA) Gold Award for "Sustainable Development and Social Responsibility – Tourism for All】 • 【Leofoo Tourism Group – Buying Power Procurement 2nd Prize in 2023】 • 【Courtyard by Marriott Taipei – Ministry of Labor Chin Exhibition Award in 2023】

Chapter 3. Corporate Governance Report

I. Corporate System

Date of production: 2024.02.01

(I) Organization Chart



(II) Department Functions

Major Departments	Scope of Business
Auditing Office	1. Plan and execute routine audits and project audits, and track the improvement of internal control deficiencies. 2. Review, evaluate, and recommend cycle and control operations of the Company's internal control system. 3. Review the corporate governance rules and regulations of each department. 4. Supervise and evaluate the results of performance self-evaluations by each executive unit. 5. Audit matters assigned by the Board of Directors or the management team.
Group President's Office	1. Develop the Group's business strategies and operational objectives, and monitor and evaluate the implementation and performance of these objectives. 2. Coordinate and integrate the implementation of businesses and projects of each department. 3. Plan and execute the resolutions of the Board of Directors.
Urban Hotels	1. Develop the Group's business strategies, formulate and promote the general strategies and objectives of housekeeping, catering, and engineering operations of the urban hotels. 2. Establish and promote various operation and management models for the urban hotels, and supervise and manage the achievement of goals and performance of each functional unit under its management. 3. Evaluate and control various operational risks and costs, and review and improve general business operation and management effectiveness.
Northern Region Housekeeping Operation Department	1. Propose and promote annual operation targets and plans for housekeeping operations, set out and enact annual plans and goals for housekeeping business and equipment and building maintenance. 2. Take charge of and control the operation management and customer service improvement of each business location. 3. Lead the engineering equipment and building maintenance development program in Northern Region, verify its implementation progress, and evaluate its effectiveness. 4. Supervise and manage the achievement of goals and performance of the units under its supervision. 5. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 6. Prepare monthly operational performance reports, make analysis and improvement recommendations, and take charge of executing internal improvement projects.

Major Departments	Scope of Business
Northern Region Food and Beverage Operation Department	1. Prepare and promote the annual operation plan and performance target of the catering and banquet service of each sales point in accordance with the general operation strategies and goals of hotel business food and beverage operations. 2. Be in charge of and control the achievement of business and performance targets for catering and banqueting services in each business location. 3. Supervise and manage the achievement of goals and performance of the business units under its supervision. 4. Design and formulate various business management regulations and incentive systems for catering and banquet services. 5. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 6. Compile monthly operational performance results, make analysis and improvement recommendations, and be in charge of executing internal improvement projects.
Northern Region Marketing Department	1. Propose and promote the direction for general strategies and objectives of marketing and branding in accordance with the Group's operation and development strategies. 2. Coordinate and promote large-scale project planning and market research for development projects at early stages and evaluate new brand development planning and market research. 3. Establish and promote various operation and management models for catering and entertainment marketing, external public relations, and media management, and supervise and manage the achievement of goals and performance of each functional unit under its management. 4. Evaluate and control various operational risks and costs, and review and improve general marketing business and management effectiveness.
Northern Region Business Department	1. Analyze and summarize market trends, prepare and promote the development plans and performance targets of the housekeeping and banquet service in accordance with the general operation strategies and goals of the Northern Region businesses. 2. Take charge of and control the achievement of business and performance targets for housekeeping and banquet service in each business location. 3. Supervise and manage the achievement of goals and performance of the business units under its supervision. 4. Design and formulate various business management regulations and incentive systems.
Revenue Management Department	1. Compile monthly operational performance results, make analysis and improvement recommendations, and be in charge of executing internal improvement projects.

Major Departments	Scope of Business
Theme Park	1. Propose and promote the general strategies and objectives of theme park operation in accordance with the Group's operation and development strategies. 2. Establish and promote various operation and management models for the theme park, and supervise and manage the achievement of goals and performance of each functional unit under its management. 3. Evaluate and control various operational risks and costs, and review and improve general business operation and management effectiveness.
Holiday Resort	1. Prepare and promote various annual operation plans for housekeeping and customer leisure activities at holiday resorts in accordance with general urban hotel operation strategies and goals. 2. Supervise and manage the achievement of goals and performance of the units under its supervision. 3. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 4. Prepare monthly operational performance reports, make analysis and improvement recommendations, and take charge of executing internal improvement projects.
Recreation Operation Department	1. Prepare and promote various annual operation targets and plans for catering, merchandise, and entertainment shows in accordance with general theme park operation strategies and goals. 2. Supervise and manage the achievement of goals and performance of the units under its supervision. 3. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 4. Prepare monthly operational performance reports, make analysis and improvement recommendations, and take charge of executing internal improvement projects.
Recreation Service Department	1. Prepare and promote various annual operation targets and plans for customer service and construction projects in accordance with the general operation strategies and goals of the theme park. 2. Prepare and promote various annual operation targets and plans for customer experience events and animal management in accordance with general operation theme park strategies and goals. 3. Take charge of and control operation security management and customer service improvement. 4. Lead the engineering equipment and building maintenance checking program in the Central Region, verify its implementation progress and evaluate its effectiveness. 5. Supervise and manage the achievement of goals and performance of the units under its supervision. 6. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.

Major Departments	Scope of Business
Central Region Marketing Department	1. Take charge of brand strategic development planning for the entertainment business, promotion of integrated marketing plans, and the integration of resources from different industries. 2. Supervise and manage the achievement of goals and performance of the units under its supervision. 3. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.
Business Development Department	1. Prepare and promote general business development strategies and annual goals of Leofoo Village Theme Park and Leofoo Water Park in accordance with the general operation strategies and goals of the Group. 2. Establish and promote various business development and management models, and supervise and manage the achievement of goals and performance of each functional unit under its management. 3. Evaluate and control various operational risks and costs, and review and improve general business operation and management effectiveness.
Executive Office	1. Assist the supervision and management of the achievement of goals and performance of the units of the theme park. 2. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 3. Prepare monthly operational performance reports, make analysis and improvement recommendations, and take charge of executing internal improvement projects.
Group Finance Management	1. Prepare the general strategies and objectives of the finance management of the Group in accordance with the Group's general operation strategies and goals and the operational demands of each business unit. 2. Establish and promote service support and management models in finance management and general development, and supervise and manage the achievement of goals and performance of each functional unit under its management. 3. Evaluate and control various business risks and costs, and review and improve general service support and management effectiveness.

Major Departments	Scope of Business
Financial Management Department	1. Compile and analyze various financial and accounting data of the Group, provide management and accounting information required for management decision-making, and use the data as a basis for improving accounting management and financial capital management systems. 2. Supervise and manage the business relevant to the forecast, control, and allocation of capital flows. 3. Supervise and manage transactions and fund raising business between the Company and financial institutions, and maintain good relations with said institutions. 4. Supervise and manage the business relevant to stock affairs and the stock affairs agency, and take charge of the declaration of public information relevant to shareholders meetings. 5. Take charge of the convening of the Board of Directors, the Audit Committee, corporate governance matters, and declaration of relevant public information. 6. Be in charge of asset appraisal business and safekeeping of securities, business registration data, certificates of ownership, and bank passbooks and seals. 7. Take charge of items required by the competent authorities for tourism to be reported to them.
Accounting Department	1. Establish and optimize a sound accounting management system in line with the Group's operations and effectively promote various fund management operations in accordance with the general accounting operations strategies and goals. 2. Monitor the general development of the Group, market trends, and changes in laws and regulations, and propose various investment evaluations and follow-up investment performance management and control. 3. Construct a general budget system for the Group and review the operation and budget execution status of each company and unit in the Group to effectively accomplish the management goals of controlling revenues and costs. 4. Review and approve the accounting statements of each company, put forward specific suggestions, and carry out project improvement plans to address any irregularities. 5. Supervise and manage the achievement of goals and performance of the units under its supervision. 6. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.

Major Departments	Scope of Business
Information Technology Department	1. Establish and optimize information management and information security management and control systems in line with the interests of the Group in accordance with general information technology strategies and goals. 2. Plan and construct the Group's general information network structure. 3. Maintain the normal operation of various information systems, software, hardware, and networks, and ensure information security. 4. Evaluate the feasibility of the information development demands of each unit in accordance with the operation models of the Group and each business location, and control the construction progress of various information technology projects in order to achieve goals. 5. Supervise and manage the achievement of goals and performance of the units under its supervision. 6. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.
Group Administration Management	1. Prepare the general strategies and objectives of the Group's administration management in accordance with the general operation and development strategies of the Group and the operational demands of each business unit. 2. Establish and promote service support and management models in human resources, information integration, administrative affairs, warehousing and logistics, and general development, and supervise and manage the achievement of goals by and performance of each functional unit under its management. 3. Evaluate and control various business risks and costs, and review and improve general service support and management effectiveness.
Legal Affairs Department	1. Take charge of reviewing the Group's various legal documents and contracts. 2. Provide legal advice to each unit of the Group and handle legal and legal affairs-related cases. 3. Take charge of legal compliance and corporate risk management/preventive measures related to Group operations. 4. Take charge of education and training in legal knowledge and of campaigns to raise awareness of past legal precedent related to various aspects of operations.
Warehousing, Logistics, & Food Safety Department	1. Promote and implement food safety-related plans in accordance with the Group's general operation strategies and goals. 2. Take charge of education and training in and awareness-raising campaigns related to food safety and warehousing, and providing consultation on business promotion for various units of the Group. 3. Supervise and manage the achievement of goals and performance of the units under its supervision. 4. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.

Major Departments	Scope of Business
Human Resources Department	1. Establish and optimize human resource management and development in line with the corporate culture of the Group and in accordance with the general administration management strategies and goalsof the Group. 2. Keep track of labor market trends, changes to laws and regulations, and organizational atmosphere, and propose improvement measures to maintain corporate competitiveness and retain outstanding talent. 3. Compile and analyze Group human resource data and use said data as a basis for improving strategies and management systems. 4. Take charge of the general organization and management of the Group, assisting each unit of the Group to make appropriate adjustments based on the Group’s strategic direction. 5. Take charge of the convening of Remuneration Committee meetings. 6. Plan and construct the Group’s general human resource system platform. 7. Assist each branch to establish and regularly revise labor output value standards, and manage and control human resource costs. 8. Supervise and manage the achievement of goals and performance of the units under its supervision. 9. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.
Retail Operation Department	1. Prepare and promote various annual operating targets and plans for retail operations in accordance with the Group’s general operation strategies and goals. 2. Supervise and manage the achievement of goals and performance of the units under its supervision. 3. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements. 4. Prepare monthly operational performance reports, make analysis and improvement recommendations, and take charge of executing internal improvement projects.

Major Departments	Scope of Business
Project & Procurement Department	1. Prepare and promote general procurement strategies and objectives in accordance with the Group’s general operation and development strategies and the operational demands of each business unit. 2. Establish and promote procurement management standards, product development and operation guidelines, and various service support and management models, and supervise and manage the achievement of goals and performance of each functional unit under its management. 3. Propose various implementation plans for Group procurement and annual unified procurement plans. 4. Establish and optimize a sound procurement management system in line with the Group’s operations in accordance with the Group’s general procurement strategies and goals. 5. Keep track of the Group’s general procurement demands and market trends, and strictly control procurement costs to maximize benefits and results. 6. Monitor the procurement process in each region and handle irregularities in quality, compile and analyze various Group procurement data, and use said data as a basis for improving development strategies and procurement management systems. 7. Supervise and manage the achievement of goals and performance of the units under its supervision. 8. Evaluate and control various business risks, conduct regular performance reviews, and track the effectiveness of the implementation of improvements.

II. Information on the Directors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

(I) Directors

1. Name of Director, Experience (Education), Shareholding and the Nature of Shares Held

March 29, 2024; Unit: Share; %

Title	Nationality/ Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Shareholding by Nominees	Other Positions Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who are Spouses or within the Second Degree of Kinship		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Chairman	R.O.C.	Feng-Ru Chuang (Note)	Female 41–50 years old	2021.08.27	3 years	2009.06.19	8,912,713	4.66	8,371,403	4.38	8,040,799	4.20	27,544,917	14.40	California Polytechnic State University, U.S.A. Director, Yi Jian Construction Co., Ltd. Director, Leofoo Development Co., Ltd Director, Leofoo Property Management Co., Ltd	President, Leofoo Development Co., Ltd. Chairman, Elite Deli Co., Ltd. Chairman, Leofoo Agronomy Co., Ltd Chairman, Jung Feng Investment Co., Ltd. Corporate Director Representative, Ambassador Theatres Company	Deputy Chairman/CEO	Chen-Jung Lai	Spouses
Vice Chairman	R.O.C.	Chen-Jung Lai	Male 51–60 years old	2021.08.27	3 years	2009.06.19	5,209,782	2.72	4,668,472	2.44	11,743,730	6.14	27,544,917	14.40	Executive Master's Program, College of Management, National Taiwan University	Chief Executive Officer, Leofoo Development Co., Ltd. Chairman/President, Leofoo Development Co., Ltd Chairman/President, Leofoo Property Management Co., Ltd Chairman/President, Yi Jian Construction Co., Ltd. Chairman, Feng Jung Development Co., Ltd Chairman, Jiu Yung Investment Ltd. Executive Director, Leofoo Investment Ltd. Executive Director, Leofoo Development (Hong Kong) Ltd. Chairman, Si Mian Fo Management Consultant Ltd.	Chairman/President	Feng-Ru Chuang	Spouses
Director	R.O.C.	Chuang Foo Foundation	-	2021.08.27	3 years	2009.06.19	12,079,888	6.32	12,079,888	6.32	-	-	-	-	-	None	None	None	None
	R.O.C.	Representative: Tsui-Fang Hsu	Female 41–50 years old				-	-	-	-	-	-	-	-	Shih Chien University	None	None	None	None

Title	Nationality/ Place of Registration	Name	Gender and Age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Shareholding by Nominees	Other Positions Concurrently Held at the Company and Other Companies	Executives, Directors, or Supervisors who are Spouses or within the Second Degree of Kinship		
							Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Independent director	R.O.C.	Heng-Yih Liu	Male 51–60 years old	2021.08.27	3 years	2025.06.24	2,259	-	2,259	-	-	-	-	-	Ph.D. in International Business and Strategy, Graduate Institute of International Business, National Taiwan University MBA from the University of Nottingham, U.K. Independent Director/Director, Dynamic Electronics (Taoyuan) Co., Ltd. Independent Director, Gudeng Precision Industrial Co., Ltd.	Associate Professor, Discipline of International Business, and Director, Institute for Knowledge Services and Innovation, Yuan Ze University Independent Director, TCM Biotech International Corp. Independent Director, TST Group Holding Ltd. Independent Director, Wha Yu Industrial Co., Ltd. Supervisor, Sinfu Asset Management Co., Ltd.	None	None	None
Independent director	R.O.C.	Kun-Ming Lee	Male 41–50 years old	2021.08.27	3 years	2025.06.24	-	-	-	-	1,129	-	-	-	Executive Master's Program, College of Management, National Taiwan University MBA, Tiffin University, U.S.A.	Partner Certified Public Accountant, K&B CPAs Firm Independent Director, TST Group Holding Ltd. Director, Castles Technology Co., Ltd.	None	None	None
Independent director	R.O.C.	Chun-Chieh Chiu	Male 51–60 years old	2021.08.27	3 years	2018.06.08	-	-	-	-	-	-	-	-	Master of Laws, Chinese Culture University, Taiwan	Principal Attorney, An Bu Law Firm	None	None	None
Independent director	R.O.C.	Pei-Wen Wu	Female 41–50 years old	2021.08.27	3 years	2021.08.27	-	-	-	-	-	-	-	-	Master of Laws, Soochow University, Taiwan Legal Consultant, Kinmen County Government Legal Consultant, Association of Cross-Strait Public Opinion Young Entrepreneurs	Senior Attorney, Heng Sheng Law Firm Deputy Executive Director, New Taiwanese Cultural Foundation Member of Appeals Committee, Taiwan Lottery Co., Ltd. Selection Committee Member, Taiwan Sports Lottery Co., Ltd. Legal Advisor, Irrigation Management Office of Taoyuan, Council of Agriculture Legal Advisor, Kinmen County Police Bureau Independent Director, Leofoo Development Co., Ltd	None	None	None

Note: The Chairman of the Company, with the Chief Executive Officer and the President, are spouses or the same person, respectively, as this helps to improve operating efficiency and decision-making execution. Nevertheless, the Company has set up four seats for independent directors, with the number of independent directors exceeding one-half of the total number of directors. Among the seven directors, five directors are not concurrently serving as employees or managerial officers of the Group.

2. Major Institutional Shareholders

March 29, 2024

Name of Institutional Shareholder	Major Institutional Shareholders (Donors)
Chuang Foo Foundation	Foo Chuang (deceased) (11.12%), Chin-Feng Chuang Hsu (deceased) (22.22%), Tsun-Che Chuang (22.22%), Hsiu-Shih Chuang (22.22%), and Hsiu-Hsin Chuang (22.22%)

Note: The institutional shareholder is not a corporate organization. The names of shareholders and shareholding percentages disclosed above are the names of donors and their donation percentage.

3. Major Shareholders of Major Institutional Shareholders: Not applicable.

4. Professional Qualification and Work Experience of Directors and Independence of Independent Directors

Qualifications / Name	Professional Qualifications and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Feng-Ru Chuang, Chairman	Over 20 years of experience in the tourism industry. 15 years of experience as a director of Leofoo Development Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable as this individual is not an independent director	-
Chen-Jung Lai, Deputy Chairman	Over 20 years of experience in the tourism and construction industries. 15 years of experience as a director of Leofoo Development Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable as this individual is not an independent director	-

Qualifications / Name	Professional Qualifications and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Chuang Foo Foundation, Director (Representative: Tsui-Fang Hsu)	12 years of experience as a director of Leofoo Development Co., Ltd. Not under any of the categories stated in Article 30 of the Company Act.	Not applicable as this individual is not an independent director	-
Heng-Yih Liu, Independent Director	Mr. Liu holds a Ph.D. in International Business and Strategy from the Graduate Institute of International Business, National Taiwan University, and an MBA from the University of Nottingham, U.K., and is an Associate Professor in the Discipline of International Business and Director of the Institute for Knowledge Services and Innovation at Yuan Ze University. Since 2008, he has served as a supervisor, director, independent director, and Remuneration Committee member of listed companies. Mr. Liu has more than six years of relevant industry experience in tourism, telecommunication networks, electronic components, and semiconductors. Not under any of the categories stated in Article 30 of the Company Act.	1. The independent directors themselves, their spouses, and relatives within the second degree of kinship are not directors, supervisors, or employees of the Company or its affiliated companies. 2. The independent directors themselves are not directors, supervisors, or employees of a company which has a specific relationship with the Company. 3. The independent directors have not received any remuneration for providing business, legal, financial, accounting, and other services for the Company or any affiliated company. 4. The total number of shares in the Company held by the independent directors himself, his spouse, and in the name of others is 2,259, accounting for 0.00% of the total outstanding shares. Therefore, independent director Heng-Yih Liu has complied with the conditions of independence evaluation stipulated in Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	2

Qualifications / Name	Professional Qualifications and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as an Independent Director
Kun-Ming Lee, Independent Director	Mr. Lee holds an MBA from Tiffin University, U.S.A. He is a certified public account and is a former Assistant Manager of Deloitte & Touche, and a Partner Accountant of K&B CPAs Firm. Since 2018, he has been an independent director, Remuneration Committee member, and supervisor of listed companies. Mr. Lee has experience in the tourism, computer peripherals, and textiles-related industries. Not under any of the categories stated in Article 30 of the Company Act.	Same as the conditions of 1.-3. above. 4. The total number of shares in the Company held by the independent director himself, his spouse, and in the name of others is 1,129, accounting for 0.00% of the total outstanding shares. Therefore, independent director Kun-Ming Lee has complied with the conditions of independence evaluation stipulated in Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	1
Chun-Chieh Chiu, Independent Director	Mr. Chiu holds a Master of Laws from Chinese Culture University, Taiwan, and is a Managing Partner of Anbu Law Firm. He has been an independent director of listed companies since 2018 and has experience in the tourism industry. Not under any of the categories stated in Article 30 of the Company Act.	Same as the conditions of 1.-3. above. 4. The total number of shares in the Company held by the independent director himself, his spouse, and in the name of others is 0. Therefore, independent director Chun-Chieh Chiu has complied with the conditions of independence evaluation stipulated in Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	-
Pei-Wen Wu, Independent Director	Ms. Wu holds a Master of Laws from Soochow University, Taiwan, and is a Senior Attorney at Heng Sheng Law Firm. She has been serving as an independent director of listed companies for the first time since 2021, and has more than six years of working experience as an attorney-at-law. Not under any of the categories stated in Article 30 of the Company Act.	Same as the conditions of 1.-4. above. Therefore, independent director Pei-Wen Wu has complied with the conditions of independence evaluation stipulated in Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.	-

5. Diversity and Independence of the Board of Directors

(1) Diversity of the Board of Directors:

To strengthen corporate governance and promote the sound development of the composition and structure of the Board of Directors, the Company advocates and respects the policy of diversity of directors. The election and appointment of Board members is based on the principle of meritocracy. They have diverse and complementary capabilities and qualities across industries, including basic demographics (such as age and gender), and each director has experience and related skills from a variety of industries (such as tourism, construction, finance and accounting, law, electronic components, computers and peripherals, telecommunication networks, and textiles), as well as business judgment, business management, leadership and decision-making, and crisis management capabilities. To strengthen the functions of the Board of Directors to achieve the desired objectives of corporate governance, Article 20 of the Company’s Corporate Governance Best Practice Principles stipulates that the Board shall possess the following qualities: (1) Ability to make operational judgments, (2) Ability to perform accounting and financial analysis, (3) Ability to conduct management administration, (4) Ability to conduct crisis management, (5) Knowledge of the industry, (6) An international market perspective, (7) Ability to lead, and (8) Ability to make policy decisions.

The diversity among the current members of the Board of Directors of the Company is as follows:

Diverse Core Competences / Name of Director	Basic Composition								Expertise			Industry Experience					
	Nationality	Gender	Capacity When Concurrently Serving as an Employee of the Company	Age		Independent Director's Years of Service			Accounting and Finance	Law	Business Administration	Tourism	Construction	Telecommunication Networks	Electronic Components	Computer and Peripheries	Textiles
				41–50 years old	51–60 years old	3 years	6 years	9 years									
Feng-Ru Chuang	R.O.C.	Female	✓	✓					✓		✓	✓					
Chen-Jung Lai	R.O.C.	Male	✓		✓				✓		✓	✓	✓				
Chuang Foo Foundation Representative: Tsui-Fang Hsu	R.O.C.	Female		✓							✓	✓					
Heng-Yih Liu	R.O.C.	Male			✓			✓	✓		✓	✓		✓	✓		✓
Kun-Ming Lee	R.O.C.	Male		✓				✓	✓		✓	✓				✓	✓
Chun-Chieh Chiu	R.O.C.	Male			✓		✓			✓	✓	✓					
Pei-Wen Wu	R.O.C.	Female		✓		✓				✓	✓						

A. The 18th Board of Directors of the Company consists of seven directors, including two directors who concurrently serve as employees (President Feng-Ru Chuang and CEO Chen-Jung Lai), one director who is not an employee, and four independent directors. Directors who concurrently serve as employees only account for 2/7 of all directorial seats, which complies with the limit stipulated in Article 20 of the Corporate Governance Best Practice Principles of 1/3. The number of independent directors accounts for 4/7 of all directorial seats, reaching the target of more than 50% of all seats.

B. The Company also emphasizes gender equality in the composition of the Board of Directors. The current Board includes three female members (one of whom is an independent director), for apercentage of 43%. The target percentage of female directors, 33%, has been exceeded.

C. The average number of years of service of directors of the Company is ten, and all directors are R.O.C. citizens. Among them, independent directors Heng-Yih Liu and Kun-Ming Lee have served for nine years, independent director Chun-Chieh Chiu for six years, and independent director Pei-Wen Wu for three years. No independent director has served for more than three consecutive terms.

D. In terms of age distribution, there is four director in the 41–50 bracket, and three directors in the 51–60 bracket. There is no excessive concentration of directors in a certain age range, nor are there any succession issues.

E. All directors possess strong business judgment, leadership skills, decision-making abilities, and expertise in business management, including a vision of international markets and crisis management. They also have extensive industrial experience and professional abilities. Independent director Heng-Yih Liu holds a bachelor’s degree in Mechanical Engineering from National Cheng Kung University, an MBA from the University of Nottingham in the U.K., and a PhD in International Business and Strategy from the Graduate Institute of International Business, National Taiwan University. He currently serves as an Associate Professor of the Discipline of International Business atYuan Ze University and has more than 21 years of practical teaching experience, as well as 16 years of experience as an independent director or supervisor of listed companies. Independent directors Chun-Chieh Chiu and Pei-Wen Wu are practicing attorneys with expertise in legal matters. Independent director Kun-Ming Lee is a certified public accountant and a finance professional with extensive experience in practice and management.

To sum up, the Companys Board of Directors is diversified, complementary, and compliant with the standards outlined in Article 20 of the Company’s Corporate Governance Best Practice Principles. Moving forward, the Company will continue to review and update its diversification policy as needed based on the operations, operating model, and development needs of the Board of Directors. This policy will focus on the two major aspects of basic conditions and values, as well as professional knowledge and skills, to ensure that Board members generally have the knowledge, skills, and competency necessary to perform their duties.

(2) Independence of the Board of Directors:

At present, only 2/7 of the Company's Board of Directors are directors who concurrently serve as employees, which is less than 1/3 of the directors; independent directors account for 4/7 of all seats on the Board, which is more than half of the directors. In addition, among the directors, only two directors, Chairman Feng-Ru Chuang and Deputy Chairman Chen-Jung Lai, are spouses or are relatives within second-degree kinship, which is not more than half of all seats on the Board of Directors. As such, no circumstances stipulated in Paragraphs 3 and 4 of Article 26-3 of the Securities Exchange Act arise, demonstrating the independence of the Company's Board of Directors.

(II) Information on the President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

March 29, 2024; Unit: Share/%

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
President	R.O.C.	Feng-Ru Chuang (Note 1)	Female	1997.12.19	8,371,403	4.38	8,040,799	4.20	27,544,917	14.40	California Polytechnic State University, U.S.A.	Chairman, Elite Deli Co., Ltd. Chairman, Leofoo Agronomy Co., Ltd Chairman, Jung Feng Investment Co., Ltd. Corporate Director Representative, Ambassador Theatres Company	Chief Executive Officer	Chen-Jung Lai	Spouse
Chief Executive Officer	R.O.C.	Chen-Jung Lai (Note 1)	Male	2022.08.09	4,668,472	2.44	11,743,730	6.14	27,544,917	14.40	Executive Master's Program, College of Management, National Taiwan University	Chairman/President, Leofoo Development Co., Ltd Chairman/President, Leofoo Property Management Co., Ltd Chairman/President, Yi Jian Construction Co., Ltd. Chairman, Feng Jung Development Co., Ltd Chairman, Jiu Yung Investment Ltd. Executive Director, Leofoo Investment Ltd. Executive Director,	President	Feng-Ru Chuang	Spouse

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
												Leofoo Development (Hong Kong) Ltd. Chairman, Si Mian Fo Management Consultant Ltd.			
President, Urban Hotels	R.O.C.	Hung-Chi Chuang	Male	2023.09.11	-	-	-	-	-	-	Master of Management, Florida International University, U.S.A. Vice President of Operations for Overseas Business Division at L'hotel de Chine Corporation and General Manager of Chateau de Chine Xinzhuang President of the Lalu Nanjing	None	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
President, Urban Hotels	R.O.C.	Ching-Ju Lin (Note 2)	Female	2022.01.24	-	-	-	-	-	-	Master of Technology Management, College of Management, Fu Jen Catholic University President, Jasper Young Hotel President, Imperial Hotel Taipei	None	-	-	-
President, Theme Park	R.O.C.	Chung-Yueh Yeh	Male	2021.11.16	-	-	-	-	-	-	MBA, Royal Roads University, Canada Director, Farglory Ocean Park President, Omas Entertainment Co., Ltd.	None	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Group Operations Analysis Director	R.O.C.	Chih-Jui Huang (Note 3)	Female	2022.08.30	-	-	-	-	-	-	Bachelor, Department of Banking and Finance, Tamkang University Finance Director, Sunworld Dynasty Hotel Taipei Chief Financial Officer, Leofoo Hotel Accounting Manager, Leofoo Hotel	None	-	-	-
Finance and Accounting Supervisor	R.O.C.	Wen-Hsuan Li	Female	2023.02.24	-	-	-	-	-	-	Department of Business Administration, Tunghai University Finance and Accounting Vice President, Buima Group Inc. Taiwan Branch (Cayman Islands)	None	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Director	R.O.C.	Hsiao-Chi Wu (Note 4)	Female	2023.06.26	-	-	-	-	-	-	Master of Management, Tarleton State University Manager of Administration Department, Eugene Electric Co., Ltd. Deputy Manager of Administrative Management Department, Eirgenix, Inc.	None			
Senior Assistant Vice President	R.O.C.	Po-Cheng Chou	Male	2017.05.02	-	-	-	-	-	-	Department of Communications Management, Shih Hsin University Senior Manager, Marketing Department, Hoshin Gigamedia Center Inc. Funtown Branch	None	-	-	-

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Experience (Education)	Current Concurrent Positions at Other Companies	Managerial Officers who are Spouses or within the Second Degree of Kinship		
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relationship
Accounting Supervisor	R.O.C.	Ting-Wen Shih	Female	2023.02.24	-	-	-	-	-	-	Master of Business Administration, National Taipei University of Business Accounting Manager, WPG Holdings Accounting Manager, JEAN Co., Ltd.	None	-	-	-
Corporate Governance Officer	R.O.C.	Jing-Yi Huang	Female	2024.03.11	-	-	-	-	-	-	Master's Degree, Department of Accounting, Chinese Culture University Manager of Underwriting Department, Grand Cathay Securities Corporation Accounting Manager, Health Ever Bio-tech Co., Ltd.	None	-	-	-

Note: 1. The Chairman of the Company, with the Chief Executive Officer and the President, are spouses or the same person, respectively, as this helps to improve operating efficiency and decision-making execution. Nevertheless, the Company has set up four seats for independent directors, with the number of independent directors exceeding one-half of the total number of directors. Among the seven directors, five directors are not concurrently serving as employees or managerial officers of the Group.

2. Ching-Ju Lu, the president of City Hotel, has resigned on September 14, 2023.

3. General Manager Chi-Jui Huang has resigned from the position of Corporate Governance Officer on March 11, 2024.

4. General Manager Hsiao-Chi Wu has resigned on February 29, 2024.

III. Remuneration Paid to Directors, President, and Vice Presidents in the Most Recent Fiscal Year

(I) Remuneration Paid to Directors (including Independent Directors)

December 31, 2023; Units: Shares/%

Title	Name	Remuneration Paid to Directors								Ratio of Total Remuneration (A+B+C+D) to Net Income		Relevant Remuneration Received by Directors who are also Employees								Ratio of Total Remuneration (A+B+C+D+E+F+G) to Net Income		Remuneration from Invested Companies Other than Subsidiaries
		Base Compensation (A)		Severance Pay and Pension (B)		Director Compensation (C)		Business Expenses (D)				Salary, Bonus, and Allowance (E)		Severance Pay and Pension (F)		Employee Compensation (G)						
																The Company		All Companies in Consolidated Financial Statements				
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	All Companies in Consolidated Financial Statements	
Chairman	Feng-Ru Chuang	720	720	-	-	-	-	-	-	-	-	5,344	5,344	-	-	-	-	-	-	-	-	None
Directors	Chen-Jung Lai	720	720	-	-	-	-	-	-	-	-	1,336	7,183	-	-	-	-	-	-	-	-	None
Directors	Chuang Foo Foundation	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
	Representative: Tsui-Fang Hsu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent Director	Heng-Yih Liu	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent Director	Kun-Ming Lee	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent Director	Chun-Chieh Chiu	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
Independent Director	Pei-Wen Wu	120	120	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None

1. Please explain the independent director remuneration policy, system, standard, and structure, and the connection between the amount of remuneration and factors considered, such as their job responsibilities, risks, and working time:
   Please refer to page 37 2. The Company's Policies, Standards, and Composition for Compensating Directors, Supervisors, General Managers and Deputy General Managers, Procedures for Determining Compensation, and the Correlation With Operational Performance and Future Risks.
2. Other than disclosures in the above table, remuneration paid to directors for providing services (e.g., providing consulting services as a non-employee for the parent company/all companies in consolidated financial statements/reinvested businesses): None.

(II) Remuneration Paid to Supervisors: Not applicable.

(III) Remuneration Paid to the President and Vice Presidents

Units: NT$ thousands; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income		Remuneration from the Parent Company or Invested Companies Other than Subsidiaries
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Corporation		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
President	Feng-Ru Chuang	4,800	4,800	-	-	544	544	-	-	-	-	-	-	None
Chief Executive Officer	Chen-Jung Lai	1,200	6,229	-	-	136	954	-	-	-	-	-	-	None

(IV) Remuneration for the Top 5 Highest Paid Executives

Units: NT$ thousands; %

Title	Name	Salary (A)		Severance Pay and Pension (B)		Bonus and Allowance (C)		Employee Compensation (D)				Ratio of Total Remuneration (A+B+C+D) to Net Income		Remuneration from the Parent Company or Invested Companies Other than Subsidiaries
		The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company	All Companies in Consolidated Financial Statements	The Company		All Companies in Consolidated Financial Statements		The Company	All Companies in Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
Chief Executive Officer	Chen-Jung Lai	1,200	6,229	-	-	136	954	-	-	-	-	-	-	None
President	Feng-Ru Chuang	4,800	4,800	-	-	544	544	-	-	-	-	-	-	None
President, Theme Park	Chung-Yueh Yeh	2,164	2,164	-	-	1,981	1,981	-	-	-	-	-	-	None
President, Urban Hotels	Ching-Ju Lin	1,863	1,863	-	-	46	46							None
Senior Assistant Vice President	Po-Cheng Chou	1,802	1,802	-	-	435	435	-	-	-	-	-	-	None

Note: Ching-Ju Lu, the president of City Hotel, has resigned on September 14, 2023.

(V) Names of Managerial Officers Related to the Distribution of Employee Compensation and the Circumstances of Distribution: No employee compensation was distributed due to accumulated losses.

(VI) Separately Compare and Explain the Ratio of Total Remuneration Paid to the Directors, Presidents, and Vice Presidents of This Company and all Companies Covered in the Consolidated Financial Statements to After-Tax net Profit in the Parent Company Only or Separate Financial Reports for the Most Recent two Fiscal Years, and Describe the Policies, Standards, and Packages for Remuneration Payment, the Procedures for Setting Remuneration, and the Correlation With Operational Performance and Future Risk:

1. Analysis of Remuneration Paid to Directors, the President and Vice Presidents as a Percentage of net Profit After Tax:

Units: NT$ thousands; %

Year / Item	2023		2022	
	Parent Company Only Financial Statements	Consolidated Financial Statements	Parent Company Only Financial Statements	Consolidated Financial Statements
Net Income (Loss)	(97,744)	(97,744)	(316,972)	(316,972)
Remuneration Paid to Directors	2,040	2,040	2,040	2,040
Ratio of Remuneration Paid to Directors to All Remuneration Paid	(2.09)	(2.09)	(0.64)	(0.64)
Remuneration Paid to the President, CEO and Vice Presidents	6,680	12,527	4,734	11,123
Ratio of Remuneration Paid to President, CEO and Vice Presidents to All Remuneration Paid	(6.83)	(12.82)	(1.49)	(3.51)

2. The Company’s Policies, Standards, and Composition for Compensating Directors, Supervisors, General Managers and Deputy General Managers, Procedures for Determining Compensation, and the Correlation with Operational Performance and Future Risks:

(1) The Company’s remuneration of directors is based on their participation in the Company’s operations and contribution value. According to relevant remuneration methods and in consideration of future risks and hotel industry standards, the distribution method is proposed, and it is then implemented after being submitted to the remuneration committee and resolved and approved by the board of directors.

(2) The directors and independent directors of the Company receive fixed remuneration. In addition, according to Article 24 of the Company's Articles of Incorporation, if the Company makes profits in a fiscal year, 3% of them shall be allocated as employee compensation and no more than 3% shall be allocated as director compensation. Employee compensation and remuneration of directors shall be submitted to and reported at the shareholders' meeting. However, if the Company has accumulated a deficit, the priority is to allocate an amount to offset the deficit first. Then, the employee compensation and remuneration of directors shall be allocated based on the aforementioned percentage

(3) The remuneration of employees mentioned in the previous paragraph will be disbursed in the form of stock or cash, as determined by the board of directors. The payment will cover employees who have been hired or employed by the Company, formally appointed, and entitled to labor insurance benefits. However, temporary and probationary personnel are excluded from this provision.

(4) The Company had accumulated losses as of December 31, 2023, so it did not distribute director or employee compensation.

(5) The remuneration to managerial officers includes salary and bonuses, where the salary is determined based on industry standards as well as considering factors such as experience, professional skills, managerial competencies, and the position held; the bonus is linked to the Company's performance evaluation management system, which includes financial and non-financial performance targets and indicators such as revenue, profit, successor development, risk control, and medium- and long-term goals. The Company regularly evaluates the performance of managerial officers, and the distribution of bonuses and employee remuneration is determined by the results of the evaluations. The Company also encourages high-level management and managerial officers to focus on the Company's long-term business objectives and cultivate talented individuals. Additionally, in October 2023, we promoted an employee stock ownership trust for formal employees.

IV. Implementation of Corporate Governance

(I) Implementation Status of Board of Directors

1. Implementation Status of Board of Directors

A total of five meetings (A) of the Board of Directors were held in the most recent fiscal year (2023). The attendance of the directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Chairman	Feng-Ru Chuang	5	-	100%	None
Directors	Chen-Jung Lai	5	-	100%	None
Directors	Chuang Foo Foundation Corporate Shareholder Representative: Tsui-Fang Hsu	5	-	100%	None
Independent Director	Heng-Yih Liu	5	-	100%	None
Independent Director	Kun-Ming Lee	4	1	100%	None
Independent Director	Chun-Chieh Chiu	5	-	100%	None
Independent Director	Pei-Wen Wu	5	-	100%	None

Other matters to be recorded:

I. With regard to the implementation of the Board of Directors, if any of the following circumstances occur, the dates, terms of the meetings, contents of motions, all independent directors' opinions and the Company's handling of such opinions shall be specified:

(I) Items listed in Article 14-3 of the Securities Exchange Act: The Company has established an Audit Committee, and as such the stipulations of Article 14-3 of the Securities Exchange Act do not apply. For relevant information, please refer to the operation of the Audit Committee on pages 41-44.

(II) Any recorded or written Board resolutions to which independent directors have objections or reservations to be noted in addition to the aforementioned items: None.

II. Regarding recusals of directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified:

Time of the Board Meeting	Content of Motion	Name of Recused Director	Reasons for Recusal	Participation in Voting
18th Board of Directors 13th meeting 2023.08.09	The Company's proposal to sell real estate to a related party	Feng-Ru Chuang and Cheng-Jung Lai	Due to the conflict of interests involving the directors themselves or their spouses	The parties involved in the conflicts of interest in this case are requested to refrain from participating in the discussion and voting, and Independent Director Heng-Yih Liu is requested to act as the chairperson. The remainder of the attending directors adopted the proposal with no objection.

