

Stock Code: 2739



MY HUMBLE HOUSE
HOSPITALITY MANAGEMENT
CONSULTING

寒舍餐旅管理顧問

My Humble House Hospitality Management
Consulting Co., Ltd.
2023

Annual Report

Query website of the Annual Report: [http : //mops.twse.com.tw](http://mops.twse.com.tw)

The Company's website: <http://www.mhh-group.com>

Published on April 18,2024

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Stock Affairs Agency

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VI. The name of stock exchange where the Company's securities are listed offshore, and the method by which to access information on the offshore securities: None.

VII. The Company's website: <http://www.mhh-group.com>

My Humble House Hospitality Management Consulting Co., Ltd.

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One.Letter to Shareholders

Ladies and gentlemen:

After experiencing the significant business impact and impact on the hospitality industry during the epidemic period from 2020 to 2022, the Company finally ushered in the normal operation and performance rebound after the epidemic in 2023.

Sheraton Taipei Hotel, Le Méridien Taipei, and Humble Boutique Hotel, the three major metropolitan international business hotels of the Company located in the prime area of Taipei City, have experienced significant growth in room, food and beverage and banquet revenue compared with the previous period, and have performed well. Consequently, the overall revenue and profit of the Company have surpassed pre-pandemic levels, reaching a record high. However, the leisure resort hotel "Mu Jiao Xi Hotel" in Yilan has experienced a slowdown, mainly due to the fact that the country's border was not open during the pandemic, which has led to a significant increase in the demand for domestic vacation and leisure hotels. After the pandemic has ended, the domestic tourism demand has declined as Taiwanese people gradually resumed overseas tourism.

The following provides an analysis of the Company's business results, various business plans and development strategies, and business environment:

1. 2023 Business Results

(1) Results of business plan implementation

The Company's consolidated revenue in 2023 was NT \$4.831 billion, an increase of 41.17% over 2022. The consolidated net profit after tax in 2023 was NT \$414 million, an increase of NT \$752 million from the net profit after tax of NT \$338 million in 2022.

(2) Budget Execution

The Company did not disclose financial forecasts for 2023, so there is no need to disclose the implementation of the budget.

(3) Financial performance and profitability analysis

Item		2022	2023
Capital structure	Debts to assets ratio (%)	94.99	91.29
	Long-term capital to property, plant, and equipment ratio	1,200.42	1,181.18
Solvency	Current ratio (%)	35.92	51.35
	Quick ratio (%)	31.13	45.74
Profitability	Return on assets (%)	-1.20	4.09
	Return on equity (%)	-44.46	43.47
	Net profit margin (%)	-9.88	8.57
	Retrospective earnings per share (NTD)	-3.69	4.52

(IV) Research and development status

As the Company operates in the international tourist hotel industry, this section is not applicable.

II. Summary of 2024 Business Plan and Future Development Strategies

In response to changes in consumer behavior, labor shortages and digital applications following the pandemic, the Company has formulated relevant plans and strategies.

The 2024 business plan and future Company development strategies are outlined as follows:

1. Business marketing strategy

- Optimize the revenue structure, re-examine the Group's marketing business processes, and focus on revenue growth through pricing, inventory management and market segmentation, to maximize revenue from guest room business.
- Use the Group's ESG commitments to attract both international and domestic corporate customers, emphasizing sustainability, social responsibility, and environmental protection practices. Presenting the hotel's commitment to sustainable development through ESG reports aims to increase the transaction rate of corporate customers.
- Cooperate with Michelin-starred chefs to enhance dining experiences; engage with celebrity chefs on trends in domestic and international catering markets; and forge partnerships with other industries to promote popular products and enhance visibility.
- Continuously and prudently evaluate the expansion of new business locations and entrusted business management.

2. Manpower planning

Facing ongoing labor shortages, we will adjust our manpower recruitment strategy, optimize salary structure and employee benefits, deepen industry-academia cooperation, and diversify our manpower portfolio to reduce the manpower gap and improve the employee retention rates.

3. Digital applications

Leverage technology tools to mitigate the impact of manpower shortages, streamline work processes, and improve work efficiency. In addition, use digital technology to establish a consumer database and conduct data analysis to improve the quality of products and services.

3. Influenced by the external competitive environment, regulatory environment, and overall business environment

After three years of the pandemic, tourism and business visits to Taiwan have gradually rebounded, and the number of visitors to Taiwan has exceeded 6.48 million in 2023. The Tourism Department estimates that it will surpass the pre-pandemic levels in 2024, reaching the goal of 12 million. In anticipation of the overall tourism industry in 2024, we look forward to driving growth in the overall hotel room, catering and banquet business due to substantial growth in inbound tourists and the full recovery of airline flights, the resumption of cross-strait tourism and the ongoing boom in domestic catering demand.

We would like to express our sincere gratitude to all shareholders for their support and encouragement to the Company. All colleagues of the Company will continue to strive to generate revenue and profit, fulfill corporate social responsibility and promote sustainable development. Once again, we extend our gratitude to all shareholders.

My Humble House Hospitality
Management Consulting Co.,
Ltd.



Chairperson:
Tsai,Po-Han



Two. Company Profile

I. Date of Establishment: January 17, 2000

II. Company History

<u>Year</u>	<u>Important events</u>
2000	<ul style="list-style-type: none">● In January, established My Humble House Hospitality Management Consulting Co., Ltd. with an authorized capital of NT\$50,000,000. All the shares shall be fully issued.● Opened "My Humble House Restaurant", a Chinese brand restaurant on Dunhua South Road in Taipei City, featuring Cantonese cuisine, with carefully selected ingredients and delicate cuisine, and a culinary style that blends gourmet with humanities and art, leading Oriental cuisine into a new fashion.
2002	<ul style="list-style-type: none">● In April, established the Dunnan Branch to take over the restaurant operations of "My Humble House Restaurant".
2002	<ul style="list-style-type: none">● In June, reduced capital to make up for the losses of \$25,000,000 and increased capital by cash of \$525,000,000. Both the authorized capital and paid-in capital were \$550,000,000.
2002	<ul style="list-style-type: none">● In July, My Humble House Hospitality Management Consulting Co., Ltd. officially took over the operations of Lai Lai Hotel, which was renamed Sheraton Taipei Hotel (hereinafter referred to as Sheraton Taipei).
2004	<ul style="list-style-type: none">● In December, increased capital by cash of \$450,000,000, and the authorized capital was \$2,000,000,000 after the capital increase, and the paid-in capital was increased to \$1,000,000,000. The change registration was completed in January 2005
2005	<ul style="list-style-type: none">● In August, My Humble House Restaurant, a restaurant operated by the Dunnan Branch, closed.
2006	<ul style="list-style-type: none">● In May, Sheraton Taipei was awarded the first prize of "Creative Breakthrough in Executive Housekeeping Service" by "Management Magazine".

<u>Year</u>	<u>Important events</u>
2007	<ul style="list-style-type: none"> ● In January, the Company established "Hanxi Investment Co., Ltd." with a paid-in capital of \$50,000,000 and a 100.00% shareholding due to the need for business strategies. ● In January, the Company invested in and established "My Humble House Art Gallery Co., Ltd." to provide compound art and cultural services mainly for contemporary artworks and to provide professional artwork display planning and brokerage consulting services, with a paid-in capital of \$30,000,000, in which the Company invested \$29,900,000 and held 99.67% of the shares.
2007	<ul style="list-style-type: none"> ● In May, Sheraton Taipei was selected by readers of Business Traveler as one of the Best Renovated Hotels in AP.
2007	<ul style="list-style-type: none"> ● In November, the subsidiary "My Humble House Art Gallery Co., Ltd." increased its capital by cash due to its need for operating capitals. The Company's participation in the capital increase was \$30,000,000, and the subsidiary's paid-in capital increased to \$60,000,000 after the capital increase, and the Company's shareholding increased to 99.83% after the investment.
2009	<ul style="list-style-type: none"> ● In April, increased capital by cash of \$200,000,000, and the authorized capital was \$2,000,000,000, and the accumulated paid-in capital was \$1,200,000,000.
2010	<ul style="list-style-type: none"> ● In October, Sheraton Taipei was voted "Best Business Hotel in Greater China 2010" by readers of Travel + Leisure, a leading travel and leisure magazine in China.
2010	<ul style="list-style-type: none"> ● In November, Sheraton Taipei was rated as a 5-star hotel by the Tourism Bureau of the Ministry of Transportation and Communications.
2010	<ul style="list-style-type: none"> ● In December, the Le Meridien brand of Starwood Hotels & Resorts Worldwide, Inc., which embraces the concept of humanities and arts, was introduced for the first time, and the Le Meridien Taipei (hereinafter referred to as Le Méridien) was officially opened in the Xinyi District to feature "fashion, humanity and exploration".
2007-2010	<ul style="list-style-type: none"> ● Sheraton Taipei were voted as Taiwan's Leading Hotel, Taiwan's Best Business Hotel, and Taiwan's Leading Conference Hotel by the travel industry professionals in the World Travel Awards in 2007, 2008, and 2010, which are described as the "Oscars of the travel industry" by the Wall Street Journal, and was the only hotel in Taiwan to receive these awards.

<u>Year</u>	<u>Important events</u>
2009-2010	● Sheraton Taipei was voted "The Best City Hotel, Taipei" by the readers of TTG, a prestigious travel magazine group. for two consecutive years,
2011	● In April, awarded the trophy by the Executive Yuan for the Company's contribution in the training program for indigenous people in food and beverage and B&B operations.
2011	● In June, Le Méridien was selected as the "Best Business Hotel in Hong Kong, Macau and Taiwan 2011" by the "China Tourism Gold List", a fashionable travel magazine.
2011	● In August, Sheraton Taipei Hotel was awarded the third place in the Gold Medal Service Award for International Tourist Hotel by CommonWealth Magazine.
2012	● In October, Le Méridien was awarded the "Best City Business Hotel" by "Travel+ Leisure" magazine's "China Travel Awards 2012".
2012	● In October, Le Méridien was awarded "Best Business Hotel in Taipei 2012" in the "Business Traveler Asia-Pacific Awards 2012".
2012	● In November, acquired 100% of the shares of My Humble House Restaurant Corporation (hereinafter referred to as "My Humble House Restaurant") for \$5,466,000, totaling 850,000 shares, in order to expand into the restaurant business outside of hotel.
2012	● In November, the Sheraton Taipei was awarded the "International Tourist Hotel Gold Award" by Next Magazine in the 9th Service First Awards 2012.
2012	● In December, increased capital by cash of \$60,000,000, and the authorized capital was \$2,000,000,000, and the accumulated paid-in capital was \$1,260,000,000 and completed the change registration.
2013	● In January, Sheraton Taipei was upgraded from "Sheraton Taipei Hotel" to "Sheraton Grande Taipei Hotel" by Starwood Hotels & Resorts Worldwide Headquarters. In response to the recognition, we upgraded our guestrooms, amenities, fitness equipment and Wi-Fi in the public areas to provide a better quality of service.
2013	● In April, Sheraton Taipei was awarded the Cheers Top 100 Most Aspired Enterprises 2013 by Cheers Magazine.
2013	● In April, Sheraton Taipei was awarded the Rakuten Travel Award 2012 - Gold Award of the Year.

<u>Year</u>	<u>Important events</u>
2013	● In April, Le Méridien and Sheraton Taipei were awarded the "Influential Brand Special Award 2013" and "Influential Brand Excellent Award 2013" respectively by Manager Today.
2013	● In April, the subsidiary "My Humble House Restaurant" increased its capital by cash for 1,650,000 shares due to its need for operating capitals, and the Company fully subscribed to the new shares. After the capital increase, its paid-in capital was NT\$25,000,000 and the Company's shareholding percentage remained at 100%.
2013	● In June, Le Méridien was awarded the "25th Best Business Hotel 2013" by Smart Travel Asia, a leading Asian online travel magazine.
2013	● In July, the subsidiary "My Humble House Restaurant" opened a Thai restaurant called "A ROY DEE by SUKHOTHAI", the Group's first restaurant outside of hotel, in Taipei's Breeze Center, a boutique department store, to contend for the department store restaurant market.
2013	● In October, Le Méridien was the only hotel in Taiwan to be voted "Top 40 Hotels in China 2013" by readers of "Conde Nast Traveler".
2013	● In October, Le Méridien was awarded the "Best Business Hotel" by "Travel+ Leisure" magazine's "China Travel Awards 2013".
2013	● In November, Le Méridien was awarded "Taiwan Best Business Hotel" in the "Business Destinations Travel Awards 2013".
2013	● In November, the Sheraton Taipei was awarded the "International Tourist Hotel 3rd Place" by Next Magazine in the 10th Service First Awards 2013.
2013	● In December, the subsidiary, "My Humble House Restaurant" opened a Thai restaurant in Shin Kong Mitsukoshi's Taipei Xinyi Place A4 with the same name as Sheraton Taipei's restaurant "SUKHOTHAI", to contend for the top Thai cuisine market.
2014	● In January, launched a new brand of banquet restaurant "My Humble House Le Xuan" in the Nangang Exhibition Center.
2014	● In January, both Le Méridien and Sheraton Taipei were awarded "Top 25 Luxury Hotels in Taiwan" by TripAdvisor Travelers' Choice 2014, and Le Méridien was awarded "Top 25 Hotels in Taiwan".
2014	● In April, Le Méridien was awarded the "Influential Brand Excellent Award" by "Manager Today".