III. The current and most recent year's goals of strengthening the functions of the Board of Directors (such as the establishment of an Audit Committee, the improvement of information transparency, etc.) and the evaluation of its implementation:

(I) Improvement of information transparency

The Company has formulated the Regulations Governing Procedure for Board of Directors Meetings to be in compliance with the Regulations Governing Procedure for Board of Directors Meetings of Public Companies and disclosed major resolutions of the Board of Directors on the Market Observation Post System (MOPS). In addition, to establish an internal material information management mechanism to avoid improper information disclosure, and to ensure the consistency and correctness of the information released by the Company to the general public, the Company also amended the Procedures for Handling Material Inside Information on December 28, 2022. This has been announced and implemented internally in the Company and simultaneously incorporated into the Company's internal control system to implement the principle of fairness in the form of information symmetry.

(II) Implementation of Laws and Regulations Concerning Corporate Governance

In order to enhance the familiarity of directors and managerial officers with securities management laws and regulations, and to continue to strengthen the increasing of awareness of laws and regulations concerning corporate governance, in addition to providing information on recent legal amendments to the Board of Directors, directors actively participate in seminars and forums on corporate governance with the competent authorities, and refresher courses on corporate governance laws and regulations are regularly arranged in order to improve the effectiveness of education, and further improve the Company's implementation of sound corporate governance.

2. Implementation of Evaluation of the Board of Directors

(1) The evaluation cycle, period, scope, and method, as well as self-evaluation content, for the Board of Directors of the Company are as follows:

Frequency	Period	Scope	Method	Content
Once a year	From January 1, 2023 to December 31, 2023	The Board of Directors, individual members of the Board, and functional committees	Self-evaluation of the Board of Directors, individual members of the Board of Directors, and functional committees	(Note)

Note: The evaluation contents include at least the following items based on the scope of evaluation:

(1) The evaluation of Board performance includes the participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of directors, internal controls, etc.

(2) The evaluation of the board member performance includes alignment with the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationships and communication, professionalism and continuing education, and internal controls.

(3) The evaluation of the functional committee performance includes participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, makeup of the functional committee, the election of its members, and internal controls.

The Company has formulated the Rules for Performance Evaluation of Board of Directors, and the evaluation results are reported to the Board of Directors every year and used as a reference for individual directors' remuneration and nomination for re-election.

(II) Annual Work Focus and Operation of the Audit Committee

1. Functions and duties of the Audit Committee:
   - Formulate or amend the internal control system in accordance with Article 14-1 of the Securities and Exchange Act.
   - Assess the effectiveness of the internal control system.
   - Stipulate or amend regulations involving the acquisition or disposal of assets and transaction in derivatives in accordance with Article 36-1 of the Securities and Exchange Act.
   - Procedures for dealing with material financial business activities such as transactions, lending funds to others, endorsement or provision of guarantee for others.
   - Matters involving the interests of the directors themselves.
   - Material transactions involving assets or derivatives.
   - Material capital loans, endorsements, or guarantees.
   - Raising, issuing, or private placement of securities with equity nature.
   - Appointment, dismissal, or remuneration of certified public accountants (CPAs).
   - Appointment and dismissal of finance, accounting, or internal audit supervisors.
   - The annual financial statements signed or sealed by the Chairman, the managerial officer, and the accounting supervisor, and the Q2 financial statements that must be audited and attested by CPAs.
   - Other material matters stipulated by the Company or the competent authority.
2. There are four members in the current Audit Committee, and the annual work focuses are reviewing financial reports, assessing the effectiveness of the internal control system, matters related to corporate governance, amendments of the internal control system, and risk management matters.

3. A total of five meetings (A) of the Audit Committee were held in the most recent fiscal year (2023). The attendance of the directors is as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convening Member	Heng-Yih Liu	5	-	100%	None
Committee Member	Kun-Ming Lee	4	1	100%	None
Committee Member	Chun-Chieh Chiu	5	-	100%	None
Committee Member	Pei-Wen Wu	5	-	100%	None

Other matters to be recorded:

I. With regard to the operation of the Audit Committee, if any of the following circumstances occurs, the dates, terms of the meetings, contents of motions, dissenting and reserved opinions of independent directors or major items and contents of recommendations, all Audit Committee resolutions, and the Company's handling of such resolutions shall be specified:

(I) Matters referred to in Article 14-5 of the Securities and Exchange Act

Time of the audit committee Meeting	Content of Motion
2th board of directors 9th meeting 2023.03.13	1. Ratification of the appointment of the new finance supervisor and accounting supervisor.
	2. The Company's 2022 Business Report, parent company only financial statements, and consolidated financial statements.
	3. Proposal to formulate the Company's "General Principles of Pre-Approval of Non-Assurance Services Policy" and the pre-approval of non-assurance service of the CPAs' accounting firms.
	4. The Company's 2022 Deficit Appropriation.
	5. The Company's 2022 Statement on Internal Control.
	6. Amendments to the Company's "Rules Governing Financial and Business Matters Between the Company and Its Affiliated Enterprises" and renaming the principles to "Rules Governing Financial and Business Matters Between the Company and Its Related Parties."
	7. Amendments to the Company's "Rules of Procedure for shareholders' meetings."
	8. Renewal of the expired loan limit from Bank D.
	9. Extension of the expired loan limit from Bank A.
	Contents of independent directors' objections, reservations, or material suggestions: None.
	The Company's handling of the audit committee's opinion: Submitted to the Company's board of directors and resolved and approved.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.

2th board of directors 10th meeting 2023.05.10	1. Proposal to replace the Company's certified public accountants starting from 2023, assessment of the independence and suitability of the certified public accountants and their remuneration.
	2. The Company's financial statements for Q1 2023.
	Contents of independent directors' objections, reservations, or material suggestions: None.
	The Company's handling of the audit committee's opinion: Submitted to the Company's board of directors and resolved and approved.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.
2th board of directors 11th meeting 2023.08.09	1. Appointment of the new auditing officer.
	2. The Company's financial statements for Q2 2023.
	3. The Company's proposal to sell real estate to a related party.
	4. Amendments to the Company's "Corporate Governance Best Practice Principles" and "Sustainable Development Code of Practice."
	5. Amendments to the Company's "Rules of Scope for Responsibilities of Independent Directors."
	6. Renewal of the expired credit line from Bank C.
	Contents of independent directors' objections, reservations, or material suggestions: None.
	The Company's handling of the audit committee's opinion: Submitted to the Company's board of directors and resolved and approved.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.
2th board of directors 12th meeting 2023.11.13	1. The Company's financial statements for Q3 2023.
	Contents of independent directors' objections, reservations, or material suggestions: None.
	The Company's handling of the audit committee's opinion: Submitted to the Company's board of directors and resolved and approved.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.
2th board of directors 13th meeting 2023.12.29	1. The Company's internal audit plan for 2024.
	2. The Company's 2024 operation plan and annual business budget.
	3. Renewal of credit line from Bank E.
	Contents of independent directors' objections, reservations, or material suggestions: None.
	The Company's handling of the audit committee's opinion: Submitted to the Company's board of directors and resolved and approved.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.

(II) Other matters not approved by the Audit Committee but approved by two-thirds or more of all directors: None.

II. Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusals, and results of voting shall be specified: None.

III. Communications between independent directors and internal audit supervisors and CPAs (shall include material issues, methods and results of communication on the Company's financial and business conditions): The Company's financial statements are submitted on a quarterly basis to the Board of Directors for discussion and resolution after being approved by the Audit Committee. The independent directors communicate with the CPAs if they have any questions. The internal audit supervisor drafts an audit plan every year and submits it to the Board of Directors for discussion and resolution after being approved by the Audit Committee, and makes quarterly audit reports to the Audit Committee and the Board of Directors.

(III) Implementation Status of Corporate Governance and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
1. Has the Company established and disclosed its own corporate governance best practice principles based on the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has established the Corporate Governance Best Practice Principles and disclosed these principles on the Market Observation Post System (MOPS) and the Company's website.	No deviations.
2. Shareholding structure and shareholders' rights (1) Has the Company established an internal procedure for handling shareholder proposals, inquiries, disputes, and litigations? Are such matters handled according to the internal procedure? (2) Does the Company maintain a register of the major shareholders with controlling power, as well as a register of the ultimate controller of those major shareholders?	✓ ✓		(1) The Company has established a spokesperson mechanism in accordance with regulations to handle issues such as shareholder suggestions or disputes. (2) The Company's stock affairs agency is able to provide the roster of shareholders in a timely manner so that the Company is able to keep track of the list of its major shareholders with controlling power as well as the ultimate owners of those major shareholders. The Company may understand the shareholder structure through the roster.	No deviations.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(3) Does the Company establish and enforce the risk control mechanism and firewall mechanism between itself and its associates?	✓		(3) The Company has established Supervision and Management of Subsidiaries, an internal control system, and Rules Governing Financial and Business Matters Between the Company and Its Affiliated Enterprises. These regulations establish and implement risk control and firewall mechanisms with affiliated companies.	
(4) Does the Company stipulate internal rules that prohibit company insiders from trading securities using information not disclosed to the market?	✓		(4) The Company has established the Procedures for Handling Material Inside Information and Regulations Governing the Management and Control of Preventing Insider Trading, which regulate and advocate that insiders are not allowed to use unpublished information in the market to buy and sell securities so as to protect the rights and interests of investors.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
3. Composition and responsibilities of the board of directors (1) Has the board of directors formulated a strategy to achieve diversity among Board members and, if so, is such strategy being implemented?	✓		(1) The Company's "Corporate Governance Best Practice Principles" and "Procedures for Election of Directors" stipulate that the composition of the board of directors should consider diversity, and formulate appropriate diversity policies in accordance with the Company's operation, business model, and development needs. For the specific management goals and implementation, please refer to the "5. Diversity and Independence of the Board of Directors" on pages 25-28.	Functional committees may be established depending on the future demands of the Company.
(2) In addition to establishing a Remuneration Committee and audit committee as required by law, has the Company voluntarily established other Functional Committees?		✓	(2) Except for the remuneration committee and the audit committee, the Company has not established other functional committees.	
(3) Has the Company established standards to measure the performance of the Board, and does the Company implement such	✓		(3) The Company's "Performance Evaluation Measures for the board of directors" clearly defines the evaluation methods, and performance	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
annually? Are the results submitted to the board of directors and used as references for director remuneration and nominations for reappointment?			evaluations are conducted annually in accordance with these measures. The performance evaluation of the board of directors for the year 2023 has been completed and was reported to the board of directors on March 11, 2024, to serve as a reference for the remuneration and renomination of individual directors.	
(4) Does the Company regularly evaluate the independence of CPAs?	✓		(4) In accordance with the "Regulations Governing the Evaluation and Performance Assessment of Certified Public Accountants," the Company annually evaluates the independence and performance of Certified Public Accountants, and if the achievement rate of the performance assessment reaches 80% or above, they will be reappointed. The evaluation of independence of CPAs in 2024 has been completed, and the statement of independence and audit quality report issued by the CPAs was obtained, which was approved by the board of directors on March 11, 2024.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
4. If the Company is a listed or OTC company, has it established a dedicated or partially dedicated unit or personnel to be responsible for matters relevant to corporate governance (including but not limited to providing directors and supervisors required information for business execution, handling company registration and change of registration, and keeping minutes at Board meetings and shareholders' meetings)?	✓		On March 13, 2023, the Company's board of directors approved the appointment of a new corporate governance supervisor to be responsible for corporate governance-related matters, including handling directors' requests, conducting board of directors and shareholders' meetings in accordance with the law, handling company registration and changes, preparing minutes for board of directors and shareholders' meetings, assisting directors in taking office and continuing education, reporting to the board of directors on the review results of whether independent directors meet the relevant legal requirements during nomination, election and tenure, revising relevant rules and regulations, and handling director changes and related matters. The Corporate Governance Officer for 2023 has completed 18 hours of initial training on November 13, 2023.	No deviations.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
5. Has the Company established communication channels between stakeholders (including but not limited to shareholders, employees, customers, and suppliers), set up a stakeholder area on the Company's website, and responded appropriately to important corporate social responsibility issues of concern to stakeholders?	✓		The Company has a spokesperson and has set up a section for stakeholders on the Company's website to properly respond to important corporate social responsibility issues of concern to stakeholders.	No deviations.
6. Does the Company commission a professional shareholder services agency to handle matters in connection with the Shareholders' Meetings?	✓		The Company has appointed the professional stock affairs agency "Main Department of Stock Affairs Agency of Mega Securities Co., Ltd." to handle the Company's shareholders' meetings and stock affairs.	No deviations.
7. Information disclosure (1) Does the Company have a corporate website to disclose both financial standings and the status of corporate governance? (2) Does the Company have other information disclosure channels (e.g. an English website, designated people to handle information collection and disclosure, a spokesman system, webcasting of investor conferences)?	 ✓ ✓		 (1) The Company has set up a website to disclose financial business and corporate governance related information. (2) The Company has designated personnel responsible for collecting and disclosing company information, has a spokesperson in charge of speaking to the general public, and places relevant information at the institutional investors conference in the investor section of the Company's website for inquiries by investors.	No deviations.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
(3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?		✓	(3) The Company does not publish and declare annual financial statements within two months after the end of the fiscal year, but publishes and declares quarterly financial statements and monthly revenues before the deadline.	
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	✓		(1) Employee rights and wellness: The Company upholds employee rights and interests in compliance with the Labor Standards Act and relevant laws and regulations. To ensure employee wellness, it provides a comprehensive welfare system, including employee meals, company trips, health checks, and access to a company clinic. Additionally, the Company offers education and training. These efforts have built a relationship of trust between the Company and its employees. (2) Investor relations: The Company appoints a designated spokesperson to release information on behalf of the Company, and has established an investor service section on its website to provide shareholders with up-to-date information on the	No deviations.

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			Company's operational status. (3) Supplier relationships and stakeholder rights: The Company maintains good relationships and communication channels with suppliers, financial institutions, other creditors, and customers. The Company also recognizes the rights of stakeholders and works to respect and safeguard their legal rights, providing a special section for stakeholders on the Company website and establishing dedicated contacts responsible for directly communications with stakeholders. (4) Directors' Training: The Company arranges continuing education courses for directors every year to maintain the core values, professional advantages, and capabilities of directors. In 2023, each director completed more than six hours of continuing education and training. (5) Implementation of risk management policies and risk measurement standards: The Company's senior management meetings regularly review the Company's operation conditions to identify and mitigate operational risks in response to rapid market changes.	

Evaluation Item	Implementation Status			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Description	
			(6) Implementation of customer policies: The Company's website has a stakeholder section with an area for feedback, where we receive customer comments. To provide quality service, we have established service standards and a customer voice management policy, aiming to improve our products and services based on customer needs. (7) Directors' and Officers' Liability Insurance: Liability insurance was purchased for directors and managerial officers in 2023, and the insurance conditions were reported to the board of directors on November 13, 2023.	

9. Based on the latest Corporate Governance Evaluation report released by the Corporate Governance Center of TWSE, please state the circumstances in which improvements have been made and propose priorities and measures for those that have not yet improved:

(1) The English version of the meeting notice, meeting handbook, and supplementary meeting materials were uploaded 30 days before the annual general shareholders' meeting.

(2) The annual report and annual financial report disclosed in English have been uploaded before the 16th day prior to the annual general meeting.

(3) The information about the changes in the shareholdings of insiders for the previous month has been uploaded to the Market Observation Post System by the 10th of each month (inclusive).

(4) Strengthen uploading Chinese and English versions of annual reports before the shareholders' meeting on the 18th.

(IV) If the Company Has Established a Remuneration Committee or Nomination Committee, Its Composition, Responsibilities, and Operations Shall Be Disclosed:

1. The Board of Directors has established the Remuneration Committee in accordance with the organizational regulations of the Remuneration Committee approved by the Board of Directors. Its main functions are to formulate proposals for the following items:

   Main functions:

   - Formulate and regularly review policies, systems, standards and structures for performance evaluation and remuneration of directors and managerial officers.
   - Regularly evaluate and determine the remuneration of directors and managerial officers.

   (1) Information on the Remuneration Committee Members

Title \ Name \ Qualifications		Professional Qualifications and Work Experience	Independence Status	Number of Other Public Companies where the Individual Concurrently Serves as a Remuneration Committee Member
Convening Member	Heng-Yih Liu	Note	Note	2
Committee Member	Kun-Ming Lee	Note	Note	1
Committee Member	Chun-Chieh Chiu	Note	Note	-

Note: Please refer to the “4. Explanation of Professional Qualifications and Work Experience of Directors and Independence of Independent Directors” on pages 22-24.

   (2) Operational Status of the Remuneration Committee

   A. There are a total of three members in this term of the Remuneration Committee.

   B. The term of office of the current Remuneration Committee is from August 27, 2021 to August 26, 2024. A total of three meetings (A) of the Remuneration Committee were held in 2023, with the qualifications of members and attendance records as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A)	Remarks
Convener	Heng-Yih Liu	3	-	100	None
Committee Member	Kun-Ming Lee	3	-	100	None
Committee Member	Chun-Chieh Chiu	3	-	100	None

Other matters to be recorded:

I. If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the Company's response to the Remuneration Committee's opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

Time of Remuneration Committee Meeting	Content of Motion
5th board of directors 7th meeting 2023.05.10	1. Ratification of "Position transfer and remuneration adjustment of Leofoo Tourism Group's Level 19 supervisors and above in 203."
	Resolution result: Upon the chairperson's consultation with all attending members, the resolution was passed without objection.
5th board of directors 8th meeting 2023.08.09	1. Employee Stock Ownership Trust Incentive Deposit Plan.
	2. Ratification of appointment of the Company's Level 19 supervisors and above.
	3. Appointment of the new auditing officer.
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.
5th board of directors 9th meeting 2023.12.29	1. Ratification of promotion and remuneration adjustment of the Company's senior supervisors.
	2. Distribution of Leofoo Tourism Group year-end bonus
	Result: After the chairman consulted all the members present, the resolution was passed with no objections.

II. If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members' opinions, and the response to members' opinion shall be specified: None.

2. Operational Status of the Nomination Committee: The Company has not yet established a nomination committee.

(V) Implementation Status of Sustainable Development, Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and Reasons Therefore:

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
1. Has the Company established a governance structure to promote sustainable development, including dedicated units to implement sustainable development initiatives? Additionally, has the board of directors appointed senior management to oversee sustainable development affairs and report on their progress to the Board? (Listed and OTC companies shall fill in the implementation status, not their compliance or interpretation.)	✓		The Company has established a Corporate Brand and Marketing Department to promote sustainable development, including charity sponsorships and charity sales, environmental sustainability education, green protection, green procurement, green ingredients, green hotels, assisting innovative cooperative groups, corporate governance, employee care, corporate governance, ethical management, stakeholder communication, etc. The department reports to the board of directors annually in December on the operation and implementation of corporate social responsibility for the year.	No deviations.
2. Does the Company perform risk assessments on environmental, social, and corporate governance issues related to its business operations and develop appropriate risk management policies or strategies based on the principle of materiality? (Listed and OTC companies shall fill in the implementation status, not their compliance or interpretation.)		✓	The Company has established Corporate Social Responsibility Best Practice Principles and sets annual targets for its corporate social responsibility and environmental sustainability mission. The effectiveness of implementation is reviewed regularly. The Company conducts regular training sessions for our internal employees to instill green and environmentally friendly social responsibility concepts, such as energy conservation, carbon reduction, and waste water recycling. Furthermore, the Company promotes environmental sustainability education externally and conducts anti-rhino poaching campaigns to advocate the concept of animal conservation. The Company regularly discusses information security risks, occupational safety risks, food safety risks, and other related issues.	Risk management policies and strategies are currently being developed.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
3. Environmental issues (1) Has the Company established an environmental management system that is appropriate for the characteristics of its industry?	✓		(1) Leofoo Tourism Group places a significant emphasis on environmental sustainability and has taken steps to enhance the management of its green supply chain. The Group consistently procures materials and products from social enterprises, local small farmers, and those that are Fair Trade Certified and traceability-certified, all of which align with the principles of environmental sustainability. Furthermore, the Group has integrated the concept of sustainable development into its supplier management mechanism and leverages its corporate influence to encourage and mandate suppliers to provide environmentally friendly products that meet high standards; furthermore, staff are sent irregularly to the sources of the ingredients for vendor inspections to ensure the origin and quality of the ingredients. In addition, the Courtyard by Marriott Taipei is a model hotel and has been certified as a traceable restaurant by the Agriculture Multi-Discipline Association of Taiwan (AMOT) for five consecutive years as of 2023. In line with our commitment to environmental sustainability, all restaurants within the Leofoo Tourism Group have ceased serving shark fin dishes and actively encourage our patrons to refrain from consuming shark fins or purchasing any products made from animal horns or scales. This initiative has made our Group the first five-star hotel and restaurant chain in Taiwan to completely eliminate shark fin cuisine from all of our	No deviations.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
(2) Does the Company strive to efficiently utilize all energy resources and incorporate renewable materials with minimal environmental impact?	✓		brands. The restaurant's cuisine adheres to four principles: "natural ingredient selection," "healthy cooking," "eco-friendliness," and "locally sourced fresh produce." They avoid wasting any food resources, ensuring that "everything on the plate is edible!" (2) The Leofoo Tourism Group has made significant strides in advancing its CSR environmental sustainability mission, as evidenced by the progress achieved in accordance with its annual strategic objectives: 1. Green accommodation (1) Courtyard by Marriott Taipei was awarded the Environmental Protection Agency's Environmental Label Hotel Silver Certification, and Leofoo Resort Guanshi was awarded the Green Accommodation Certification. (2) All energy-saving light bulbs in the guest rooms were replaced with LED bulbs after they were damaged. This replacement has resulted in significant energy and electricity savings. (3) Environmentally-friendly products are being gradually implemented for guest room toiletries in order to reduce environmental pollution. (4) To minimize water waste, we change bed sets, linens, and towels every other day for guests who stay multiple nights. (5) The covers of the room cards are recycled and reused, while the resources are sorted and recycled to minimize waste.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
			(6) Environmentally friendly functional products are being gradually adopted as hotel room cleaning agents to reduce environmental pollution. (7) Water-soluble toilet paper is used to reduce environmental pollution. 2. Green dining (1)The Company has increased the proportion of locally sourced ingredients in order to reduce greenhouse gas emissions generated during transportation. As a result, the amount of local ingredients purchased in Nangang and Guanshi has reached NT$5 million. This achievement has earned the Company the Second Prize of the Buying Power Procurement Award from the Ministry of Economic Affairs. (2)The Sunrise All Day Dining in the Courtyard by Marriott Taipei and Cape of Good Hope Restaurant in Leofoo Resort Guanshi received the Environmental Protection Agency's Green Restaurant Certification. (3)Our restaurants have completely replaced paper straws with plastic straws to reduce environmental pollution. (4)The welcome tea or water for hotel guests is served in glasses, reducing the consumption of disposable paper cups. (5)The restaurants have accurately estimated the number of customers and control the amount of ingredients to be prepared accordingly; they have also increased the	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
			use of ingredients unused but already processed on the same day to control and reduce ingredient waste. (6)The restaurant obtained a traceability certification package and increased the proportion of environmentally friendly ingredients procured, with the procurement amount reaching NT$290,000. 3. Energy saving, waste reduction, and recycling (1) Internally, the Company promotes the use of recycled paper for photocopying, reduces paper-based promotional materials, and procures environmentally certified paper materials. (2)The Company advises employees to implement waste classification, replace old equipment, and replace old devices with energy-saving ones. (3) In the fourth quarter, the Company initiated a circular economy by recycling both raw and cooked food waste as well as animal manure. This was achieved through the use of vermicompost eco-boxes, which produced organic compost for the Company’s own use. The compost was then utilized to cultivate pumpkins, sweet potatoes, corn, and sweet potato leaves, resulting in a total production value of 3.1 tons. The produce was sold to partner companies, while any unsightly fruits and vegetables were reserved for animal consumption. (4) The animal manure compost grinders have produced 36 tons of organic fertilizer in 2023, which has been used for organic farming on the Leofoo Shallow Hills.	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
(3) Has the Company evaluated the potential risks and opportunities of climate change for its present and future operations, and implemented response measures in relation to climate change? (4) Has the Company calculated its greenhouse gas emissions, water consumption, and waste production over the past two years and implemented policies to reduce energy and water consumption, as well as carbon and greenhouse gas emissions, and waste production?	 ✓	✓	(3)(4) All brands under the Group adhere to the policy of green sustainability. They have developed energy-saving and carbon-reduction strategies in accordance with this policy. 1. Water conservation: The Leofoo Resort Guanshi promotes water conservation in all guest rooms by not installing bathtubs; instead, showers are available in the bathroom. Additionally, the hotel uses water-saving label certified products in its water boilers and dispensers. 2. Saving energy and electricity: Replaced all damaged light bulbs with energy-efficient LED light bulbs in every hotel room. Additionally, we encourage guests and staff to turn off power and lights when not in use. Finally, we have set a fixed temperature for the air-conditioning in public spaces of the restaurant, resulting in an average energy savings of 1% per year. 3. Reducing carbon emissions: In order to meet the demand for food and beverage ingredients, we prioritized the evaluation of local procurement options and supported socially innovative products. This approach aimed to reduce the greenhouse gases generated by suppliers during transportation of ingredients. Of these purchases, we procured NT$290,000 worth of local ingredients from Nangang and Guanshi. 4. The Courtyard by Marriott Taipei has obtained the ISO-14061 carbon inventory international certification	The Company reviews climate change strategies and targets, manages climate change risks and opportunities, and discusses future plans.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
			from the British Standards Institution (BSI), an impartial third party (the year of inventory was 2018, and the hotel was certified in 2019). The Courtyard by Marriott Taipei has specially set up a time-sharing operation mechanism for the air conditioning and lighting in public spaces, and carries out regional control according to daytime and nighttime modes, effectively implementing energy-saving and carbon reduction. 5. In 2021, the Company began to compile statistics on greenhouse gas emissions, water consumption, and total weight of waste, and in 2022, the Company began to discuss related policies and targets. The relevant information is disclosed on the Company's official website.	
4. Social issues (1) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		(1) The Company's Work Rules are reported to and approved by the Department of Labor. The Company upholds its corporate social responsibility and protects the fundamental human rights of all employees, customers, and stakeholders. It respects and adheres to internationally recognized human rights norms and principles, including the core labor standards of the United Nations Universal Declaration of Human Rights, the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, the United Nations International Labor Organization, and other internationally recognized basic conventions, as well as	No deviations.

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
			local laws and regulations when formulating human rights policies. The Company provides a reasonable and safe working environment, eliminates any human rights violations, and offers fair, equal, and dignified treatment to both internal and external members of the Company.	
(2) Does the Company appropriately reflect the business performances or achievements in the employee remuneration policy (including salary, annual leave and other benefits)?	✓		(2) The Company compensates new employees based on the new employee payroll benchmark, conducts yearly labor inventory and salary adjustments, and distributes year-end bonuses and employee bonuses. These bonuses are determined by the Company's operating conditions and the results of employee performance evaluations. In accordance with Article 30-1 of the Labor Standards Act, a four-week flexible working hours system is implemented and the annual vacation days are 117 days as agreed by the labor-management meeting. The Company is also committed to gender equality, with equal pay for equal work and equal promotion opportunities for both men and women. In 2023, the percentage of female employees was 52.70% and the percentage of female supervisors was 49.47%.	
(3) Does the Company provide a healthy and safe work environment and organize health and safety training for its employees on a regular basis?	✓		(3) The Company conducts regular health examinations and monitors the work environment to comply with regulations and provide a safe working environment. Regular safety and health education is also provided to employees. In 2023, there were 108 occupational accidents, accounting for 0.44% of the total number of	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
			employees. Most of these accidents occurred during commuting or involved cuts. To address occupational accidents, employee education and training have been strengthened, and relevant materials have been posted on the employee bulletin board. Injured employees receive health education and care to ensure their physical and mental well-being. Additionally, Leofoo Village and Leofoo Resort have obtained ISO 45001 certification, valid from April 21, 2022, to April 21, 2025. Emergency response plans are implemented annually, and in 2023, there were zero fire incidents.	
(4) Does the Company establish effective career development and training plans for its employees?	✓		(4) To enhance the career capabilities of its employees, the Company conducts monthly on-the-job training sessions on various themes. Additionally, the Company has implemented a management succession system that includes a reserve and training program for middle and senior managers. This succession management mechanism aims to identify and develop employees with exceptional performance, strategic thinking skills, and values that align with the Company's culture. These values include integrity, personal advancement, efficiency, and key leadership traits such as ethics, honesty, and accountability.	
(5) Does the Company comply with relevant regulations and international standards regarding customer health and safety, right to	✓		(5) The Company follows the relevant laws, regulations, and international standards for the marketing and labeling of food and beverages, accommodation, etc. If customers	

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
privacy, marketing and labeling of its products and services and set up relevant consumer or customer protection policies and complaint procedures?			have any comments regarding our products and services, they can provide feedback through our on-site service staff, customer service hotline, or customer service email. Customer service hotline: +886-3-547-5665 (Service hours: 09:00 AM to 05:00 PM Monday to Friday) Customer service e-mail: service@leofoo.com.tw	
(6) Does the Company formulate and implement supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights?	✓		(6) The Company's procurement policy centers on source management and mandates that suppliers adhere to pertinent regulations regarding environmental protection, occupational safety and health, and labor human rights. Suppliers are evaluated in accordance with the Company's "Standard Operating Procedures for Supplier Management." The Company reserves the right to terminate or cancel contracts with suppliers who violate its policies.	
5. Does the Company refer to internationally accepted reporting guidelines or guidance in preparing sustainability reports or other reports that disclose non-financial corporate information? Has the aforementioned report obtained assurance or opinion from a third-party verification body?		✓	The Company is currently in the process of planning for the preparation of sustainability reports. These reports will adhere to internationally accepted standards or guidelines for report preparation. However, the Company has not yet obtained certification or assurance from any third-party accreditation body.	Continuous planning is underway for certification or assurance from a third-party accreditation body.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td colspan="5">6. If the Company has established sustainable development best-practice principles based on the “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies,” describe the implementation and any deviations from such principles: None.</td></tr>
<tr><td colspan="5">7. Other important information for understanding the implementation of sustainable development: Leofoo Tourism Group has integrated resources brand-wide to actively engage in environmental sustainability and Social engagement, which demonstrates the Company’s commitment to corporate social responsibility.
1. Environmental sustainability
(1) The “Taiwan-Japan Rhinoceros Exchange” Program received the Model Award in the Global Views Monthly CSR and ESG Awards: Environmentally Friendly Category. For the first time, Leofoo hosted the Leofoo Sustainability Award, focusing on environmental sustainability issues. They invited 1,300 elementary school students from across the nation to participate. The inaugural event featured endangered animals: rhinos, clouded leopards, and Formosan black bears as the main theme. There were 133 entries submitted, laying the foundation for environmental sustainability education among elementary school children.
(2) In response to the World Wide Fund for Nature’s (WWF) global campaign to turn off the lights for one hour, all brand hotels under Leofoo have synchronized with the world to turn off non-essential, decorative lighting for one hour, in a joint effort to reduce energy consumption and carbon emissions.
(3) A time-sharing mechanism has been implemented for public air-conditioning and lighting.
(4) Leofoo Tourism Group’s hotels do not provide single-use amenities unless requested by guests.
(5) The lighting level in the bar at the lobby is dimmed by 50% at 7:00 p.m.
(6) Energy-saving light bulbs and water-saving devices are used in office spaces.
2. Social engagement
(1) Since its establishment in 2017, the Eco-Education Center at Leofoo Village Theme Park has developed a permanent exhibition on endangered animal conservation. Each year, the center has added teaching materials, video documentaries, and exhibits on animal conservation to enhance the visitor experience. The center has also collaborated with important animal conservation agencies in Taiwan. As of 2021, the center has set up educational displays for various species, including white rhinoceroses, mountain hawk-eagles, and leopard cats and has accommodated over 550,000 visitors annually.
(2) Charity: For the 14th year in a row, Leofoo Village Theme Park hosted its annual Dream Charity Day, providing assistance to 80,000 children. This year, we extended invitations to nearly 32 elementary schools and disadvantaged groups in remote areas, allowing their students and members to enter the park for free. Additionally, the Company sponsored transportation and meal expenses for each student and group member.</td></tr>
</table>

Evaluation Item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
(3) Job capability training: Held multiple campus theme lectures and group workplace tour services, providing training for hotel staff, high school students, and college students in 17 sessions, and invested multiple professional instructors (including mid-to-high-level managers), serving nearly 300 attendees. 3. Corporate governance: Won the “Silver Award” for the 1111 Job Bank 2023 Happy Enterprise Awards, passed the first “Middle-aged and Elderly-friendly Enterprise Certification” of Taipei City in 2023, won the “Golden Exhibition Award – Outstanding Employment of Persons with Disabilities” from the Ministry of Labor in 2023, passed the 2023 Taipei City Breastfeeding Room Certification and received an “Excellent” rating, provided free on-site physician consultation every two months, provided annual free employee health examinations and other employee benefits, and established the employee stock ownership trust plan, all in order to share prosperity with employees. 4. Being friendly to senior citizens: With the “Grand Travel for the Elderly” that is unrivaled in Taiwan, we won the 2023 Pacific Asia Travel Association (PATA) Gold Award for “Sustainable Development and Social Responsibility – Travel for All” and the “Japan Tourism Award,” making it the only company in Taiwan to receive both international awards.				

Climate-related information

Climate-related information

Items	Implementation Status
1. Describe the board of directors’ and management’s oversight and governance of climate-related risks and opportunities.	The Chairman serves as the convener, and reports to the board of directors on a regular basis annually.
2. Describe how the identified climate risks and opportunities affect the Company’s business, strategy and finances (short-term, medium-term, long-term).	Not completed yet, related content will be revealed on the Company’s official website after completion.
3. Describe the impact of extreme climate events and transition actions on finances.	Not completed yet, related content will be revealed on the Company’s official website after completion.
4. Describe how the processes of identifying, assessing, and managing climate-related risks are integrated into the overall risk management system.	Not completed yet, related content will be revealed on the Company’s official website after completion.
5. If using scenario analysis to assess resilience against climate change risks, the scenarios, parameters, assumptions, analytical factors, and major financial impacts used should be explained.	Not completed yet, related content will be revealed on the Company’s official website after completion.
6. If there is a transition plan to address climate-related risk management, please explain the content of the plan, as well as the indicators and targets used to identify and manage physical risks and transition risks.	Not completed yet, related content will be revealed on the Company’s official website after completion.
7. If an internal carbon pricing is used as a planning tool, the basis for price setting should be explained.	It does not apply as it is not a company that meets certain conditions.
8. If climate-related goals are set, the information such as covered activities, scope of greenhouse gas emissions, planning period, and annual progress should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve related goals, the source and amount of the offset carbon reductions or the number of Renewable Energy Certificates (RECs) should be stated.	It does not apply as it is not a company that meets certain conditions.

(VI) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
1. Establishment of ethical corporate management policies and programs (1) Has the company established the ethical corporate management policies approved by the Board of Directors and declared its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	✓		(1) On March 20, 2020, the Board of Directors approved amendments to the "Ethical Corporate Management Best Practice Principles," which are now being implemented in accordance with regulations. The Company's commitment to conducting business with ethical corporate management is disclosed in both the annual report and on its website.	No deviations.
(2) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed	✓		(2) The Company adheres to the principles and obligations of ethical corporate management. To this end, it follows the provisions of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and has established its own "Ethical Corporate Management Best Practice Principles." These principles provide regulations on moral ethics, conflict of interest avoidance, and other related matters. Additionally, the Company conducts regular employee training sessions to ensure the effective implementation of its policy of ethical corporate management.	

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
Companies"? (3) Does the company specify operating procedures, guidelines, punishments for violations, and a grievance system in its prevention programs, and does it implement and review these programs regularly?	 ✓		 (3) The Company has established its own "Ethical Corporate Management Best Practice Principles" for employees to follow. The Company promotes the policy of ethical corporate management to our employees and directors through internal meetings, education, and training programs.	
2. Fulfillment of ethical corporate management (1) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? (2) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	 ✓ ✓		 (1) The Company conducts its business activities in a fair and transparent manner, and the contracts signed with its business partners include compliance with the ethical corporate management policy. (Taking and paying bribes and infringement of intellectual property rights, etc., are prohibited); if a business partner behaves unethically, the business relationship with the said partner shall be halted immediately. (2) The Company's Human Resources Department is the dedicated unit for ethical corporate management; the Company discloses the implementation of the ethical corporate management policy on the official website and in the annual report, and regularly reports to the Board of Directors on the compliance of various preventive measures, with the most recent report on December 29, 2023.	No deviations.

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
(3) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	✓		(3) The Company has implemented two key measures to prevent conflicts of interest and facilitate effective communication channels. These measures are the “Ethical Corporate Management Best Practice Principles” and the “Rules for Handling Internal and External Whistleblowing.” The Company has also provided various contact methods, such as telephone numbers, email addresses, and physical addresses, which are available in the “Stakeholder Section” on the Company’s website. In addition, the Company’s “Rules of Procedure for Board of Directors Meetings” provides for a recusal system for conflicts of interests which is implemented in accordance with the Rules.	
(4) Does the company establish effective accounting and internal control systems to implement ethical corporate management with an internal audit unit responsible for devising relevant audit plans based on the results of the assessment of any unethical conduct risk? Does it examine compliance with prevention programs or engage a certified public accountant to carry out the audit?	✓		(4) The Company has established a comprehensive accounting system and internal control system, and the internal audit unit performs audits in accordance with the audit plan.	

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
(5) Does the company regularly hold internal and external training on ethical corporate management?	✓		(5) The Company has incorporated ethical corporate management into the training curriculum for new employees so that they can understand the direction and policies of the Company's ethical corporate management. Participation in education, training, and awareness campaigns in 2023: In 2023, the Company conducted education and training as well as awareness campaigns for new employees regarding ethical corporate management. The course contents included corporate core values, legal risk management and responsibility, the code of ethics, personal information and privacy protection, intellectual property rights, and prevention of insider trading. A total of 207 people attended the courses, which amounted to approximately 172 hours of training. In 2023, a course on preventing insider trading was conducted, which included education and training on topics such as short-selling, breach of trust, unconventional trading, legal liability for unconventional trading, and how to avoid unconventional trading by directors, supervisors, and managerial officers. A total of 208 individuals attended the course, receiving approximately 61 hours of training.	

Evaluation Item	Implementation Status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor
	Yes	No	Description	
3. Operation of the whistle-blowing system (1) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party? (2) Has the company established a standard operating procedures for investigating reported misconduct and related confidentiality mechanisms? (3) Does the company provide protection for whistle-blowers against receiving improper treatment?	✓ ✓ ✓		(1) The Company has established the “Rules for Handling Internal and External Whistleblowing.” Internal whistleblowers may use the employee suggestion box, while external whistleblowers may submit written letters or emails. Additionally, the Human Resources Department accepts whistleblowing from employees. To provide a reporting avenue for employees, shareholders, stakeholders, and external personnel, the Company has set up the “Stakeholder Section” on its website. The Company is committed to maintaining the confidentiality of whistleblowers and the contents of their reports. (2) The Company carries out activities related to receiving whistleblowing reports, conducting investigations, and maintaining confidentiality in accordance with the “Ethical Corporate Management Best Practice Principles” and the “Rules for Handling Internal and External Whistleblowing.” (3) The Company adheres to the “Ethical Corporate Management Best Practice Principles” and the “Rules for Handling Internal and External Whistleblowing” in carrying out its operations. To safeguard whistleblowers from any form of mistreatment, the Company implements strict confidentiality measures to protect their identity.	No deviations.