<u>Year</u>	<u>Important events</u>
2014	<ul style="list-style-type: none"> ● In May, the shareholders' meeting resolved to reduce capital by 20% in cash, with 25,200,000 shares retired, and the change registration was completed in July. After the capital reduction, the additional capital was \$2,000,000,000 and the paid-in capital was \$1,008,000,000.
2014	<ul style="list-style-type: none"> ● In June, Le Méridien was awarded the "Silver Award for Excellence in Business Hotel Service" of the "Best Service in Taiwan Service Industry Awards 2014" by the Want Want China Times Media Group
2014	<ul style="list-style-type: none"> ● In June, the subsidiary "Hanxi Investment" increased capital from earnings of \$50,000,000, and the accumulated paid-in capital was \$100,000,000 and completed the change registration.
2014	<ul style="list-style-type: none"> ● In August, the public offering of shares was reported to the competent authorities into effect.
2014	<ul style="list-style-type: none"> ● In September, launched the "RAKU KITCHEN" buffet restaurant in Nangang Exhibition Center, which inherited the diverse food and beverage heritage of My Humble House and highlighted the three elements of abundant variety, colorful desserts and family entertainment, as well as the natural and comfortable dining environment, with the core value of joyful living.
2014	<ul style="list-style-type: none"> ● In October, applied for approval from TPEx to be listed on the Emerging Stock Board.
2014	<ul style="list-style-type: none"> ● In October, Le Méridien was awarded the "25th Best Business Hotel 2014" by Smart Travel Asia, a leading Asian online travel magazine.
2014	<ul style="list-style-type: none"> ● In December, Le Méridien was awarded the "Best City Business Hotel in China 2014" by China Travel Awards.
2015	<ul style="list-style-type: none"> ● In March, Le Méridien was awarded the "Influential Brand Special Award" by "Manager Today".
2015	<ul style="list-style-type: none"> ● In March, Sheraton Taipei was awarded the Rakuten Travel Award 2014 - Silver Award of the Year.
2015	<ul style="list-style-type: none"> ● In June, transferred My Humble House Restaurant's food and beverage outside of hotel to our Xinyi Branch to improve management efficiency.
2015	<ul style="list-style-type: none"> ● In August, Le Méridien was awarded the Best Hotel in Asia 2015 (No. 21 in Asia Pacific and No. 1 in Taiwan) by Smart Travel Asia, a leading online travel magazine in Asia.

<u>Year</u>	<u>Important events</u>
2015	● In October, the Sheraton Taipei was awarded the "International Tourist Hotel 2nd Place" by Next Magazine in the 12th Service First Awards 2015.
2015	● In November, established the Jiaoxi Branch to prepare for the Jiaoxi Leisure and Tourist Hotel.
2016	● In February, Sheraton Taipei was awarded "Best Hotel in Taiwan" No. 4 in the "Readers' Choice Awards 2016" by the world-renowned travel and lifestyle magazine "DestinAsian".
2016	● In March, the Board of Directors of the Taiwan Stock Exchange resolved to approve the Company's application for listing on TWSE.
2016	● In April, increased capital in cash by issuance of 10,726 thousand shares of common stock with a par value of NT\$10 per share, amounting to NT\$107,260,000, which was reported to TWSE into effect, and completed the change registration in July, with an authorized capital of NT\$2,000,000,000 and an accumulated paid-in capital of NT\$1,115,260,000.
2016	● In May, the shares were officially listed and traded on TWSE.
2016	● In June, Sheraton Taipei was awarded "Certificate of Excellence" by TripAdvisor.
2016	● In July, the Board of Directors resolved to reduce capital of the subsidiary My Humble House Restaurant by retiring 2,400,000 shares and refunding \$24,000,000, and the change registration was completed in August.
2016	● In August, Le Méridien was awarded the "17th Best Convention Hotel 2016" and "21st Best Business Hotel 2016" by Smart Travel Asia, a leading Asian online travel magazine, in the BEST IN TRAVEL 2016 Awards.
2016	● In October, the subsidiary My Humble House Restaurant made the business discontinuation registration with the National Taxation Bureau
2016	● In November, became the parent company holding 100% of the shares of the subsidiary My Humble House Art Gallery by acquiring 10,000 shares or 0.17% of the issued shares of the subsidiary for \$98,000 in cash.
2016	● In November, the Sheraton Taipei was awarded the "International Tourist Hotel 2nd Place" by Next Magazine in the 13th Service First Awards 2016.

<u>Year</u>	<u>Important events</u>
2016	● In November, Le Méridien was awarded "Guest Review Awards" by "Booking.com".
2017	● In January, Le Méridien was awarded "Top 10 Business Hotels in the World" by Hotels.com, a leading international booking website.
2017	● In January, Sheraton Taipei and Le Méridien were awarded "Best Hotel in Taiwan" No. 8 and No. 10, respectively, in the "Readers' Choice Awards 2017" by the world-renowned travel and lifestyle magazine "DestinAsian".
2017	● In April, Le Méridien Taipei was awarded the "Recognition of Excellence 2017" by Hotels Combined.
2017	● In August, Le Méridien Taipei was awarded the "BEST IN TRAVEL-Business Hotel- Hot 25 2017" by Smart Travel Asia.
2017	● In September, Le Méridien Taipei was awarded "Loved by Guests Award 2017" by Hotels.com, the world's leading booking website - leading the pack with the rate of 4.6 out of 5.
2017	● In September, Le Méridien Taipei was awarded the "CERTIFICATE OF EXCELLENCE 2017" award from TripAdvisor, the world's leading travel website.
2017	● In November, Mu Jiao Xi Hotel was officially opened in Yilan, the brand of leisure resort created by the Company, keeping the aesthetic, humanistic and artistic characteristics of My Humble House, perfectly integrated with the local nature, famous hot springs and culture, creating a different travel experience for visitors.
2017	● The Tourism Bureau of the Ministry of Transportation and Communications held the "Star Travel 60" campaign, in which nearly 500 star-rated hotels were divided based on their characteristics into five categories: "story," "value," "food," "comfort," and "creativity," and the first batch of 30 star-rated hotels was announced in November, with Sheraton Taipei winning first place for "exquisite comfort."
2017	● In December, Sheraton Taipei was awarded the "Best Sales Award 2017" in Taiwan by Trip.com.
2018	● In January, Sheraton Taipei was awarded the "Best Business Hotel Award 2017" in Taiwan by Trip.com's word-of-mouth rating.
2018	● In January, Sheraton Taipei's SUKHOTHAI Thai Restaurant was again awarded "The Seal of Approval for Thai Cuisine" by the Thailand Economic and Trade Office.

<u>Year</u>	<u>Important events</u>
2018	● In February, Le Méridien was awarded the "Guest Review Awards 2017" by Booking.com, the world's leading booking website.
2018	● In the "Michelin Guide Taipei 2018" published in March, Sheraton Taipei's "The Guest House" restaurant was awarded "2 stars Michelin", and Sheraton Taipei's "Dragon Room" and "Antoine Room" and Le Méridien's "My Humble House Restaurant" were both selected as "Michelin star restaurants". In addition, Sheraton Taipei and Le Méridien were both selected as "Top Class Comfort" in the list of recommended hotels for their top-notch comfort and enjoyment of visitors' stay.
2018	● In April, the subsidiary My Humble House Restaurant was reopened by a resolution of the Board of Directors.
2018	● In May, Established the Nanjing Branch to prepare for a business hotel in the Nanjing Songjiang District.
2018	● In May, the food and beverage business outside of hotel in the Nangang Exhibition Center was closed.
2018	● In August, Le Méridien Taipei was awarded the "Top 25-Business Hotel in Asia Pacific 2018" by Smart Travel Asia, a leading international travel website.
2018	● In September, Sheraton Taipei's "The Guest House" and "SUKHOTHAI Thai Restaurant" were awarded "One Star" in the "2018 Ctrip Gourmet List", and "Dragon Room" and "Kitchen 12" were both selected as "Best in the Gourmet List".
2018	● In September, Le Méridien Taipei was awarded "Loved by Guests Award 2018" by Hotels.com, the world's leading booking website - leading the pack with the rate of 9.0 out of 10.
2018	● In November, My Humble House Group was awarded the 15th Service No. 1 Award 2018 by "Next Magazine" - 1st Place in Hotel Chain Group.
2018	● In December, Sheraton Taipei was awarded "The Best Destination Hotel & Resort 2018" by BBC Olive.
2019	● In March, Sheraton Taipei's The Guest House was awarded "Taipei's Best Restaurant 2019" by TAIWAN TATLER fashion magazine's "T.Dining" restaurant appraisal.