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Description</th></tr>
<tr><td>4. Enhanced disclosure of ethical corporate management information
(1) Does the company disclose its ethical corporate management policies and the results of their implementation on the company website and MOPS?</td><td>✓</td><td></td><td>(1) The Company discloses its ethical corporate management policies and the results of their implementation on the Company’s website and MOPS.</td><td>No deviations.</td></tr>
<tr><td colspan="5">5. If the company has established ethical corporate management best-practice principles based on the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies,” please describe the implementation and any deviations from the Principles:
The Company has established “Ethical Corporate Management Best-practice Principles.” No deviation of the implementation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies has been found.</td></tr>
<tr><td colspan="5">6. Other important information to facilitate a better understanding of the Company’s ethical corporate management practices:
The Company complies with the Company Act and other laws and regulations related to business practices as a fundamental part of its business practices.</td></tr>
</table>

(V) If the Company Has Formulated “Corporate Governance Best-Practice Principles” and Relevant Regulations, Their Method of Inquiry Shall Be Disclosed:

They are placed under “Corporate Governance” on the MOPS and “Investor Relations” section on the Company’s website (http://www.leofoo.com.tw) to facilitate full disclosure of information and for inquiries.

(VI) Other Important Information That May Enhance the Understanding of Corporate Governance Operations May Also Be Disclosed: None.

(VII) Status of Internal Control System

1. Statement on Internal Control

Leofoo Development Co., Ltd.
Statement on Internal Control

Date: March 11, 2024

The Company issues the following statement based on the self-evaluation conducted on the internal control system in 2023:

I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. The purpose of this report is to ensure operational effectiveness and efficiency, which includes income, performance, and asset safety, as well as reliable, timely, and transparent reporting. Additionally, it aims to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company assesses the design and operational effectiveness of its internal control system according to the criteria outlined in the “Regulations Governing the Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the “Regulations”). The criteria adopted by the Regulations identify five components of internal control based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. monitoring operations. Each key component includes several items. Please refer to the Regulations for the aforementioned items.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. Based on the evaluation mentioned above, the Company has determined that the design and implementation of the internal control system, which includes the assessment and management of subsidiaries, as of December 31, 2023, is effective. This includes efficacy in terms of ability to understand operations, achieve objectives efficiently, report reliably and in a timely manner, and comply with relevant guidelines and laws. The Company can reasonably assure that these goals are met.

VI. This statement is an integral part of the Company’s annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. On March 11, 2024, the Board of Directors approved this statement. All seven members in attendance consented to the content expressed herein, and none objected.

Leofoo Development Co., Ltd.

Chairman: Feng-Ru Chuang (Signature and seal)

President: Feng-Ru Chuang (Signature and seal)

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: None.

(VIII) Penalties Imposed Upon the Company or its Employees According to law, or Penalties Imposed by the Company Upon Employees for the Violation of the Internal Control System Policy During the Current Fiscal Year up to the Date of Publication of the Annual Report, Where the Outcome of the Penalty May Have a Significant Impact on Shareholders’ Equity or the Price of Securities:

1. Penalties imposed upon the Company and the Companys employees according to law: None.

2. Penalties imposed by the Company upon employees for the violation of the internal control system policy, principal deficiencies, and improvement status during the most recent fiscal year and during the current fiscal year up to the date of publication of the annual report: None.

(IX) Major Resolutions of Shareholders’ Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year as of the Date of Publication of the Annual Report:

1. Major Resolutions of the 2023 Annual Shareholders Meeting and Implementation Status Thereof:
   The resolutions of the shareholders present at the Company’s 2023 Annual Shareholders Meeting held on May 31, 2023 and their status of implementation are as follows:

Summary of Major Proposals	Resolution Result	Implementation Status
The Company’s 2022 Business Report and Financial Statements.	The number of affirmative votes represented 98.31% of the total voting rights of the shareholders present. The proposal was adopted as presented.	The Company’s consolidated revenue for 2022 was NT$1,675,217,000, with an after-tax loss of NT$316,972,000 and a loss per share of NT$1.66.
The Company’s 2022 Deficit Appropriation.	The number of affirmative votes represented 98.30% of the total voting rights of the shareholders present. The proposal was adopted as presented.	The shareholders meeting resolved to recognize the deficit appropriation for 2022, and not to distribute dividends or bonuses to employees and remuneration to directors.
Amendment to the Company’s Rules of Procedure for Shareholders Meetings.	The number of affirmative votes represented 98.31% of the total voting rights of the shareholders present. The proposal was adopted as presented.	The shareholders meeting resolved to amend the Regulations, and it has been announced on the Company website and implemented.

2. Major Resolutions of Board Meetings in 2023 and during the Current Fiscal Year as of the Date of Publication of the Annual Report:

Date	Meeting Number	Material Resolutions
18th Board of Directors 11th meeting 2023.03.13	Board of Directors	1. Ratification of the appointment of the new finance supervisor and accountant supervisor. 2. Appointment of the new Corporate Governance Officer of the Company. 3. The Company's 2022 Business Report, parent company only financial statements, and consolidated financial statements. 4. Proposal to formulate the Company's "General Principles of Pre-Approval of Non-Assurance Services Policy" and the pre-approval of non-assurance service of the CPAs' accounting firms. 5. The Company's 2022 Deficit Appropriation. 6. The Company's 2022 Statement on Internal Control. 7. Amendments to the Company's "Rules Governing Financial and Business Matters Between this Corporation and Its Affiliated Enterprises" and renaming the principles to "Rules Governing Financial and Business Matters Between this Corporation and Its Related Parties." 8. Amendments to the Company's "Rules of Procedure for Shareholders Meetings." 9. Renewal of the expired loan limit from Bank D. 10. Extension of the expired loan limit from Bank A. 11. Setting of the date, venue, and agenda of the 2023 Annual Shareholders Meeting of the Company.
18th board of directors 12th meeting 2023.05.10	board of directors	1. Ratification of "Position transfer and remuneration adjustment of Leofoo Tourism Group's Level 19 supervisors and above in 2023." 2. Proposal to replace the Company's certified public accountants starting from 2023, assessment of the independence and suitability of the certified public accountants and their remuneration. 3. The Company's financial statements for Q1 2023.
18th board of directors 13th meeting 2023.08.09	board of directors	1. Employee Stock Ownership Trust Incentive Deposit Plan. 2. Ratification of appointment of the Company's Level 19 supervisors and above. 3. Appointment of the new auditing officer. 4. The Company's financial statements for Q2 2023. 5. The Company's proposal to sell real estate to a related party. 6. Amendments to the Company's "Corporate Governance Best Practice Principles" and "Sustainable Development Code of Practice." 7. Amendments to the Company's "Rules of Scope for Responsibilities of Independent Directors." 8. Renewal of the expired credit line from Bank C. 9. Change of the Company's stock affairs agency.
18th board of directors 14th meeting 2023.11.13	board of directors	1. The Company's financial statements for Q3 2023.
18th board	board of	1. Ratification of promotion and remuneration adjustment of the

Date	Meeting Number	Material Resolutions
of directors 15th meeting 2023.12.29	directors	Company's senior supervisors. 2. Distribution of Leofoo Tourism Group year-end bonus 3. The Company's internal audit plan for 2024. 4. The Company's 2024 operation plan and annual business budget. 5. Renewal of credit line from Bank E.
18th board of directors 16th meeting 2024.03.11	board of directors	1. Appointment of the new Corporate Governance Officer of the Company. 2. Ratification of remuneration adjustment of the Company's senior supervisors. 3. Distribution of Leofoo Tourism Group's 2023 performance bonus 4. The Company's 2023 business report, parent company only financial statements and consolidated financial statements. 5. Proposal to amend the Company's "General Principles of Pre-Approval of Non-Assurance Services Policy" and the pre-approval of non-assurance service of the CPAs' accounting firms. 6. Independence and suitability evaluation of the Company's CPAs. 7. The Company's 2023 Deficit Appropriation. 8. The Company's 2023 Statement on Internal Control. 9. Revision of the Company's "Organizational Rules for the audit committee." 10. To amend the Company's "Rules of Procedure for board of directors Meetings." 11. To amend the Company's "Procedures for Election of Directors" 12. Application for renewal of credit line from Bank C. 13. Application for renewal of credit line from Bank A. 14. Application for newly added credit line from Bank A. 15. Application for credit line from Bank F. 16. Application for renewal of credit line from Bank D. 17. To re-elect all directors (including independent directors) of the Company's 19th term. 18. Proposal for the nomination period, number of vacancies, and receiving office for the nomination of director candidates (including independent directors). 19. It is proposed to approve the list of candidates and qualifications for the 19th board of directors (including independent directors) nominated by the board of directors of this company. 20. To remove the non-competition restrictions on newly elected directors and their representatives. 21. A case regarding relevant matters of accepting shareholders' proposal rights at the 2024 annual shareholders' meeting. 22. Setting of the date, venue, and agenda of the 2024 Annual shareholders' meeting of the Company.

Implementation status: All resolutions of the board of directors meetings have been implemented in accordance with the minutes of the board of directors meetings.

(X) Any Dissenting Opinions Expressed by Directors or Supervisors with Respect to Major Resolutions Passed by the Board of Directors During the Most Recent Fiscal Year and During the Current Fiscal Year up to the Date of Publication of the Annual Report, Where Said Dissenting Opinions Have Been Recorded or Prepared as a Written Declaration: None.

(XI) Resignations and Dismissals of the Chairman, President, Accounting Manager, Financial Manager, Corporate Governance Officer, Chief Internal Auditor, or Research and Development Officer During the Most Recent Fiscal Year and During the Current Fiscal Year as of the Date of Publication of the Annual Report:

Company	Name	Title	Resignation/ Dismissal	Date	Description
Leofoo Development Co., Ltd.	Tsan-Yu Lu	1. Finance and Accounting Supervisor 2. Corporate Governance Officer	Resignation	February 24, 2023	Career planning
Leofoo Development Co., Ltd.	Hui-Ping Wu	Internal auditing officer	Resignation	June 20, 2023	Career planning
LEOFOO DEVELOPMENT CO., LTD.	Chih-Jui Huang	Corporate Governance Officer	Dismissal	March 11, 2024	Internal duty adjustments in the Company

V. Information on CPAs

(I) Information on Audit Fees of CPAs

Unit: NT$ thousands

Name of CPA Firm	Name of CPA	Audit Period	Audit Fees	Non-audit Fees	Total	Remark
Ernst & Young, Taiwan	Ching-Piao Cheng	2023.01.01-2023.12.31	3,060	530	3,590	Non-audit fees are for tax compliance audit
	Wen-Fun Fuh					

1. When the CPA firm is changed and the audit fees paid for the fiscal year of such fees are lower than those for the previous fiscal year, the amounts of audit fees reduced and the reasons therefor shall be disclosed: None.
2. If the audit fee has decreased by 10% or more from the previous year, the amount, percentage, and reason for the decrease shall be disclosed: None.

(II) Information on Replacement of CPAs: None.

(III) Evaluation of Independence of CPAs

1. The Company’s audit committee conducts an annual evaluation of the independence and suitability of its CPAs. This evaluation is carried out in accordance with specific criteria, and includes a request for a “Statement of Independence of CPAs” and “Audit Quality Indicators,AQIs” from the CPAs themselves. After confirming that the CPAs have no financial interest or business relationship with the Company other than the fees from attestation and taxation services, and that the family members of the CPAs do not violate the independence requirements, the audit committee and the Board of Directors approved the results of the latest annual evaluation on the independence of CPAs on March 11, 2024.
2. Evaluation Standards of Independence of CPAs

Items	Evaluation Item	Result	Independence of the CPAs
1	The CPAs have no material financial interest in the Company.	Yes	Yes
2	The CPAs have no inappropriate interests in the Company.	Yes	Yes
3	The CPAs and their assistants regularly participate in evaluations conducted by industry associations or other related organizations to ensure honesty, impartiality and independence.	Yes	Yes
4	If the financial statements of the organization to which the CPAs provide service violated the regulations within the previous two years of practice, no attestation shall be conducted.	Yes	Yes
5	The name of the CPAs shall not be used by others.	Yes	Yes
6	The CPAs shall not hold shares of the Company.	Yes	Yes

Items	Evaluation Item	Result	Independence of the CPAs
7	The CPAs shall not engage in any monetary loans with the Company, except for standard transactions with the financial industry.	Yes	Yes
8	The CPAs shall not be paid a fixed salary for regular work for the Company.	Yes	Yes
9	The CPAs shall not be paid any business-related commission.	Yes	Yes
10	Does the term of service of the CPAs exceed seven consecutive years?	No	Yes

(IV) Does the Chairman, President, or Any Managerial Officer in Charge of Finance or Accounting Matters in the Most Recent Fiscal Year Hold a Position at the CPAs' Accounting Firm or an Affiliate Thereof: No.

VI. Any transfer of Equity Interests and/or Pledge of or Change in Equity Interests (During the Most Recent Fiscal Year and During the Current Fiscal Year as of the Date of Publication of the Annual Report) by a Director, Supervisor, Managerial Officer, or Shareholder with a Stake of More Than 10%

(I) Change in Equity Interests by Directors, Supervisors, Managerial Officers, and Major Shareholders:

Unit: Shares

Title	Name	2023		Ending on March 29, 2024	
		Shares held Increase (Decrease) in shares held	Number of shares pledged Increase (Decrease) in shares held	Shares held Increase (Decrease) in shares held	Number of shares pledged Increase (Decrease) in shares held
Chairman/President	Feng-Ru Chuang	-	-	(272 650)	-
Deputy Chairman/CEO	Chen-Jung Lai	-	-	(272 650)	-

(II) Equity Transfer Information (Transaction Counterparty):

Unit: Shares; NT$

Name	Reason for Transfer of Equity	Date of Transaction	Counterparty to the Transaction	Relationship between the Counterparty and the Company, Directors, Supervisors and Shareholders Holding More Than 10% of the Shares	Number of Shares	Price of Transaction
Feng-Ru Chuang	Gift	2024.02.01	Chia-Chuang Lai	Mother and daughter	134,800	18.10
Feng-Ru Chuang	Gift	2024.02.01	Chia-Chuang Lai	Mother and daughter	137,850	17.70
Chen-Jung Lai	Gift	2024.02.01	Chia-Chuang Lai	Father and daughter	134,800	18.10
Chen-Jung Lai	Gift	2024.02.01	Chia-Chuang Lai	Father and daughter	137,850	17.70

(III) Changes in Pledge of Equity Interests (Transaction Counterparty): None.

VII. Relationship among the 10 Largest Shareholders

March 29, 2024; Unit: Share; %

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 largest shareholders, name and relationship with anyone who is a related party under no. 6 of the financial and accounting standards or a relative within the second degree of kinship		Remark
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Name (or Name)	Relationship	
Chiu Jung Investment Ltd.	15,044,222	7.86	-	-	-	-	Chen-Jung Lai Feng-Ru Chuang Hsiu-Shih Chuang Su-Mei Chang Chuang Foo Foundation Jung Feng Investment Ltd.	Person in charge Wife of person in charge Father-in-law of person in charge Mother-in-law of person in charge Person in charge/Chairman is the same person Person in charge is a married couple	
Jung Feng Investment Ltd.	12,500,695	6.53	-	-	-	-	Feng-Ru Chuang Chen-Jung Lai Hsiu-Shih Chuang Su-Mei Chang Chiu Jung Investment Ltd. Chuang Foo Foundation	Person in charge Husband of person in charge Father of person in charge Mother of person in charge Person in charge is a married couple Person in charge/Chairman is a married couple	
Chuang Foo Foundation	12,079,888	6.31	-	-	-	-	Chen-Jung Lai Feng-Ru Chuang Hsiu-Shih Chuang Su-Mei Chang Chiu Jung Investment Ltd. Jung Feng Investment Ltd.	Chairman Director Father-in-law of Chairman Mother-in-law of Chairman Person in charge/Chairman is the same person Person in charge/Chairman is a married couple	
Feng-Ru Chuang	8,371,403	4.38	8,040,799	4.20	27,544,917	14.40	Chen-Jung Lai Hsiu-Shih Chuang Su-Mei Chang Chiu Jung Investment Ltd. Chuang Foo Foundation	Spouses Father and daughter Mother and daughter Wife of person in charge Director	

Name	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominees		Among 10 largest shareholders, name and relationship with anyone who is a related party under no. 6 of the financial and accounting standards or a relative within the second degree of kinship		Remark
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Name (or Name)	Relationship	
							Jung Feng Investment Ltd.	Person in charge	
Ching-Ho Chuang	5,908,376	3.09	-	-	-	-	-	-	
Hung-Chih Chiu	4,703,000	2.46	-	-	-	-	-	-	
Chen-Jung Lai	4,668,472	2.44	11,743,730	6.14	27,544,917	14.40	Feng-Ru Chuang Hsiu-Shih Chuang Su-Mei Chang Chiu Jung Investment Ltd. Chuang Foo Foundation Jung Feng Investment Ltd.	Spouses Father-in-law and son-in-law Mother-in-law and son-in-law Person in charge Chairman Husband of person in charge	
Hsiu-Chih Li	4,028,000	2.11	4,049,170	2.12	-	-			
Su-Mei Chang	3,925,436	2.05	3,776,520	1.97	-	-	Hsiu-Shih Chuang Feng-Ru Chuang Chen-Jung Lai Chiu Jung Investment Ltd. Chuang Foo Foundation Jung Feng Investment Ltd.	Spouses Mother and daughter Mother-in-law and son-in-law Mother-in-law of person in charge Mother-in-law of Chairman Mother of person in charge	
Hsiu-Shih Chuang	3,776,520	1.97	3,925,436	2.05	-	-	Su-Mei Chang Feng-Ru Chuang Chen-Jung Lai Chiu Jung Investment Ltd. Chuang Foo Foundation Jung Feng Investment Ltd.	Spouses Father and daughter Father-in-law and son-in-law Father-in-law of person in charge Father-in-law of Chairman Father of person in charge	

VIII. Total Number of Shares and Total Equity Stake Held in Any Single Enterprise by the Company, Its Directors, Managerial Officers, and Any Companies Controlled Directly or Indirectly by the Company

December 31, 2023; Unit: Thousand Shares; %

Investee Business (Note)	Ownership by the Company		Investment by Directors and Managerial Officers and Companies Directly or Indirectly Controlled by the Company		Total Ownership	
	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)	Number of Shares	Percentage (%)
Leofoo Development & Construction Co., Ltd.	73,300	100	-	-	73,300	100
Ambassador Film Inc.	1,760	40			1,760	40
Elite Catering Company Limited.	1,000	100	-	-	1,000	100
Leofoo Investment Co., Ltd.	-	100	-	-	(Note)	100
Leofoo Agronomy Co., Ltd.	3,000	100	-	-	3,000	100
Izzy Construction Co., Ltd	6,398	100	-	-	6,398	100
Leofoo Property Management Co., Ltd.	1,720	100	-	-	1,720	100
Leofoo Development (Hong Kong) Co., Ltd.	-	100	-	-	(Note)	100

Note: A reinvested company accounted for by the Company using the equity method.

Chapter 4 Capital Overview

I. Capital and Shares

(I) Source of Capital

1. Capital Formation

March 29, 2024; Unit: Shares; NT$

Year/ Month	Par Value	Authorized Capital		Paid-in Capital		Remark			
		Number of shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others	Number of Official Letters from Ministry of Economic Affairs
January 1968	10	5,000,000	50,000,000	1,250,000	12,500,000	Cash	None	None	
August 1972	10	5,000,000	50,000,000	5,000,000	50,000,000	Cash	None	None	
January 1977	10	13,800,000	138,000,000	13,800,000	138,000,000	Capital reserves and capitalization of retained earnings	None	None	
July 1982	10	19,800,000	198,000,000	19,800,000	198,000,000	Capitalization of capital reserves	None	None	
August 1985	10	30,000,000	300,000,000	30,000,000	300,000,000	Capitalization of capital reserves and merger of shares of Leofoo Village	None	None	
August 1987	10	31,200,000	312,000,000	31,200,000	312,000,000	Capitalization of capital reserves	None	None	(77)02749
October 1988	10	33,072,000	330,720,000	33,072,000	330,720,000	Capitalization of capital reserves	None	None	
June 1989	10	36,379,200	363,792,000	36,379,200	363,792,000	Capitalization of capital reserves	None	None	(78)127007
June 1990	10	53,655,040	536,550,400	43,655,040	436,550,400	Capital reserves and capitalization of retained earnings	None	None	(79)115017
May 1991	70	53,655,040	536,550,400	53,655,040	536,550,400	Cash	None	None	(80)110691
August 1991	10	64,386,048	643,860,480	64,386,048	643,860,480	Capital reserves and capitalization of retained earnings	None	None	
June 1992	10	95,000,000	950,000,000	64,386,048	643,860,480	None	None	Increase of authorized stock	
November 1993	70	95,000,000	950,000,000	85,342,093	853,420,930	Cash	None	None	(82)124535
	10	95,000,000	950,000,000	95,000,000	950,000,000	Capitalization of capital reserves	None	None	
September 1994	10	133,000,000	1,330,000,000	104,500,000	1,045,000,000	Capitalization of capital reserves	None	None	(83)114274
July 1995	10	133,000,000	1,330,000,000	114,950,000	1,149,500,000	Capitalization of capital reserves	None	None	(84)113792

Year/ Month	Par Value	Authorized Capital		Paid-in Capital		Remark			
		Number of shares	Amount	Number of Shares	Amount	Source of Capital	Capital Increase by Assets Other than Cash	Others	Number of Official Letters from Ministry of Economic Affairs
August 1996	10	153,000,000	1,530,000,000	133,000,000	1,330,000,000	Capitalization of capital reserves	None	None	(85)118917
June 1997	10	200,000,000	2,000,000,000	166,915,000	1,669,150,000	Capital reserves and capitalization of retained earnings	None	None	(86)116128
April 1998	66	200,000,000	2,000,000,000	180,000,000	1,800,000,000	Cash	None	None	(87)107798
August 1998	10	240,000,000	2,400,000,000	216,000,000	2,160,000,000	Capitalization of capital reserves	None	None	(87)125181
August 1999	10	280,000,000	2,800,000,000	240,000,000	2,400,000,000	Capitalization of capital reserves	None	None	
August 2000	10	280,000,000	2,800,000,000	252,000,000	2,520,000,000	Capitalization of capital reserves	None	None	(089)131334
August 2001	10	280,000,000	2,800,000,000	264,600,000	2,646,000,000	Capitalization of capital reserves	None	None	09001341650
July 2004	10	380,000,000	3,800,000,000	264,600,000	2,646,000,000	None	None	Increase of authorized stock	09301118380
December 2004	10	380,000,000	3,800,000,000	278,933,320	2,789,333,200	Convertible bonds transferred to share capital	None	None	09401023780
March 2005	10	380,000,000	3,800,000,000	289,693,993	2,896,939,930	Convertible bonds transferred to share capital	None	None	09401081140
August 2005	10	380,000,000	3,800,000,000	290,121,343	2,901,213,343	Convertible bonds transferred to share capital	None	None	09401151090
April 2006	10	380,000,000	3,800,000,000	290,241,001	2,902,410,010	Convertible bonds transferred to share capital	None	None	09501067810
March 2012	13	380,000,000	3,800,000,000	330,241,001	3,302,410,010	Cash	None	None	10101035460
September 2016	10	380,000,000	3,800,000,000	339,157,508	3,391,575,080	Capitalization of retained earnings	None	None	10501230230
June 2019	10	380,000,000	3,800,000,000	186,536,630	1,865,366,300	Capital reduction	None	None	1080330275
April 2021	16.54	380,000,000	3,800,000,000	191,312,830	1,913,128,300	Cash - Private placement	None	None	11001083280

2. Type of Issued Shares

March 29, 2024; Unit: Shares

Share Type	Authorized Shares			Remark
	Outstanding Shares (Issued)	Unissued Shares	Total	
Registered Common stock	191,312,830	188,687,170	380,000,000	Listed stocks

3. Information on the shelf registration system: None.

(II) Structure

March 29, 2024, 2023; Unit: Shares; %

Amount/ Structure of Shareholders	Government Agencies	Financial Institutions	Other Institutional Shareholders	Domestic Natural Persons	Foreign Institutions and Natural Persons	Total
Number of shareholders	-	9	191	66,211	83	66,494
Shares Held	-	432,534	40,504,840	143,912,594	6,462,862	191,312,830
Shareholding Percentage	-	0.23	21.17	75.22	3.38	100.00

(III) Shareholding Distribution Status

Par Value at NT$10; March 29, 2024; Unit: Shares; %

Range of Shareholding	Number of Shareholders	Shares Held	Percentage (%)
1～999	52,371	4,152,400	2.17
1,000～5,000	11,250	22,182,663	11.59
5,001～10,000	1,528	11,609,194	6.07
10,001～15,000	436	5,501,213	2.88
15,001～20,000	266	4,906,937	2.56
20,001～30,000	213	5,429,998	2.84
30,001～40,000	106	3,776,795	1.97
40,001～50,000	72	3,297,864	1.72
50,001～100,000	131	9,564,936	5.00
100,001～200,000	52	6,865,724	3.59
200,001～400,000	33	9,105,827	4.76
400,001～600,000	9	4,699,253	2.46
600,001～800,000	5	3,664,242	1.92
800,001～1,000,000	4	3,435,249	1.80
Over 1,000,001	18	93,120,535	48.67
Total	66,494	191,312,830	100.00

(IV) List of Major Shareholders

March 29, 2024; Unit: Shares; %

Name of Major Shareholders/Shares	Shares Held	Shareholding Percentage
Chiu Jung Investment Ltd.	15,044,222	7.86
Jung Feng Investment Ltd.	12,500,695	6.53
Chuang Foo Foundation	12,079,888	6.31
Feng-Ru Chuang	8,371,403	4.38
Ching-Ho Chuang	5,908,376	3.09
Hung-Chih Chiu	4,703,000	2.46
Chen-Jung Lai	4,668,472	2.44
Hsiu-Chih Li	4,028,000	2.11
Su-Mei Chang	3,925,436	2.05
Hsiu-Shih Chuang	3,776,520	1.97

(V) Information on Stock Price, Net Worth, Earnings, and Dividend per Share

Item \ Year			2022	2023	2024 as of March 31, 2023
Market Price Per Share	Highest		19.95	28.45	18.50
	Lowest		15.40	16.15	16.30
	Average		16.87	18.51	17.48
Net Worth per Share	Before Distribution		25.69	25.22	-
	After Distribution		25.69	25.22	-
Earnings per Share	Weighted Average Number of Shares (Shares)		189,768,743	191,312,830	-
	Earnings per Share		(1.66)	(0.51)	-
Dividends per Share	Cash		-	-	-
	Stock Dividends	Stock Dividends Appropriated from Earnings	-	-	-
		Stock Dividends Appropriated from Capital Surplus	-	-	-
	Accumulated Unpaid Dividends		-	-	-
Return on Investment	Price/Earnings (P/E) Ratio		-	-	-
	Price/Dividend Ratio		-	-	-
	Cash Dividend Yield		-	-	-

(VI) Dividend Policy of the Company and Its Implementation

1. Dividend Policy Stipulated in the Articles of Incorporation

   (1) In the Company's annual general financial statements, any surplus shall be allocated in a specific order. Firstly, taxes must be paid, and any accumulated losses must be made up for. Secondly, 10% of the surplus must be set aside as a legal reserve, unless the legal reserve has already reached the Company's paid-in capital. Additionally, a special reserve must be appropriated based on the Company's operating demands and the requirements of laws and regulations. If there are still earnings remaining, they will be combined with the accumulated undistributed earnings. The Board of Directors will then prepare a proposal for the distribution of earnings and submit it to the shareholders meeting for approval of the distribution of dividends for shareholders. The surplus appropriation ratio may be adjusted based on the actual profit and capital status of the year.

   (2) The Company's dividend policy is to allocate at least 50% of earnings available for distribution as dividends to shareholders annually. This decision is made after considering current and future development plans, the investment environment, capital requirements, domestic and international competition, and the interests of shareholders. However, this is subject to the availability of free cash flow to meet the capital requirements for dividend payments and loan repayments when due. At least 10% of the total dividends may be distributed in cash. The type and percentage of earnings distribution may be adjusted by resolution of the shareholders meeting based on the actual earnings and capital position of the year.

2. The proposed dividend distribution at this shareholders meeting: The Company had accumulated losses on December 31, 2023, so it will not distribute stock dividends.

3. Description of expected material changes in dividend policy: None.

(VII) Effect of the Proposed Stock Dividend Distribution on the Company's Operating Results and Earnings per Share: None.

(VIII) Remuneration of Employees and Directors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:

   If the Company has made profits in a fiscal year, 3% of the profits shall be allocated for employee compensation and no more than 3% of the profits shall be allocated for remuneration of directors. Employee compensation and remuneration of directors shall be submitted to and reported at the shareholders meeting. However, if the Company has accumulated a deficit, the priority is to allocate an amount to offset the deficit first. Then, the employee compensation and remuneration of directors shall be allocated based on the aforementioned percentage.

The remuneration of employees mentioned in the previous paragraph will be disbursed in the form of stock or cash, as determined by the Board of Directors. The payment will cover employees who have been hired or employed by the Company, formally appointed, and entitled to labor insurance benefits. However, temporary and probationary personnel are excluded from this provision.

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   The Company had accumulated losses on December 31, 2023, so it will not distribute employee or director remuneration.

3. Distribution of remuneration approved by the Board of Directors:

   The Company had accumulated losses on December 31, 2023, so the Board of Directors resolved that it will not distribute employee or director remuneration.

4. Actual distribution of employee and director remunerations for the previous fiscal year:

   The Company had accumulated losses on December 31, 2023, so it did not distribute employee or director remuneration.

(IX) Repurchase of the Company's Shares: None.

II. Corporate Bonds

(I) Issuance of Corporate Bonds: None.

(II) Information on Convertible Bonds: None.

III. Issuance of Preferred Shares: None.

IV. Issuance of Global Depository Receipts: None.

V. Issuance of Employee Stock Warrants: None.

VI. Issuance of New Restricted Employee Shares: None.

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

VIII. Implementation of Capital Allocation Plans: None.

Chapter 5 Operational Highlights

I. Business Activities

(I) Scope of Business

1. A summary of the principal elements of the Company's businesses is as follows (detailed in the Company's Articles of Incorporation):

   (1) Operation of amusement parks, tourist amusement, raising of livestock and poultry, and growing of crops.
   (2) Operation of international tourist hotel and regular hotel.
   (3) Operation of Chinese and Western restaurants, bars, meeting rooms, laundry, gymnasiums, shops (selling souvenirs, small crops, flowers, or mementos, etc.) and parking lots.
   (4) Consulting services for hotel management.
   (5) Construction Manager.
   (6) All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Percentage of sales revenue: Operation of international tourist hotel, regular hotel, resort (including the Chinese and Western restaurants, banquet halls, cafes, buffets, bars, etc.) and the theme park (including the restaurants and souvenir shops, etc.).

Main Products	Ratio to Total Operating Revenue for 2022	Ratio to Total Operating Revenue for 2023
Hotel Room Revenue	28.62%	34.03%
Food and Beverage Revenue	27.60%	26.56%
Theme Park Revenue	31.31%	26.31%
Sales Revenue	6.76%	7.18%
Other Operating Revenue	5.71%	5.92%
Total	100.00%	100.00%

3. Current products (services) of the Company:

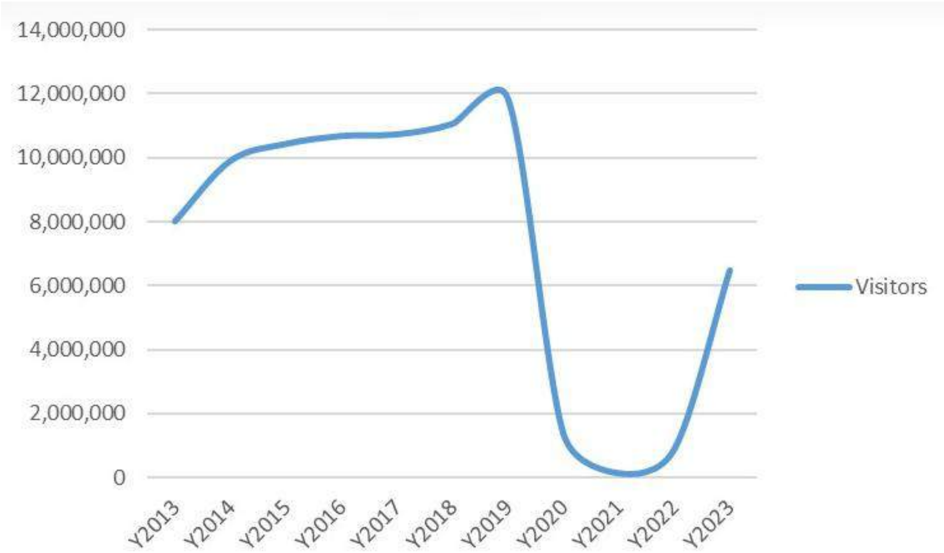
   Operation of international tourist hotel, regular hotel, resort (including the Chinese and Western restaurants, banquet halls, cafés, buffets, bars, etc.) and the theme park (including the restaurants and souvenir shops, etc.).

4. New products and services planned to be developed: The former Leofoo Hotel is undergoing the reconstruction process for urban unsafe and old urban buildings, which will create a people-oriented and environmentally sustainable A+ serviced commercial office building.

(II) Overview of the Industry

1. Current Status and Development of the Industry

The domestic tourism market is mainly composed of foreign tourists visiting Taiwan and domestic travelers. In terms of the trend of foreign visitors to Taiwan, in 2023, there were 6,486,951 visitor arrivals, a 624% increase compared to 895,962 visitor arrivals in 2022. As the COVID-19 pandemic subsided and the global tourism industry gradually recovered, with the government opening up to international visitors to Taiwan and domestic exhibitions, tourism, and events continuing to rebound, the Group's theme parks, zoos, hotels, restaurants, and retail stores won consumer recognition with their high-quality services and diverse travel choices, driving robust operations for the Group.



Statistics on the Number of Visitors to Taiwan (Source: Ministry of Transportation and Communications)

2. Correlation between Upstream, Midstream, and Downstream of the Industry

The Company is a midstream Company in the tourism services industry in terms of general industry connection. It is operating mainly in the tourism industry and international tourism hotel industry, providing amusement facilities, catering, conference venues and shopping services. The Company's primary sources of revenue are from the theme park, hotel rooms, and food and beverage.

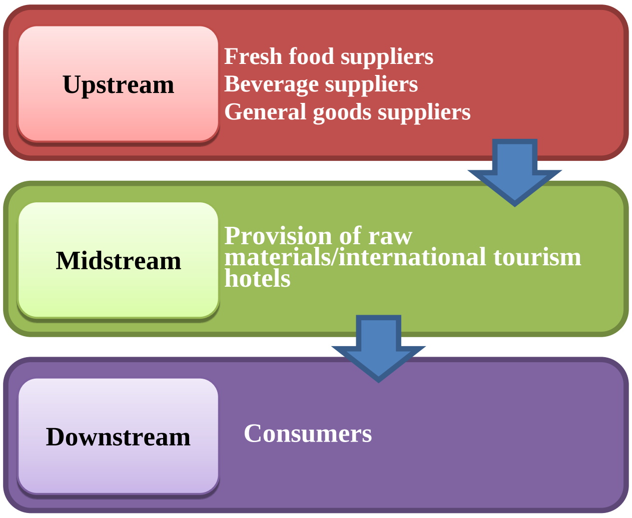
Food and beverage → After the Company's purchases fresh food, beverages, and general supplies from upstream suppliers, it then provides delicious food to downstream end-consumers (individual travelers or group travelers).

Hotel rooms → The Company accepts hotel room reservations from individuals, online travel agents (OTAs), travel agencies, and corporate groups, and purchases hotel room-related supplies from upstream vendors so that visitors can enjoy quality accommodation services.

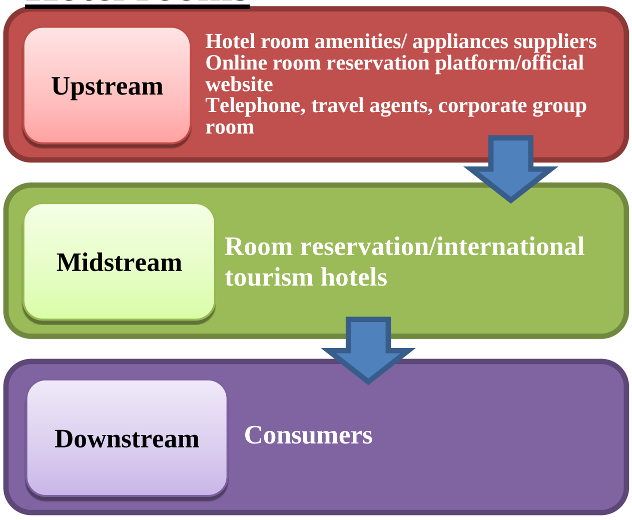
Theme park → The Company welcomes travel agencies and groups to purchase tickets, while individual travelers can conveniently purchase tickets to visit the theme park through various channels such as convenience stores, the Internet, and ticket gates. The Company procures maintenance parts for amusement facilities from upstream manufacturers to ensure that visitors can enjoy a safe experience when riding facilities in the theme park.

Correlation between Upstream, Midstream, and Downstream of the Industry

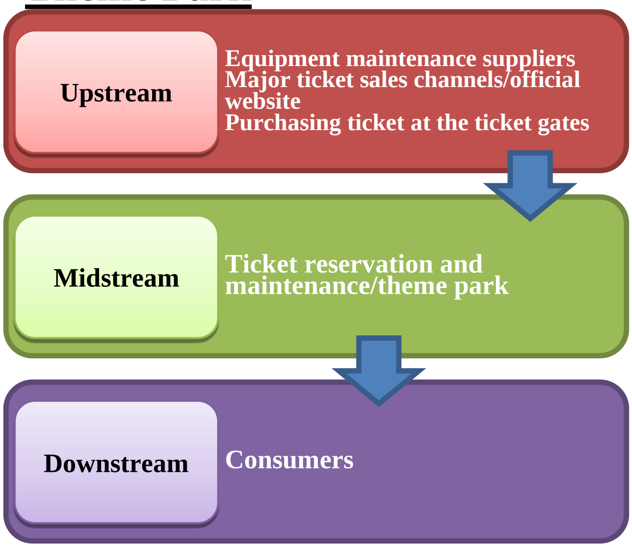
Provision of food & beverage (Hotel and Theme Park)



Hotel rooms



Theme Park



3. Various Development Trends and Competition of Products

The global economic scale has been impacted by the COVID-19 pandemic, changing the existing tourism service industry market operations. The expectations of travelers for travel have shifted towards three major trends: "convenience in dining consumption,” “diversification of accommodation itineraries,” and “flexible customization of banquets and meetings.” The e-commerce platforms that emerged due to the pandemic have become another new force in consumption. Based on the aforementioned factors, we can summarize several trends in product development for the post-pandemic era can be summarized.

(1) Due to the rise of mobile devices and social media, the Leofoo brand is now being promoted through various online platforms in order to improve consumers’ perception of the Leofoo brand.
(2) The introduction of compact and lightweight travel packages, as well as retail e-commerce, presents a new business opportunity for the food and beverage industry.
(3) The introduction of a novel theme park concept that eliminates physical contact will offer visitors enhanced peace of mind.

After the pandemic, “creating luxury at an affordable price” budget-friendly travel has become the hottest travel trend, and Taipei, Taiwan has emerged as the destination with the highest increase in global search volume during this wave. With the continuous return of international tourists and the resumption of large-scale exhibitions, a new wave of tourism boom will be driven.

(III) Overview of Technologies and R&D Work

The Company primarily operates international tourist hotels and a theme park, offering a range of services including catering, retail sales of goods, banquets, and conferences. The emphasis of the Company places a strong emphasis on customer satisfaction and recognizes the importance of providing up-to-date information in today’s rapidly changing environment. In keeping with this spirit, the Company’s catering business is continuously developing new products, utilizing seasonal fresh ingredients, and responding to market trends focused on sustainability. Additionally, the business is keeping track of the production history of ingredients to enhance its catering operation capabilities.