<u>Year</u>	<u>Important events</u>
2019	<ul style="list-style-type: none"> ● In the "Michelin Guide Taipei 2019" published in April, Sheraton Taipei's "The Guest House" restaurant was again awarded "2 stars Michelin", and Sheraton Taipei's "Dragon Room" and Le Méridien's "My Humble House Restaurant" were both selected as "Michelin star restaurants". In addition, Sheraton Taipei and Le Méridien were both selected two years in a row as "Top Class Comfort" in the list of recommended hotels for their top-notch comfort and enjoyment of visitors' stay.
2019	<ul style="list-style-type: none"> ● In July, Le Méridien Taipei was awarded the "Top 25-Business Hotel in Asia Pacific 2019" by Smart Travel Asia, a leading international travel website.
2019	<ul style="list-style-type: none"> ● In September, Le Méridien Taipei was awarded "Loved by Guests Award 2019" by Hotels.com, the world's leading booking website - leading the pack with the rate of 8.4 out of 10.
2019	<ul style="list-style-type: none"> ● In October, Sheraton Taipei Hotel was awarded the "Star Hotel - Heartwarming Journey" by the Tourism Bureau of the Ministry of Transportation and Communications as the "Star of Fashion and Aesthetics" in the theme hotel selection campaign.
2019	<ul style="list-style-type: none"> ● In November, Sheraton Taipei's "The Guest House" was awarded "One Star" in the "2019 Ctrip Gourmet List", and "Dragon Room" and "SUKHOTHAI Thai Restaurant" were both selected as "Best in the Gourmet List".
2019	<ul style="list-style-type: none"> ● In December, Sheraton Taipei Hotel was certified as a Muslim-friendly restaurant by the Chinese Muslim Association.
2019	<ul style="list-style-type: none"> ● In December, My Humble House Group was awarded the "Happy Company Award 2019" by 1111 Job Bank, and became the top happy enterprise in the minds of office workers and netizens.
2020	<ul style="list-style-type: none"> ● In March, the subsidiary My Humble House Art Gallery was dissolved by the Board of Directors.
2020	<ul style="list-style-type: none"> ● In the "Michelin Guide Taipei and Taichung 2020" published in August, Sheraton Taipei's "The Guest House" restaurant was awarded "2 stars Michelin", and Sheraton Taipei's "Dragon Room" and Le Méridien's "My Humble House Restaurant" were both selected as "Michelin star restaurants". In addition, Sheraton Taipei was selected as "Top Class Comfort" in the list of recommended hotels for their top-notch comfort and enjoyment of visitors' stay.

<u>Year</u>	<u>Important events</u>
2020	● In November, My Humble House Group was awarded the "Best Popularity Award" at the 2020 Taipei International Travel Show by the Taiwan Visitors Association.
2020	● In December, Mu Jiao Xi Hotel won the recognition of 2020 HotelsCombined "Taiwan Popularity Award for Bed and Breakfast".
2021	● In July, the subsidiary "Hanxi Investment" increased capital from earnings of \$38,000,000, and the accumulated paid-in capital was \$138,000,000 and completed the change registration.
2021	● In July, Sheraton Taipei Hotel was awarded "SUKHOTHAI Thai SELECT CLASSIC" by "Thailand Trade and Economic Office (Taipei)".
2021	● In August, by the "Taipei Taichung Michelin Guide", Sheraton Taipei Hotel's The Guest House won 2 stars Michelin, Dragon Room was distinguished as a Michelin plate recommended restaurant, and the hotel was rated as a top comfort.
2021	● In August, by the "Michelin Guide Taipei and Taichung", Le Méridien Taipei's My Humble House Restaurant was distinguished as a Michelin plate recommended restaurant.
2021	● In November. Sheraton Taipei Hotel was awarded the "Happy Business Award 2021" by 1111 Job Bank.
2021	● In November, Sheraton Taipei Hotel was awarded the "2021 Ctrip Gourmet List" and The Guest House won the Platinum Award.
2021	● In November, Sheraton Taipei Hotel was awarded "The 500 Dishes Award, the first food review from Taiwanese point of view", and The Guest House was awarded for 3 dishes; which were 100-layered shredded bean curd and chicken and Jinhua ham bowl.
2021	● In November, Sheraton Taipei Hotel was awarded "The 500 Dishes Award, the first food review from Taiwanese point of view", and My Humble House Restaurant won for 1 dish.
2021	● In November, My Humble House Group was awarded the "Best Popularity Award" at the Taipei International Travel Show by the Taiwan Visitors Association.
2022	● In January, Mu Jiao Xi Hotel was selected as the "Top 15" Jiaoxi Hot Spring Hotel by netizens of the famous online platform "DailyView".
2022	● In March, Sheraton Taipei Hotel was awarded the "Golden Peach Award 2021 - Best 100" by ezTravel.

<u>Year</u>	<u>Important events</u>
2022	● In March, the subsidiary “Hanxi Investment” increased capital from earnings of \$14,000,000, and the accumulated paid-in capital was \$152,000,000 and completed the change registration in April.
2022	● In May, Humble Boutique Hotel was officially opened. Humble Boutique Hotel, a brand created by My Humble House Group, is a hotel with the experiences from the “heart”, satisfying guests for their most original needs with an elegant living attitude to make the hotel like home, allowing guests to travel the neighborhood through the colorful alleyways and share the urban life. The hotel has become a focus of the community and has created an oasis for the body and mind of the city traveler
2022	● In May, the shareholders' meeting resolved to reduce capital to make up for the losses of NT\$200,000,000 and to retire 20,000,000 issued shares, and resolved to issue 10,000,000 preferred stocks in a private placement. The change registration was completed in July, and the paid-in capital was NT\$1,015,260,000.
2022	● In August, Humble Boutique Hotel received “Travel Proud · LGBTQ +” and “Travel Sustainable badge” by booking.com.
2022	● In the "Michelin Guide Taipei, Taichung, Tainan and Kaohsiung 2022" published in August, Sheraton Taipei's "The Guest House" restaurant was awarded "2 stars Michelin", and Sheraton Taipei's "Dragon Room" and Le Méridien's "My Humble House Restaurant" were both selected as recommended restaurants.
2022	● In September, My Humble House Group donated mooncakes to the Genesis Social Welfare Foundation on the eve of the Mid-Autumn Festival and received the Certificate of Appreciation for Donation by the Foundation.
2022	● In September, Sheraton Taipei Hotel was awarded "The 500 Dishes Award 2022, the first food review from Taiwanese point of view", and The Guest House was awarded for 4 dishes; which were 100-layered shredded bean curd, deep-fried frog legs with dried chili, fish maw and chicken with Jinhwa ham soup in a clay pot and deep-fried pork.
2022	● In October: Le Méridien Taipei was rated “superior”, in the 2022 Hotel Safe inspection by Taipei City Police Department.

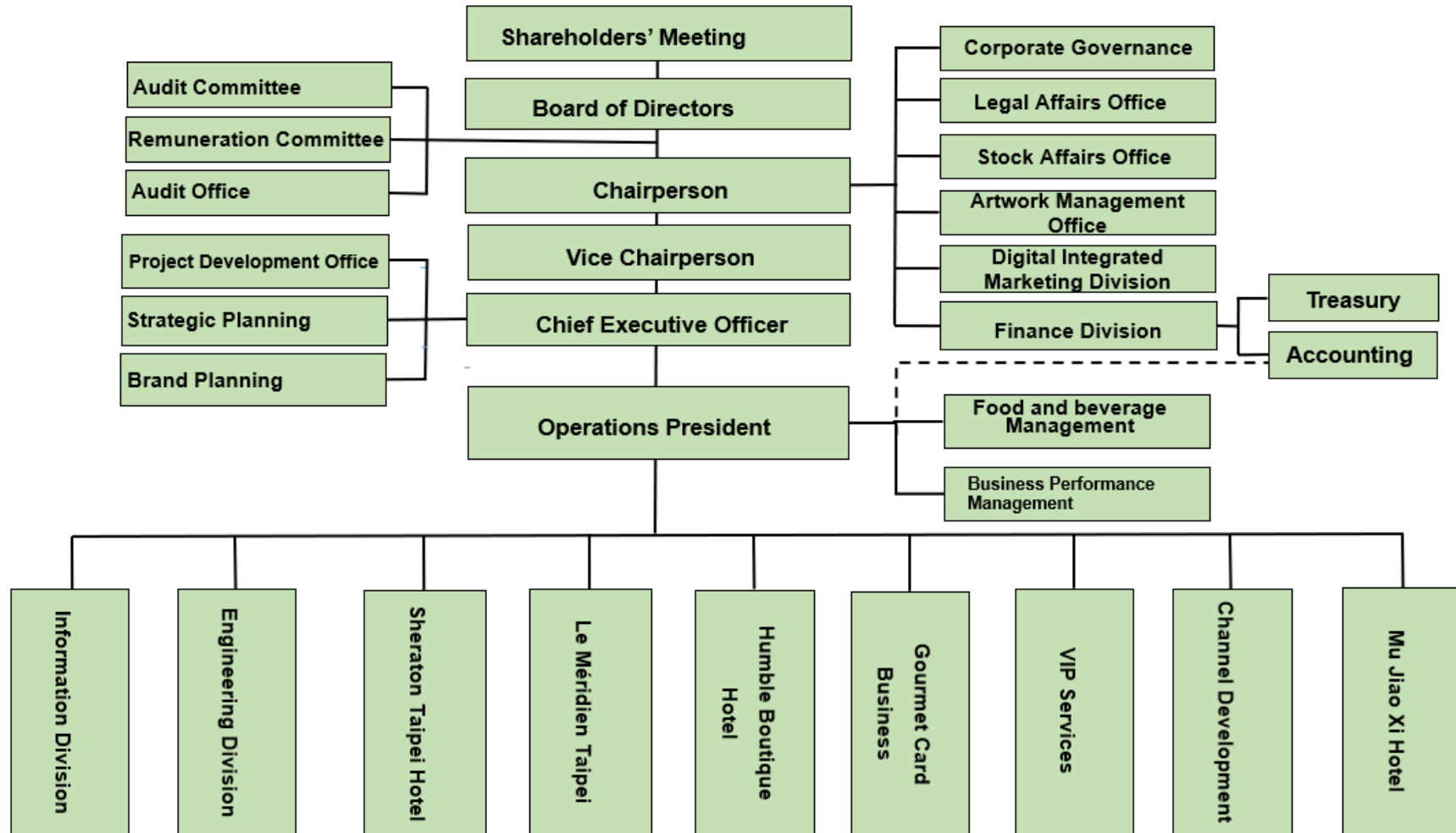
<u>Year</u>	<u>Important events</u>
2022	● In November, My Humble House Group was awarded the "Happy Company Award 2022" by 1111 Job Bank, and became the top happy enterprise in the minds of office workers and netizens.
2022	November: Humble Boutique Hotel received “The most beautiful design hotel” of 2022 The 5th Taiwan Most Fabulous Hotel by eztravel.
2022	● In December, Humble Boutique Hotel received “Gold Circle Awards Winner” by Agoda.
2022	● In December: Humble Boutique Hotel received “2022 Best partner Awards” by Klook.
2023	● In January, My Humble House Group received the "Certificate of Appreciation for Foundation Sponsorship" by the "Taiwan Guide Dog Association".
	●
2023	● In February, Le Méridien Taipei was awarded a “Certificate of Appreciation from the Taipei City Government” for its substantial assistance to the 2023 Light Source Taipei Lantern Festival held in Taipei.
2023	● In March, the subsidiary “Hanxi Investment” increased capital from earnings of \$109,000,000, and the accumulated paid-in capital was \$261,000,000 and completed the change registration in March.
2023	● In April, My Humble House Hospitality was awarded was awarded the 'Thank You for Your Efforts, United in Fighting the Epidemic' Certificate of Appreciation by the Executive Yuan.
2023	● In August, the restaurant “The Guest House” at Sheraton Taipei was awarded the “Michelin One Star” in the “Michelin Guide Taiwan 2023.” In addition, “Dragon Room” at Sheraton Taipei and “My Humble House Restaurant” at Le Méridien were both awarded the “Michelin Guide Selected.”
2023	● In September, Sheraton Taipei Hotel was awarded the 2023 “The 500 Dishes Award” , the first food review from a Taiwanese perspective. The Guest House received 5-dish honor, including Crispy Pork Rolls, Pan-Fried Rice Cake with Longan, Rice Vermicelli Soup with Pomfret Fish, Black Sesame oil Chicken with Stewed Rice, and Hundred Layered Shredded Bean Curd with Pickled Vegetables.

<u>Year</u>	<u>Important events</u>
2023	● In September, the Yilan County Government held the second edition of the "Yilan Jin Hao TOP10 Good Food, Good Products, Good Places" event. Mu Jiao Xi Hotel received Internet Popularity Award in the hotel category for its dish "Fried Rice with Truffle with Shredded Smoked Duck and Bok Choy" .
2023	● In November, Humble Boutique Hotel was recognized in the “ Most Beautiful Design Hotel ” category of the “ 2023 Taiwan’s Most Beautiful Hotel ” by ezTravel, for the second consecutive year.
2023	● In November, My Humble House Hospitality received the "2023 Happy Enterprise Award" from the 1111 Job Bank, being recognized as the best happy enterprise by office workers and netizens.
2023	● In November, My Humble House Hospitality was awarded the "Best Popularity Award" by the ITF Taipei International Travel Fair, marking its consecutive wins.
2023	● In November, Le Méridien Taipei was awarded the 5-Star rating by the Tourism Bureau of the Ministry of Transportation and Communications."
2023	● In November, Le Méridien Taipei was honored with the "Taipei Green Hotel" certification by the Department of Information and Tourism of Taipei City Government, joining in the environmental protection efforts.
2023	● In November, Le Méridien Taipei was awarded the “2023 Super Taste Design Hotel Award in Travel Accommodation” .
2023	● In December, Sheraton Taipei received the top rating of “Excellent” in the 2023 Cooperative Education Evaluation by the New Taipei City Government.
2023	● In December, Sheraton Taipei was awarded the 2023 Outstanding Contribution Award for Industrial-Academic Cooperation by New Taipei City.
2023	● In December, Humble Boutique Hotel was honored with the Agoda 2023 Gold Circle Award in recognition of the outstanding performance in quality accommodation, excellent guest experiences, and active partnership with Agoda.
2024	● In March, the subsidiary, Hanxi Investment, increased its capital by capitalizing retained earnings of NT \$150,000,000, bringing in total paid-in capital to NT \$411,000,000 , and completed the registration change process in March.