(I) Market Analysis

1. Regions where the main products and services are provided and sold

The Company provides hotel rooms and dining options in international tourist hotels, resorts, and the theme park. Leofoo Village Theme Park and Leofoo Resort Guanshi are located in Guanshi Township, which is located on the border of Hsinchu County and Longtan District, Taoyuan City, while Leofoo Residences and Courtyard by Marriott Taipei are located in the commercial center of Taipei City. The nationalities of the guests in the last two years are as follows:

Patrons of Leofoo Village Theme Park

Year	Domestic Patrons	Foreign Patrons
2022	99.50%	0.50%
2023	96.66%	3.34%

Patrons of Leofoo Residences

Year	Domestic Patrons	Mainland China Patrons	European and American Patrons	Japanese Patrons	Others
2022	76.20%	0.44%	6.15%	4.30%	12.81%
2023	48.68%	1.66%	14.79%	8.65%	26.22%

Patrons of Courtyard by Marriott Taipei

Year	Domestic Patrons	Mainland China Patrons	European and American Patrons	Japanese Patrons	Others
2022	68.57%	0.74%	6.65%	0.74%	23.30%
2023	49.40%	1.10%	17.99%	3.26%	28.25%

Patrons of Leofoo Resort Guanshi

Year	Domestic Visitors	Foreign Visitors
2022	92.53%	7.47%
2023	87.05%	12.95%

2. Market Share, Future Supply and Demand in the Market, and Possible Future Growth

The Company's Leofoo Village Theme Park, owned by the Company, is a popular destination among teenagers and youths due to its convenient location and proximity to the metropolitan areas of Taipei, Taoyuan, Hsinchu, and Miaoli. Additionally, the unique characteristics of the theme park also contribute to its popularity. According to the visitor statistics in 2023 from the Tourism Bureau, Ministry of Transportation and Communications, the numbers of visitors for large theme parks in Taiwan in 2023 are as follows:

Theme Park	Number of Visitors (People)
Leofoo Village Theme Park	1,237,891
Janfusun Fancyworld	970,789
Formosan Aboriginal Culture Village	817,966
Window on World Theme Park	715,942
Farglory Ocean Park	576,559
Green World Ecological Farm	523,370
Pushin Ranch	461,211
Little Ding-Dong Science Theme Park	456,260
Flying Cow Ranch	219,668

The occupancy rate and average room price of tourist hotels in Taipei City in 2023, based on the monthly report of tourist hotel operations from January to December of 2023, are as follows:

	Occupancy Rate	Average Room Price	Remark
International tourist hotels in Taipei Metropolitan Area	68.41%	NT$5,112	The occupancy rate of Courtyard by Marriott Taipei is 65.2%; the average room price is NT$4,132.

3. Favorable and Unfavorable Factors and Responses to Competitive Niches and Development Prospects and Their Response Measures

In response to the evolving global landscape, the Tourism Bureau has made significant efforts to promote the Taiwan tourism market. Collaborating with local communities, the Bureau has fostered a welcoming and hospitable environment while also creating a range of innovative and unique tourism products. These initiatives aim to enhance local co-prosperity and increase visitor satisfaction level, repeat visits, and spending power.

The theme park and tourist hotels of the Company are conveniently located and full of their own unique styles and characteristics to attract specific target customers. The Courtyard by Marriott Taipei cooperates with the international brand of Courtyard by Marriott Hotel. It has a good corporate image and enjoys international recognition.

The sources of visitors to Leofoo Village Theme Park vary significantly by season. During the winter and summer vacations, the majority of individual tourists are concentrated. To remain competitive with other theme parks, it is essential to develop appealing themes and promotional fares. Group tourists, on the other hand, are primarily present from March to June and from September to November. Therefore, it is crucial to proactively expand the source of this type of visitors and promote special projects. To maintain visitor interest, it is essential to regularly introduce new rides and attractions. This can be achieved by planning innovative themed celebrations, experiential activities, and performances each season. By doing so, visitors will be continually engaged and delighted with fresh and exciting experiences. This approach ensures that visitors of all ages can enjoy their journey in the theme park.

The first Greek-themed water park in Taiwan is currently operational, spearheading a fresh wave of water park enthusiasm every summer and offering a unique leisure experience.

Courtyard by Marriott Taipei has partnered with the renowned international brand, Courtyard by Marriott Hotel. The hotel boasts convenient transportation options, with easy access to the stations of Taiwan High Speed Rail, Taiwan Railway, and Taipei Metro stations. Located at the gateway of the New East District, the hotel is situated in a prime. The location that connects the Taipei Music Center and Popop Taipei. It has transformed into a commercial and cultural hub in Nangang, offering a range of services including a new serviced commercial office building, catering and bakery, retail, and property management resources. The hotel promotes exquisite cultural experiences and green sustainable activities in the local community. Due to its proximity to the Nangang Exhibition Hall and the Neihu Science Park, the hotel is able to cater to diverse international business travelers and conference attendees, attracting both domestic and foreign tourists.

“Leofoo Resort Guanshi” is widely recognized as the premier ecological resort hotel in Asia. It seamlessly blends the themes of African safari and ecological environment style, and its unique feature is that it is a hotel that has been thoughtfully designed.

The hotel is located adjacent to Leofoo Village Theme Park and has been designed with careful consideration for animals and ecological landscapes. The rooms feature large French windows that provide stunning views, and it is worth noting that opening the windows allows guests to observe a variety of African herbivores roaming freely. With the concept of “non-toxic, eco-friendly, back to nature, and private attractions,” Kuanshi Leofoo Resort has successfully led a new trend of luxurious travel in Asia. Recently, it has integrated animal compost to develop the Leofoo Shallow Mountain Farm, promoting sustainable tourism through its unique agricultural experience, providing domestic and international travelers with a brand-new and one-of-a-kind vacation experience.

Overall, global tourism continues to recover. The Company will actively develop domestic and international markets, strengthen promotional activities to attract tourists back, and increase market share.

(1) Important Uses and Production Process of Main Products: The Company primarily offers hotel room accommodations, a variety of restaurants, and theme parks, with the aim of providing a superior lodging experience, high-quality dining services, and exceptional leisure and entertainment facilities.
(2) Supply Status of Main Raw Materials: The Company's main raw materials are guest room amenities, fresh food and beverages in restaurants, and goods in souvenir shops; their supply is stable.
(3) Names, Amounts, and Ratios of the Top Ten Purchase (Sales) Clients in the Last Two Years: The Company's purchases and sales are sporadic; thus, it is not applicable.

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

The strategy of Leofoo Tourism Group's strategy is to expand its brand by creating hotel chains with various themes and styles. Currently, the group operates Leofoo Village Theme Park, Courtyard by Marriott Taipei, and Leofoo Residences. Leofoo Resort Guanshi is the best eco-resort hotel in Asia, combining African safari and eco-friendly styles, promoting open natural ecology and herbivore landscapes, as well as the international brand hotel "Courtyard by Marriott Taipei."

The short-term goal is to implement the development strategy of "one platform with multiple brands." The objective is to develop a "one platform" that will transform a vast expanse of land assets in Guanshi into a "multi-themed amusement park platform where visitors can indulge in a multi-day experience." This multi-themed amusement park platform will be designed with distinctive themes such as the Leofoo Village Theme Park and Leofoo Water Park, animal tour, and animal-friendly themed hotel, and will become one of the Company's primary core values. The one platform will not only attract more visitors and expand market share, but also enhance the value of land assets in Guanshi and contribute to profit generation. The "multiple brands" refers to the Courtyard by Marriott Taipei, Leofoo Residences, and Leofoo Resort Guanshi. The power of a single brand alone is insufficient to strengthen itself. Therefore, it is necessary to differentiate the brands in the market. By carefully managing these distinctive brands, they can be developed into urban five-star hotels, serviced apartments, and resort hotels.

Based on the Company's short-term development strategy of "one platform with multiple brands" and its future outlook, "brand internationalization" is a necessary long-term development strategy to ensure profitability and establish sustainable high-quality operations. In summary, our long-term and short-term development strategies entail persisting in developing new brands that incorporate highly competitive and innovative elements, thereby propelling Leofoo's tourism and leisure brand development to new heights. Leofoo Development Co., Ltd. is committed to creating a comprehensive leisure environment. Leofoo Development Co., Ltd. aims to provide a comprehensive recreational environment. In the future, it will establish sustainable tourism that is comprehensive, high-tech, and meets human needs, allowing people of all ages and from all regions to relax, enjoy life, and experience the wonders of life according to their own needs at various fun and leisure venues.

II. Analysis of Market and Production and Marketing Situation

(I) Production Volume and Value for the Most Recent Two Years

The Company's primary operations include the management of theme parks, hotel accommodations, and catering services. As it does not operate in the general manufacturing industry and does not have production and sales data, the table below only displays the main production amounts for the service items provided in the past two years.

Unit: NT$ thousands

Year / Main Products	2022	2023
Hotel Room Cost	407,003	453,726
Food and Beverage Cost	391,829	465,495
Theme Park Cost	328,084	356,636
Cost of Goods Sold	73,979	102,038
Other Operating Costs	69,093	80,399
Total	1,269,988	1,458,294

(II) Sales Volume and Value for the Most Recent Two Years

The Company's primary operations include the management of theme parks, hotel accommodations, and catering services. As it does not operate in the general manufacturing industry and does not have production and sales data, the table below only displays the main sales amounts for the service items provided in the most recent two years are demonstrated in the table below:

Unit: NT$ thousands

Year / Main Products	2022	2023
Hotel Room Revenue	479,400	752,526
Food and Beverage Revenue	462,309	587,309
Theme Park Revenue	524,482	581,736
Sales Revenue	113,206	158,660
Other Operating Revenue	95,820	130,864
Total	1,675,217	2,211,095

III. Employee Information

Unit: People;years, unless otherwise specified

Year		2022	2023	Ending on March 31, 2023
Number of Employees	Unit Supervisor or Above	191	85	87
	Service Personnel and Staff	523	627	617
	Total	714	712	704
Average Age		37.63	38.32	38.32
Average Service Year		5.00	5.12	5.12
Academic Background Distribution	PhD	-	-	-
	Master’s	4.90%	4.07%	4.12%
	Bachelor’s	49.60%	50.70%	51.14%
	High school/ Junior college degree	39.70%	38.20%	37.78%
	Below high school	5.80%	7.02%	6.96%

IV. Disbursements for Environmental Protection

As a result of the Company’s business operations, the only sources of pollution are the used water and garbage generated by the visitors. To address this issue, the Company has already made plans to acquire wastewater treatment equipment and construct a garbage disposal yard and waste incinerator equipment. These plans were developed during the construction planning phase of the theme park to effectively manage the discharge of water and disposal of garbage. The Company plans to replace ceramic tubes and bag filters annually to reduce suspended particulate and dioxin emissions in compliance with regulatory standards.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-Management Agreements and Measures for Preserving Employees’ Rights and Interests:

1. Employee Benefit Plans:

To foster a harmonious relationship between labor and management, address employee demands of employees for safety and health at work and in the workplace and beyond, unify employees, and safeguard their general rights and interests of employees, the Company not only complies with legal requirements by providing labor insurance and national health insurance to employees, but also sets up an Employee Welfare Committee. This committee provides monthly welfare funds and implements various employee welfare measures in accordance with the law.

The main employee welfare items are as follows:

(1) Food – Free meals at employee cafeteria and discounted dining at the operated locations of the Group.
(2) Clothing – Free uniforms, free uniform laundry, and discounts for personal clothing laundry are provided.
(3) Housing – Dormitories for employees, rental subsidies for employees living in remote areas, and preferential accommodation discounts in the Group's own and franchised brand hotels are provided.
(4) Transportation – Free parking or parking lot rental discounts are provided.
(5) Education – On-the-job training for employees is provided.
(6) Entertainment – Free admission to the Group's theme park for employees and family days, discounted one-day tickets for employees, and special discounts at external stores contracted with the Group.
(7) Insurance – Employer compensation contract liability insurance and group insurance are purchased for the employees.
(8) Etiquette and condolences – Wedding and funeral cash gifts, hospitalization consolation grants, and emergency allowances (or survivors' benefits) related to execution of job duties.
(9) Bonuses – Employee referral bonuses, year-end and performance bonuses.
(10) Health checkup – Employee health checkups.
(11) Employee stock ownership trust – Employees contribute a fixed amount (self-contribution) from their monthly salary, combined with the Company's incentive of 0–50% (company contribution), which is jointly paid to the bank to purchase the Company's stock.
(12) Others – Discount for the purchase of products at the operated locations of the Company.

2. Employee education and training system and implementation status:

Human resources are a crucial asset for the Company and a vital key factor in its success. The Company offers education and training to new employees to ensure they quickly become familiar with the Company's profile, rules and regulations, and job duties. This enables them to adapt to the workplace environment and develop their job skills as soon as possible. Current employees receive ongoing professional and technical training, and their duties are adjusted based on their work projects and attitudes. This ensures that the right people are in the right positions, allowing them to unleash their full potential.

3. Retirement system and its implementation:

To ensure the stability of employees' retirement, a retirement plan has been established in accordance with the Labor Standards Act. This plan outlines the retirement requirements, pension payment standards, retirement application process, and pension payment procedures.

(1) Employees eligible for retirement must apply for retirement one month in advance. After all the procedures are completed, the human resources department will notify the Company and the pension supervisory committee of each branch to pay the pension.

(2) Employees who meet the following requirements may apply for retirement:

- They have worked for the Company and its subsidiaries for at least 15 years and have reached the age of 55.
- They have worked for the Company and its subsidiaries for at least 25 years.
- They have worked for at least 10 years and have reached the age of 60.

(3) The payment standards for employee pensions are as follows:

- Two basis points are awarded for each full year of service based on the employee's length of service. For each full year of service beyond 15 years, an additional basis point is awarded, up to a maximum of 45 basis points. For the purpose of calculating employee tenure, those who have worked for less than six months will be counted as having worked for six months, while those who have worked for More than six months will be counted as having worked for one year.
- If the employees apply for retirement due to mental or physical disability resulting from the performance of their job duties, an additional 20% shall be paid in accordance with the preceding paragraph.

(4) The Company and its subsidiaries make monthly contributions of 6% of their salaries to the employees' individual pension accounts of employees who are subject to the pension provisions of the Labor Pension Act. In 2023, eight employees applied for retirement, and the Company provided assistance to them in applying for their pensions.

4. Labor-Management Agreements and Measures for Preserving Employees' Rights and Interests:

The attendance, leaves, vacation, and holidays of the Group's employees are handled in accordance with the provisions of the Labor Standards Act and implemented after reaching agreement between labor and the management.

(II) Protection Measures for Employees' Working Environment and Personal Safety:

Item	Content
Access Control Security	1. To guarantee the safety of our employees in the workplace, all entrances and exits of the Company has installed facial recognition access control systems and security monitoring equipment at all entrances and exits. Additionally, 24-hour security guards have been stationed at the main entrances and exits to safeguard the personal safety of our employees.
Maintenance and Inspection of Various Equipment	1. In accordance with the provisions of the Regulations Governing Building Public Safety Inspection Attestation and Reporting, the Company regularly commissions external professional companies to conduct public safety inspections. 2. In accordance with the Fire Services Act, the Company regularly (semi-annually) commissions external personnel to engage in fire safety equipment inspection and reporting. 3. The Company completes the reporting of safety and health work rules in accordance with the law. 4. In accordance with occupational safety and health regulations, implement automatic planning, establish a good inspection and maintenance system for various equipment, identify unsafe factors in advance, improve unsafe actions and behaviors, and strive to eliminate or control them to prevent accidents from occurring. 5. According to occupational safety and health regulations, implement the classification, labeling, general knowledge, training and management of priority chemical substances. 6. The Company conducts annual maintenance and inspections on water dispensers and drinking water every year, as well as high and low-voltage electrical equipment, air conditioning units, fire-fighting equipment, and elevators, and other related equipment.
Disaster Prevention Measures and Responses	1. The Company has implemented several procedures to prevent disasters, ensure safety, and respond to emergencies. These include the "Natural Disaster and Typhoon Prevention Procedures," "Hotel Safety Protection Plan," "ICS Emergency Response Protection Plan," and "First Aid Personnel Training." These procedures clearly define the responsibilities and job duties of the Company's personnel at all levels within the Company in the event of major incidents such as natural disasters, incidents causing multiple major injuries, and other major emergencies before and after they occur. 2. To ensure the safety and health of our employees, the Company has established a team of professionals dedicated to labor safety and health. This team includes a Category A supervisor, a Grade A occupational health (safety) administrator, and a Grade B occupational safety and health officer, as well as registered nurses and first-aid personnel. Additionally, we have fire prevention management personnel in place to handle any fire prevention affairs that may

Item	Content
	arise. 3. The Company has implemented a notification process for occupational accidents and has provided a detailed explanation of the procedures for handling such incidents during the new employee training sessions. 4. Leofoo Village passed the ISO 45001 system certification in April 2022. 5. Set up an AED defibrillator to respond to major incidents and rescue lives, reducing casualties. 6. Passed the Heartful Workplace Certification (more than 70% of all employees received AED+CPR education and training) 7. To respond to emergency incidents and save lives at the Leofoo Village Theme Park, one ambulance is being set up to reduce risks.
Physical Health	1. Health examination: Current full-time staff – Regular health checkups are done at least every two years; they can consult with doctors concerning the results in the health checkup reports if they wish to do so. Part-time staff – They are eligible to apply for a medical examination subsidy based on their accumulated working hours. 2. On-site service: Special occupational medicine physicians are hired to provide on-site services. 3. Workplace environment: A comprehensive smoking ban has been implemented across all Corporation premises. The Company conducts health seminars and regularly cleans and disinfects the workplace environment. 4. Job redesign: Optimize workflows, break down tasks, and utilize assistive tools to reduce employee workload. 5. Annual regular influenza vaccine promotion/vaccination. 6. The Company implements health promotion activities and sets up blood pressure monitors and scales for employees to use. 7. Obtained the Healthy Workplace Promotion Badge in 2023. 8. Conducting semi-annual workplace environment monitoring refers to the planning, sampling, measurement, analysis, and evaluation undertaken to understand the actual working environment conditions and assess workers' exposure levels.

Item	Content
Mental Health	1. According to the Occupational Safety and Health Act, the four major worker health protection programs “ergonomic hazards, abnormal workloads, unlawful infringement during duty execution, and workplace maternity protection” are implemented. Questionnaires are filled out, statistics are gathered, high-risk employees are included for care, and training courses are provided. 2. An employee suggestion box has been established to allow employees to express their opinions, and an @line group “HR Help” has been set up. 3. The Company has set up a hotline and mailbox to provide a safe and secure channel for employees to report any violations of laws and regulations in the workplace, including incidents of sexual harassment.
Insurance and Medical Consolation	1. All employees are covered by the labor insurance, employment insurance, and national health insurance, and are entitled to insurance benefits in accordance with applicable laws and regulations. The Company transfers the payment of employee benefits related to birth, injury, disability, old age, death, and other similar circumstances to the Bureau of Labor Insurance and the National Health Insurance Administration. This transfer is carried out in accordance with the “Labor Insurance Act” and “National Health Insurance Act.” 2. The Company provides “employer compensation contract liability insurance” for all employees, which covers accidental death, disability, or injury that occurs during the performance of their job duties. In such cases, the insurance Company is responsible for compensation in accordance with the “accident compensation rules” and the terms of the insurance company shall comply with the insurance contract. Additionally, the Company has acquired “group injury insurance” to cover accidental injuries that occur outside of job duties and result in disability or death due to physical injury. In such cases, the insurance Company will provide compensation as outlined in the insurance contract. 3. Consolation grants are available for employees who are hospitalized due to injury or sickness, as well as for those who experience the loss of a parent, spouse, or child.

(III) Loss Resulting from Labor Dispute and the Estimated Amount of Loss for Disputes Which May Occur in the Future and Their Response Measures in the Most Recent Fiscal Year and in the Current Fiscal Year up to the Date of Publication of the Annual Report Amount: None.

VI. Cyber Security Management

(I) The Cyber Security Risk Management Framework, Cyber Security Policies, Concrete Management Programs, and Investments in Resources for Cyber Security Management:

1. Cyber Security Management Framework:

   To ensure prompt handling of information security incidents can be handled promptly and in accordance with established procedures, and to take necessary measures and establish an incident learning mechanism, the Company has implemented a functional structure for each level of units as follows:

   (1) Convener: The Group's executive management is responsible for directing the handling of the Group is accountable for overseeing the management of incidents. The convener is responsible for convening emergency meetings, notifying the Company's person in charge of the Company, directing the investigation of incidents, determining whether or not to inform the police authorities, deciding on the issuance of press releases, and directing follow-up handling, post-event review, and audit, among other things.

   (2) Public Relations Unit: Prepares internal news releases and external press releases.

   (3) Legal Unit: Assists in accident investigation, collects information for press releases by the Public Relations Unit, reports to the police authorities or the public prosecutor's office, and assists in follow-up legal disputes and liability handling. Assists in risk/damage assessment and control, assists in drafting accident management measures, and follows up on handling of incidents.

   (4) Operating Unit: Assists in confirming the cause of incidents and acts as a contact point in case of personal safety accidents relating to customers.

   (5) Human Resources Unit: Assists in confirming the cause of incidents and acts as a contact point in case of personal information safety accidents involving the employees.

   (6) Information Unit: Assists in repairing system equipment/damage control, assists in accident investigation, collects and preserves evidence, etc.

2. Cyber security policies:

   The Company places great emphasis on ensuring pays attention to the security of its information network and the stable operation of its computer equipment. This includes the proper use of data, software, hardware, and network systems, to prevent any unauthorized access, leakage, tampering, or destruction of the Company's information systems and data. Additionally, the Company takes measures to mitigate any operational risks and hazards that may pose a threat to its information security. Security management plans are as follows:

(1) Device Security Management

A. When setting up personal data on computer equipment, pay attention to data backup and relevant security measures when maintaining or updating the equipment.

B. Building a personal computer for personal data should not be directly used as a front-end tool for public inquiries.

C. Management of electromagnetic records or related media data containing personal information shall not be taken out or copied without the consent and record of the unit supervisor.

D. The personal data files of this company should be backed up on a regular weekly basis.

E. Important personal data backups should be stored offsite, and mechanisms should be implemented to prevent accidents such as theft, tampering, damage, loss, or leakage of personal data.

F. When computers, automated machines or other storage media need to be scrapped, replaced or repurposed, the personal data manager or unit supervisor should check whether the personal data stored on the equipment has been properly deleted.

(2) Data Security Management:

A. Control of Personal Data Access by Computers:

a. Personal data files stored on a computer’s hard disk drive should be protected with login passwords, program passwords, and other relevant security measures.

b. When the employees of this company need to output or input personal data due to their job responsibilities, they must enter their personal user code and identification password, and do so within the scope and permission of usage. The identification password should be kept confidential and not disclosed or shared with others.

c. Personal data files should be exited immediately after use and must not be left on the computer terminal.

d. It is necessary to regularly perform anti-virus and virus scanning measures on computer systems.

B. Storage of Paper Documents:

a. Regarding all kinds of proxy forms, contracts (including personal data forms), they should be kept in a cabinet that is not easily accessible. Employees are not allowed to copy or photocopy without the consent of the Company’s authorized supervisor.

b. For the disposal of paper documents containing personal information, they should first be processed with a shredding machine.

(3) Personnel Management:

A. The Company may properly set different permissions for employees (such as managers, non-managerial employees) based on business needs to control access to their personal information, and regularly review the appropriateness and necessity of such permissions.

B. Company employees should change their identification password once every 90 days, and can only continue using the computer after changing their identification password.

C. The employees of this company should properly keep the storage media containing personal data, and collect, process and use personal data in accordance with the Personal Data Protection Act when performing their duties. Non-disclosure clauses and relevant penalty clauses for breaches are also included in the labor contracts to ensure the obligation of confidentiality regarding the personal data content during the course of performing duties.

D. When an employee or a person performing business for a hotel company terminates their contract, their user code (account) and identification password will be immediately canceled. Any personal data they hold should be handed over, and they are not allowed to continue using it outside the Company. They must also sign a confidentiality agreement.

(4) Resources Invested in Cyber Security Management:

A. Update firewall protection devices: Placing the internal server of the enterprise in the intranet environment and properly isolating it from the external environment to reduce external attacks.

B. Install antivirus software: Anti-virus software is installed on computers and server hosts, withe virus data updated frequently, providing real-time protection capabilities.

C. Cybersecurity awareness: Internal employee information security education training and awareness campaigns are implemented, such as mandatory regular replacement of accounts and passwords, identification of malicious e-mails, not downloading unidentified software or opening unidentified files and links, etc.

D. Data backup: Purchasing a backup host and planning a system backup strategy to avoid the risk of damage to operating data caused by system failure or malicious damage.

(II) The Company’s Losses Incurred in the Latest Fiscal Year, up to the Date of the Annual Report Publication, Resulting from Significant Cyber Security Incidents, Along with Their Potential and the Measures Being Implemented or Planned, Shall Be Disclosed. in Case a Reasonable Estimate Cannot Be Determined, a Clear Explanation of the Reasons for Such Inability Shall Be Provided:

In the most recent fiscal year, and up to the date of the annual report publication, there have been only sporadic cases of attack of computer virus attacks, and the integrity of our data and confidential information has not been compromised. Our proactive measures to prevent the spread of viruses on the internet have been successful, resulting in complete and safe resolution of any cases are solved completely and safely, and there are no major information security incidents or significant losses. The Company has implemented extensive measures to safeguard its network and computer-related information security.

However, the ever-evolving nature of hacker attacks necessitates ongoing review and evaluation of the Company’s information security mechanisms to ensure their appropriateness and effectiveness. To this end, the Company has reinforced its network firewall and network control, as well as preventing cross-departmental and has taken steps to prevent the spread of computer viruses across departments and regions. These measures are aimed at enhancing the Company’s protection against malicious software and hacker attacks.

Furthermore, efforts are made to enhance information security awareness campaigns to ensure that all employees are knowledgeable about information security protection and possess basic defense capabilities in this area.

VII. Important Contracts

The annual report should include information on the contracting parties, major content, restrictive clauses, and the commencement dates, and expiration dates of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that could impact shareholders' equity. This information should pertain to contracts that were either still in effect as of the date of publication of the annual report, or expired in 2023:

Type of Contract	Party	Contract Duration	Contract Content	Restrictions
Long-term technical cooperation contract	Marriott International, INC.	-	Technical cooperation and operation of Courtyard by Marriott Taipei	None
Hotel lease contract	Ruentex Xu-Zhan Development Co., Ltd.	Twenty years from the completion of construction	Hotel management	None
Construction contract	Taiwan Kumagai Co., Ltd.	A total of 52 months from the start date of the construction to the acquisition of the building use permit	Construction management	None
Long-term loans contract	Yuanta Commercial Bank	2020.06.19-2025.06.19	Secured loan	None

Chapter 6 Financial Information

I. Condensed Balance Sheets, Statements of Comprehensive Income, and Auditors' Review Opinions for the Past Five Fiscal Years

(I) Condensed Parent Company Only Balance Sheets - Adoption of International Financial Reporting Standards (IFRS)

Unit: NT$ thousands

Item \ Year		Financial Information for the Past Five Fiscal Years (Note)				
		2019	2020 (After Restatement)	2021	2022	2023
Current Assets		472,843	410,525	450,103	387,364	388,599
Funds and Investment		211,049	180,159	163,489	188,642	184,969
Property, Plant, and Equipment		6,263,324	5,924,833	5,274,809	5,177,256	5,060,145
Right-of-use Assets		4,502,722	4,310,649	4,021,667	3,792,236	3,493,980
Intangible Assets		24,796	17,724	8,963	4,938	1,659
Other Assets		248,118	1,165,733	5,910,618	6,036,024	6,375,070
Total Assets		11,250,009	12,009,623	15,829,649	15,586,460	15,504,422
Current Liabilities	Before Distribution	3,430,542	1,568,354	1,237,770	1,632,411	1,151,676
	After Distribution	3,430,542	1,568,354	1,237,770	1,632,411	1,151,676
Non-current Liabilities		6,673,487	8,513,016	9,364,956	9,039,550	9,527,061
Total Liabilities	Before Distribution	10,104,029	10,081,370	10,602,726	10,671,961	10,678,737
	After Distribution	10,104,029	10,081,370	10,602,726	10,671,961	10,678,737
Equity Attributable to Owners of the Parent		1,618,823	1,928,253	5,226,923	4,914,499	4,825,685
Capital Stock		1,865,366	1,865,366	1,913,128	1,913,128	1,913,128
Capital Surplus		-	-	31,236	31,236	31,236
Retained Earnings	Before Distribution	(214,310)	96,689	(149,739)	(465,081)	(565,859)
	After Distribution	(214,310)	96,689	(149,739)	(465,081)	(565,859)
Other Equity		(31,663)	(32,233)	(33,802)	3,435,216	3,447,180
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	1,618,823	1,928,253	5,226,923	4,914,499	4,825,685
	After Distribution	1,618,823	1,928,253	5,226,923	4,914,499	4,825,685

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

(II) Condensed Consolidated Balance Sheets - Adoption of International Financial Reporting Standards (IFRS)

Unit: NT$ thousands

Item \ Year		2019	2020 (After Restatement)	2021	2022	2023
		Financial Information for the Past Five Fiscal Years (Note)				
Current Assets		634,232	557,798	538,440	518,152	503,869
Funds and Investment		93,244	88,451	84,548	80,634	77,059
Property, Plant, and Equipment		6,225,312	5,893,325	5,296,208	5,203,928	5,089,494
Right-of-use Assets		4,781,898	4,553,011	4,227,215	3,960,969	3,625,899
Intangible Assets		24,796	17,724	8,963	4,970	1,893
Other Assets		247,976	1,165,451	5,898,845	6,003,852	6,326,958
Total Assets		12,007,458	11,717,962	15,515,779	15,254,353	15,639,317
Current Liabilities	Before Distribution	3,464,735	1,619,082	1,282,800	1,676,050	1,182,531
	After Distribution	3,464,735	1,619,082	1,282,800	1,676,050	1,182,531
Non-current Liabilities		6,923,900	8,728,425	9,544,496	9,181,956	9,631,101
Total Liabilities	Before Distribution	10,388,635	10,347,507	10,827,296	10,858,006	10,813,632
	After Distribution	10,388,635	10,347,507	10,827,296	10,858,006	10,813,632
Equity Attributable to Owners of the Parent		1,618,823	1,928,253	5,226,923	4,914,499	4,825,685
Capital Stock		1,865,366	1,865,366	1,913,128	1,913,128	1,913,128
Capital Surplus		-	-	31,236	31,236	31,236
Retained Earnings	Before Distribution	(214,310)	96,689	(149,739)	(465,081)	(565,859)
	After Distribution	(214,310)	96,689	(149,739)	(465,081)	(565,859)
Other Equity		(31,663)	(32,233)	(33,802)	3,432,298	3,447,180
Treasury Stock		-	-	-	-	-
Non-controlling Interests		-	-	-	-	-
Total Equity	Before Distribution	1,618,823	1,928,253	5,226,923	4,914,499	4,825,685
	After Distribution	1,618,823	1,928,253	5,226,923	4,914,499	4,825,685

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

(III) Condensed Parent Company Only Statements of Comprehensive Income - Adoption of International Financial Reporting Standards (IFRS)

Unit: NT$ thousands; NT$ for Earnings per Share

Item \ Year	Financial Information for the Past Five Fiscal Years (Note)				
	2019 (After Restatement)	2020 (After Restatement)	2021	2022	2023
Operating Revenue	2,028,541	1,561,035	1,248,931	1,667,226	2,210,076
Gross Profit	620,092	324,839	102,645	437,620	787,017
Operating Income	(111,469)	(361,769)	(477,353)	(188,511)	87,566
Non-operating Income and Expenses	(414,348)	58,562	200,334	(128,461)	(185,310)
Income (Loss) before Tax	(525,817)	(303,207)	(277,019)	(316,972)	(97,744)
Income (Loss) from Continuing Operations	(525,817)	(309,214)	(277,012)	(316,972)	(97,744)
Income (Loss) from Discontinued Operations	(20,686)	-	-	-	-
Net Income (Loss)	(546,503)	(309,214)	(277,012)	(316,972)	(97,744)
Other Comprehensive Income (Loss) (after Tax)	847	3,941	3,496,684	4,548	8,930
Total Comprehensive Income	(545,656)	(305,273)	3,219,672	(312,424)	(88,814)
Earnings per Share	(2.93)	(1.66)	(1.46)	(1.66)	(0.51)

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

(IV) Condensed Consolidated Statements of Comprehensive Income - Adoption of International Financial Reporting Standards (IFRS)

Unit: NT$ thousands; NT$ for Earnings per Share

Item \ Year	Financial Information for the Past Five Fiscal Years (Note)				
	2019 (After Restatement)	2020 (After Restatement)	2021	2022	2023
Operating Revenue	2,028,541	1,573,103	1,256,999	1,675,217	2,211,095
Gross Profit	341,135	292,990	68,665	405,229	752,801
Operating Income	(366,978)	(368,924)	(483,970)	(197,503)	75,942
Non-operating Income and Expenses	(158,039)	65,717	206,951	(119,469)	(173,686)
Income (Loss) before Tax	(525,017)	(303,207)	(277,019)	(316,972)	(97,744)
Income (Loss) from Continuing Operations	(525,017)	(309,214)	(277,012)	(316,972)	(97,744)
Income (Loss) from Discontinued Operations	(21,486)	-	-	-	-
Net Income (Loss)	(546,503)	(309,214)	(277,012)	(316,972)	(97,744)
Other Comprehensive Income (Loss) (after Tax)	847	3,941	3,496,684	4,548	8,930
Total Comprehensive Income	(545,656)	(305,273)	3,219,672	(312,424)	(88,814)
Net Income Attributable to Shareholders of the Parent	(546,503)	(305,273)	(277,012)	(316,972)	(97,744)
Net Income Attributable to Non-controlling Interests	-	-	-	-	-
Comprehensive Income Attributable to Owners of the Parent	(545,656)	(305,273)	(3,219,672)	312,424	(88,814)
Comprehensive Income Attributable to Non-controlling Interests	-	-	-	-	-
Earnings per Share	(2.93)	(1.66)	(1.46)	(1.66)	(0.51)

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

(V) Matters of Material Significance Which Affected the Comparability of the Above-Mentioned Condensed Financial Statements, Such as Accounting Changes, Corporate Mergers, or Suspension of Work in the Operating Departments etc., and the Impact of These Events on the Then Current Financial Reports: None.

(VI) Name of CPAs and Audit Opinions for the Last Five Years

Attestation / Year	Name of CPA Firm	CPA	Opinions
2019	KPMG Taiwan	Huei-Chih Ko and Hsin-Yi Kuo	Unqualified opinion with added emphasis of matter paragraph
2020	Ernst & Young Taiwan	Mao-Yi Hong and Ching-Piao Cheng	Unqualified opinion with other matters paragraph
2021	Ernst & Young Taiwan	Mao-Yi Hong and Ching-Piao Cheng	Unqualified opinion with added emphasis of matter and other matters paragraphs
2022	Ernst & Young Taiwan	Mao-Yi Hong and Ching-Piao Cheng	Unqualified opinion with other matters paragraph
2023	Ernst & Young Taiwan	Ching-Piao Cheng Wen-Fun Fuh	Unqualified opinion with other matters paragraph

II. Financial Ratios Analyses for the Past Five Fiscal Years

(I) Parent Company Only Financial Analysis - Adoption of International Financial Reporting Standards (IFRS)

Analysis Item / Year		Financial Analyses for the Past Five Fiscal Years				
		2019	2020 (After Restatement)	2021	2022	2023
Financial Structure (%)	Debt Ratio	86.19	83.94	66.98	68.47	68.88
	Ratio of Long-term Capital to Property, Plant, and Equipment	132.39	176.23	276.63	269.53	283.64
Solvency (%)	Current Ratio	13.78	26.18	36.36	23.73	33.74
	Quick Ratio	10.56	18.37	29.31	17.86	24.98
	Interest Coverage Ratio	-	(1.25)	(0.66)	(0.86)	0.50
Operating Ability	Accounts Receivable Turnover Rate (Times)	25.14	24.54	26.31	31.02	47.56
	Average days for cash receipts	15	15	14	12	8
	Inventory Turnover Rate (Times)	35.85	36.40	30.93	31.69	34.08
	Accounts Payable Turnover Rate (Times)	16.62	18.62	13.72	14.21	15.78
	Average Days for Sale of Goods	10	10	11	12	11
	Property, Plant, and Equipment Turnover Rate (Times)	0.35	0.27	0.22	0.32	0.43
	Total Assets Turnover Rate (Times)	0.19	0.13	0.09	0.11	0.14
Profitability	Return on Total Assets (%)	(4.78)	(1.40)	(1.03)	(1.15)	0.39
	Return on Equity (%)	(28.89)	(14.86)	(7.74)	(6.25)	(2.01)
	Ratio of Income before Tax to Paid-in Capital (%)	(29.3)	(16.25)	(14.48)	(16.57)	(5.11)
	Net Profit Margin (%)	(24.54)	(18.81)	(22.18)	(19.01)	(4.42)
	Earnings per Share (NT$)	(1.61)	(1.66)	(1.46)	(1.66)	(0.51)
Cash Flows	Cash Flow Ratio (%)	(1.76)	8.74	1.88	13.65	40.65
	Cash Flow Adequacy Ratio (%)	8.48	(23.49)	14.30	15.04	62.41
	Cash Reinvestment Ratio (%)	(0.66)	1.16	0.11	1.08	2.18
Leverage	Operating Leverage	(8.45)	(1.06)	(0.22)	(2.32)	8.99
	Financial Leverage	-	0.68	0.74	0.53	(0.80)

Description of reasons for any changes in financial ratios in the past two years.

1. Increase in current ratio and quick ratio: Due to short-term borrowings converted to long-term borrowings.
2. Increase in interest coverage ratio: This is mainly due to a significant decrease in loss before tax.
3. Increase in accounts receivable turnover rate (times): This is mainly due to the decrease in accounts receivable this year.
4. Property, plant, and equipment and total assets turnover rate: Mainly due to the significant increase in operating revenue compared to that of last year. Mainly due to the significant increase in operating revenue compared to that of last year.
5. Return on assets, return on equity, ratio of pre-tax net income to paid-in capital and earnings per share: This is mainly due to a significant decrease in pre-tax losses.
6. Increase in cash flow ratio and cash flow adequacy ratio: Mainly due to the significant increase in operating revenue compared to that of last year.
7. Increase in operating leverage and decrease in financial leverage: Mainly due to operating profit this year.

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

(II) Consolidated Financial Analysis - Adoption of International Financial Reporting Standards (IFRS)

Analysis Item	Year	2019	2020 (After Restatement)	2021	2022	2023
		Financial Analysis for the Past Five Fiscal Years (Note)				
Financial Structure (%)	Debt ratio	86.52	84.29	67.44	68.84	69.14
	Ratio of long-term capital to property, plant, and equipment	137.23	180.83	278.91	270.88	284.05
Solvency (%)	Current ratio	18.31	34.45	41.97	30.92	42.61
	Quick ratio	12.67	23.86	34.42	24.68	33.35
	Interest coverage ratio	(2.01)	(0.76)	(0.61)	(0.82)	0.51
Operating ability	Accounts Receivable Turnover Rate (Times)	23.08	23.63	26.58	31.32	47.92
	Average days for cash receipts	15.82	15.45	14	12	8
	Inventory Turnover Rate (Times)	7.99	2.19	3.67	26.94	29.56
	Accounts Payable Turnover Rate (Times)	15.62	13.68	10.81	10.82	11.18
	Average days for sale of goods	45.70	166.67	99.46	13.55	12
	Property, Plant, and Equipment Turnover Rate (Times)	0.35	0.28	0.22	0.32	0.43
	Total Assets Turnover Rate (Times)	0.19	0.13	0.09	0.11	0.14
Profitability	Return on Total Assets (%)	(3.93)	(1.33)	(0.99)	(1.11)	0.40
	Return on Equity (%)	(28.89)	(14.86)	(7.74)	(6.25)	(2.01)
	Ratio of income before tax to paid-in capital (%)	(29.3)	(19.38)	(14.48)	(16.57)	(5.11)
	Net Profit Margin (%)	(24.54)	(16.25)	(25.30)	(18.92)	(4.42)
	Earnings per Share (NT$)	(2.93)	(1.66)	(1.46)	(1.66)	(0.51)
Cash Flows	Cash Flow Ratio (%)	(1.48)	11.30	2.67	14.16	40.52
	Cash Flow Adequacy Ratio (%)	5.19	(35.62)	15.82	22.15	71.73
	Cash Reinvestment Ratio (%)	5.19	1.56	0.16	1.11	2.15
Leverage	Operating leverage	(1.24)	(0.95)	(0.14)	(2.05)	9.91
	Financial leverage	0.67	0.68	0.74	(0.53)	(0.61)

Description of reasons for any changes in financial ratios in the past two years.

1. Increase in current ratio and quick ratio: Due to short-term borrowings converted to long-term borrowings.
2. Increase in interest coverage ratio: This is mainly due to a significant decrease in loss before tax.
3. Increase in accounts receivable turnover rate (times): This is mainly due to the decrease in accounts receivable this year.
4. Property, plant, and equipment and total assets turnover rate: Mainly due to the significant increase in operating revenue compared to that of last year. Mainly due to the significant increase in operating revenue compared to that of last year.
5. Return on assets, return on equity, ratio of pre-tax net income to paid-in capital and earnings per share: This is mainly due to a significant decrease in pre-tax losses.
6. Increase in cash flow ratio and cash flow adequacy ratio: Mainly due to the significant increase in operating revenue compared to that of last year.
7. Increase in operating leverage and decrease in financial leverage: Mainly due to operating profit this year.

Note: The financial data for the year 2019 was audited and certified by KPMG Taiwan; the financial data for the years 2020 to 2023 was audited and certified by EY Taiwan.

III. Audit Committee’s Review Report on Financial Statements for the Most Recent Fiscal Year

Leofoo Development Co., Ltd.

Audit Committee’s Review Report

The Company’s Board of Directors has completed the Company’s 2023 Business Report, which includes the Financial Statements for both the parent Company and consolidated financial statements, as well as a proposal for deficit compensation. To ensure accuracy and compliance, the Company engaged the services of Ching-Piao Cheng and Wen-Fun Fuh, CPAs from EY Taiwan, to conduct an audit of the Company’s Financial Statements. The auditors have issued a report regarding their findings.

The Audit Committee has conducted an audit of the Business Report, Financial Statements (including parent Company only and consolidated financial statements), and proposal for deficit compensation, and no discrepancies have been identified. As a result, the report is compliant with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, and we hereby submit this report.

To

The Company’s 2024 Annual Shareholders Meeting

Leofoo Development Co., Ltd.

Convener of the Audit Committee:Heng-Yih Liu

March 11, 2024

IV. Financial Statements for the Most Recent Fiscal Year: Please refer to Attachment 1.

V. Parent Company Only Financial Statements for the Most Recent Fiscal Year, Audited by CPAs: Please refer to Attachment 2.

VI. Effect on the Financial Position of Any Financial Difficulties Experienced by the Company and Its Affiliates in the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

Chapter 7 Review and Analysis of Financial Position and Financial Performance, and Evaluation of Risks

I. Financial Position

Unit: NT$ thousands; %

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	503,869	518,152	(14,283)	(2.76)
Financial Assets at Fair Value through Other Comprehensive Profit or Loss	77,059	65,116	11,943	18.34
Long-term Investment	14,145	15,518	(1,373)	(8.85)
Property, Plant, and Equipment	5,089,494	5,203,928	(114,434)	(2.20)
Right-of-use Assets	3,625,899	3,960,969	(335,070)	(8.46)
Investment Property	6,080,612	5,758,505	322,107	5.59
Intangible Assets	1,893	4,970	(3,077)	(61.91)
Deferred Tax Assets	11,775	12,360	(585)	(4.73)
Other Non-current Assets (Note 2)	234,571	232,987	1,584	0.68
Total Assets	15,639,317	15,772,505	(133,188)	(0.84)
Current Liabilities (Note 2)	1,182,531	1,676,050	(493,519)	(29.45)
Long-term Loans (Note 2)	4,769,815	4,017,610	752,205	18.72
Deferred Tax Liabilities	1,314,711	1,293,031	21,680	1.68
Lease Liabilities	3,486,708	3,800,194	(313,486)	(8.25)
Net Defined Benefit Liabilities	36,659	49,592	(12,933)	(26.08)
Others Non-current Liabilities	23,208	21,529	1,679	7.80
Total Liabilities	10,813,632	10,858,006	(44,374)	(0.41)
Capital Stock	1,913,128	1,913,128	-	-
Capital Surplus	31,236	31,236	-	-
Legal Reserve	17,979	17,979	-	-
Special Reserve	1,385,073	1,385,073	-	-
Accumulated Profit or Loss	(1,968,911)	(1,868,133)	(100,778)	5.39
Other Equity	3,447,180	3,435,216	11,964	0.35
Total Equity	4,825,685	4,914,499	(88,814)	(1.81)

Note 1: This period is due to the spread.
Note 2: Capital planning and optimization conditions have changed, mostly in the form of long-term loans.

II. Financial Performance

(I) Table of Comparative Analysis of Operating Results

Unit: NT$ thousands, unless otherwise specified

Item \ Year	2023	2022	Change, by Amount	Change, by Percentage (%)
Operating Revenue	2,211,095	1,675,217	535,878	31.99
Operating Costs	1,458,294	1,269,988	188,306	14.83
Gross Profit	752,801	405,229	347,572	85.77
Operating Expenses	676,859	602,732	74,127	12.30
Operating Income	75,942	(197,503)	273,445	(138.45)
Non-operating Income and Expenses	(173,686)	(119,469)	(54,217)	45.38
Loss before Tax	(97,744)	(316,972)	219,228	(69.16)
Income Tax (Expense) Benefit	-	-	-	-
Loss after Tax	(97,744)	(316,972)	219,228	(69.16)
Explanation: Operating Revenue: Due to the easing of the epidemic situation this period and the government allowing international visitors to Taiwan, revenue grew significantly. Non-operating income and expenses: Due to government subsidies and rent concessions in 2022.				

(II) Sales Volume Forecast and the Basis Therefor, and the Effect on the Financial Operations and Measures to Be Taken in Response

The Company sets the annual sales targets with reference to previous sales performance and annual budget.

III. Cash Flows

(I) Analysis of Cash Flow Changes for the Last Two Fiscal Years

Unit: %

Year / Item	2023	2022	Increase (Decrease) Percentage
Cash Flow Ratio	40.52	14.16	186.16
Cash Flow Adequacy Ratio	71.73	22.15	223.84
Cash Reinvestment Ratio	2.15	1.11	93.69

Analysis and explanation of increase (decrease) percentage:

1. The increase in cash flow ratio and reinvestment ratio compared with those of last year is due to the significant growth in revenue, driving net operating cash inflow.
2. The cash flow adequacy ratio increased compared to the same period last year, mainly due to the significant increase in capital expenditure from the ongoing renovation of Leofoo Hotel during 2023.

(II) Liquidity Analysis for the Coming Year

Unit: NT$ thousands

Cash at Beginning of the Period (1)	Expected Amount of Net Cash Flows from Operating Activities (2)	Expected Amount of Cash Outflow (3)	Expected Amount of Cash Surplus (Inadequacy) (1)＋(2)－(3)	Remedial Measures for Expected Cash Inadequacy	
				Investment Plan	Financial Plan
242,152	488,603	(430,705)	300,050	-	-

Analysis of cash flow changes for the coming year:
It is expected that the net cash inflow from operating activities for the next year will be mainly due to the net cash inflow from the projected increase in profits in 2024, which will be higher than the net cash outflow required for working capital; the net cash outflow from financing activities in 2024 will be due to the payment of lease liabilities; the overall cash inflow for the year 2024 will result in an increase in the ending cash balance compared to the beginning cash balance.

IV. Effect on Financial Operations of Any Major Capital Expenditures during the Most Recent Fiscal Year

(I) The utilization of significant capital expenditures and their corresponding sources of funding are as follows: In 2022, the commencement of the construction of the commercial building located in Changchun Road was initiated, alongside the acquisition of new equipment was purchased for Leofoo Village Theme Park. The funding sources for these expenditures were derived from self-owned funds and bank loans.

(II) Expected benefits to be generated: After the construction is completed, the lease per ping (approx. 3.3 m^2) will be approximately NT$3,000, which is expected to contribute to future revenue.

V. Reinvestment Policy for the Most Recent Fiscal Year, Main Reasons for Profits/Losses Generated Thereby, Plan for Improving Re-investment Profitability, and Investment Plans for the Coming Year:

(I) Reinvestment Policy

The Company's reinvestment policy is grounded in the fundamental principle of prioritizing the core consideration of the business operations and refrains from engaging in extraneous activities that are not pertinent to the current business operations. The Company has developed several policies and regulations to ensure effective internal control. These include the "Internal Control - Investment Cycle," "Internal Control - Management System Operations - Supervision and Management of Subsidiaries," "Rules Governing Financial and Business Matters Between the Company and Its Affiliates," and "Regulations Governing the Acquisition and Disposal of Assets."

(II) Main Reasons for Profits or Losses and the Improvement Plan

Unit: NT$ thousands

Invested Company	Direct (Indirect) Shareholding Percentage	Investment Income or Loss Recognized in the Most Recent Year	Main Reasons for Profits or Losses	Improvement Plan
Elite Catering Company Limited.	100 %	11	Operation currently suspended; its relevant business has been transferred to Nanjing Branch of Leofoo Development Co., Ltd.	
Leofoo Development & Construction Co., Ltd.	100 %	(8,666)	It is a project that the parent company has commissioned its subsidiary to construct and has not yet been accepted. After acceptance, the profit can be recognized, and the loss will be turned into a profit.	Carrying out business expansion, manpower streamlining, and cost control policies.
Leofoo Agronomy Co., Ltd.	100 %	(6,060)	New start-up Company. In the early stage, it is generating revenue from small-scale agricultural production, however profit is not enough to cover labor costs.	Increasing production and working closely with Leofoo Resort Guanshi to increase experience travel packages and drive revenue growth.
Leofoo Investment Co., Ltd.	100 %	451	At present, the Group has no foreign investment plans.	

(III) Investment Plans for the Coming Year: None.

VI. Risk Analysis and Assessment for the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future

1. Interest Rate Fluctuation:

   In 2023 and 2022, the Company’s interest income amounted to NT$2,157,000 and NT$386,000, respectively, representing 0.09% and 0.02% of the net operating income. Meanwhile, interest expenses for the same periods were NT$115,132,000 and NT$90,530,000, accounting for 5.21% and 5.40% of the net operating income, respectively. The Company’s capital planning is grounded in the principles of conservatism and prudence, and fosters a positive relationship with financial institutions. The financial unit consistently monitors economic development trends and implements appropriate countermeasures as needed.

2. Fluctuation in Exchange Rates: The Company’s payment for goods and remuneration paid in US dollars account for a very small proportion of the overall payment, which will not have a major impact on the Company’s financial operation.

3. Impact of inflation: For the industry in general, rising prices increase costs; inflation also shows relatively high variability in pricing, and commodity prices are also pushing up inflation. The Company will integrate procurement needs with volume-based pricing and adjust product sales mix to respond to inflation. The condition is expected to improve in the second half of this year as energy prices decrease and supply chain bottlenecks ease.

(II) Policy regarding High-risk Investments, Highly Leveraged Investments, Loans to Other Parties, Endorsements/Guarantees, and Derivatives Transactions, Main Reasons for the Profit (Loss) Generated Thereby, and Response Measures to Be Taken in the Future:

1. High-risk or Highly Leveraged Investments:

   The Company has not engaged in high-risk or highly leveraged investments.

2. Lending Funds to Others:

   The Company has never lent funds to others. If there is any future lending of funds, the Company will handle the relevant operations will be handled in accordance with the “Procedures for Lending Funds to Others” stipulated by the Company. This will help to minimize the risks faced by the Company.

3. Transactions of Derivatives:

The Company has never engaged in transactions of derivatives. If there are any future transactions involving derivatives, the Company will handle the relevant operations will be handled in accordance with the “Procedures for Derivatives Trading” and “Regulations Governing the Acquisition and Disposal of Assets” stipulated by the Company. This is to minimize the risks faced by the Company.

(III) R&D Work to Be Carried Out in the Future and Further Expenditures Expected for R&D Work:

The Company is committed to innovation in the catering business, developing new products, utilizing seasonal fresh ingredients, and responding to market trends of sustainability and ingredient traceability to create added value. In addition, the Company has developed package deals that meet the ecological standards by enhancing the value of Leofoo Agronomy Co., Ltd.

(IV) Effect on the Financial Operations of Important Policies Adopted and Changes in the Legal Environment at Home and Abroad, and Measures to Be Taken in Response: None.

(V) Effect on the Financial Operations of Developments in Science and Technology and Industrial Change (Including Cyber Security Risks), and Measures to Be Taken in Response:

In recent years, there has been a rise in cyber attacks, ransomware viruses, and other information security incidents. As a result, the Company places great emphasis on information security risk control and protection. To this end, a multi-level defense-in-depth information security management and control protection network has been established to implement strict control measures. As of the publication date of the annual report, there have been no technological changes (including cyber security risks) or industrial changes that have affected financial operations, including cyber security risks.

(VI) Effect on the Crisis Management of Changes in the Corporate Image, and Measures to Be Taken in Response:

Since its establishment, the Company has been dedicated to upholding its corporate image and has consistently adhered to various laws and regulations. As of the publication date of the annual report’s publication, there have been no operational crises within the Company resulting from changes to its corporate image.

(VII) Expected Benefits and Possible Risks Associated with Any Mergers and Acquisitions, and Measures to Be Taken in Response: None.

(VIII) Expected Benefits and Possible Risks Associated with Any Plant Expansion, and Measures to Be Taken in Response: None.

(IX) Risks Associated with Any Consolidation of Sales or Purchasing Operations, and Measures to Be Taken in Response: None.

(X) Effect on and Risk to the Company in the Event a Major Quantity of Shares Belonging to a Director or Shareholder Holding Greater than a 10% Stake in the Company Has Been Transferred or Has Otherwise Changed Hands, and Measures to Be Taken in Response: None.

(XI) Effect on and Risk to the Company Associated with Any Change in Governance Personnel or Top Management, and Measures to Be Taken in Response: None.

(XII) Litigious and Non-Litigious Cases

1. Major Litigious, Non-litigious or Administrative Disputes Involving the Company Which the Judgment Is Final or Is Still Pending that May Materially Affect the Shareholders' Equity or Prices of Securities:

Facts of the Dispute	Amount of Money at Stake in the Dispute	Date of Litigation Commencement	Main Parties to the Dispute	Status of the Dispute
Confirmation of non-existence of secured claims	1. Confirmation of non-existence of secured claims of the pledged property (2019 Justice Auction No. 235) being auctioned. 2. Returning 9 million shares of its stocks to Kinmen Resort Co., Ltd. 3. Returning 90,000 shares of its stocks to Chung Lien Kenting Co., Ltd.	2019.11.22	Chung Lien Capital Investment Co., Ltd.	Currently under review by Taiwan Shilin District Court

2. Major Litigious, Non-litigious or Administrative Disputes Involving the Company's Directors, President, Actual Person in Charge, Major Shareholders Who Holds More than 10% of the Stock of the Company Which the Judgment Is Final or Is Still Pending that May Materially Affect the Shareholders' Equity or Prices of Securities: None.

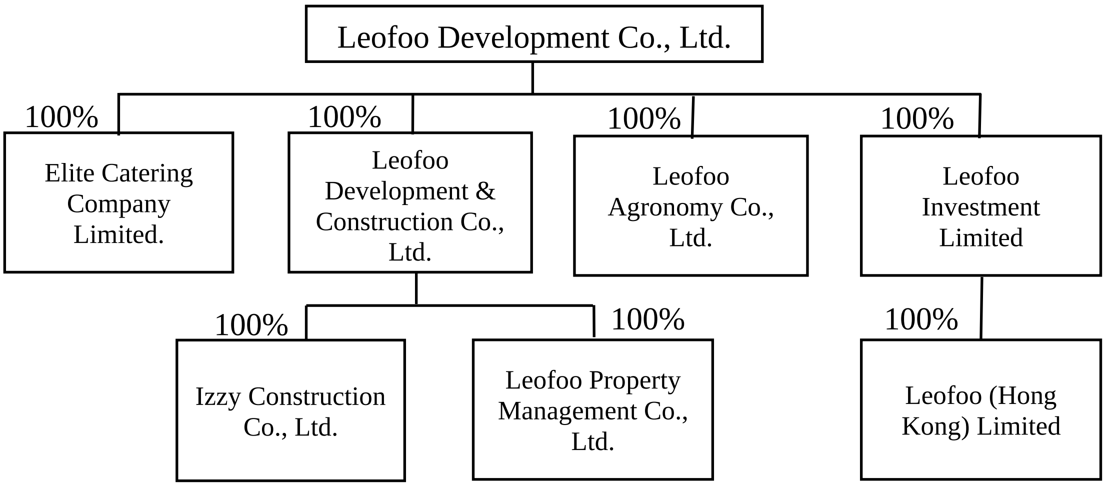
(XIII) Other Major Risks and Their Countermeasures: None.

VII. Other Important Matters: None.

Chapter 8 Special Disclosure

I. Information on Affiliates

(I) Organizational Chart of Affiliates



(II) Basic Information of Affiliates

December 31, 2022; Unit: NT$ thousands

Name of Affiliate	Date of Incorporation	Address	Paid-in Capital	Main Business Items
Elite Catering Company Limited	2013.03.06	B1, No. 172, Changchun Rd., Zhongshan Dist., Taipei City	10,000	Food and beverage
Leofoo Agronomy Co., Ltd.	2019.10.07	No. 60, Gongzigou, Guanxi Township, Hsinchu County	30,000	Agronomy
Leofoo Development & Construction Co., Ltd.	2018.04.17	B1, No. 172, Changchun Rd., Zhongshan Dist., Taipei City	733,000	Development and construction
Leofoo Investment Co., Ltd.	2015.08.04	Sertus Chambers, P.O.Box603,Apia,Samoa	30,264	Investment holding
Izzy Construction Co., Ltd.	1985.05.03	B1, No. 172, Changchun Rd., Zhongshan Dist., Taipei City	63,984	Construction
Leofoo Property Management Co., Ltd.	2009.07.24	B1, No. 172, Changchun Rd., Zhongshan Dist., Taipei City	17,200	Property management
Leofoo (Hong Kong) Limited	2015.08.25	Unit 706, Haleson Building, No.1 Jubilee Street, Hong Kong	30,113	Investment holding

Unit: Thousand shares; NT$ thousands

Name of Affiliate	Relationship with the Company	Shareholding of the Company			Current Shares of Affiliate Held by the Company		
		Number of Shares	Shareholding Percentage	Amount of Investment (Historical Cost)	Number of Shares	Shareholding Percentage	Amount of Investment (Historical Cost)
Elite Catering Company Limited	Subsidiary	-	-	-	1,000	100%	10,000
Leofoo Agronomy Co., Ltd.	Subsidiary	-	-	-	3,000	100%	30,000
Leofoo Development & Construction Co., Ltd.	Subsidiary	-	-	-	73,300	100%	733,000
Leofoo Investment Co., Ltd.	Subsidiary	-	-	-	Note	100%	30,264
Izzy Construction Co., Ltd.	Second-tier subsidiary	-	-	-	6,398	100%	65,266
Leofoo Property Management Co., Ltd.	Second-tier subsidiary	-	-	-	1,720	100%	17,200
Leofoo (Hong Kong) Limited	Second-tier subsidiary	-	-	-	Note	100%	30,113

Note: Not applicable since it is a limited Company.

(III) Where There Is Considered to Be a Controlled and Subordinate Relation, Information of the Same Shareholders: None.

(IV) Overall Business Scope of Affiliates:

Name of Affiliate	Nature of Business	Division of Labor
Elite Catering Company Limited	Food and beverage	Operation currently suspended; its relevant business has been transferred to Nanjing Branch of Leofoo Development Co., Ltd.
Leofoo Agronomy Co., Ltd.	Agronomy	The Group's new brand Company which provides agronomic services.
Leofoo Development & Construction Co., Ltd.	Development and construction	Providing professional advice on construction and maintenance of various companies in the Group
Leofoo Investment Co., Ltd.	Investment holding	The Group's foreign investment Company
Izzy Construction Co., Ltd.	Construction	Providing professional advice on construction and maintenance of various companies in the Group
Leofoo Property Management Co., Ltd.	Food and beverage management	The Group's property management Company
Leofoo (Hong Kong) Limited	Investment holding	The Group's foreign investment Company and foreign hotel operations management Company

(V) Information on Directors, Supervisors, and Presidents of Affiliates

Unit: Thousand shares; %

Name of Affiliate	Title	Name	Shareholding	Shareholding Percentage
Elite Catering Company Limited	Chairman	Leofoo Development Co., Ltd. Representative: Feng-Ru Chuang	1,000	100%
Leofoo Agronomy Co., Ltd.	Chairman	Leofoo Development Co., Ltd. Representative: Feng-Ru Chuang	3,000	100%
Leofoo Development & Construction Co., Ltd.	Chairman	Leofoo Development Co., Ltd. Representative: Chen-Jung Lai	73,300	100%
	President	Chen-Jung Lai	-	-
Leofoo Investment Co., Ltd.	Chairman	Chen-Jung Lai	Note	100%
Izzy Construction Co., Ltd.	Chairman	Leofoo Development & Construction Co., Ltd. Representative: Chen-Jung Lai	6,398	100%
	President	Chen-Jung Lai	-	-
Leofoo Property Management Co., Ltd.	Chairman	Leofoo Development & Construction Co., Ltd. Representative: Chen-Jung Lai	1,720	100%
	President	Chen-Jung Lai	-	-
Leofoo (Hong Kong) Limited	Chairman	Chen-Jung Lai	Note	100%
Weihai Chuang Foo Hotel Management Ltd.	Chairman	Chen-Jung Lai	Note	-%

Note: A limited Company.

(VI) Operating Status of Affiliates

December 31, 2023; Unit: NT$ thousands, unless otherwise specified

Name of Affiliate	Capital	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Net Income (Loss)	Net Profit (Loss) after Tax for Current Period	Earnings per Share (NT$) (after Tax)
Elite Catering Company Limited	10,000	11,564	16	11,548	-	(16)	11	0.01
Leofoo Agronomy Co., Ltd.	30,000	16,942	2,488	14,454	2,550	(7,263)	(6,060)	(2.02)
Leofoo Development & Construction Co., Ltd.	733,000	145,213	31,745	113,468	15,890	(1,361)	3,642	(0.05)
Leofoo Investment Co., Ltd.	US$1,000,000	US$1,016,000	-	US$1,016,000	-	-	US$14,000	(Note)
Izzy Construction Co., Ltd.	63,984	58,234	13,448	44,786	78,266	3,638	3,967	0.62
Leofoo Property Management Co., Ltd.	17,200	158,071	152,986	5,085	42,495	3,277	(119)	(0.07)
Leofoo (Hong Kong) Limited	US$995,000	US$1,011,000	-	US$1,011,000	-	-	US$14,000	(Note)

Note: Not applicable since it is a limited Company.

(VII) Consolidated Financial Statements of Affiliates

The consolidated financial statements and the business report are identical, therefore, there is no need to produce a separate consolidated business report.

(VIII) Reports on Affiliations: Not applicable.

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

III. Holding or Disposal of Shares in the Company by Subsidiaries during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

IV. Other Supplementary Information: None.

Chapter 9 Situations Listed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, which Might Materially Affect Shareholders' Equity or the Price of the Securities, Occurring during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

I. The dishonoring of negotiable instruments due to insufficient deposit, the refusal to transact by banking services, or other events that result in the loss of good credit standing: None.

II. Litigation, non-litigious proceedings, administrative dispositions, administrative disputes, security procedures, or compulsory executions which have had a significant impact on the financial status or business of the Company: None.

III. Serious drop in the output, complete or partial suspension of work, lease of the Company factory, or its main facilities, or complete or partial pledge of the material assets which has had a significant impact on the Company business: None.

IV. Any event specified under Article 185, paragraph 1 of the Company Act: None.

V. Judgment by the competent court to prohibit the transfer of the Company's shares under Article 287, paragraph 1, item 5 of the Company Act: None.

VI. Change in the chairman of the board, president, or one-third or more of the directors of the Company: None.

VII. Change in the auditing and certifying accountant. However, where the change is due to internal adjustments in the accounting office, this matter shall not be included in the above definition: None.

VIII. Execution, amendment, termination, and rescindment of the important memoranda, strategic alliances or other cooperative business plans, or important contracts, change in the material contents of the business plan, completion of new product development, successful development of trial products, and formal entrance into mass production, or acquisition of other enterprises, acquisition or assignment of patent rights, exclusive trademark use rights, copyrights, or other intellectual property rights transactions, which have had a major effect on the finances or business of the Company: None.

IX. Other important events that have had significant impact on the continuation of Company operation: None.

Chapter 10 Attachments

English Translation of Financial Statements and a Report Originally Issued in Chinese

MANAGEMENT REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of The Leofoo Development Co., Ltd. as at December 31, 2023 and for the year then ended under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standard No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, The Leofoo Development Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

The Leofoo Development Co., Ltd.

By

Chuang, Feng-Ru

Chairman

March 11th, 2024

English Translation of Financial Statements and a Report Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Shareholders of
The Leofoo Development Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of The Leofoo Development Co., Ltd. and its subsidiaries (the "Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including the summary of significant accounting policies (together referred as "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditor (please refer to the Other Matter – Making Reference to the Audit of Other Auditor section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

<u>Non-financial Assets Impairment Assessment</u>

The Group's property, plant and equipment and right-of-use assets as of December 31, 2023 amounted to NT$8,715,393 thousand, accounting for 56% of the Group's total assets and were material to the consolidated financial statements. As the Group's actual performance was not as good as expected in recent years, management assessed impairment of property, plant and equipment and right-of-use assets. As the assessment of the recoverable amount of assets involved subjective judgement of the assumptions and estimation made by management, we therefore considered this a key audit matter. Our audit procedures included, but not limited to, evaluating the appropriateness of accounting policies for assets impairment, obtaining appraisal report of assessment on the right-of-use asset impairment performed by external specialists, evaluating the reasonableness of related assumptions the specialists used in the appraisal report (including assessment methods and citation guides), assessing and testing the reasonableness of its recoverable amount and checking the use of assets, confirming the time when specialists concluded the report, and considering if there were significant subsequent changes that may affect the conclusion of the report after report date. We have also assessed the adequacy of the related disclosures in Notes 4, 5 and 6 to the consolidated financial statements.

Disclosure of Fair Value Measurement of Investment Property

The Group's investment property as of December 31, 2023, amounted to NT$6,080,612 thousand, accounting for 39% of the Group's total assets which was considered material to the consolidated financial statements. Since the fair value method is applied in subsequent measurement of investment property, the related evaluation method and process require significant professional judgement, estimation and assumption, we therefore considered disclosure of fair value measurement of investment property a key audit matter due to the significant effect on evaluation result of investment property if the related judgement, estimation and assumption are changed. Our audit procedures included, but not limited to, assessing the professional competence, independence, experience and reputation of the appraiser engaged by management to obtain an understanding whether the skills and abilities of the appraisers are trustworthy; reviewing the fair value measurement report by our internal specialists in the meantime to understand whether the measurement methods and assumptions complied with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and Regulations on Real Estate Appraisal and whether they are reasonable and consistent, evaluating relevance and reliance on data sources and key parameters (such as earnings ratio, discount rate, etc.) applied in appraisal report, checking the reasonableness of appraisal result, inquiring and recalculating to confirm accuracy of accounts entries. We have also assessed the adequacy of relavant in formation in Notes 4, 5 and 6 to the consolidated financial statements.

Other Matter – Making Reference to the Audit of Other Auditors

We did not audit the financial statements of AMBASSDOR FILM INC., an indirectly invested associate accounted for using the equity method by the Group. The financial statements of AMBASSDOR FILM INC., as at December 31, 2023 and 2022, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT$14,145 thousand and NT$15,518 thousand as at December 31, 2023 and 2022 representing 0.09% and 0.10% of the Group's total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT$(1,373) thousand and NT$(3,914) thousand representing 1.40% and 1.23% of the Group's income before tax, are based solely on the audit reports of other auditors.

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

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

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Group.

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

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

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

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

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

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

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

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

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

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

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

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

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent-company-only financial statements of the Company as at and for the years then ended December 31, 2023 and 2022.

/s/Cheng, Ching-Piao

/s/Fuh, Wen-Fun

Ernst & Young
March 11th, 2024
Taipei, Taiwan,
Republic of China

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

As at December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$350,212	2	$324,683	2
1150	Notes receivable, net	4, 6(3)	1,895	-	9	-
1170	Accounts receivable, net	4, 6(4), 7	31,927	-	58,082	-
1200	Other receivables	7	5,162	-	6,925	-
130x	Inventories	4, 6(5)	50,567	-	47,436	-
1410	Prepayments		58,876	1	57,142	1
1470	Other current assets	8	5,230	-	23,875	-
11xx	Total current assets		503,869	3	518,152	3
	Non-current assets					
1517	Financial asset at fair value through other comprehensive income	4, 6(2)	77,059	1	65,116	1
1550	Investment accounted for using equity method	4, 6(6)	14,145	-	15,518	-
1600	Property, plant and equipment	4, 6(7), 8	5,089,494	33	5,203,928	33
1755	Right-of-use assets	4, 6(17)	3,625,899	23	3,960,969	25
1760	Investment property, net	4, 6(8), 8	6,080,612	39	5,758,505	37
1780	Intangible assets		1,893	-	4,970	-
1840	Deferred income tax assets	4, 6(21)	11,775	-	12,360	-
1900	Other non-current assets	6(9), 7, 8	234,571	1	232,987	1
15xx	Total non-current assets		15,135,448	97	15,254,353	97
1xxx	Total Assets		$15,639,317	100	$15,772,505	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Balance Sheets (Continued)

As at December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10), 8	$53,500	-	$413,500	3
2150	Notes payable		4,756	-	22,386	-
2170	Accounts payable	7	128,065	1	105,700	1
2220	Other payables	7	651	-	320	-
2280	Lease liabilities	4, 6(17)	310,121	2	304,681	2
2322	Current portion of long-term loans	6(11), 8	234,506	1	377,540	2
2399	Other current liabilities	7	450,932	3	451,923	3
21xx	Total current liabilities		1,182,531	7	1,676,050	11
	Non-current liabilities					
2540	Long-term loans	6(11), 8	4,769,815	31	4,017,610	26
2570	Deferred income tax liabilities	4, 6(21)	1,314,711	9	1,293,031	8
2580	Lease liabilities	4, 6(17)	3,486,708	22	3,800,194	24
2640	Net defined benefit liability	4, 6(13)	36,659	-	49,592	-
2670	Other non-current liabilities	6(12), 7	23,208	-	21,529	-
25xx	Total non-current liabilities		9,631,101	62	9,181,956	58
2xxx	Total liabilities		10,813,632	69	10,858,006	69
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(14)				
3110	Common stock		1,913,128	13	1,913,128	12
3200	Capital surplus	6(14)	31,236	-	31,236	-
3300	Retained earnings	6(14)				
3310	Legal reserve		17,979	-	17,979	-
3320	Special reserve		1,385,073	9	1,385,073	9
3350	Unappropriated earnings		(1,968,911)	(13)	(1,868,133)	(12)
3400	Other equity		3,447,180	22	3,435,216	22
3xxx	Total equity		4,825,685	31	4,914,499	31
	Total liabilities and equity		$15,639,317	100	$15,772,505	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenues	4, 6(15), 7	$2,211,095	100	$1,675,217	100
5000	Operating costs	6(5)	(1,458,294)	(66)	(1,269,988)	(76)
5900	Gross profit		752,801	34	405,229	24
6000	Operating expenses	6(18), 7				
6200	General and administrative		(676,859)	(31)	(599,767)	(36)
6450	Expected credit (losses) gains	4, 6(16)	-	-	(2,965)	-
	Total operating expenses		(676,859)	(31)	(602,732)	(36)
6900	Net operating income (loss)		75,942	3	(197,503)	(12)
7000	Non-operating incomes and expenses					
7100	Interest income	6(19)	2,157	-	386	-
7010	Other incomes	6(19), 7	27,644	2	64,458	4
7020	Other gains or losses	6(19)	(1,374)	-	(5,895)	-
7050	Finance costs	6(19)	(200,740)	(9)	(174,504)	(11)
7060	Share of the profit or loss of associates and joint ventures accounted for using equity method	6(6)	(1,373)	-	(3,914)	-
	Total non-operating incomes and expenses		(173,686)	(7)	(119,469)	(7)
7900	Income (loss) before income tax		(97,744)	(4)	(316,972)	(19)
7950	Income tax benefit (expense)	4, 6(21)	-	-	-	-
8200	Net loss		(97,744)	(4)	(316,972)	(19)
8300	Other comprehensive income (loss)	6(20)				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan		(3,034)	-	1,524	-
8316	Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		11,943	-	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		21	-	3,024	-
	Other comprehensive income (loss), net of tax		8,930	-	4,548	-
8500	Total comprehensive income		$(88,814)	(4)	$(312,424)	(19)
9750	Basic earnings per share (in NT$)	6(22)	$(0.51)		$(1.66)	
9850	Diluted earnings per share (in NT$)	6(22)	$(0.51)		$(1.66)	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed In Thousands of New Taiwan Dollars)

		Equity Attributable to Shareholders of the Parent								
				Retained Earnings			Others			
		Common Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus	Total Equity
Code	Items	3100	3200	3310	3320	3350	3410	3420	3460	3xxx
A1	Balance as at January 1, 2022	$1,913,128	$31,236	$17,979	$1,385,073	$(1,552,791)	$(2,577)	$(32,085)	$3,466,960	$5,226,923
D1	Net loss for 2022					(316,972)				(316,972)
D3	Other comprehensive income (loss) for 2022					1,524	3,024	-	-	4,548
D5	Total comprehensive income (loss)	-	-	-	-	(315,448)	3,024	-	-	(312,424)
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries, associates and joint ventures					106		(106)	-	-
Z1	Balance as at December 31, 2022	1,913,128	31,236	17,979	1,385,073	(1,868,133)	447	(32,191)	3,466,960	4,914,499
D1	Net loss for 2023					(97,744)				(97,744)
D3	Other comprehensive income (loss) for 2023					(3,034)	21	11,943	-	8,930
D5	Total comprehensive income (loss)	-	-	-	-	(100,778)	21	11,943	-	(88,814)
Z1	Balance as at December 31, 2023	$1,913,128	$31,236	$17,979	$1,385,073	$(1,968,911)	$468	$(20,248)	$3,466,960	$4,825,685

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022
AAAA	Cash flows from operating activities:		
A10000	Loss before income tax	$(97,744)	$(316,972)
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation	550,584	541,072
A20200	Amortization	3,743	5,819
A20300	Expected credit losses (gains)	-	2,965
A20900	Interest expenses	200,740	174,504
A21200	Interest income	(2,157)	(386)
A22300	Share of profit or loss of associates and joint ventures accounted for using equity method	1,373	3,914
A22500	Loss (gain) on disposal of property, plant and equipment	157	2,983
A24600	Loss (gain) on fair value adjustment of investment property	(7,133)	(1,462)
A29900	Gains on lease modification	(23)	-
A29900	Gain from changes in lease payments arising from the rent concessions	-	(27,592)
A30000	Changes in operating assets and liabilities:		
A31130	Notes receivable	(1,886)	90
A31150	Accounts receivable	26,155	(12,647)
A31180	Other receivables	1,797	7,531
A31200	Inventories	(3,131)	(592)
A31230	Prepayments	(1,643)	(7,097)
A31240	Other current assets	18,645	(1,194)
A31990	Other non-current assets	(4,430)	(883)
A32130	Notes payable	(17,630)	15,231
A32150	Accounts payable	22,365	6,142
A32190	Other payables - related parties	331	(14)
A32230	Other current liabilities	7,835	23,278
A32240	Net defined benefit liability	(15,967)	(3,635)
A32990	Other non-current liabilities	1,679	762
A33000	Cash generated from (used in) operations	683,660	411,817
A33100	Interest received	2,123	386
A33300	Interest paid	(206,667)	(174,850)
AAAA	Net cash provided by (used in) operating activities	479,116	237,353

Code	Items	2023	2022
BBBB	Cash flows from investing activities:		
B02700	Acquisition of property, plant and equipment	(116,332)	(111,348)
B02800	Proceeds from disposal of property, plant and equipment	389	852
B03800	Decrease (increase) in refundable deposits	3,202	13,203
B04500	Acquisition of intangible assets	(323)	(1,385)
B05400	Acquisition of investment properties	(286,169)	(80,315)
BBBB	Net cash provided by (used in) investing activities	(399,233)	(178,993)
CCCC	Cash flows from financing activities:		
C00200	Increase (decrease) in short-term loans	(360,000)	31,500
C01600	Proceeds from long-term loans	2,191,100	639,775
C01700	Repayments of long-term loans	(1,581,929)	(490,625)
C04020	Payments for the principal portion of lease liabilities	(303,546)	(273,274)
CCCC	Net cash provided by (used in) financing activities	(54,375)	(92,624)
DDDD	Effect of exchange rate changes	21	3,024
EEEE	Increase (decrease) in cash and cash equivalents	25,529	(31,240)
E00100	Cash and cash equivalents at beginning of period	324,683	355,923
E00200	Cash and cash equivalents at end of period	$350,212	$324,683

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

1. History and organization

The Leofoo Development Co., Ltd. ("the Company") was incorporated on January 27, 1968. The Company's registered address is at No. 60, Gongztgou, Guanshi Jen, Hsinchu County, Taiwan (R.O.C.). Its main business activities include tourist hotels (Courtyard Taipei and Leofoo Resort Guanshi), restaurants, famous shops, department stores, movie theaters, land development for rent, zoo, and amusement facilities for rent, etc.

The Company's common shares have been listed on the Taiwan Stock Exchange (TWSE) starting on December 24, 1988.

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

The consolidated financial statements of the Company and its subsidiaries ("the Group") for the years ended December 31, 2023 and 2022 were authorized to be issued by the Board of Directors on March 11, 2024.

3. Newly issued or revised standards and interpretations

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

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

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

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

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

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

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

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

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The Group assesses all standards and interpretations have no material impact on the Group.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" – Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

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

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

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

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

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

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

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4.Summary of significant accounting policies

(1)Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Regulations") and International Financial Reporting Standard, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standard Interpretation Committee as endorsed by the FSC.

(2)Basis of preparation

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

(3)Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Company controls an investee if and only if the Company has:

(a)Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(b)Exposure, or rights, to variable returns from its involvement with the investee, and
(c)The ability to use its power over the investee to affect its returns

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a)The contractual arrangement with the other vote holders of the investee
(b)Rights arising from other contractual arrangements
(c)The Company's voting rights and potential voting rights

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

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

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

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

If the Company loses control of a subsidiary, it:

(a)Derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(b)Derecognizes the carrying amount of any non-controlling interest;
(c)Recognizes the fair value of the consideration received;
(d)Recognizes the fair value of any investment retained;
(e)Reclassifies the parent's share of components previously recognized in other Subsidiarycomprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and
(f)Recognizes any resulting difference in profit or loss.