Three. Corporate Governance Report

I. Organizational System

(I) Organizational Structure



(II) Business of major departments

Department	Job description
Chairperson	Formulate the overall business objectives and development direction of the Company in accordance with the resolution of the Board of Directors, and supervise the performance of the management team in order to achieve the business objectives and performance targets.
Chief Executive Officer	Prepare short, medium and long-term development strategies and specific implementation plans in accordance with the Company's business objectives and development direction, and lead the management team to achieve the objectives.
Operations President	Orchestrate and integrate related resources and direct the operations and execution of each business unit according to the short, medium and long-term development strategies and specific implementation plans set by the Company to ensure that each business unit achieves its performance targets.
Audit Office	Assist in the establishment of internal control systems and audit systems, and to conduct regular internal control audits in accordance with regulations, and to report to the Board of Directors and management as a reference for management operations to ensure the soundness of the Company's operations and to effectively reduce operational risks.
Corporate Governance	Assist in reviewing the preparation and implementation of the Company's management system, compliance with laws and regulations, and risk control, to be responsible for the operation of the Board of Directors and shareholders' meetings, and to report regularly to the Board of Directors on the status of corporate governance.
Legal Affairs Office	Administer the review, planning and execution of the Company's overall legal and contract-related affairs to protect the Company's interests and reduce operational risks.
Stock Affairs Office	Administer Board meetings and shareholders' meetings and other stock affairs related business.
Artwork Management Office	Coordinate the Company's artwork purchase and sale, business unit business display and maintenance, and other related management operations.
Digital Integrated Marketing Division	Responsible for leading the construction and upgrading of the My Humble House Group's membership system, effectively utilizing the system's data resources to enhance customer satisfaction and create additional value from the use of data.

Department	Job description
Finance Division	Formulate the overall financial management strategies, prepare relevant systems and methods, execute investment planning and efficiency evaluation, and supervise the integration and direct the operation of financial operations to effectively carry out organizational planning and manpower allocation to implement effective corporate governance.
Treasury	Responsible for cash management, fund raising and its planning and management, risk management and bank relationship management, etc.
Accounting	Responsible for investment evaluation and analysis, operating performance and cost analysis, financial related external announcement and data management, risk management, company registration and change operations, and various account processing operations.
Project Development Office	Responsible for the evaluation, planning, and contract negotiation of new business development projects, budget planning and design integration for confirmed development projects, and assisting the Engineering Division in the design and modification planning of various business spaces.
Strategic Planning	Responsible for collecting and analyzing industry and market information to assist in the formulation of company development strategies and implementation plans.
Brand Planning	Responsible for analyzing and planning the direction of the company's brand development and coordinating the execution of brand-related business.
Channel Development	Integrate internal and external resources to develop products, expand sales channels, and increase revenue from diversified businesses.
Information Division	Coordinate and formulate the overall information management structure and information security policy principles, plan and configure various information management systems and software and hardware facilities, and effectively provide internal related information services.
Gourmet Card Business	Formulate Gourmet Card related sales strategies and systems, and be responsible for sales and member relationship management.
Engineering Division	Responsible for the planning and execution of space design and modification of each business unit, project progress and quality management, and project budget control, and assisting each operating unit to maintain hardware and equipment in line with operating requirements and standards.
Food and beverage Management	Supervise the operation of the food and beverage department of the hotel, and provide suggestions on menu planning, food and beverage services, and activities; new food and beverage operation planning.

Department	Job description
Business Performance Management	Supervise the accommodation and banquet business of the three hotels in Taipei, as well as the performance management department, and set the direction of marketing strategies and pricing decisions for each target group, and provide recommendations on marketing activities.
VIP Services	Coordinate and manage the VIP service business of each business unit.
Sheraton Taipei Hotel	Responsible for the overall operations and management of the hotels to provide high quality services and experience to consumers.
Le Méridien Taipei	Responsible for the overall operations and management of the hotels to provide high quality services and experience to consumers.
Mu Jiao Xi Hotel	Responsible for the overall operations and management of the hotels to provide high quality services and experience to consumers.
Humble Boutique Hotel	Responsible for the overall operations and management of the hotels to provide high quality services and experience to consumers.

II. Information on directors, supervisors, president, vice president, assistant VP, and officers of departments and branches

(I) Information on directors

1. Directors

April 1, 2023, Unit: Shares

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Chairperson	R.O.C	Tsai, Po-Han	Male 41~50 years old	2022.05.30	3 years	2000.01.11	152,000	0.14	124,741	0.12	-	-	-	-	B.S. in Hotel Management, University of San Francisco MBA, Peter F. Drucker Academy Hotel Services, Hawaii, USA Chairperson and CEO of the Company	Note 6	Director	Ellie Lai	Relative by marriage	Note 5
Director	R.O.C	Camellia n CO., LTD.	-	2022.05.30	3 years	2013.06.13	8,667,000	7.77	7,112,743	7.01	-	-	-	-	-	-	-	-	-	-
	R.O.C	Representative: Ellie Lai	Female 51~60 years old	2022.05.30	3 years	2002.07.25	1,200,000	1.08	105,803	0.10	-	-	-	-	Bachelor of Music, City University of Vancouver, Canada Chairperson and Vice Chairperson of the Company	Note 7	Chairperson	Tsai, Po-Han	Relative by marriage	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Director	R.O.C.	Xuan Wei Investment Co., Ltd.	-	2022.05.30	3 years	2014.12.05	17,157,000	15.38	14,080,228	13.87	-	-	-	-	-		-	-	-	-
	R.O.C.	Representative: Chia-Hsuan Tsai	Female 41~50 years old	2022.05.30	3 years	2015.12.15	-	-	-	-	-	-	-	-	Bachelor in Architecture, Rhode Island School of Design Master in Architecture, Columbia University	Note 8	-	-	-	-
Director	R.O.C.	Zheng Xian Information Management Co., Ltd..	-	2022.05.30	3 years	2008.04.17	824,000	0.74	676,231	0.67	-	-	-	-	-		-	-	-	-
	R.O.C.	representative: Miao-Hua Kao	Female 51 ~ 60 years old	2023.06.15	3 Years	2023.06.15	-	-	-	-	-	-	-	-	Chihlee University of Technology, Finance	(Note 9)	-	-	-	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Director	R.O.C	Tung-Fang-Mei Enterprises Co. Ltd..	-	2022.05.30	3 years	2008.04.17	18,856,000	16.91	15,474,546	15.24	-	-	-	-	-		-	-	-	-
	R.O.C	Representative: En-Cheng Lu	Male 71~80 years old	2022.05.30	3 years	2008.04.17	-	-	-	-	-	-	-	-	Department of International Business Administration, Pepperdine University, USA	Note 10	Director	Chuan-Fang Cheng	Spouses	-
Director	R.O.C	Tung-Fang-Mei Enterprises Co. Ltd..	-	2022.05.30	3 years	2008.04.17	18,856,000	16.91	15,474,546	15.24	-	-	-	-	-		-	-	-	-
	R.O.C	Representative: Chuan-Fang Cheng	Female 71~80 years old	2022.05.30	3 years	2008.04.17	-	-	-	-	-	-	-	-	Department of English Literature, Pepperdine University, USA	Note 11	Director	En-Cheng Lu	Spouses	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Independent Director	R.O.C	Liang Chang	Male 71~80 years old	2022.05.30	3 years	2014.12.05	-	-	-	-	-	-	-	-	Ph.D. in Economics, State University of New York at Albany, USA Chairperson, Jardine Matheson Group, Taiwan Director of TSRC Corporation Independent director of HSBC (Taiwan) Director of CATHAY FINANCIAL HOLDING CO., LTD. Independent Director of Cathay Real Estate Development Co., Ltd. Director of Global Investment Holdings Co., Ltd Director of The Collagen & HA Company.	Note 12	-	-	-	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Independent Director	R.O.C	Mei-Chi Ling	Female 51~60 years old	2022.05.30	3 years	2014.12.05	-	-	-	-	-	-	-	-	RUTGERS-THE STATE UNIVERSITY OF NEW JERSEY US CPA AIG CONSUMER FINANCE GROUP TAIWAN CFO Independent Director and Member of the Remuneration Committee of TAINAN CAYMAN	Note 13	-	-	-	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Independent Director	R.O.C	Chien-Ping Chen	Male 61~70 years old	2022.05.30	3 years	2018.06.08 (Note 15)	-	-	-	-	-	-	-	-	MBA, University of California Chairperson of Ta Chong Commercial Bank Co., Ltd. President of Ta Chong Bills Finance Co., Ltd. Independent Director and Member of the Remuneration Committee of NIEN HSING TEXTILE CO., LTD. Senior Consultant of Cathay United Bank Chairman of Mirror TV	Note 14	-	-	-	-

Job Title (Note 1)	Nationality or place of registration	Name	Gender Age (Note 2)	Date elected	Term of office	Date first elected (Note 3)	Shareholding when elected		Shareholding at present		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 4)	Concurrent positions in the Company and other companies at present	Spouse or relatives within second degree of kinship who are officers, directors or supervisors of the Company			Remark (Note 5)
							Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Independent Director	ROC	Hsian-Chung Chen	Male 51 ~ 60 years old	2023.05.30	3 Years	2023.05.30	-	-	-	-	-	-	-	-	Purdue Univ., Department of Industrial Engineering. Director, Walsin Lihwa Corporation. Director, EasyCard Investment Holdings Co., Ltd. Independent Director, Teco Image Systems (TIS) Co., Ltd.	Note 16				

Note 1: The names of corporate shareholders and their representatives should be listed separately (for those who are representatives of corporate shareholders, the names of corporate shareholders they represent should be indicated) and should be listed in 2 as the below schedule.

Note 2: Please list the actual age or express it in a range, such as 41~50 years old or 51~60 years old.

Note 3: Enter the time when a first-time director or supervisor of the Company took office. If there is any interruption in service, an explanation should be included.

Note 4: Experiences related to current position, such as having worked for the firm of the auditing and attesting CPAs or its affiliates during the above-mentioned period, the job title of the position and the duties performed should be specified.

Note 5: If the chairperson and the president or equivalents (the top managerial officers) of the Company are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, countermeasures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described. As the Company is still actively observing and training the successor to the CEO, the Board of Directors approved on May 12, 2020 that the Chairperson of the Company would perform the duties of the CEO due to the need for operational management. The Chairperson of the Board of Directors has been closely communicating with directors on the current status of the Company's operations to enforce corporate governance, and the following measures have been taken to enhance the roles of the Board of Directors and strengthen its supervisory functions: : 1. The Company elected an additional independent director at the shareholders' meeting on May 30, 2023. The current four independent directors specialize in business, finance, finance and industry, respectively, and are capable of effectively perform their supervisory duties. 2. The Company arranges

for each director to attend professional directorship courses every year to enable them to effectively perform their functions as a director. 3. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in all the functional committees to enhance the effectiveness of the operations of the Board of Directors. 4. The Company's directors, other than the chairperson, are not concurrently employees or managerial officers, which is also helpful to the enforcement and promotion of corporate governance.

- Note 6: Chairperson of Kan Shi Shan Fang Co., Ltd., Chairperson (Corporate Representative) of My Humble House Corporation, Chairperson (Corporate Representative) of Hanxi Investment Co., Ltd., Chairperson (Corporate Representative) of Sheng Wei Investment Co., Ltd. and Chairperson of My Humble House Co., Ltd. Chairperson of My Humble House Investment Co., Ltd. , Supervisor of Camellian CO., LTD.
- Note 7: Chairperson of Camellian CO., LTD., Chairperson of Humble House Hotel Co., Ltd., Chairperson of Ellie Lai Ltd. , Supervisor (Corporate Representative) of My Humble House Investment Co., Ltd., Supervisor of My Humble House Co., Ltd. Chairperson (Corporate Representative) of NOIZ ARCHITECTS
- Note 9: Chairman of Zheng Xian Information Management Co., Ltd.
- Note 10: Chairperson of Tung-Fang-Mei Enterprises Co., Ltd., Chairperson of TAIWAN KANEBO COSMETICS CO.,LTD., Supervisor of CHIA LIH PAU CHEMICAL CO., LTD., Supervisor of Chic Food and Beverage Co., Ltd.
- Note 11: Chairperson of ESPACE BEAUT'E INTERNATIONAL CO., Chairperson of CHIA LIH PAU CHEMICAL CO., LTD., Director of Chic Food and Beverage Co., Ltd., Director of Tung-Fang-Mei Enterprises Co. Ltd., Director of Tung-Fang-Mei Enterprises Co., Ltd., Supervisor of PROMISE CO., LTD.
- Note 12: Member of the Audit Committee and Remuneration Committee of the Company, Director of Huang Dafu Medical Education Promotion Foundation, Independent Director and Members of the Remuneration Committee of International CSRC Investment Holdings Co., Ltd., Director (Corporate Representative) of YULON MOTOR CO.,LTD., Director (Corporate Representative) of Yulon Finance Corporation, Supervisor (Corporate Representative) of Yulon Management Corporation, Independent Director of HO-PING POWER COMPANY, Managerial Officer of Shanghai Shenda Co., Ltd.
- Note 13: Convener of the Audit Committee and Member of Remuneration Committee of the Company, Director of Aries International Partners Inc.
- Note 14: Member of the Audit Committee and Convener of the Remuneration Committee of the Company, Independent Director of ASIA POLYMER CORPORATION, Director of Fung Bao Development & Construction Co., Ltd., Director of Fung Bao Asset Management Co., Ltd., Director of Ching Tin Investment Co., Ltd., Director (Corporate Representative) of He Lian Investment Co., Ltd , Chairperson (Corporate Representative) of Ho Hsin Construction Co., Ltd., Vice Chairperson of the Chinese Olympic Committee, and Honorary President of the Chinese Taipei General Sports Federation
- Note 15: Supervisor from December 5, 2014 to May 12, 2016 and Independent Director from June 8, 2018 to present.
- Note 16: Chairman (Legal Representative) and General Manager of Mercuries Data Systems Ltd.; Chairman (Legal Representative) of Hipact Tech. Inc.; Chairman of Nanjing Mercuries Computer Software Development Co., Ltd.; Chairman (Legal Representative) of Mercuries Life Insurance Inc.; Director (Representative) of Mercuries & Associates Holding, Ltd.; Director (Legal Representative) of Mercuries Information Ltd.; Director (Legal Representative) of Yangzheng Investment Co., Ltd.; Director (Legal Representative) of Shanghong Investment Co., Ltd.; Director (Legal Representative) of EasyCard Corporation; Director of Yangzheng Investment Co., Ltd.; Director of Taiwan Masters Golf Promotion Foundation; Independent Director and Member of Audit Committee, Remuneration Committee and Sustainable Development Committee of Teco Electronic & Machinery Co., Ltd.; Supervisor of Digicenter Company Limited; Vice Chairman of Criminal Investigation and Prevention Association of the Republic of China; Chairman of Friends of Republic of China Police Association Police Alumni Association of the Third Security Police Corps; Director of Friends of Republic of China Police Association.