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

The consolidated entities are listed as follows:

			Percentage of ownership (%) As at December 31,	
Investor	Subsidiary	Main businesses	2023	2022
The Company	Leofoo Development & Construction Co., Ltd.	Comprehensive construction industry	100.00%	100.00%
The Company	Elite Catering Company Limitied	Manufacturing of baked and steamed food	100.00%	100.00%
The Company	Leofoo Investment Co., Ltd.	Investing activities	100.00%	100.00%
The Company	Leofoo Agronomy Co., Ltd.	Agricultural business	100.00%	100.00%
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	Property management	100.00%	100.00%
Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	Contract of civil construction engineering	100.00%	100.00%
Leofoo Investment Limited	Leofoo (Hong Kong) Limited	Investing activities	100.00%	100.00%

(4)Foreign currency transactions

The Group's consolidated financial statements are presented in New Taiwan Dollars, which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

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

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

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

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

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

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

(5)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into New Taiwan Dollars at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6)Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(7)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities equal to or less than three months from the date of acquisition).

(8)Financial instruments

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

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

(A) Financial assets: recognition and measurement

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

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

a. The Group's business model for managing the financial assets and
b. The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

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

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

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

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

a. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

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

Financial asset measured at fair value through other comprehensive income

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

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

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

a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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

   (i) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(ii) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

(B) Impairment of financial assets

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

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

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

The loss allowance is measures as follows:

a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

c. For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

d. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

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

(C) Derecognition of financial assets

A financial asset is derecognized when:

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

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

(D) Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

(E) Offsetting of financial instruments

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

(9)Fair value measurement

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

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

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

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

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

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

(10)Inventories

A. Merchandise

Inventories are valued at lower of cost and net realizable value item by item. Costs incurred in bringing each inventory to its present location and condition with weighted average method.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

B. Construction

Inventories are valued at lower of cost and net realizable value item by item. Costs are necessary expenses and capitalized borrowing costs incurred to its present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The assessing method is as follows:

(a)Construction land: According to authorities' estimation to current market condition.
(b)Construction in progress: Estimated selling price (referencing to current market condition) less costs incurred for completion and selling expenses.
(c)Land and buildings for sale: Estimated selling price (based on authorities' estimation to current market condition) less estimated costs and selling expenses incurred in land and buildings sales.

(11)Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

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

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

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

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

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

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

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12)Property, plant and equipment

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

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

Buildings	2~50 years
Business facilities	1~20 years
Amusement facilities	2~20 years
Other equipment	1~50 years

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

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

(13)Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. The investment properties are measured subsequently at fair value. Any profit or loss due to fair value changes are recognized as income or loss in current period in accordance with IAS 40 Investment Property, except investment properties are held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and investment properties are in accordance with paragraph 53 of IAS40.

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

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

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

(14)Leases

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

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

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

Group as a lessee

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

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

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

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

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

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

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

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

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

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

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

For the rent concession as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

(15)Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies information applied to the Group’s intangible assets is as follows:

	Computer software	Trademark
Useful lives	3~5 years	3~5 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generate or acquired	Acquired	Acquired

(16)Impairment of non-financial assets

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

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

A cash-generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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

(17)Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18)Revenue Recognition

The Group's revenue from contracts with customers is measured at the consideration to which it is expected to be entitled to the transfer of goods or services. The Group recognizes revenue when the control of the goods or services is transferred to the customer and the performance obligations are satisfied. The accounting policies for the Group's types of revenue are explained as follows:

Sale of goods

The Group recognizes revenue when control of the goods is transferred, which means the goods have been delivered to customers. The delivery happens at goods been transported to specific locations. The Group recognized trade receivables once the goods are delivered.

Room, catering and amusement park services

The Group provides room, catering and amusement park services, and recognizes related income during the financial reporting period.

Financial component

The Group expects the period of all contracts of goods transferring or services rendering to customers and the timing when customers payment for goods or services are within one year; thus, the Group does not adjust the value of money on transaction prices.

(19) Borrowing costs

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

(20) Governant grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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

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

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

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

(22)Income taxes

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

Current income tax

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

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

Deferred tax

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

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

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

5. Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

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

(a)Impairment assessment of property, plant and equipment and right-of-use assets

In the process of asset impairment assessment, the Group decides the independent cash flow of specific groups of assets, useful lives of assets and the amount of revenues and expenses which may occur in the future when subjective judgement is required and according to the use of assets and industry characteristics. Any changes of estimation due to economic changes or internal strategies may cause siginificant impairment or reverse the impairment loss recognized previously in the future.

(b)Investment property

The fair value of investment property is determined by using evaluation models. If changes in the assumptions and judgments used in these evaluation models, the fair value of investment property will be affected.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at December 31,	
	2023	2022
Cash on hand	$8,475	$3,991
Revolving funds	3,381	3,378
Savings	338,356	317,314
Total	$350,212	$324,683

The Group’s provided as trust for performance gift certificate reclassified as other current assets and other non-current assets amounting to NT$18,664 thousand and NT$22,042 thousand, as at December 31, 2023 and 2022, respectively. Please refer to Note 8 for details.

The Group’s provided as security for performance loan and guarantees are reclassified as other current assets and other non-current assets amounting to NT$29,598 thousand and NT$36,585 thousand, as at December 31, 2023 and 2022, respectively. Please refer to Note 8 for details.

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

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

	As at December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income – non-current:		
Unlisted companies stocks	$65,116	$65,116
Valuation adjustment	11,943	-
Total	$77,059	$65,116

No financial assets at fair value through other comprehensive income was pledged by the Group as collateral.

(3) Notes receivable

	As at December 31,	
	2023	2022
Notes receivables arising from operating activities	$1,895	$9
Less: loss allowance	-	-
Total	$1,895	$9

Notes receivables were not pledged.

The notes receivable of Leofoo Resort Kenting the Group sold was bonced by main debtors on January 30, 2018. The Group recognized allowance to reduce notes receivable amounting to NT$269,928 thousand. To claim the right of debt, the Group has appointed a lawyer to file a lawsuit against debtors and demanded them to pay off debts. The Group also reclassified notes receivable amounting to NT$269,928 thousand to overdue receivables under non-current assets. The lawsuit has been sentenced by Taipei District Court as at December 31, 2023 that the debtors shall pay off the Group debts. The Group has applied for the enforcement procedure of promissory notes to Taipei District Court and got paid amounting to NT$365 thousand.

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

The Group follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(16) for more details on loss allowance and Note 12 for details on credit risk.

(4) Accounts receivable

	As at December 31,	
	2023	2022
Accounts receivables, gross	$32,112	$58,267
Less: loss allowance	(185)	(185)
Total	$31,927	$58,082

(a) Accounts receivables were not pledged.

(b) The Group sales collection mainly includes cash, remittance and credit cards. Sales targets of the Group are usually direct point-of-sale clients, which are general customers paying by credit card or T/T remittance. Accounts receivables are generally on 30-60 day terms. The total carrying amount as at December 31, 2023 and 2022 are NT$32,112 thousand and NT$58,267 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(5) Inventories

Details of inventories are as below:

	As at December 31,	
	2023	2022
Animal feed	$596	$607
Foodstuffs	10,681	17,530
Beverages	2,044	1,587
Merchandise	36,436	26,971
Others	810	741
Total	$50,567	$47,436

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

(a) The cost of inventories recognized in expenses is as follows:

	For the years ended December 31,	
	2023	2022
The cost of inventories	$1,458,294	$1,269,988

(b) Operating costs recognized due to inventories reducing to net realizable value and recognizing loss for market price decline and obsolete and slow-moving inventories are amounted to NT$655 thousand and NT$0 thousand for the years ended December 31, 2023 and 2022, respectively.

(c) Inventories were not pledged.

(6) Investments accounted for using the equity method

	As at December 31,			
	2023		2022	
Investees	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in associates:				
AMBASSADOR FILM INC.	$14,145	40%	$15,518	40%

(a)The aggregate carrying amounts of the Group's investments in associates were NT$14,145 thousand and NT$15,518 thousand as at December 31, 2023 and 2022, respectively. The aggregate financial information of the Group's investments in associates is as follows:

	For the years ended December 31,	
	2023	2022
Profit (loss) from continuing operations	$(1,373)	$(3,914)
Other comprehensive income (after-tax)	-	-
Total comprehensive income	$(1,373)	$(3,914)

(b)The abovementioned investment in associates has no contingent liabilities or capital commitments, and was not pledged.

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

(7) Property, plant and equipment

A.Owner occupied property, plant and equipment

	Land	Buildings	Business facilities	Amusement facilities	Other equipment and construction in progress	Total
Cost:						
As at Jan. 1, 2023	$3,327,917	$3,703,085	$581,462	$2,129,193	$1,398,834	$11,140,491
Additions	-	18,040	23,630	9,518	54,649	105,837
Disposals	-	-	(342)	(581)	(5,462)	(6,385)
Reclassification	-	28,921	4,788	55,040	(88,749)	-
As at Dec. 31, 2023	$3,327,917	$3,750,046	$609,538	$2,193,170	$1,359,272	$11,239,943
As at Jan. 1, 2022	$3,327,917	$3,680,536	$671,669	$2,188,960	$1,334,073	$11,203,155
Additions	-	10,878	8,907	7,522	153,448	180,755
Disposals	-	-	(104,534)	(72,581)	(11,628)	(188,743)
Reclassification	-	11,671	5,420	5,292	(77,059)	(54,676)
As at Dec. 31, 2022	$3,327,917	$3,703,085	$581,462	$2,129,193	$1,398,834	$11,140,491
Depreciation and impairment:						
As at Jan. 1, 2023	$510,331	$2,093,825	$430,267	$2,080,159	$821,981	$5,936,563
Depreciation	-	102,083	42,243	20,220	55,179	219,725
Disposals	-	-	(336)	(581)	(4,922)	(5,839)
Reclassification	-	-	-	-	-	-
As at Dec. 31, 2023	$510,331	$2,195,908	$472,174	$2,099,798	$872,238	$6,150,449
As at Jan. 1, 2022	$510,331	$1,993,884	$487,463	$2,134,198	$781,071	$5,906,947
Depreciation	-	100,174	42,964	15,764	55,622	214,524
Disposals	-	-	(104,534)	(69,803)	(10,571)	(184,908)
Reclassification	-	(233)	4,374	-	(4,141)	-
As at Dec. 31, 2022	$510,331	$2,093,825	$430,267	$2,080,159	$821,981	$5,936,563

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

	Land	Buildings	Business facilities	Amusement facilities	Other equipment and construction in progress	Total
Net carrying amount as at:						
Dec. 31, 2023	$2,817,586	$1,554,138	$137,364	$93,372	$487,034	$5,089,494
Dec. 31, 2022	$2,817,586	$1,609,260	$151,195	$49,034	$576,853	$5,203,928

B. Please refer to Note 8 for details on property, plant and equipment under pledge.

C. The Group has several parcels of land in the Gongztgou section of Guanshi Jen, Hsinchu County. Due to succession of landlord and change of land category matters are still remained to be settled, the Group still could not set up conveyancing process amounting to NT$75,700 thousand as at December 31, 2023 and 2022, respectively. The land was pledged to the Group and was reclassified under non-current assets.

(8) Investment property

The Group's investment properties were owned investment properties. The abovementioned investment properties were leased out for 2 to 12 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

(1)Investment properties measured at fair value were as follows:

	Land	Buildings	Total
Cost:			
As at January 1, 2023	$5,549,887	$72,113	$5,622,000
Gains (losses) from fair value adjustments	33,350	(3,952)	29,398
As at December 31, 2023	$5,583,237	$68,161	$5,651,398
As at January 1, 2022	$5,518,173	$67,237	$5,585,410
Gains (losses) from fair value adjustments	31,714	4,876	36,590
As at December 31, 2022	$5,549,887	$72,113	$5,622,000

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

A. The Group's investment properties were conducted in accordance with the Regulations. The fair values of investment properties were as follows:

	As at December 31,	
	2023	2022
Independent valuation	$5,651,398	$5,622,000

The abovementioned fair values were evaluated by appraisers from professional appraisal firms. The appraisers performed fair value valuation in accordance with Regulations on Real Estate Appraisal and the appraisal dates were at December 31, 2023 and 2022, respectively.

	As at December 31,	
Name of appraisal firm	2023	2022
Euro-Asia Property Appraising Center Co., Ltd.	Hsieh, Tsung-Ting, Chou, Shih-Yuan	-
China Property Appraising Center Co., Ltd.	-	Hsieh, Tien-Ching, Chiu, Hsiang-Ling

The fair value of the investment property is assessed by the abovementioned external real estate appraiser firm based on current status and market evidence. The evaluation methods include discounted cash flow in income approach and land development analysis approach. Fair value evaluation is mostly based on income approach except for undeveloped land, which is unable to evaluate under this approach would use land development analysis approach instead.

If the assets are held mainly for office buildings rental income, appraisers will refer to signed contracts and market price of similar objects picked in nearby areas to perform assessment using direct capitalization method or discounted cash flow analysis method in income approach, and if assets are expected to be appreciated in the future, such as in development, land development analysis approach should be applied. Furthermore, appraisal firms will collect cases which are comparable to evaluating subject matters and took development schedule, liquidity, risk of disposal in the future into consideration to decide income capitalization rate and discount rate.

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

Lands No. 286, 286-1 and 286-3 located in 3rd Subsec., Changchun Sec., Zhongshan Dist., Taipei City that are held by the Group is undeveloped as new buildings on the land is still in construction. The fair value is appraised based on the land development analysis method and will increase when the estimated total sales/profit margin is increased, or the overall capital interest rate is decreased. The important assumptions are as follows:

	As at December 31,	
	2023	2022
Estimated total sales amount	$10,742,733	$9,357,067
Profit margin	25%	20%
Overall capital interest rate	8.56%	6.44%

Besides the undeveloped land, the fair value of the other investment assets is appraised based on the income approach. The fair value will increase when estimated future net cash inflow is increased or estimated discount rate is decreased. The important assumptions are as follows:

The estimated future net cash inflow information is as follows:

	As at December 31,	
	2023	2022
Estimated future cash inflow	$1,590,368	$1,738,022
Estimated future cash outflows	(60,374)	(57,189)
Estimated future net cash inflow	$1,529,994	$1,680,833

Rental price on market: (in 3.3 square meter/month/NT$ per unit)

	As at December 31,	
	2023	2022
Evaluated markent rent	$1,495～$3,120	$1,000～$2,340

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

The significant parameters involved in the assessment are as follows:

	As at December 31,	
	2023	2022
Income capitalization rate	2.07%	1.00%~1.23%
Discount rate	2.72%～3.60%	2.47%~3.22%

	For the years ended December 31,	
	2023	2022
Rental income from investment property	$20,495	$19,623
Less：Direct operating expenses from investment property generating rental income	-	-
Direct operating expenses from investment property not generating rental income	-	-
Total	$20,495	$19,623

B. Please refer to Note 8 for more details on Investment property under pledge.

(2)Investment property measured at cost:

	Construction
Cost:	
As at Jan. 1, 2023	$136,505
Additions	292,709
Transfers from property, plant and equipment	-
As at Dec. 31, 2023	$429,214
As at Jan. 1, 2022	$-
Additions	81,829
Transfers from property, plant and equipment	54,676
As at Dec. 31, 2022	$136,505

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

The Group's investment property measured at cost is unable to evaluate at its fair value as the property is still in construction. The property will be measured at fair value instead of cost once the assessing method is reliable or the construction is complete.

(9) Other non-current assets

	As at December 31,	
	2023	2022
Refundable deposits	$97,267	$100,469
Prepayments in equipments	27,303	26,338
Restricted deposits	29,598	29,573
Restricted land	75,700	75,700
Others	4,703	907
Total	$234,571	$232,987

Please refer to Note 8 for more details on other non-current assets under pledge.

(10) Short-term loans

A. The details of short-term loans are as follows:

	As at December 31,	
	2023	2022
Unsecured bank loans	$-	$43,500
Secured bank loans	53,500	370,000
Total	$53,500	$413,500
Interest rate	2.75%~2.97%	2.20%~2.78%

B. The Group's short-term loans in 2023 were newly increased by NT$334,000 thousand, and the repayment amount was NT$694,000 thousand; the newly increased amount in 2022 was NT$185,000 thousand, and the repayment amount was NT$153,500 thousand.

C. As at December 31, 2023 and 2022, the lines of unused short-term loans credit for the Group amounted to NT$50,000 thousand and NT$150,000 thousand, respectively.

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

D. Please refer to Note 8 for more details on assets under pledge for short-terms loans.

(11) Long-term loans

Details of long-term loans as at December 31, 2023 and 2022 are as follows:

	As at December 31,	
	2023	2022
Unsecured bank loans	$197,920	$36,000
Secured bank loans	4,806,401	4,359,150
Total	5,004,321	4,395,150
Less: current portion	(234,506)	(377,540)
Non-current portion	$4,769,815	$4,017,610
Interest rate	2.35%~3.07%	2.10%~2.775%

A.The Group's long-term loans in 2023 were newly increased by NT$2,191,100 thousand at the interest rate of 2.35%~3.07%, and the due date is in December 2025 and August 2026, respectively, and the repayment is NT$1,581,929 thousand.

The Group's long-term loans in 2022 were newly increased by NT$639,775 thousand at the interest rate of 2.10%~2.775%, and the due date is in May and June 2024, August 2026 and January to June 2027, respectively, and the repayment is NT$490,625 thousand.

B.Please refer to Note 8 for more details on assets under pledge for long-terms loans.

(12) Other non-current liabilities

	As at December 31,	
	2023	2022
Guarantee deposits	$5,744	$4,977
Pension for employee benefits	6,319	5,359
Provision for decommissioning costs	11,078	11,078
Other non-current liabilities	67	115
Total	$23,208	$21,529

(13) Post-employment benefits

Defined contribution plan

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

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 amounted to NT$26,796 thousand and NT$24,163 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company and its domestic subsidiaries is required to fund the difference in one appropriation that should be made before the end of March of the next year.

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

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company and its domestic subsidiaries does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company and its domestic subsidiaries expects to contribute NT$17,644 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

As at December 31, 2023 and 2022, the Group's defined benefit plans are expected to expire in 2030.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Current period service costs	$1,091	$1,361
Net interest of defined benefit liability (asset)	586	364
Total	$1,677	$1,725

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

	As at		
	Dec. 31, 2023	Dec. 31, 2022	Jan. 1, 2022
Defined benefit obligation	$77,784	$77,670	$87,321
Plan assets at fair value	(41,125)	(28,078)	(32,570)
Other non-current liabilities – net defined benefit liability	$36,659	$49,592	$54,751

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

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at January 1, 2022	$87,321	$(32,570)	$54,751
Current period service costs	1,361	-	1,361
Interest expense (income)	611	(247)	364
Past period service costs and gains and losses arising from settlements	-	-	-
Subtotal	1,972	(247)	1,725
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(2,779)	-	(2,779)
Experience adjustment	4,222	-	4,222
Remeasurement on defined benefit assets	-	(2,967)	(2,967)
Subtotal	1,443	(2,967)	(1,524)
Payments from the plan	(13,066)	13,066	-
Contributions by employer	-	(5,360)	(5,360)
Effect of changes in foreign exchange rates	-	-	-
As at December 31, 2022	77,670	(28,078)	49,592
Current period service costs	1,091	-	1,091
Net interest expense (income)	971	(385)	586
Past period service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,062	(385)	1,677
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	-	-	-

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
Experience adjustment	3,321	-	3,321
Remeasurement on defined benefit assets	-	(287)	(287)
Subtotal	3,321	(287)	3,034
Payments from the plan	(5,269)	5,269	-
Contributions by employer	-	(17,644)	(17,644)
Effect of changes in foreign exchange rates	-	-	-
As at December 31, 2023	$77,784	$(41,125)	$36,659

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

	For the years ended December 31,	
	2023	2022
Discount Rate	1.25%	1.25%
Expected rate of salary increases	2.00%	2.00%

A sensitivity analysis for significant assumption as at December 31, 2023 and 2022 is, as shown below:

	For the years ended December 31,			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%	$-	$(16)	$-	$(20)
Discount rate decrease by 0.25%	16	-	20	-
Future salary increase by 1.00%	67	-	83	-
Future salary decrease by 1.00%	-	(62)	-	(75)

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

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

The method used in the analysis is consistent for both current and prior years.

(14) Equity

(a)Common stock

As at December 31, 2023 and 2022, the Company's authorized capital were altogether NT$3,800,000 thousand, and the Company's paid-in capital were altogether NT$1,913,128 thousand, each at a par value of NT$10, divided into 191,313 thousand shares. Each share represents voting right and a right to receive dividends.

(b)Capital surplus

	As at December 31,	
	2023	2022
Additional paid-in capital	$31,236	$31,236

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

(c)Retained earnings and dividend policies

(1)Earnings distribution

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

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

The Company may resolve by a special majority vote at a Board meeting to distribute in cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Taiwan Company Act and shall report the distribution in the most recent shareholder's meeting.

(2)Dividend policies

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The cash dividends should be at least 10% of total dividends declared, unless the shareholders' meeting resolved based on the actual profit and capital situation of the current year.

(3)Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total paid-in capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(4)Special reserve

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

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

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

As at January 1, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,323,921 thousand. The Company has not reversed special reserve to retained earnings during the years ended December 31, 2023 and 2022 due to the use, disposal or reclassification of related assets. As at December 31, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS were altogether NT$1,323,921 thousand.

(5)Annual loss for the Year 2023 and 2022 without earnings distribution were approved and resolved by the Board of Directors’ meeting and shareholders’ meeting on March 11, 2024 and May 31, 2023, respectively.

Please refer to Note 6(18) for details on employees’ compensation and remuneration to directors and supervisors.

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

(15) Operating revenues

A. Disaggregation of revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Room revenue	$752,526	$479,400
Catering revenue	587,309	462,309
Amusement park revenue	581,736	524,482
Other income	289,524	209,026
Total	$2,211,095	$1,675,217
The timing for revenue recognition:		
At a point in time	$2,211,095	$1,675,217

B. Contract balances

Please refer to 6(3) and 6(4) for the disclosure of the notes receivable and accounts receivable.

C. Transaction price allocated to unsatisfied performance obligations

As at December 31, 2023 and 2022, no disclosure of the unsatisfied performance obligations is needed as the contract terms are all shorter than one year.

D. Assets recognized from costs to fulfill a contract

None.

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

(16) Expected credit losses (gains)

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses (gains)		
Notes receivable	$-	$-
Accounts receivable	-	2,965
Total	$-	$2,965

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance as at December 31, 2023 and 2022 are as follow:

A. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information. The relevant information is as follows:

2023.12.31

Low risk	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$27,144	$3,327	$697	$2,620	$34	$33,822
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	27,144	3,327	697	2,620	34	33,822

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

With financial difficulties	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$-	$-	$-	$-	$185	$185
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying amount of trade receivables						$33,822

2022.12.31

Low risk	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$16,425	$440	$1,381	$39,845	$-	$58,091
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	16,425	440	1,381	39,845	-	58,091

With financial difficulties	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$-	$-	$-	$-	$185	$185
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying amount of trade receivables						$58,091

Note: The Group’s note receivables are not past due.

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

B. The movement in the provision for impairment of notes receivable and accounts receivable for the years ended December 31, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable	Total
As at January 1, 2023	$-	$185	$185
Addition/(reversal) for the current period	-	-	-
Write off	-	-	-
As at December 31, 2023	$-	$185	$185
As at January 1, 2022	$-	$185	$185
Addition/(reversal) for the current period	-	2,965	2,965
Write off	-	(2,965)	(2,965)
As at December 31, 2022	$-	$185	$185

(17) Leases

(a)Group as a lessee

The Group leases various properties, including real estate such as land and buildings for hotel business. These leases have terms of between 8 and 16 years which included option to extend lease term for the same period as the original contract.

The effect of leases on the Group's consolidated financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

a.Right-of-use assets

	As at December 31,	
	2023	2022
Buildings	$3,625,899	$3,955,914
Transportation equipment	-	5,055
Total	$3,625,899	$3,960,969

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

b.Lease liabilities

	As at December 31,	
	2023	2022
Buildings	$3,796,829	$4,099,815
Transportation equipment	-	5,060
Total	$3,796,829	$4,104,875
Current	$310,121	$304,681
Non-current	3,486,708	3,800,194
Total	$3,796,829	$4,104,875

Please refer to Note 6(19)(d) for the interest on lease liabilities recognized during the years ended December 31, 2023 and 2022, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2023 and 2022.

B. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Buildings	$330,015	$326,149
Transportation equipment	578	144
Total	$330,593	$326,293

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

C. Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expense relating to short-term leases	$(1,209)	$(2,519)
The expense relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	(4,654)	(3,981)
The expenses relating to variable lease payments not included in the measurement of lease liabilities	(18)	(77)
Covid-19 related rent concession	-	27,592

During the years ended December 31, 2023 and 2022, the Group's relevant rent concessions arising as a direct consequence of the Covid-19 pandemic amounting to NT$0 thousand and NT$27,592 thousand, respectively, which are recognized in other income, to reflect the variable lease payment that arising from the application of the practical expedients.

D. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounting to NT$395,035 thousand and NT$363,825 thousand, respectively.

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

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

Function / Nature	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$372,486	$206,189	$578,675	$304,645	$180,567	$485,212
Labor and health insurance	39,454	19,873	59,327	35,000	18,793	53,793
Pension	18,945	9,529	28,474	16,714	9,174	25,888
Directors' remuneration	-	2,040	2,040	-	2,040	2,040
Other employee benefits	21,384	6,316	27,700	15,164	4,919	20,083
Depreciation	428,928	121,449	550,377	422,045	118,660	540,705
Depletion	207	-	207	367	-	367
Amortization	19	3,724	3,743	846	4,973	5,819

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The abovementioned employees' compensation is resolved by meeting of Board of Directors in the form of shares or in cash, which is issued only to people who are employeed by the Company and are under labor insurance. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Annual loss for the years ended December 31, 2023 and 2022 and therefore no estimation for employees' compensation and directors' remuneration.

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

(19)Non-operating income and expenses

(a) Interest income

	For the years ended December 31,	
	2023	2022
Deposit interest	$2,157	$386

(b)Other income

	For the years ended December 31,	
	2023	2022
Government grants income	$3,097	$19,308
Rent concession income	-	27,592
Rental income	5,730	4,919
Other income - others	18,817	12,639
Total	$27,644	$64,458

(c)Other gains and losses

	For the years ended December 31,	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$(157)	$(2,983)
Foreign exchange gains (losses), net	224	223
Gains on lease modification	23	-
Fair value adjusted gain (loss) - investment property	7,133	1,462
Losses on indemnifications	(5,268)	-
Other losses	(3,329)	(4,597)
Total	$(1,374)	$(5,895)

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

(d)Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	$121,672	$92,044
Interest on lease liabilities	85,608	83,974
Less: Interest capitalization	(6,540)	(1,514)
Total	$200,740	$174,504

Details of interest capitalization are as follow:

	For the years ended December 31,	
	2023	2022
Capitalization interest	$6,540	$1,514
Capitalization rate	2.14% ~2.27%	1.96%

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

(20) Components of other comprehensive income (loss)

For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	$(3,034)	$-	$(3,034)	$-	$(3,034)
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	11,943	-	11,943	-	11,943
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	21	-	21	-	21
Total	$8,930	$-	$8,930	$-	$8,930

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

For the year ended December 31, 2022

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	$1,524	$-	$1,524	$-	$1,524
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	3,024	-	3,024	-	3,024
Total	$4,548	$-	$4,548	$-	$4,548

(21) Income tax

(a)The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31, 2023	For the years ended December 31, 2022
Current income tax expense (income):		
Current income tax charge	$-	$-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	-	-
Total income tax expense (income)	$-	$-

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

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

	For the years ended December 31,	
	2023	2022
Accounting profit (loss) before tax	$(97,744)	$(316,972)
Tax payable at the enacted tax rates	$(19,549)	$(63,394)
Tax effect of revenues exempt from taxation	(8,158)	(7,142)
Tax effect of expenses not deductible for tax purposes	8,678	1,603
Tax effect of deferred tax assets/liabilities	(30,227)	62,408
Adjustments in respect of current income tax of prior periods	49,256	6,525
Total income tax expense recognized in profit or loss	$-	$-

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

For the year ended December 31, 2023

	Beginning balance as of January 1, 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2023
Temporary differences				
Offset of loss	$12,360	$(585)	$-	$11,775
Investment property	(12,360)	585	-	(11,775)
Revaluation appreciation	(872,369)	-	-	(872,369)
Land value added tax	(408,302)	-	(22,265)	(430,567)
Deferred tax income/(expense)		$-	$(22,265)	
Net deferred tax assets/(liabilities)	$(1,280,671)			$(1,302,936)
Reflected in balance sheet as follows:				
Deferred tax assets	$12,360			$11,775
Deferred tax liabilities	$(1,293,031)			$(1,314,711)

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

For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Offset of loss	$11,356	$1,004	$-	$12,360
Investment property	(11,356)	(1,004)	-	(12,360)
Revaluation appreciation	(872,369)	-	-	(872,369)
Land value added tax	(373,174)	-	(35,128)	(408,302)
Deferred tax income/(expense)		$-	$(35,128)	
Net deferred tax assets/(liabilities)	$(1,245,543)			$(1,280,671)
Reflected in balance sheet as follows:				
Deferred tax assets	$11,356			$12,360
Deferred tax liabilities	$(1,256,899)			$(1,293,031)

(d) Unrecognized deferred tax assets

As at December 31, 2023 and 2022, deferred tax assets have not been unrecognized as they may not used to offset future taxable income amounted to NT$1,022,416 thousand and NT$1,052,643, respectively.

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

(e) The following table contains information of unused tax losses of the Company:

Year	Tax losses for the period	Unused tax losses as at Dec 31, 2023	Unused tax losses as at Dec 31, 2022	Expiration year
2013	$226,367	$-	$226,367	2023
2014	67,676	67,676	67,676	2024
2016	319,220	319,220	319,220	2026
2017	370,713	370,713	370,713	2027
2018	758,774	758,774	758,774	2028
2019	665,359	665,359	665,359	2029
2020	441,587	441,587	441,587	2030
2021	576,068	576,068	576,068	2031
2022	319,721	319,721	319,721	2032
2023	89,389	89,389	-	2033
Total	$3,834,874	$3,608,507	$3,745,485	

(f) The assessment of income tax returns

As at December 31, 2023, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Subsidiary - Leofoo Development & Construction Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Izzy Construction Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Leofoo Property Management Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Leofoo Agronomy Co., Ltd.	Assessed and approved up to 2021

(22) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
(a) Basic earnings per share		
Net income available to common shareholders of the parent	$(97,744)	$(316,972)
Weighted average number of common stocks outstanding (in thousand shares)	191,313	191,313
Basic earnings per share (in NT$)	$(0.51)	$(1.66)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related party transactions

(1) Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
AMBASSADOR FILM INC.	Investee as accounted for using equity method
Centennial International Tech. Ltd.	The company is corporate director of the related party
Feng Jung Development Co., Ltd.	The related party's chairman is the Company's director
Chiu Jung Investment Ltd.	The related party's chairman is the Company's director

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

Name of the related parties	Nature of relationship of the related parties
Si Mian Fo Management Consulting Ltd.	The related party's chairman is the Company's director
Chuang Foo Foundation	Other related parties

(2)Significant transactions with related parties

(a)Sales Revenue

	For the years ended December 31,	
	2023	2022
Chuang Foo Foundation	$-	$3

Selling prices and collection terms to related parties were not significantly different from those of sales to third parties customers. The collection terms are net 30 days.

(b)Construction revenue

	For the years ended December 31,	
	2023	2022
Chuang Foo Foundation	$-	$204

Selling prices and collection terms to related parties were not significantly different from those of sales to third parties customers. The collection terms are net 30 days.

(c)Rental income

	For the years ended December 31,	
	2023	2022
AMBASSADOR FILM INC.	$5,440	$5,440
Si Mian Fo Management Consulting Ltd.	-	305
Total	$5,440	$5,745

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

(d)Notes receivable and accounts receivable

	As at December 31,	
	2023	2022
Chuangfoo Foundation	$54	$-

(e)Other receivables

	As at December 31,	
	2023	2022
Chuang Foo Foundation	$8	$5

(f)Accounts payable

	As at December 31,	
	2023	2022
Chiu Jung Investment Ltd.	$-	$589

(g)Other accounts payable to related parties

	As at December 31,	
	2023	2022
Centennial International Tech. Ltd.	$432	$290
Chuang Foo Foundation	219	30
Total	$651	$320

(h) Refundable deposit

	As at December 31,	
	2023	2022
Centennial International Tech. Ltd.	$295	$295

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

(i)Guarantee deposits

	As at December 31,	
	2023	2022
AMBASSADOR FILM INC.	$1,350	$1,350

(j)Other receipts in advance

	As at December 31,	
	2023	2022
Si Mian Fo Management Consulting Ltd.	$17,671	$-

(k)Property transactions

For the year ended December 31, 2023, the Group did not purchase any property, plant and equipment from a related party. The Group purchased property, plant and equipment from a related party for the year ended December 31, 2022 were summarized as follows:

	Item	Price	Reference for the price determination
Centennial International Tech. Ltd.	Machinery	$293	Commercial negotiation

(l)The Group's expenditures for TV channel broadcasting and signal provision from Centennial International Tech. Ltd. were both NT$2,490 thousand for the years ended December 31, 2023 and 2022.

(m)The amount of telecommunications expenses paid by Centennial International Tech. Ltd. were NT$0 thousand and NT$2 thousand for the years ended December 31, 2023 and 2022, respectively.

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

(3)Key management personnel's compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$14,188	$12,114
Post-employment benefits	446	450
Total	$14,634	$12,564

8. Assets pledged as collateral

(1)The following assets of the Group were pledged as collateral:

	As at December 31,		
Items	2023	2022	Secured liabilities
Property, plant and equipment	$4,322,688	$4,375,655	long-term and short-term loans
Investment property	6,080,612	5,787,622	long-term and short-term loans
Other current and non-current assets	86,230	93,217	long-term and short-term loans, performance bond
Total	$10,489,530	$10,256,494	

(2)To fulfill obligations to customers who purchased gift vouchers from the administrative office, Leofoo Residence, Leofoo Hotel, Courtyard Taipei and other divisions of the Group, the Group set up trust funds at financial institutions amounting to NT$18,664 thousand and NT$22,042 thousand as at December 31, 2023 and 2022, respectively. The amount was classified as non-current assets.

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

9. Significant contingencies and unrecognized contract commitments

(1)The Group entered into a contract with Ruentex Xu-Zhan Development Co., Ltd. (the “Ruentex”) for hotel building operating lease in Nangang station on April 5, 2012. According to the contract, Ruentex was in charge of building construction and once the construction was complete, the Group rent the building for NT$333,927 thousand per year (excluding the put up for every three years). The leasing term was 20 years. As at December 31, 2023, the Group has paid NT$56,632 thousand as performance bond to Ruentex, and has provided time deposit NT$27,556 thousand pledged as collateral to Hua Nan Bank. The total amount was in NT$84,188 thousand and was classified as non-current assets.

(2)Other

As at December 31, 2023, the Group’s unfinished property, plant and equipment contract is as follows:

Nature of contract	Total contract amount (Excluding tax)	Paid amount	Unpaid amount
Commercial buildings	$1,832,381	$362,987	$1,469,394

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

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

12. Others

(1)Categories of financial instruments

Financial assets

	As at December 31,	
	2023	2022
Financial assets measured at amortized cost:		
Cash and cash equivalents	$338,356	$317,314
Notes receivable	1,895	9
Accounts receivable	31,927	58,082
Other receivables	5,162	6,925
Refundable deposits	97,267	100,469
Total	$474,607	$482,799

Financial liabilities

	As at December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loans	$53,500	$413,500
Payables	133,472	128,406
Long-term loans (including current portion with maturity less than 1 year)	5,004,321	4,395,150
Lease liabilities	3,796,829	4,104,875
Total	$8,988,122	$9,041,931

(2)Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3)Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk relates primarily to the Group's investments with variable interest rates and loans with fixed and variable interest rates, which are all categorized as loans and receivables.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and loans with variable interest rate swaps. As the reporting date, a change of 1 percent of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NT$43,112 thousand and NT$40,243 thousand, respectively.

(4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract and result in a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and from its financing activities including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conitions. Moreover, the Group's has numerous clients and does not make any concentrative transactions with any single client. Therefore, there is no concentration of credit risk for accounts receivables.

Credit risk from balances with banks and other financial instruments is managed by the Group's finance division in accordance with the Group's policy. The counterparties that the Group transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Group.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Group makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowingsand finance leases. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

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

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at December 31, 2023					
Borrowings	$408,869	$599,517	$4,550,864	$4,108	$5,563,358
Payables	133,472	-	-	-	133,472
Lease liabilities (Note)	389,077	389,756	1,109,551	2,407,935	4,296,319
As at December 31, 2022					
Borrowings	$886,057	$342,621	$3,657,831	$239,765	$5,126,274
Payables	128,406	-	-	-	128,406
Lease liabilities (Note)	390,355	390,877	1,152,822	2,756,070	4,690,124

Notes: Information about the maturities of lease liabilities is provided in the table below:

	Maturities					
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	Total
As at Dec. 31, 2023	$389,077	$1,499,307	$1,740,676	$667,259	$-	$4,296,319
As at Dec. 31, 2022	$390,355	$1,543,699	$1,740,676	$1,015,394	$-	$4,690,124

(6)Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Long-term loans	Leases liabilities	Total liabilities from financing activities
As at Jan. 1, 2023	$413,500	$4,395,150	$4,104,875	$8,913,525
Cash flows	(360,000)	609,171	(303,546)	(54,375)
Non-cash changes	-	-	(4,500)	(4,500)
As at Dec. 31, 2023	$53,500	$5,004,321	$3,796,829	$8,854,650

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

Reconciliation liabilities for the year ended December 31, 2022:

	Short-term loans	Long-term loans	Lease liabilities	Total liabilities from financing activities
As at Jan. 1, 2022	$382,000	$4,246,000	$4,345,694	$8,973,694
Cash flows	31,500	149,150	(273,274)	(92,624)
Non-cash changes	-	-	32,455	32,455
As at Dec. 31, 2022	$413,500	$4,395,150	$4,104,875	$8,913,525

(7)Fair values of financial instruments

A.The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell a financial asset or paid to transfer a financial liability in an orderly transaction between willing market participants (not under coercion or liquidation). The following methods and assumptions are used by the Group in estimating the fair values of financial assets and liabilities:

a.The carrying amount of cash and cash equivalents, receivables, payables and other current liabilities approximate their fair value due to their short maturity.

b.For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities beneficiary certificates, bond and futures etc).

c.Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B.Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measure at amortized cost approximates their fair value.

(8)Fair value measurement hierarchy

A.Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B.Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$77,059	$77,059

As at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$65,116	$65,116

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

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through profit or loss
Beginning balances as at January 1, 2023	$65,116
Total gains and losses recognized for the period:	
Amount recognized in other comprehensive income (presented in "unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income")	11,943
Ending balances as at December 31, 2023	$77,059

	Assets
	At fair value through profit or loss
Beginning balances at of January 1, 2022	$65,116
Acquisition/issues for the period	-
Ending balances as ot December 31, 2022	$65,116

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group's equity by NT$2,667 thousand

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%-20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by NT$2,892 thousand

(9) Capital management

The primary objective of the Group’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios to support its business and maximize shareholder value. The Group manages and adjusts its capital structure considering changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1)Information on significant transactions

A.Financing provided to others: None.

B.Endorsement/Guarantee provided to others: None.

C.Marketable securities held as at December 31, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D.Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

E.Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

F.Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

G.Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

H.Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as at December 31, 2023: None.

I.Derivative instrument transactions: None.

J.Inter Group relationships and significant inter Group transactions for the year ended December 31, 2023: Please refer to attachment 3.

(2)Information on investees

A. If an investor controls operating, investing and financial decisions of an investee or an investor has the ability to exercise the ability to exercise significant influence over operating and financial policies of an investee, the related information for the investee is disclosed (excluding investment in Mainland China): Please refer to attachment 2.

B. An investor controls operating, investing and financial decisions of an investee. The related information for the investee shall be disclosed in Note 13(1) below:

(a) Financing provided to others for the year ended December 31, 2023: None.

(b) Endorsement/Guarantee provided to others for the year ended December 31, 2023: None.

(c) Securities held as at December 31, 2023 (excluding subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20% of paid-in capital for the year ended December 31, 2023: None.

(e) Acquisition of individual real estate with amount of at least NT$300 million or 20% of paid-in capital for the year ended December 31, 2023: None.

(f) Disposal of individual real estate with amount of at least NT$300 million or 20% of paid-in capital for the year ended December 31, 2023: None.

(g) Related party transactions for purchases and sales amounts of at least NT$100 million or 20% of paid-in capital for the year ended December 31, 2023: None.

(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of paid-in capital as at December 31, 2023: None.

(i) Derivative instrument transactions: None.

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

(3) Information on investments in Mainland China:

a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as at January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as at Dec. 31, 2023	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as at Dec. 31, 2023	Accumulated Inward Remittance of Earnings as at Dec. 31, 2023
					Outflow	Inflow						
Weihai Chaung Foo Hotel Management Ltd.	Hotel management	$-	Note 1(2)	$28,841	$-	$-	$28,841	$- (Note 5)	100%	$- (Note 5)	$- (Note 5)	$-

Accumulated Investment in Mainland China as at Dec. 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$28,841	$29,430 (USD 1,000 thousand) (Note 4)	$2,895,411

Note 1: The investment methods are divided into the following three types, just indicate the types:

(1) Go directly to the mainland for investment.
(2) Reinvest in mainland China through a third-region company.
(3) Other methods.

Note 2: Gain/loss on investment is recognized based on the audited financial statements of the parent company's Auditors in Taiwan.

Note 3: Amounts in New Taiwan dollars.

Note 4: Investment amount US$1,000 thousand authorized by Investment Commission, MOEA. The exchange rate of New Taiwan dollars to US dollars was 29.43 to 1.

Note 5: Weihai Chuang Foo Hotel Management Ltd. was liquidated in June 2022 and the cancellation registration was completed on August 24, 2022. On June 5, 2023, Weihai Chuang Foo Hotel Management Ltd. received a notification letter for cancellation of registration from the Investment Review Committee of the Ministry of Economic Affairs.

b. Purchase and accounts payable with the related parties: None.

c. Sales and accounts receivable with the related parties: None.

d. The profit and loss produced by transaction of the property: None.

e. The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: None.

f. The amount of maximum financing, the balance interest rates, and lump sum interest expense: None.

g. The other events impact over current profit or loss or have the significant influence over the financial conditions, such as provided service or received service: None.

(4) Information on major shareholders:

Ownership of shares / Name	Number of shares held (shares)	Ownership ratio
Chiu Jung Investment Ltd.	14,851,222	7.76%
Jung Feng Development Ltd.	12,392,695	6.47%
Chuang Foo Foundation	12,079,888	6.31%

14. Segment information

For management purposes, the Group divided into three reportable segments: Leofoo Village, Leofoo Hotel and Courtyard Taipei. Leofoo Village is mainly engaged in amusement park services, Leofoo Hotel is mainly engaged in leasing services and Courtyard Taipei is mainly engaged in hotel services.

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

The reportable divisions of the Group are strategic business units that offer different products. Since each strategic business unit requires different technologies and marketing strategies, it must be managed separately. The accounting policies of the reportable divisions are the same as those in the Group's Summary Statement of Significant Accounting Policies. However, income tax are managed on a group basis and are not allocated to operating divisions.

(1)Departmental Information

For the year ended December 31, 2023

	Leofoo Village	Leofoo Hotel	Courtyard Taipei	Other operating	Adjustment and elimination	Consolidated
Revenue						
External customer	$1,231,297	$14,495	$864,428	$100,875	$-	$2,211,095
Inter-segment	-	-	-	138,183	(138,183)	-
Total revenue	$1,231,297	$14,495	$864,428	$239,058	$(138,183)	$2,211,095
Segment profit	$108,212	$22,397	$(210,817)	$(6,818)	$(10,718)	$(97,744)

For the year ended December 31, 2022

	Leofoo Village	Leofoo Hotel	Courtyard Taipei	Other operating segments	Adjustment and elimination	Consolidated
Revenue						
External customer	$1,100,773	$13,623	$463,068	$97,753	$-	$1,675,217
Inter-segment	-	-	-	134,824	(134,824)	-
Total revenue	$1,100,773	$13,623	$463,068	$232,577	$(134,824)	$1,675,217
Segment profit	$103,546	$6,467	$(410,174)	$(28,250)	$11,439	$(316,972)

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

Reportable segment assets

	Leofoo Village	Leofoo Hotel	Courtyard Taipei	Other operating segments	Adjustment and elimination	Consolidated
As at Dec. 31, 2023	$5,952,093	$5,316,157	$4,183,173	$470,026	$(282,132)	$15,639,317
As at Dec. 31, 2022	$5,751,007	$5,294,915	$4,494,665	$500,509	$(268,591)	$15,772,505

(2)Geographical Information

(A)Revenue from external customers (note):

	For the years ended December 31,	
	2023	2022
Taiwan	$2,211,095	$1,675,217

Note: Revenue is classified based on the country of the customer.

(B)Non-current assets:

	For the years ended December 31,	
	2023	2022
Taiwan	$15,032,469	$15,161,359

(3)Important customer information

The Group did not have sales to a single customer that accounted for more than 10% of the consolidated net operating income for the years ended December 31, 2023 and 2022.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As at December 31, 2023

Attachment 1

Company Name	Marketable Securities Type and Name	Relationship with the Issuer	Financial Statement Account	As at December 31, 2023				Note
				Shares / in thousands units	Carrying Amount	%	Fair Value	
The Leofoo Development Co., Ltd.	Ambassador Theatres Company	The company is corporate director of the entity	Financial assets at fair value through other comprehensive income	1,642	$7,737	5.26%	$15,074	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		7,337			
			Subtotal		15,074			
The Leofoo Development Co., Ltd.	Rich Forest Leisure Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income	9,000	56,915	11.04%	57,150	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		235			
			Subtotal		57,150			
The Leofoo Development Co., Ltd.	Centennial International Tech. Ltd.	The company is corporate director of the entity	Financial assets at fair value through other comprehensive income	-	464	14.93%	4,835	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		4,371			
			Subtotal		4,835			
	Total				$77,059		$77,059	

English Translation of Consolidated Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd. and Subsidiaries

Investees over Whom the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As at December 31, 2023

(In Thousands of New Taiwan Dollars)

Attachment 2

Investor	Investee	Area	Main Business	Original Investment Amount		Balance as at December 31, 2023			Net profit (loss) of the investee	Investment income (loss) recognised by the Company	Note
				As at December 31, 2023	As at December 31, 2022	Shares (in thousands units)	%	Carrying Value			
The Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	Taiwan	Comprehensive construction industry	$733,000	$733,000	73,300	100.00%	$36,526	$3,642	$(8,666) (Note 1)	Note 2
The Leofoo Development Co., Ltd.	Ambassador Theartres Company	Taiwan	Cinemas	17,600	17,600	1,760	40.00%	$14,145	$(3,433)	$(1,373)	
The Leofoo Development Co., Ltd.	Elite Catering Company Limitied	Taiwan	Food manufacturing	10,000	10,000	1,000	100.00%	$11,548	$11	$11	Note 2
The Leofoo Development Co., Ltd.	Leofoo Investment Limited	Samoa	Investing activities	30,264	30,264	-	100.00%	$31,237	$451	$451	Note 2
The Leofoo Development Co., Ltd.	Leofoo Agronomy Co., Ltd.	Taiwan	Agricultural business	30,000	30,000	3,000	100.00%	$14,454	$(6,060)	$(6,060)	Note 2
Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	Taiwan	Comprehensive construction industry	65,266	65,266	6,398	100.00%	$48,257	$3,967	$3,967	Note 2
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	Taiwan	Property management	17,200	17,200	17,200	100.00%	$5,085	$(119)	$(119)	Note 2
Leofoo Investment Limited	Leofoo (Hong Kong) Limited	Hong Kong	Investing activities	30,113	30,113	-	100.00%	$31,076	$449	$449	Note 2

Note 1: It includes the investment income accounted for using equity method of NT$3,642 thousand, write-off for lease transaction with related party NT$(3) thousand, realized benefits on upstream transactions of NT$64,663 thousand and the unrealized benefits on upstream transactions of NT$(76,968) thousand.

Note 2: It has been written off when preparing the consolidated financial statements.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
The Leofoo Development Co., Ltd. and Subsidiaries
Intercompany relationships and significant intercompany transactions
(In Thousands of New Taiwan Dollars)

Attachment 3

No. (Note 1)	Company Name	Counter-Party	Nature of Relationship (Note 2)	Intercompany Transaction			
				Account	Amount	Terms	Percentage to Consolidated Net Revenue or Total (Note 3)
	2023.01.01~2023.12.31						
0	The Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Rental income	$343	In general condition	0.02%
0	The Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Notes receivable	89	In general condition	-%
0	The Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Other receivables	14	In general condition	-%
0	The Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Rental income	343	In general condition	0.02%
0	The Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Notes receivable	808	In general condition	0.01%
0	The Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Other receivables	17	In general condition	-%
0	The Leofoo Development Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Rental income	594	In general condition	0.03%
0	The Leofoo Development Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Notes receivable	104	In general condition	-%
0	The Leofoo Development Co., Ltd.	Leofoo Agronomy Co., Ltd.	1	Other receivables	1,066	In general condition	0.01%
1	Leofoo Development & Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Other operating income	15,891	In general condition	0.72%
1	Leofoo Development & Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Trade receivables	20,839	In general condition	0.13%
1	Leofoo Development & Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Contract liabilities	9,904	In general condition	0.06%
1	Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	1	Other receivables	16	In general condition	-%
1	Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Other receivables	105	In general condition	-%
2	Izzy Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Operating revenue	70,526	In general condition	3.19%
2	Izzy Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Other operating income	3,000	In general condition	0.14%
2	Izzy Construction Co., Ltd.	The Leofoo Development Co., Ltd.	2	Trade receivables	10,132	In general condition	0.06%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Other operating income	4,516	In general condition	0.20%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Trade receivables	447	In general condition	-%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Other receivables	9	In general condition	-%
2	Izzy Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	3	Other receivables	4	In general condition	-%
3	Leofoo Property Management Co., Ltd.	The Leofoo Development Co., Ltd.	2	Other operating income	41,694	In general condition	1.89%
3	Leofoo Property Management Co., Ltd.	The Leofoo Development Co., Ltd.	2	Refundable deposit	80	In general condition	-%
3	Leofoo Property Management Co., Ltd.	The Leofoo Development Co., Ltd.	2	Trade receivables	10,945	In general condition	0.07%
3	Leofoo Property Management Co., Ltd.	Izzy Construction Co., Ltd.	3	Operating revenue	14	In general condition	-%
4	Leofoo Agronomy Co., Ltd.	The Leofoo Development Co., Ltd.	2	Operating revenue	168	In general condition	0.01%
4	Leofoo Agronomy Co., Ltd.	The Leofoo Development Co., Ltd.	2	Services revenue	2,374	In general condition	0.11%
4	Leofoo Agronomy Co., Ltd.	The Leofoo Development Co., Ltd.	2	Other income	2	In general condition	-%
4	Leofoo Agronomy Co., Ltd.	The Leofoo Development Co., Ltd.	2	Trade receivables	2,478	In general condition	0.02%
5	Elite Catering Company Limitied	The Leofoo Development Co., Ltd.	2	Trade receivables	6,514	In general condition	0.04%

Note 1: The Leofoo Development Co., Ltd. and subsidiaries are coded as follows:
1. The Leofoo Development Co., Ltd. is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:
1. Investor to investee.
2. Investee to investor.
3. Investee to investee.

Note 3: The percentage is in respect to the total consolidated revenue(from income statement accounts) or total assets (from balance sheet accounts).

Note 4: Amounts in foreign currencies are translated into New Taiwan dollars using the exchange rates on the balance sheet date.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

INDEPENDENT AUDITORS' REPORT

To: The Board of Directors and Shareholders of
The Leofoo Development Co., Ltd.

Opinion

We have audited the accompanying parent-company-only balance sheets of The Leofoo Development Co., Ltd. (the "Company") as at December 31, 2023 and 2022, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent-company-only financial statements, including the summary of material accounting policies (together referred as "the parent-company-only financial statements").

In our opinion, based on the results of our audits and the report of other auditors (please refer to the Other Matter – Making Reference to the Audit of Other Auditor section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial position of the Company as at December 31, 2023 and 2022, and their parent-company-only financial performance and cash flows for the years then ended, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

<u>Non-financial Assets Impairment Assessment</u>

The Company's property, plant and equipment and right-of-use assets as of December 31, 2023 amounted to NT$8,554,125 thousand, accounting for 55% of the Company's total assets and were material to the Company's parent-company-only financial statements. As the Company's actual performance was not as good as expected in recent years, management assessed impairment of property, plant and equipment and right-of-use assets. As the assessment of the recoverable amount of assets involved subjective judgement of the assumptions and estimation made by management, we therefore considered this a key audit matter. Our audit procedures included, but not limited to, evaluating the appropriateness of accounting policies for assets impairment, obtaining appraisal report of assessment on the right-of-use asset impairment performed by external specialists, evaluating the reasonableness of related assumptions the specialists used in the appraisal report (including assessment methods and citation guides), assessing and testing the reasonableness of its recoverable amount and checking the use of assets, confirming the time when specialists concluded the report, and considering if there were significant subsequent changes that may affect the conclusion of the report after report date. We have also assessed the adequacy of the related disclosures in Notes 4, 5 and 6 to the parent-company-only financial statements.

Disclosure of Fair Value Measurement of Investment Property

The Company's investment property as of December 31, 2023, amounted to NT$6,123,906 thousand, accounting for 39% of the Company's total assets which was considered material to the Company's parent-company-only financial statements. Since the fair value method is applied in subsequent measurement of investment property, the related evaluation method and process require significant professional judgement, estimation and assumption, we therefore considered disclosure of fair value measurement of investment property a key audit matter due to the significant effect on evaluation result of investment property if the related judgement, estimation and assumption are changed. Our audit procedures included, but not limited to, assessing the professional competence, independence, experience and reputation of the appraiser engaged by management to obtain an understanding whether the skills and abilities of the appraisers are trustworthy; reviewing the fair value measurement report by our internal specialists in the meantime to understand whether the measurement methods and assumptions complied with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and Regulations on Real Estate Appraisal and whether they are reasonable and consistent, evaluating relevance and reliance on data sources and key parameters (such as earnings ratio, discount rate, etc.) applied in appraisal report, checking the reasonableness of appraisal result, inquiring and recalculating to confirm accuracy of accounts entries. We have also assessed the adequacy of relavant in formation in Notes 4, 5 and 6 to the parent-company-only financial statements.

Other Matter – Making Reference to the Audit of Other Auditor

We did not audit the financial statements of AMBASSDOR FILM INC., an indirectly invested associate accounted for using the equity method by the Company. The financial statements of AMBASSDOR FILM INC. as at December 31, 2023 and 2022, and for the years then ended were audited by other auditors, whose reports thereon have been furnished to us. Our audit, insofar as it related to the investment in the associate accounted for under the equity method amounting to NT$14,145 thousand and NT$15,518 thousand as at December 31, 2023 and 2022 representing 0.09% and 0.10% of the Company's total assets, the related shares of income before tax from the associate under the equity method for the year then ended amounting to NT$(1,373) thousand and NT$(3,914) thousand representing 1.40% and 1.23% of the Company's net loss before tax, are based solely on the audit reports of other auditors.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Parent-Company-Only Financial Statements

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

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

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

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

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

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

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

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

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

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

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

/s/Cheng, Ching-Piao

/s/Fuh, Wen-Fun

Ernst & Young
March 11th, 2024
Taipei, Taiwan,
Republic of China

Notice to Readers

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

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

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Parent-Company-Only Balance Sheets

As at December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Assets			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4, 6(1)	$242,152	2	$205,382	1
1150	Notes receivable, net	4, 6(3), 7	2,776	-	422	-
1170	Accounts receivable, net	4, 6(4), 7	31,446	-	57,920	-
1200	Other receivables	7	6,268	-	7,588	-
130x	Inventories	4, 6(5)	43,057	-	39,811	-
1410	Prepayments		57,909	1	55,935	1
1470	Other current assets	8	4,991	-	20,306	-
11xx	Total current assets		388,599	3	387,364	2
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income	4, 6(2)	77,059	-	65,116	1
1550	Investment accounted for using equity method	4, 6(6)	107,910	1	123,526	1
1600	Property, plant and equipment	4, 6(7), 8	5,060,145	33	5,177,256	33
1755	Right-of-use assets	4, 6(17)	3,493,980	22	3,792,236	24
1760	Investment property, net	4, 6(8), 8	6,123,906	39	5,787,622	37
1780	Intangible assets		1,659	-	4,938	-
1840	Deferred income tax assets	4, 6(21)	11,775	-	12,360	-
1900	Other non-current assets	6(9), 7, 8	239,389	2	236,042	2
15xx	Total non-current assets		15,115,823	97	15,199,096	98
	Total Assets		$15,504,422	100	$15,586,460	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Parent-Company-Only Balance Sheets (Continued)

As at December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term loans	6(10), 8	$53,500	-	$413,500	2
2150	Notes payable		125	-	1,215	-
2170	Accounts payable	7	93,697	1	85,298	1
2220	Other payables - related parties	7	50,897	-	39,328	-
2280	Lease liabilities	4, 6(17)	271,872	2	267,762	2
2322	Current portion of long-term loans	6(11), 8	234,506	1	377,540	2
2399	Other current liabilities	7	447,079	3	447,768	3
21xx	Total current liabilities		1,151,676	7	1,632,411	10
	Non-current liabilities					
2540	Long-term loans	6(11), 8	4,769,815	31	4,017,610	26
2570	Deferred income tax liabilities	4, 6(21)	1,314,711	9	1,293,031	8
2580	Lease liabilities	4, 6(17)	3,382,938	22	3,658,176	24
2640	Net defined benefit liability	4, 6(13)	36,659	-	49,592	-
2670	Other non-current liabilities	6(12), 7	22,938	-	21,141	-
25xx	Total non-current liabilities		9,527,061	62	9,039,550	58
2xxx	Total liabilities		10,678,737	69	10,671,961	68
31xx	Equity attributable to shareholders of the parent					
3100	Capital	6(14)				
3110	Common stock		1,913,128	13	1,913,128	13
3200	Capital surplus	6(14)	31,236	-	31,236	-
3300	Retained earnings	6(14)				
3310	Legal reserve		17,979	-	17,979	-
3320	Special reserve		1,385,073	9	1,385,073	9
3350	Unappropriated earnings		(1,968,911)	(13)	(1,868,133)	(12)
3400	Other equity		3,447,180	22	3,435,216	22
3xxx	Total equity		4,825,685	31	4,914,499	32
	Total liabilities and equity		$15,504,422	100	$15,586,460	100

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Parent-Company-Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars, Except for Earnings Per Share)

Code	Accounts	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenues	6(15), 7	$2,210,076	100	$1,667,226	100
5000	Operating costs	6(5)	(1,423,059)	(64)	(1,229,606)	(74)
5900	Gross profit		787,017	36	437,620	26
6000	Operating expenses					
6200	General and administrative	6(18), 7	(699,451)	(32)	(623,166)	(37)
6450	Expected credit gains (losses)	6(16)	-	-	(2,965)	-
	Total operating expenses		(699,451)	(32)	(626,131)	(37)
6900	Net operating income (loss)		87,566	4	(188,511)	(11)
7000	Non-operating income and expenses					
7100	Interest income	6(19)	1,223	-	305	-
7010	Other income	6(19), 7	27,664	1	65,271	4
7020	Other gains and losses	6(19)	(1,321)	-	(5,952)	(1)
7050	Finance costs	6(19)	(197,239)	(9)	(170,214)	(10)
7060	Share of the profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	6(6)	(15,637)	-	(17,871)	(1)
	Total non-operating income and expenses		(185,310)	(8)	(128,461)	(8)
7900	Income (loss) before income tax		(97,744)	(4)	(316,972)	(19)
7950	Income tax benefit (expense)	4, 6(21)	-	-	-	-
8200	Net income (loss)		(97,744)	(4)	(316,972)	(19)
8300	Other comprehensive income (loss)	6(20)				
8310	Items that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit plan		(3,034)	-	1,524	-
8316	Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		11,943	-	-	-
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences arising on translation of foreign operations		21	-	3,024	-
	Other comprehensive income, net of tax		8,930	-	4,548	-
8500	Total comprehensive income		$(88,814)	(4)	$(312,424)	(19)
9750	Basic earnings per share (in NT$)	6(22)	$(0.51)		$(1.66)	
9850	Diluted earnings per share (in NT$)	6(22)	$(0.51)		$(1.66)	

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Parent-Company-Only Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	Common Stock	Capital Surplus	Retained Earnings			Other Components of equity			Total Equity
				Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Arising on Translation of Foreign Operations	Unrealized Gains (Losses) on Financial Assets Measured at Fair Value through Other Comprehensive Income	Revaluation Surplus	
		3100	3200	3310	3320	3350	3410	3420	3460	3XXX
A1	Balance as at January 1, 2022	$1,913,128	31,236	$17,979	$1,385,073	$(1,552,791)	$(2,577)	$(32,085)	$3,466,960	$5,226,923
D1	Net loss for 2022					(316,972)				(316,972)
D3	Other comprehensive income (loss) for 2022					1,524	3,024	-	-	4,548
D5	Total comprehensive income (loss)	-	-	-	-	(315,448)	3,024	-	-	(312,424)
Q1	Disposal of investments in equity instruments designated at fair value through other comprehensive income of subsidiaries, associates and joint ventures					106		(106)		-
Z1	Balance as at December 31, 2022	1,913,128	31,236	17,979	1,385,073	(1,868,133)	447	(32,191)	3,466,960	4,914,499
D1	Net loss for 2023					(97,744)				(97,744)
D3	Other comprehensive income (loss) for 2023					(3,034)	21	11,943		8,930
D5	Total comprehensive income (loss)	-	-	-	-	(100,778)	21	11,943	-	(88,814)
Z1	Balance as at December 31, 2023	$1,913,128	$31,236	$17,979	$1,385,073	$(1,968,911)	$468	$(20,248)	$3,466,960	$4,825,685

(The accompanying notes are an integral part of the parent-company-only financial statements.)

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Parent-Company-Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

(Amounts Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023	2022
AAAA	Cash flows from operating activities:		
A10000	Loss before income tax	$(97,744)	$(316,972)
A20000	Adjustments:		
A20010	Profit or loss not effecting cash flows:		
A20100	Depreciation	516,092	506,299
A20200	Amortization	3,569	5,817
A20300	Expected credit losses (gains)	-	2,965
A20900	Interest expenses	197,239	170,214
A21200	Interest income	(1,223)	(305)
A22300	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using equity method	15,637	17,871
A22500	Loss (gain) on disposal of property, plant and equipment	157	3,039
A24600	Loss (gain) on fair value adjustment of investment property	(7,133)	(1,462)
A29900	Gains on lease modification	(23)	-
A29900	Gain from changes in lease payments arising from the rent concessions	-	(27,592)
A30000	Changes in operating assets and liabilities:		
A31130	Notes receivable	(2,354)	3
A31150	Accounts receivable	26,474	(12,514)
A31180	Other receivables	1,320	7,894
A31200	Inventories	(3,246)	(2,013)
A31230	Prepayments	(1,925)	(6,424)
A31240	Other current assets	15,315	2,174
A31990	Other non-current assets	(4,379)	(800)
A32130	Notes payable	(1,090)	20
A32150	Accounts payable	8,399	(116)
A32190	Other payables - related parties	11,569	24,671
A32230	Other current liabilities	7,658	22,899
A32240	Net defined benefit liability	(15,967)	(3,635)
A32990	Other non-current liabilities	1,797	977
A33000	Cash generated from (used in) operations	670,142	393,010
A33100	Interest received	1,223	305
A33300	Interest paid	(203,166)	(170,560)
AAAA	Net cash provided by (used in) operating activities	468,199	222,755

Code	Items	2023	2022
BBBB	Cash flows from investing activities:		
B01800	Acquisition of investment accounted for using equity method	-	(40,000)
B02700	Acquisition of property, plant and equipment	(117,170)	(100,140)
B02800	Proceeds from disposal of property, plant and equipment	389	795
B03800	(Increase) decrease in refundable deposits	3,202	13,204
B04500	Acquisition of intangible assets	(47)	(1,351)
B05400	Acquisition of investment properties	(300,346)	(109,432)
BBBB	Net cash provided by (used in) investing activities	(413,972)	(236,924)
CCCC	Cash flows from financing activities:		
C00200	Increase (decrease) in short-term loans	(360,000)	31,500
C01600	Proceeds from long-term loans	2,191,100	639,775
C01700	Repayments of long-term loans	(1,581,929)	(490,625)
C04020	Payments for the principal portion of lease liabilities	(266,628)	(237,143)
CCCC	Net cash provided by (used in) financing activities	(17,457)	(56,493)
EEEE	Increase (decrease) in cash and cash equivalents	36,770	(70,662)
E00100	Cash and cash equivalents at beginning of period	205,382	276,044
E00200	Cash and cash equivalents at end of period	$242,152	$205,382

(The accompanying notes are an integral part of the parent-company-only financial statements.)

1. History and organization

The Leofoo Development Co., Ltd. ("the Company") was incorporated on January 27, 1968. The Company's registered address is at No. 60, Gongztgou, Guanshi Jen, Hsinchu County, Taiwan (R.O.C.). Its main business activities include tourist hotels (Courtyard Taipei and Leofoo Resort Guanshi), restaurants, famous shops, department stores, movie theaters, land development for rent, zoo, and amusement facilities for rent, etc.

The Company's common shares have been listed on the Taiwan Stock Exchange (TWSE) starting on December 24, 1988.

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

The financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized to be issued by the Board of Directors on March 11, 2024.

3. Newly issued or revised standards and interpretations

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

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

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

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

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

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

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

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

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

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

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The Company assesses all standards and interpretations have no material impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

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

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

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

(b)IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

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

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

(c)Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

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

4. Summary of significant accounting policies

(1)Statement of compliance

The Parent-Company-Only financial statements of the Company for the years ended December 31, 2023 and 2022 were prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2)Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the Parent-Company-Only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the Parent-Company-Only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments and investment property that have been measured at fair value. The Parent-Company-Only financial statements are expressed in thousands of New Taiwan Dollars (“NT$”) unless otherwise specified.

(3)Foreign currency transactions

The Company’s parent-company-only financial statements are presented in its functional currency, New Taiwan Dollars (NTD).

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

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

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

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

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

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

(4)Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and the income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5)Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(6)Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities equal to or less than three months from the date of acquisition).

(7)Financial instruments

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

The Company determines the classification of its financial assets at initial recognition. In accordance with IFRS 9, financial assets of the Company are classified as financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and notes, accounts and other receivables. All financial assets are recognized initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable costs. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in the income statement.

(A) Financial assets: recognition and measurement

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

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

(a) The Company's business model for managing the financial assets and
(b) The contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

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

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

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

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

(a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

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

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

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

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

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

I. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

II. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

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

Financial asset measured at fair value through profit or loss

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

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

(B) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

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

(a) An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) The time value of money; and
(c) Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

(C) Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

(D) Financial liabilities and equity

Classification between liabilities or equity

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

Equity instruments

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

Financial liabilities

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

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

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

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

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

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

Financial liabilities at amortized cost

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

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

Derecognition of financial liabilities

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

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

(E) Offsetting of financial instruments

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

(8)Fair value measurement

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

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

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

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

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

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

(9)Inventories

Inventories are valued at lower of cost and net realizable value item by item. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10)Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IAS 10 “Consolidated and Separate Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for using the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

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

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

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

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

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

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

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

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(11)Property, plant and equipment

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

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

Buildings	2~50 years
Business facilities	1~20 years
Amusement facilities	2~20 years
Other equipment	1~50 years

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

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

(12)Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. The investment properties are measured subsequently at fair value. Any profit or loss due to fair value changes are recognized as income or loss in current period in accordance with IAS 40 Investment Property, except investment properties are held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations and investment properties are in accordance with paragraph 53 of IAS40.

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

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

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

(13)Leases

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

A.the right to obtain substantially all of the economic benefits from use of the identified asset; and
B.the right to direct the use of the identified asset.

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

Company as a lessee

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

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

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

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made. At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

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

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

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

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

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

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

For the rent concession as a direct consequence of the Covid-19 pandemic, the Company elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

Company as a lessor

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

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

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

(14)Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

A summary of the policies information applied to the Company's intangible assets is as follows:

	Computer software	Trademark
Useful lives	3~5 years	3~5 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generate or acquired	Acquired	Acquired

(15)Impairment of non-financial assets

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

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

A cash-generating unit, or Companys of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (Company of units), then to the other assets of the unit (Company of units) pro rata on the basis of the carrying amount of each asset in the unit (Company of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

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

(16)Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, ist is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17)Revenue Recognition

The Company's revenue from contracts with customers is measured at the consideration to which it is expected to be entitled to the transfer of goods or services. The Company recognizes revenue when the control of the goods or services is transferred to the customer and the performance obligations are satisfied. The accounting policies for the Company's types of revenue are explained as follows:

Sales of goods

The Company recognizes revenue when control of the goods is transferred, which means the goods have been delivered to customers. The delivery happens at goods been transported to specific locations. The Company recognized trade receivables once the goods are delivered.

Room, catering and amusement park services

The Company provides room, catering and amusement park services, and recognizes related income during the financial reporting period.

Financial component

The Company expects the period of all contracts of goods transferring or services rendering to customers and the timing when customers payment for goods or services are within one year; thus, the Company does not adjust the value of money on transaction prices.

(18) Borrowing costs

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

(19) Governant grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Company receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group’s consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

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

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

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

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

(21)Income taxes

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

Current income tax

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

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

Deferred tax

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

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

(a) Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(b) In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

(a) Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

(b) In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

5. Significant accounting judgments, estimates and assumptions

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

Estimates and assumptions

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

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

(a)Impairment assessment of property, plant and equipment and right-of-use asset

In the process of asset impairment assessment, the Company decides the independent cash flow of specific groups of assets, useful lives of assets and the amount of revenues and expenses which may occur in the future when subjective judgement is required and according to the use of assets and industry characteristics. Any changes of estimation due to economic changes or internal strategies may cause siginificant impairment or reverse the impairment loss recognized previously in the future.

(b)Investment property

The fair value of investment property is based on the valuation models. The fair value of investment property may be affected when assumptions and judgements used in the valuation models were changed.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As at December 31,	
	2023	2022
Cash on hand	$8,474	$3,975
Revolving funds	3,339	3,319
Savings	230,339	198,088
Total	$242,152	$205,382

The Company provided as trust for performance gift certificate reclassified as other current assets and other non-current assets amounting to NT$18,664 thousand and NT$22,042 thousand, as at December 31, 2023 and 2022, respectively. Please refer to Note 8 for details.

The Company provided as security for performance loan and guarantees are reclassified as other current assets and other non-current assets amounting to NT$29,598 thousand and NT$36,585 thousand, as at December 31, 2023 and 2022, respectively. Please refer to Note 8 for details.

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

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

	As at December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income – Non-current:		
Unlisted companies stocks	$65,116	$65,116
Valuation adjustment	11,943	-
Total	$77,059	$65,116

No financial assets at fair value through other comprehensive income was pledged by the Company as collateral.

(3) Notes receivable

	As at December 31,	
	2023	2022
Notes receivables arising from operating activities	$2,776	$422
Less: loss allowance	-	-
Total	$2,776	$422

Notes receivables were not pledged.

The notes receivable of Leofoo Resort Kenting the Company sold was bonced by main debtors on January 30, 2018. The Company recognized allowance to reduce notes receivable amounting to NT$269,928 thousand. To claim the right of debt, the Company has appointed a lawyer to file a lawsuit against debtors and demanded them to pay off debts. The Company also reclassified notes receivable amounting to NT$269,928 thousand to overdue receivables under non-current assets. The lawsuit has been sentenced by Taipei District Court as at December 31, 2023 that the debtors shall pay off the Company debts. The Company has applied for the enforcement procedure of promissory notes to Taipei District Court and got paid amounting to NT$365 thousand.

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

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6(16) for more details on loss allowance and Note 12 for details on credit risk.

(4) Accounts receivable

	As at December 31,	
	2023	2022
Accounts receivables, gross	$31,631	$58,105
Less: loss allowance	(185)	(185)
Total	$31,446	$57,920

(a) Accounts receivables were not pledged.

(b) The Company sales collection mainly includes cash, remittance and credit cards. Sales targets of the Company are usually direct point-of-sale clients, which are general customers paying by credit card or T/T remittance. Accounts receivables are generally on 30-60 day terms. The total carrying amount as at December 31, 2023 and 2022 are NT$31,631 thousand and NT$58,105 thousand, respectively. Please refer to Note 6(16) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(5) Inventories

Details of inventories are as below:

	As at December 31,	
	2023	2022
Animal feed	$596	$607
Foodstuffs	10,681	17,530
Beverages	2,044	1,587
Merchandise	28,926	19,346
Others	810	741
Total	$43,057	$39,811

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

(a) The cost of inventories recognized in expenses is as follows:

	For the years ended December 31,	
	2023	2022
The cost of inventories	$1,423,059	$1,229,606

(b) Operating costs recognized due to inventories reducing to net realizable value and recognizing loss for market price decline and obsolete and slow-moving inventories are amounted to NT$655 thousand and NT$0 thousand for the years ended December 31, 2023 and 2022, respectively.

(c) Inventories were not pledged.

(6) Investments accounted for using the equity method

	As at December 31,			
	2023		2022	
Investee companies	Amount	Percentage of Ownership	Amount	Percentage of Ownership
Investments in subsidiaries:				
Leofoo Agronomy Co., Ltd.	$14,454	100%	$20,514	100%
Leofoo Development & Construction Co., Ltd.	36,526	100%	45,192	100%
Leofoo Investment Co., Ltd. (Samoa)	31,237	100%	30,765	100%
Elite Catering Company Limited	11,548	100%	11,537	100%
Subtotal	93,765		108,008	
Investments in associates:				
AMBASSADOR FILM INC.	14,145	40%	15,518	40%
Subtotal	14,145		15,518	
Total	$107,910		$123,526	

(a) Investments in subsidiaries were present in the parent-company-only financial statements under the caption of investments accounted for using equity method or credit for investment accounted for the equity method. Valuation adjustment is made if deemed necessary.

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

(b) Investments in associates

Information about affiliated companies that are not material to the Company is as follows:

The Company's investments in associates are not material. The aggregate carrying amounts of the Company's interests in associates were NT$14,145 thousand and NT$15,518 thousand as at December 31, 2023 and 2022, respectively. The aggregate financial information of the Company's investments in associates is as follows:

	For the years ended December 31,	
	2023	2022
Profit (loss) from continuing operations	$(1,373)	$(3,914)
Other comprehensive income (after-tax)	-	-
Total comprehensive income	$(1,373)	$(3,914)

(c) The abovementioned investment in associates has no contingent liabilities or capital commitments, and was not pledged.

(7) Property, plant and equipment

A.Owner occupied property, plant and equipment

	Land	Buildings	Business facilities	Amusement facilities	Other equipment and construction in progress	Total
Cost:						
As at Jan. 1, 2023	$2,763,667	$3,733,037	$597,349	$2,128,972	$1,415,016	$10,638,041
Additions	-	18,040	23,630	9,518	54,294	105,482
Disposals	-	-	(343)	(580)	(5,462)	(6,385)
Reclassification	-	28,921	4,788	55,040	(88,749)	-
As at Dec. 31, 2023	$2,763,667	$3,779,998	$625,424	$2,192,950	$1,375,099	$10,737,138

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

	Land	Buildings	Business facilities	Amusement facilities	Other equipment and construction in progress	Total
As at Jan. 1, 2022	$2,763,667	$3,710,488	$687,556	$2,188,740	$1,352,042	$10,702,493
Additions	-	10,878	8,907	7,521	150,217	177,523
Disposals	-	-	(104,533)	(72,581)	(10,185)	(187,299)
Reclassification	-	11,671	5,419	5,292	(77,058)	(54,676)
As at Dec. 31, 2022	$2,763,667	$3,733,037	$597,349	$2,128,972	$1,415,016	$10,638,041
Depreciation and impairment:						
As at Jan. 1, 2023	$-	$2,120,816	$443,802	$2,080,036	$816,131	$5,460,785
Depreciation	-	104,128	43,714	20,220	53,985	222,047
Disposals	-	-	(337)	(581)	(4,921)	(5,839)
Reclassification	-	-	-	-	-	-
As at Dec. 31, 2023	$-	$2,224,944	$487,179	$2,099,675	$865,195	$5,676,993
As at Jan. 1, 2022	$-	$2,018,591	$499,526	$2,134,061	$775,506	$5,427,684
Depreciation	-	102,225	44,436	15,778	54,127	216,566
Disposals	-	-	(104,534)	(69,803)	(9,128)	(183,465)
Reclassification	-	-	4,374	-	(4,374)	-
As at Dec. 31, 2022	$-	$2,120,816	$443,802	$2,080,036	$816,131	$5,460,785
Net carrying amount as at:						
Dec. 31, 2023	$2,763,667	$1,555,054	$138,245	$93,275	$509,904	$5,060,145
Dec. 31, 2022	$2,763,667	$1,612,221	$153,547	$48,936	$598,885	$5,177,256

B. Please refer to Note 8 for details on property, plant and equipment under pledge.

C. The Company has several parcels of land in the Gongztgou section of Guanshi Jen, Hsinchu County. Due to succession of landlord and change of land category matters are still remained to be settled, the Company still could not set up conveyancing process amounting to NT$75,700 thousand as at December 31, 2023 and 2022, respectively. The land was pledged to the Company and was reclassified under non-current assets.

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

(8) Investment property

The Company's investment properties were owned investment properties. The abovementioned investment properties were leased out for 2 to 12 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

(1)Investment properties measured at fair value were as follows:

	Land	Buildings	Total
Cost:			
As at January 1, 2023	$5,549,887	$72,113	$5,622,000
Gains (Losses) from fair value adjustments	33,350	(3,952)	29,398
As at December 31, 2023	$5,583,237	$68,161	$5,651,398
As at January 1, 2022	$5,518,173	$67,237	$5,585,410
Gains (Losses) from fair value adjustments	31,714	4,876	36,590
As at December 31, 2022	$5,549,887	$72,113	$5,622,000

A.The Company's investment properties were conducted in accordance with the Regulations. The fair values of investment properties were as follows:

	As at December 31,	
	2023	2022
Independent valuation	$5,651,398	$5,622,000

The abovementioned fair values were evaluated by appraisers from professional appraisal firms. The appraisers performed fair value valuation in accordance with Regulations on Real Estate Appraisal and the appraisal dates were at December 31, 2023 and 2022, respectively.

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

	As at December 31,	
Name of appraisal firm	2023	2022
Euro-Asia Property Appraising Center Co., Ltd.	Hsieh, Tsung-Ting, Chou, Shih-Yuan	-
China Property Appraising Center Co., Ltd.	-	Hsieh, Tien-Ching, Chiu, Hsiang-Ling

The fair value of the investment property is assessed by the abovementioned external real estate appraiser firm based on current status and market evidence. The evaluation methods include discounted cash flow in income approach and land development analysis approach. Fair value evaluation is mostly based on income approach except for undeveloped land, which is unable to evaluate under this approach would use land development analysis approach instead.

If the assets are held mainly for office buildings rental income, appraisers will refer to signed contracts and market price of similar objects picked in nearby areas to perform assessment using direct capitalization method or discounted cash flow analysis method in income approach, and if assets are expected to be appreciated in the future, such as in development, land development analysis approach should be applied. Furthermore, appraisal firms will collect cases which are comparable to evaluating subject matters and took development schedule, liquidity, risk of disposal in the future into consideration to decide income capitalization rate and discount rate.

Lands No. 286, 286-1 and 286-3 located in 3rd Subsec., Changchun Sec., Zhongshan Dist., Taipei City that are held by the Company is undeveloped as new buildings on the land is still in construction. The fair value is appraised based on the land development analysis method and will increase when the estimated total sales/profit margin is increased, or the overall capital interest rate is decreased. The important assumptions are as follows:

	As at December 31,	
	2023	2022
Estimated total sales amount	$10,742,733	$9,357,067
Profit margin	25%	20%
Overall capital interest rate	8.56%	6.44%

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

Besides the undeveloped land, the fair value of the other investment assets is appraised based on the income approach. The fair value will increase when estimated future net cash inflow is increased or estimated discount rate is decreased. The important assumptions are as follows:

The estimated future net cash inflow information is as follows:

	As at December 31,	
	2023	2022
Estimated future cash inflow	$1,590,368	$1,738,022
Estimated future cash outflows	(60,374)	(57,189)
Estimated future net cash inflow	$1,529,994	$1,680,833

Rental price on market: (in 3.3 square meter/month/NT$ per unit)

	As at December 31,	
	2023	2022
Evaluated markent rent	$1,495～$3,120	$1,000～$2,340

The significant parameters involved in the assessment are as follows:

	As at December 31,	
	2023	2022
Income capitalization rate	2.07%	1.00%~1.23%
Discount rate	2.72%～3.60%	2.47%~3.22%

	For the years ended December 31,	
	2023	2022
Rental income from investment property	$20,495	$19,623
Less：Direct operating expenses from investment property generating rental income	-	-
Direct operating expenses from investment property not generating rental income	-	-
Total	$20,495	$19,623

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

B.Please refer to Note 8 for more details on investment property under pledge.

(2)Investment property measured at cost:

	Construction
Cost:	
As at Jan. 1, 2023	$165,622
Additions	306,886
Transfers from property, plant and equipment	-
As at Dec. 31, 2023	$472,508
As at Jan. 1, 2022	$-
Additions	110,946
Transfers from property, plant and equipment	54,676
As at Dec. 31, 2022	$165,622

The Company's investment property measured at cost is unable to evaluate at its fair value as the property is still in construction. The property will be measured at fair value instead of cost once the assessing method is reliable or the construction is complete.

(9) Other non-current assets

	As at December 31,	
	2023	2022
Refundable deposits	$97,256	$100,458
Prepayments in equipments	31,874	29,195
Restricted deposits	29,598	29,573
Restricted land	75,700	75,700
Others	4,961	1,116
Total	$239,389	$236,042

Please refer to Note 8 for more details on other non-current assets under pledge.

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

(10) Short-term loans

A. Details of short-term loans as at December 31, 2022 and 2021 are as follows:

	As at December 31,	
	2023	2022
Unsecured bank loans	$-	$43,500
Secured bank loans	53,500	370,000
Total	$53,500	$413,500
Interest rate	2.75%~2.97%	2.20%~2.78%

B. The Company's short-term loans in 2023 were newly increased by NT$334,000 thousand, and the repayment amount was NT$694,000 thousand; the newly increased amount in 2022 was NT$185,000 thousand, and the repayment amount was NT$153,500 thousand.

C. As at December 31, 2023 and 2022, the lines of unused short-term loans credit for the Company amounted to NT$50,000 thousand and NT$150,000 thousand, respectively.

D. Please refer to Note 8 for more details on assets under pledge for short-terms loans.

(11) Long-term loans

A. Details of long-term loans as at December 31, 2023 and 2022 are as follows:

	As at December 31,	
	2023	2022
Unsecured bank loans	$197,920	$36,000
Secured bank loans	4,806,401	4,359,150
Total	5,004,321	4,395,150
Less: current portion	(234,506)	(377,540)
Non-current portion	$4,769,815	$4,017,610
Interest rate	2.35%~3.07%	2.10%~2.775%

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

B. The Company's long-term loans in 2023 were newly increased by NT$2,191,100 thousand at the interest rate of 2.35%~3.07%, and the due date is in December 2025 and August 2026, respectively, and the repayment is NT$1,581,929 thousand.

The Company's long-term loans in 2022 were newly increased by NT$639,775 thousand at the interest rate of 2.10%~2.775%, and the due date is in May and June 2024, August 2026 and January to June 2027, respectively, and the repayment is NT$490,625 thousand.

C. Please refer to Note 8 for more details on assets under pledge for long-terms loans.

(12) Other non-current liabilities

	As at December 31,	
	2023	2022
Guarantee deposits	$5,764	$4,984
Pension for employee benefits	6,029	4,964
Provision for decommissioning costs	11,078	11,078
Other non-current liabilities	67	115
Total	$22,938	$21,141

(13) Post-employment benefits

Defined contribution plan

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

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 amounted to NT$25,948 thousand and NT$23,365 thousand, respectively.

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$17,644 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

As at December 31, 2023 and 2022, the Company's defined benefit plans are expected to expire in 2030.

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

Pension costs recognized in profit or loss were as follows.

	For the years ended December 31,	
	2023	2022
Current period service costs	$1,091	$1,361
Net interest of defined benefit liability (asset)	586	364
Total	$1,677	$1,725

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

	As at		
	Dec. 31, 2023	Dec. 31, 2022	Jan. 1, 2022
Defined benefit obligation	$77,784	$77,670	$87,321
Plan assets at fair value	(41,125)	(28,078)	(32,570)
Other non-current liabilities – net defined benefit liability	$36,659	$49,592	$54,751

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As at January 1, 2022	$87,321	$(32,570)	$54,751
Current period service costs	1,361	-	1,361
Net interest expense (income)	611	(247)	364
Past period service costs and gains and losses arising from settlements	-	-	-
Subtotal	1,972	(247)	1,725
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	(2,779)	-	(2,779)
Experience adjustment	4,222	-	4,222
Remeasurement on defined benefit assets	-	(2,967)	(2,967)
Subtotal	1,443	(2,967)	(1,524)

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

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
Payments from the plan	(13,066)	13,066	-
Contributions by employer	-	(5,360)	(5,360)
Effect of changes in foreign exchange rates	-	-	-
As at December 31, 2022	77,670	(28,078)	49,592
Current period service costs	1,091	-	1,091
Net interest expense (income)	971	(385)	586
Past period service costs and gains and losses arising from settlements	-	-	-
Subtotal	2,062	(385)	1,677
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	-	-	-
Actuarial gains and losses arising from changes in financial assumptions	-	-	-
Experience adjustment	3,321	-	3,321
Remeasurement on defined benefit assets	-	(287)	(287)
Subtotal	3,321	(287)	3,034
Payments from the plan	(5,269)	5,269	-
Contributions by employer	-	(17,644)	(17,644)
Effect of changes in foreign exchange rates	-	-	-
As at December 31, 2023	$77,784	$(41,125)	$36,659

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

	For the years ended December 31,	
	2023	2022
Discount rate	1.25%	1.25%
Expected rate of salary increases	2.00%	2.00%

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

A sensitivity analysis for significant assumption as at December 31, 2023 and 2022 is, as shown below:

	For the years ended December 31,			
	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	$-	$(16)	$-	$(20)
Discount rate decrease by 0.25%	16	-	20	-
Future salary increase by 1.00%	67	-	83	-
Future salary decrease by 1.00%	-	(62)	-	(75)

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

The method used in the analysis is consistent for both current and prior years.

(14) Equity

(a)Common stock

As at December 31, 2023 and 2022, the Company’s authorized capital were altogether NT$3,800,000 thousand, and the Company’s paid-in capital were altogether NT$1,913,128 thousand, each at a par value of NT$10, divided into 191,313 thousand shares. Each share represents voting right and a right to receive dividends.

(b)Capital surplus

	As at December 31,	
	2023	2022
Additional paid-in capital	$31,236	$31,236

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

(c)Retained earnings and dividend policies

(1)Earnings distribution

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

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

The Company may resolve by a special majority vote at a Board meeting to distribute in cash the above-mentioned dividends or capital reserve or/and legal reserve in compliance with the Taiwan Company Act and shall report the distribution in the most recent shareholder's meeting.

(2)Dividend policies

The policy of dividend distribution should reflect factors such as the current and future investment environment, fund requirements, domestic and international competition and capital budgets; as well as the interest of the shareholders, share bonus equilibrium and long-term financial planning etc. The cash dividends should be at least 10% of total dividends declared, unless the shareholders' meeting resolved based on the actual profit and capital situation of the current year.

(3)Legal reserve

According to the Company Act, legal reserve shall be set aside until such amount equal total paid-in capital. Legal reserve can be used to offset deficits. If the Company does not incur any loss, the portion of legal reserve exceeding 25% of the paid-in capital may be distributed to shareholders by issuing new shares or by cash in proportion to the number of shares held by each shareholder.

(4)Special reserve

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

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

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

As at January 1, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS amounted to NT$1,323,921 thousand. The Company has not reversed special reserve to retained earnings during the years ended December 31, 2023 and 2022 due to the use, disposal or reclassification of related assets. As at December 31, 2023 and 2022, special reserve set aside for the first-time adoption of T-IFRS were altogether NT$1,323,921 thousand.

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

(5)Annual loss for the Year 2023 and 2022 without earnings distribution were approved and resolved by the Board of Directors' meeting and shareholders' meeting on March 11, 2024 and May 31, 2023, respectively.

Please refer to Note 6(18) for details on employees' compensation and remuneration to directors and supervisors.

(15) Operating revenues

A. Disaggregation of revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Room revenue	$752,526	$479,400
Catering revenue	587,309	462,309
Amusement park revenue	581,736	524,482
Other income	288,505	201,035
Total	$2,210,076	$1,667,226
The timing for revenue recognition:		
At a point in time	$2,210,076	$1,667,226

B. Contract balances

Please refer to 6(3) and 6(4) for the disclosure of the notes receivable and accounts receivable.

C. Transaction price allocated to unsatisfied performance obligations

As at December 31, 2023 and 2022, no disclosure of the unsatisfied performance obligations is needed as the contract terms are all shorter than one year.

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

D. Assets recognized from costs to fulfill a contract

None.

(16) Expected credit losses (gains)

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses (gains)		
Notes receivable	$-	$-
Accounts receivable	-	2,965
Total	$-	$2,965

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its trade receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as at December 31, 2023 and 2022 are as follows:

A. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as forward looking information, including overall economic environment and related industrial information. The relevant information is as follows:

2023.12.31

Low risk	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$27,544	$3,327	$697	$2,620	$34	$34,222
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	27,544	3,327	697	2,620	34	34,222

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

With financial difficulties	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$-	$-	$-	$-	$185	$185
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying amount of trade receivables						$34,222

2022.12.31

Low risk	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$16,676	$440	$1,381	$39,845	$-	$58,342
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	16,676	440	1,381	39,845	-	58,342

With financial difficulties	Not past due	Past due				
	(Note)	<=30 days	31-60 days	61-90 days	>90 days	Total
Gross carrying amount	$-	$-	$-	$-	$185	$185
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying amount of trade receivables						$58,342

Note: The Company’s note receivables are not past due.

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

B. The movement in the provision for impairment of notes receivable and accounts receivable for the years ended December 31, 2023 and 2022 are as follows:

	Notes receivable	Accounts receivable	Total
As at January 1, 2023	$-	$185	$185
Addition/(reversal) for the current period	-	-	-
Write off	-	-	-
As at December 31, 2023	$-	$185	$185
As at January 1, 2022	$-	$185	$185
Addition/(reversal) for the current period	-	2,965	2,965
Write off	-	(2,965)	(2,965)
As at December 31, 2022	$-	$185	$185

(17) Leases

(a)Company as a lessee

The Company leases various properties, including real estate such as land and buildings for hotel business. These leases have terms of between 8 and 16 years which included option to extend lease term for the same period as the original contract.

The effect of leases on the Company's financial position, financial performance and cash flows are as follows:

A. Amounts recognized in the balance sheet

a.Right-of-use assets

	As at December 31,	
	2023	2022
Buildings	$3,493,980	$3,791,181
Transportation equipment	-	5,055
Total	$3,493,980	$3,792,236

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

b.Lease liabilities

	As at December 31,	
	2023	2022
Buildings	$3,654,810	$3,920,878
Transportation equipment	-	5,060
Total	$3,654,810	$3,925,938
Current	$271,872	$267,762
Non-current	3,382,938	3,658,176
Total	$3,654,810	$3,925,938

Please refer to Note 6(19)(d) for the interest on lease liabilities recognized during the years ended December 31, 2023 and 2022, and refer to Note 12(5) Liquidity Risk Management for the maturity analysis for lease liabilities as at December 31, 2023 and 2022.

B. Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Buildings	$293,201	$289,334
Transportation equipment	578	144
Total	$293,779	$289,478

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

C. Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expense relating to short-term leases	$(1,209)	$(2,519)
The expense relating to leases of low-value assets (not included the expense relating to short-term leases of low-value assets)	(4,637)	(3,951)
The expenses relating to variable lease payments (not included in the measurement of lease liabilities)	(18)	(77)
Covid-19 related rent concessions	-	27,592

During the years ended December 31, 2023 and 2022, the rent concessions arising as a direct consequence of the Covid-19 pandemic amounting to NT$0 thousand and NT$27,592 thousand, respectively, which are recognized in other revenue, to reflect the variable lease payment that arising from the application of the practical expedients.

D. Cash outflow relating to leasing activities

During the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounting to NT$354,599 thousand and NT$323,375 thousand, respectively.

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

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

Function / Nature	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$368,177	$190,179	$558,356	$300,246	$165,913	$466,159
Labor and health insurance	39,159	18,532	57,691	34,596	17,515	52,111
Pension	18,697	8,928	27,625	16,497	8,593	25,090
Directors' remuneration	-	2,040	2,040	-	2,040	2,040
Other employee benefits	21,235	5,708	26,943	15,014	4,402	19,416
Depreciation	395,700	120,185	515,885	388,191	117,741	505,932
Depletion	207	-	207	367	-	367
Amortization	19	3,550	3,569	846	4,971	5,817

Note:

1. The average headcounts of the Company amounted to 1,140 and 1,044, respectively, for the years ended December 31, 2023 and 2022. Among the Company's directors, there were 5 and 6, respectively, who were not the employees for the years ended December 31, 2023 and 2022.

2. Companies who have been listed on Taiwan Stock Exchange or Taiwan Over-The Counter Securities Exchange should disclose the following information:

   (1) Average employee benefits of 2023 and 2022 are NT$591 thousand and NT$542 thousand respectively.
   (2) Average salaries of 2023 and 2022 are NT$492 thousand and NT$449 thousand respectively.
   (3) Changes in average salaries are 9.58 %.
   (4) In accordance with the regulations, the Company has established an audit committee to replace the supervisor, so the supervisor's remuneration has not been recognized.

(5) The salary and remuneration policy of the Company:

Salary and remuneration for the Company's employees (managers included) contain monthly salaries, incentive bonuses, and project bonuses, year-end bonuses by performance evaluation, and performance bonuses according to employees' performance, personal abilities, and contribution to the Company. The abovementioned bonuses are deemed as reward to employees and to encourage them. As for design of benefits, the Company listed some measures in accordance with the regulations and to meet employees' needs to bring about a win-win situation for the Company, shareholders and employees.

Remuneration of directors and managers are in conformity with "Regulations of directors and managers" by the Company. Independent directors are paid monthly in fixed amount. Remuneration is distributed according to profitability in current year. The amount of remuneration is suggested by the compensation committee and approved by the Board of Directors' meeting. Transportation allowance is provided if directors attend Board of Directors' meetings.

The Company's manager contains general manager, assistant general manager, directors which graded above level 19, finance supervisor and accounting supervisor. The remuneration is based on responsibilities in charged by managers, and reasons to appeal specialists. The amount of employees' compensation is suggested by the compensation committee and approved by the Board of Directors' meeting.

According to the Articles of Incorporation, 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The abovementioned employees' compensation is resolved by meeting of Board of Directors in the form of shares or in cash, which is issued only to people who are employeed by the Company and are under labor insurance. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

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

Annual loss for the Year 2023 and 2022 and therefore no estimation for employees' compensation and directors' remuneration.

(19)Non-operating income and expenses

(a) Interest income

	For the years ended December 31,	
	2023	2022
Deposit interest	$1,223	$305

(b) Other income

	For the years ended December 31,	
	2023	2022
Government grants income	$3,097	$19,308
Rent concession income	-	27,592
Rental income	6,610	5,799
Other income - others	17,957	12,572
Total	$27,664	$65,271

(c) Other gains and losses

	For the years ended December 31,	
	2023	2022
Gain (loss) on disposal of property, plant and equipment	$(157)	$(3,039)
Gains on lease modification	23	-
Foreign exchange gains (losses), net	224	223
Fair value adjusted gain (loss) - investment property	7,133	1,462
Losses on indemnifications	(5,268)	-
Other losses	(3,276)	(4,598)
Total	$(1,321)	$(5,952)

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

(d) Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	$121,672	$92,043
Interest on lease liabilities	82,107	79,685
Less: Interest capitalization	(6,540)	(1,514)
Total	$197,239	$170,214

Details of interest capitalization are as follow:

	For the years ended December 31,	
	2023	2022
Capitalization interest	$6,540	$1,514
Capitalization rate	2.14%~2.27%	1.96%

(20) Components of other comprehensive income (loss)

For the year ended December 31, 2023

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	$(3,034)	$-	$(3,034)	$-	$(3,034)
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	11,943	-	11,943	-	11,943
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	21	-	21	-	21
Total	$8,930	$-	$8,930	$-	$8,930

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

For the year ended December 31, 2022

	Arising during the period	Reclassification during the period	Subtotal	Income tax benefit (expense)	OCI, Net of tax
Not reclassified to profit or loss:					
Actuarial gains or losses on defined benefits plan	$1,524	$-	$1,524	$-	$1,524
May be reclassified to profit or loss in subsequent period:					
Exchange differences arising on translation of foreign operations	3,024	-	3,024	-	3,024
Total	$4,548	$-	$4,548	$-	$4,548

(21) Income tax

(a)The major components of income tax expense (income) are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31, 2023	2022
Current income tax expense (income):		
Current income tax charge	$-	$-
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	-	-
Total income tax expense	$-	$-

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

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

	For the years ended December 31,	
	2023	2022
Accounting profit (loss) before tax	$(97,744)	$(316,972)
Tax payable at the enacted tax rates	$(19,549)	$(63,394)
Tax effect of revenues exempt from taxation	(8,158)	(7,142)
Tax effect of expenses not deductible for tax purposes	9,158	4,395
Tax effect of deferred tax assets/liabilities	(30,648)	59,616
Adjustments in respect of current income tax of prior periods	49,197	6,525
Total income tax expense recognized in profit or loss	$-	$-

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

For the year ended December 31, 2023

	Beginning balance as at January 1, 2023	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at December 31, 2023
Temporary differences				
Offset of loss	$12,360	$(585)	$-	$11,755
Investment property	(12,360)	585	-	(11,755)
Revaluation appreciation	(872,369)	-	-	(872,369)
Land value added tax	(408,302)	-	(22,265)	(430,567)
Deferred tax (expense)/income		$-	$(22,265)	
Net deferred tax assets/(liabilities)	$(1,280,671)			$(1,302,936)
Reflected in balance sheet as follows:				
Deferred tax assets	$12,360			$11,775
Deferred tax liabilities	$(1,293,031)			$(1,314,711)

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

For the year ended December 31, 2022

	Beginning balance as at January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income	Ending balance as at December 31, 2022
Temporary differences				
Offset of loss	$11,356	$1,004	$-	$12,360
Investment property	(11,356)	(1,004)	-	(12,360)
Revaluation appreciation	(872,369)	-	-	(872,369)
Land value added tax	(373,174)	-	(35,128)	(408,302)
Deferred tax (expense)/income		$-	$(35,128)	
Net deferred tax assets/(liabilities)	$(1,245,543)			$(1,280,671)
Reflected in balance sheet as follows:				
Deferred tax assets	$11,356			$12,360
Deferred tax liabilities	$(1,256,899)			$(1,293,031)

(d) Unrecognized deferred tax assets

As at December 31, 2023 and 2022, the amount of deferred income tax assets unrecognized by the Company was NT$887,994 thousand and NT$918,642 thousand, respectively.

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

(e) The following table contains information of the net operating loss of the Company:

		Unused tax losses as at		
Year incurred	Tax losses for the period	Dec. 31, 2023	Dec. 31, 2022	Expiration year
2013	$226,367	$-	$226,367	2023
2014	67,676	67,676	67,676	2024
2016	319,220	319,220	319,220	2026
2017	370,713	370,713	370,713	2027
2018	758,774	758,774	758,774	2028
2019	665,359	665,359	665,359	2029
2020	441,587	441,587	441,587	2030
2021	576,068	576,068	576,068	2031
2022	319,721	319,721	319,721	2032
2023	89,389	89,389	-	2033
Total	$3,834,874	$3,608,507	$3,745,485	

(f) The assessment of income tax returns

As at December 31, 2023, the assessment of the income tax returns of the Company have been approved up to the year of 2021.

(22) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting any influences) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
(a) Basic earnings per share		
Net income available to common shareholders of the parent	$(97,744)	$(316,972)
Weighted average number of common stocks outstanding (in thousand shares)	191,313	191,313
Basic earnings per share (in NT$)	$(0.51)	$(1.66)

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date the financial statements were authorized for issue.

7. Related party transactions

(1) Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Leofoo Development & Construction Co., Ltd.	Subsidiary
Leofoo Agronomy Co., Ltd.	Subsidiary
Elite Catering Company Limited	Subsidiary
Izzy Construction Co., Ltd.	Sub-Subsidiary
Leofoo Property Management Co., Ltd.	Sub-Subsidiary
AMBASSADOR FILM INC.	Investee as accounted for using equity method
Centennial International Tech. Ltd.	The company is corporate director of the related party
Si Mian Fo Management Consulting Ltd.	The related party's chairman is the Company's director
Chuang Foo Foundation	Other related parties

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

(2)Significant transactions with related parties

(a)Purchases

	For the years ended December 31,	
	2023	2022
Leofoo Agronomy Co., Ltd.	$170	$52

Selling prices and collection terms to related parties were not significantly different from those of purchase to third parties customers. The collection terms are net 30 days.

(b)Labor expenses

	For the years ended December 31,	
	2023	2022
Leofoo Agronomy Co., Ltd.	$2,374	$1,793

(c)The Company appointed Leofoo Development & Construction Co., Ltd. to execute reconstruction of Leofoo Hotel. The construction expenses amounted to NT$14,176 thousand and NT$29,118 thousand and were reclassified under investment property for the years ended December 31, 2023 and 2022.

(d)Notes receivable and accounts receivable

	As at December 31,	
	2023	2022
Leofoo Development & Construction Co., Ltd.	$89	$78
Izzy Construction Co., Ltd.	808	231
Leofoo Property Management Co., Ltd.	104	104
Chuang Foo Foundation	54	-
Total	$1,055	$413

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

(e)Other receivables

	As at December 31,	
	2023	2022
Leofoo Development & Construction Co., Ltd.	$13	$12
Izzy Construction Co., Ltd.	17	156
Leofoo Agronomy Co., Ltd.	1,066	500
Chuang Foo Foundation	8	5
Total	$1,104	$673

(f)Accounts payable

	As at December 31,	
	2023	2022
Izzy Construction Co., Ltd.	$662	$1,090
Leofoo Agronomy Co., Ltd.	-	4
Total	$662	$1,094

(g)Other payable - related parties

	As at December 31,	
	2023	2022
Leofoo Development & Construction Co., Ltd.	$20,839	$5,839
Izzy Construction Co., Ltd.	9,470	26,425
Leofoo Agronomy Co., Ltd.	2,478	230
Leofoo Property Management Co., Ltd.	10,945	-
Elite Catering Company Limited	6,514	6,514
Chuang Foo Foundation	219	30
Centennial International Tech. Ltd.	432	290
Total	$50,897	$39,328

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

(h)Property transaction with related party：

Variety	Related parties	Price	Reference for the price determination
For the year ended December 31, 2023			
Construction work	Izzy Construction Co., Ltd	$70,526	According to the contract
For the year ended December 31, 2022			
Construction work	Izzy Construction Co., Ltd.	$78,751	According to the contract
Machinery	Centennial International Tech. Ltd.	293	Commercial negotiation
	Total	$79,044	

(i)Rental Income

	For the years ended December 31,	
	2023	2022
Leofoo Development & Construction Co., Ltd.	$343	$343
Izzy Construction Co., Ltd.	343	343
Leofoo Property Management Co., Ltd.	594	594
AMBASSADOR FILM INC.	5,440	5,440
Si Mian Fo Management Consulting Ltd.	-	305
Total	$6,720	$7,025

(j)Refundable deposit

	As at December 31,	
	2023	2022
Centennial International Tech. Ltd.	$295	$295

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

(k)Deposits received

	As at December 31,	
	2023	2022
Izzy Construction Co., Ltd.	$-	$20
Leofoo Property Management Co., Ltd.	80	80
AMBASSADOR FILM INC.	1,350	1,350
Total	$1,430	$1,450

(l)Other receipts in advance

	As at December 31,	
	2023	2022
Si Mian Fo Management Consulting Ltd.	$17,671	$-

(m)The Company expenditures for management consulting services from Leofoo Property Management Co., Ltd. were both NT$41,694 thousand for the years ended December 31, 2023 and 2022. The Company expenditures for TV channel broadcasting and signal provision from Centennial International Tech. Ltd. were both NT$2,490 thousand for the years ended December 31, 2023 and 2022.

(n)The amount of telecommunications expenses paid by Centennial International Tech. Ltd. were NT$0 thousand and NT$2 thousand for the years ended December 31, 2023 and 2022, respectively.

(o)Key management personnel's compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$8,341	$7,993
Post-employment benefits	446	450
Total	$8,787	$8,443

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

8. Assets pledged as collateral

(1)The following assets of the Company were pledged as collateral:

	As at December 31,		
Items	2023	2022	Secured liabilities
Property, plant and equipment	$4,322,688	$4,375,655	long-term and short-term loans
Investment property	6,123,906	5,787,622	long-term and short-term loans
Other current and non-current assets	86,230	93,217	long-term and short-term loans, performance bond
Total	$10,532,824	$10,256,494	

(2)To fulfill obligations to customers who purchased gift vouchers from the administrative office, Leofoo Residence, Leofoo Hotel, Courtyard Taipei and other divisions of the Company, the Company set up trust funds at financial institutions amounting to NT$18,664 thousand and NT$22,042 thousand as at December 31, 2023 and 2022, respectively. The amount was classified as non-current assets.

9. Significant contingencies and unrecognized contract commitments

(1)The Company entered into a contract with Ruentex Xu-Zhan Development Co., Ltd. (the “Ruentex”) for hotel building operating lease in Nangang station on April 5, 2012. According to the contract, Ruentex was in charge of building construction and once the construction was complete, the Company rent the building for NT$333,927 thousand per year (excluding the put up for every three years). The leasing term was 20 years. As at December 31, 2023, the Company has paid NT$56,632 thousand as performance bond to Ruentex, and has provided time deposit NT$27,556 thousand pledged as collateral to Hua Nan Bank. The total amount was in NT$84,188 thousand and was classified as non-current assets.

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

(2)Other

As at December 31, 2023, the Company's unfinished property, plant and equipment contract is as follows:

Nature of contract	Total contract amount (Excluding tax)	Paid amount	Unpaid amount
Commercial buildings	$1,832,381	$362,987	$1,469,394

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Others

(1)Categories of financial instruments

Financial assets

	As at December 31,	
	2023	2022
Financial assets measured at amortized cost:		
Cash and cash equivalents	$230,339	$198,088
Notes receivable	2,776	422
Accounts receivable	31,446	57,920
Other receivables	6,268	7,588
Refundable deposits	97,256	100,458
Total	$368,085	$364,476

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

Financial liabilities

	As at December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Short-term loans	$53,500	$413,500
Payables	144,719	125,841
Long-term loans (including current portion with maturity less than 1 year)	5,004,321	4,395,150
Lease liabilities	3,654,810	3,925,938
Total	$8,857,350	$8,860,429

(2)Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before the Company enters into significant transactions, the Board of Directors and Audit Committee must carry out due approval process based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3)Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity instruments).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables. There are usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's loans and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 1% of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NT$43,885 thousand and NT$41,435 thousand, respectively.

(4)Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit risk of all customers are assessed based on a comprehensive review of the customers' financial status, credit ratings from credit institutions, past transactions, current economic conditions. Moreover, the Company's has numerous clients and does not make any concentrative transactions with any single client. Therefore, there is no concentration of credit risk for accounts receivables.

Credit risk from balances with banks and other financial instruments is managed by the Company's finance division in accordance with the Company's policy. The counterparties that the Company transacts with are determined by internal control procedures. They are banks with fine credit ratings and financial institutions, corporate and government agencies with investment-grade credit ratings. Thus, there is no significant default risk. Conclusively, no significant credit risk is expected by the Company.

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

The Company adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the credit risk still meets the conditions of low credit risk and then further determines the method of measuring the loss allowance and the loss ratio.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5)Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings and finance leases. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years	Total
As at December 31, 2023					
Borrowings	$408,869	$599,517	$4,550,864	$4,108	$5,563,358
Payables	144,719	-	-	-	144,719
Lease liabilities (Note)	348,135	348,135	1,044,405	2,407,935	4,148,610
As at December 31, 2022					
Borrowings	$886,057	$342,621	$3,657,831	$239,765	$5,126,274
Payables	125,841	-	-	-	125,841
Lease liabilities (Note)	349,935	349,935	1,046,056	2,756,070	4,501,996

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

Note: Information about the maturities of lease liabilities is provided in the table below:

	Maturities					
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	Total
As at Dec. 31, 2023	$348,135	$1,392,540	$1,740,676	$667,259	$-	$4,148,610
As at Dec. 31, 2022	349,935	1,395,991	1,740,676	1,015,394	-	4,501,996

(6)Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Long-term loans	Lease liabilities	Total liabilities from financing activities
As at Jan. 1, 2023	$413,500	$4,395,150	$3,925,938	$8,734,588
Cash flows	(360,000)	609,171	(266,628)	(17,457)
Non-cash changes	-	-	(4,500)	(4,500)
As at Dec. 31, 2023	$53,500	$5,004,321	$3,654,810	$8,712,631

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Long-term loans	Lease liabilities	Total liabilities from financing activities
As at Jan. 1, 2022	$382,000	$4,246,000	$4,130,626	$8,758,626
Cash flows	31,500	149,150	(237,143)	(56,493)
Non-cash changes	-	-	32,455	32,455
As at Dec. 31, 2022	$413,500	$4,395,150	$3,925,938	$8,734,588

(7)Fair values of financial instruments

(a) The evaluation methods and assumptions applied in determining the fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

i. The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

ii. For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

iii. Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(b) Fair value of financial instruments measured at amortized cost

The carrying amount of the Company’s financial assets and liabilities measured at amortized cost approximate their fair value.

(8)Fair value measurement hierarchy

(a)Fair value measurement hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(b)Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As at December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$77,059	$77,059

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

As at December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$65,116	$65,116

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	At fair value through profit or loss
Beginning balances as at January 1, 2023	$65,116
Total gains and losses recognized for the period:	
Amount recognized in other comprehensive income (presented in “unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income”)	11,943
Ending balances as at December 31, 2023	$77,059

	Assets
	At fair value through profit or loss
Beginning balances at of January 1, 2022	$65,116
Acquisition/issues for the period	-
Ending balances as ot December 31, 2022	$65,116

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As at December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the volatility would result in increase (decrease) in the Company’s profit or loss by NT$2,667 thousand

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

As at December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	10%~20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	5% increase (decrease) in the volatility would result in increase (decrease) in the Company's profit or loss by NT$2,892 thousand

(9) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Other disclosures

(1) Information on significant transactions

A. Financing provided to others for the year ended December 31, 2023: None.

B. Endorsement/Guarantee provided to others for the year ended December 31, 2023: None.

C. Marketable securities held as at December 31, 2023 (excluding investments in subsidiaries, associates and joint ventures): Please refer to attachment 1.

D. Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

E. Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

F. Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

G. Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

H. Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as at December 31, 2023: None.

I. Derivative instrument transactions: None.

(2) Information on investees:

A. Investees over whom the Company exercises significant influence or control (excluding investees in Mainland China): Please refer to attachment 2.

B. Investees over which the Company exercises control shall be disclosed of information under Note 13(1):

(a) Financing provided to others for the year ended December 31, 2023: None.

(b) Endorsement/Guarantee provided to others for the year ended December 31, 2023: None.

(c) Marketable securities held as at December 31, 2023 (excluding investments in subsidiaries, associates and joint ventures): None.

(d) Individual securities acquired or disposed of with accumulated amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

(e) Acquisition of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

(f) Disposal of individual real estate with amount of at least NT$300 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

(g) Related party transactions with purchase or sales amount of at least NT$100 million or 20 percent of the paid-in capital for the year ended December 31, 2023: None.

(h) Receivables from related parties of at least NT$100 million or 20 percent of the paid-in capital as at December 31, 2023: None.

(i) Derivative instrument transactions: None.

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

(3) Information on investments in Mainland China:

a. Investee company name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income (loss), carrying value of investments, cumulated inward remittance of earnings and limits on investment in Mainland China:

Investee company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as at January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as at Dec. 31, 2023	Profit/ Loss of Investee	Percentage of Ownership (Direct or Indirect Investment)	Share of Profit/Loss	Carrying Amount as at Dec. 31, 2023	Accumulated Inward Remittance of Earnings as at Dec. 31, 2023
					Outflow	Inflow						
Weihai Chuang Foo Hotel Management Ltd.	Hotel management	$-	Note 1(2)	$28,841	$-	$-	$28,841	$- (Note 5)	100%	$- (Note 5)	$- (Note 5)	$-

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

Accumulated Investment in Mainland China as at Dec. 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$28,841	$29,430 (USD 1,000 thousand) (Note 4)	$2,895,411

Note 1: The investment methods are divided into the following three types, just indicate the types:

(1) Go directly to the mainland for investment.

(2) Reinvest in mainland China through a third-region company.

(3) Other methods.

Note 2: Gain/loss on investment is recognized based on the audited financial statements of the parent company's Auditors in Taiwan.

Note 3: Amounts in New Taiwan dollars.

Note 4: Investment amount US$1,000 thousand authorized by Investment Commission, MOEA. The exchange rate of New Taiwan dollars to US dollars was 29.43 to 1.

Note 5: Weihai Chuang Foo Hotel Management Ltd. was liquidated in June 2022 and the cancellation registration was completed on August 24, 2022. On June 5, 2023, Weihai Chuang Foo Hotel Management Ltd. received a notification letter for cancellation of registration from the Investment Review Committee of the Ministry of Economic Affairs.

b. Purchase and accounts payable with the related parties: None.

c. Sales and accounts receivable with the related parties: None.

d. The profit and loss produced by transaction of the property: None.

e. The purpose and balance of a note guarantee and a guarantee endorsement or providing for secure: None.

f. The amount of maximum financing, the balance interest rates, and lump sum interest expense: None.

g. The other events impact over current profit or loss or have the significant influence over the financial conditions, such as provided service or received service: None.

(4) Information on major shareholders:

Ownership of shares / Name	Number of shares held (shares)	Ownership ratio
Chiu Jung Investment Ltd.	14,851,222	7.76%
Jung Feng Development Ltd.	12,392,695	6.47%
Chuang Foo Foundation	12,079,888	6.31%

14. Segment information

The Company has provided the operating segments disclosure in the consolidated financial statements.

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Marketable Securities Held (Excluding Investments in Subsidiaries, Associates and Joint Ventures)

As at December 31, 2023

Attachment 1

Company Name	Marketable Securities Type and Name	Relationship with the Issuer	Financial Statement Account	As at December 31, 2023 Shares / in thousands units	Carrying Amount	%	Fair Value	Note
The Leofoo Development Co., Ltd.	Ambassador Theatres Company	The company is corporate director of the entity	Financial assets at fair value through other comprehensive income	1,642	$7,737	5.26%	$15,074	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		7,337			
			Subtotal		15,074			
The Leofoo Development Co., Ltd.	Rich Forest Leisure Development Co., Ltd.	None	Financial assets at fair value through other comprehensive income	9,000	56,915	11.04%	57,150	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		235			
			Subtotal		57,150			
The Leofoo Development Co., Ltd.	Centennial International Tech. Ltd.	The company is corporate director of the entity	Financial assets at fair value through other comprehensive income	-	464	14.93%	4,835	
			Add: Adjustments for change in value of equity instrument investments measured at fair value through other comprehensive income		4,371			
			Subtotal		4,835			
	Total				$77,059		$77,059	

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

The Leofoo Development Co., Ltd.

Investees over Whom the Company Exercise Significant Influence or Control Directly or Indirectly (Excluding Investees in Mainland China)

As at December 31, 2023

(In Thousands of New Taiwan Dollars)

Attachment 2

Investor	Investee	Area	Main Business	Original Investment Amount		Balance as at December 31, 2023			Net profit (loss) of the investee	Investment income (loss) recognised by the Company	Note
				As at December 31, 2023	As at December 31, 2022	Shares (in thousands units)	%	Carrying Value			
The Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	Taiwan	Comprehensive construction industry	$733,000	$733,000	73,300	100.00%	$36,526	$3,642	$(8,666)	Note 1
The Leofoo Development Co., Ltd.	Ambassador Theatres Company	Taiwan	Cinemas	17,600	17,600	1,760	40.00%	$14,145	$(3,433)	$(1,373)	
The Leofoo Development Co., Ltd.	Elite Catering Company limited	Taiwan	Food manufacturing	10,000	10,000	1,000	100.00%	$11,548	$11	$11	
The Leofoo Development Co., Ltd.	Leofoo Investment Limited	Samoa	Investing activities	30,264	30,264	-	100.00%	$31,237	$451	$451	
The Leofoo Development Co., Ltd.	Leofoo Agronomy Co., Ltd.	Taiwan	Agricultural business	30,000	30,000	3,000	100.00%	$14,454	$(6,060)	$(6,060)	
Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	Taiwan	Comprehensive construction industry	65,266	65,266	6,398	100.00%	$48,257	$3,967	$3,967	
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	Taiwan	Property management	17,200	17,200	17,200	100.00%	$5,085	$(119)	$(119)	
Leofoo Investment Limited	Leofoo (Hong Kong) Limited	Hong Kong	Investing activities	30,113	30,113	-	100.00%	$31,076	$449	$449	

Note 1: It includes the investment income accounted for using equity method of NT$3,642 thousand, write-off for lease transaction with related party NT$(3) thousand, realized benefits on upstream transactions of NT$64,663 thousand and the unrealized benefits on upstream transactions of NT$(76,968) thousand.

Leofoo Development Co., Ltd.

Person in Charge: Feng-Ru Chuang