2. Major shareholders of corporate shareholders

April 1, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders and their shareholding percentages	
Xuan Wei Investment Co., Ltd.	Chun Sui Investment Industrial Co., Ltd.	100%
Camellian CO., LTD.	Ellie Lai	99.80%
	Wen-Hsiang Lai	0.20%
Zheng Xian Information Management Co., Ltd.	Shu-Yua Tsai	86.60%
	Pin-Ying Chen	9.80%
	Chih-Wei Chu	2.60%
	Lieh-Tang Lin	1.00%
Tung-Fang-Mei Enterprises Co. Ltd.	En-Cheng Lu	65.00%
	Chuan-Fang Cheng	25.00%
	Yu-Hui Lu	10.00%

3. Where the major shareholders are corporations, the major shareholders

April 1, 2024

Name of the corporation	Major shareholders of the corporation and their shareholding percentages	
Chun Sui Investment Industrial Co., Ltd.	JUSTICE AROUND INTERNATIONAL S.A.	44.44%
	Chia-Hsuan Tsai	23.93%
	Chia-Wei Tsai	20.81%
	Pi-Chu Huang	10.82%

4. Disclosure of professional qualification of directors and supervisors and independence of independent directors

April 1, 2024

Criteria Name	Professional qualification and experience (Note 1)	Status of independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Tsai, Po-Han	<p>B.S. in Hotel Management, University of San Francisco MBA, Peter F. Drucker Academy Hotel Services, Hawaii, USA Chairperson and CEO of the Company</p> <p>Chairperson Tsai has a bachelor's degree from a U.S. business school and has served in Hawaii and other hotels, currently Chairperson and CEO of the Company with extensive experience in the Company's business</p> <p>Without any of the circumstances under Article 30 of the Company Act.</p>	Not applicable	0
Chia-Hsuan Tsai	<p>Bachelor in Architecture, Rhode Island School of Design Master in Architecture, Columbia University</p> <p>Director Tsai is an architectural design professional with extensive international practical experience in hotel building and interior planning, spatial and landscape design.</p> <p>Without any of the circumstances under Article 30 of the Company Act.</p>	Not applicable	0
Ellie Lai	<p>Bachelor of Music, City University of Vancouver, Canada Chairperson and Vice Chairperson of the Company</p> <p>Director Lai has rich aesthetic experience in hotel art design and space planning, and is familiar with the artwork market.</p> <p>Without any of the circumstances under Article 30 of the Company Act.</p>	Not applicable	0

Criteria Name	Professional qualification and experience (Note 1)	Status of independence (Note 2)	Number of other public companies in which the individual is concurrently serving as an independent director
Mei-Chi Ling	<p>RUTGERS-THE STATE UNIVERSITY OF NEW JERSEY US CPA AIG CONSUMER FINANCE GROUP TAIWAN CFO Independent Director and Member of the Remuneration Committee of TAINAN CAYMAN Director of Aries International Partners Inc.</p> <p>Director Ling received his bachelor's degree from a U.S. business school, was qualified as an American CPA, and served as a chief financial officer of foreign companies, with extensive practical experience in finance and accounting.</p> <p>Without any of the circumstances under Article 30 of the Company Act.</p>	<p>(1) None of the individual, his or her spouse, and relatives within second degree of kinship or other relatives is a director, supervisor or employees of the Company, its affiliates</p> <p>(2) There were no circumstances in which the individual, his or her spouse, or a relative within second degree of kinship (or using the name of others) held shares of the Company.</p> <p>(3) Not a director, supervisor or employee of a company with which the Company has a specific relationship.</p> <p>(4) No compensation received by the individual for providing business, legal, financial or accounting services to the Company or its affiliates in the most recent two years</p>	0
Chien-Ping Chen	<p>MBA, University of California Chairperson of Ta Chong Commercial Bank Co., Ltd. President of Ta Chong Bills Finance Co., Ltd. Independent Director of ASIA POLYMER CORPORATION Chairperson of Mirror TV</p> <p>Director Chen has a master's degree from a U.S. business school and has served as the chairperson of a large commercial bank and the president of a bills finance company in Taiwan, with extensive practical experience in finance and treasury.</p> <p>Without any of the circumstances under Article 30 of the Company Act.</p>	<p>(1) None of the individual, his or her spouse, and relatives within second degree of kinship or other relatives is a director, supervisor or employees of the Company, its affiliates</p> <p>(2) There were no circumstances in which the individual, his or her spouse, or a relative within second degree of kinship (or using the name of others) held shares of the Company.</p> <p>(3) Not a director, supervisor or employee of a company with which the Company has a specific relationship.</p> <p>(4) No compensation received by the individual for providing business, legal, financial or accounting services to the Company or its affiliates in the most recent two years</p>	1

including circumstances in which the directors, supervisors, or directors and supervisors are related to each other as spouses or relatives within second degree of kinship. Please refer to the Three. Corporate Governance Report - II. Information on directors, supervisors, president, vice president, assistant VP, and officers of departments and branches - (I) Information on directors

- Note 1: Professional qualification and experience: Describe the professional qualification and experience of individual directors and supervisors, and if they are members of the audit committee and have accounting or financial expertise, specify their accounting or financial background and work experience, and state whether they have any of the circumstances under the provisions of Article 30 of the Company Act.
- Note 2: Describe the status of independence for independent directors, including but not limited to whether they, their spouses or relatives within second degree of kinship, are directors, supervisors or employees of the Company or its affiliates; the number and percentage of shares held by them (or in the name of others); whether they are directors of companies with specific relationships with the Company (refer to Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). The amount of remuneration received from the Company or its affiliates for business, legal, financial and accounting services in the most recent two years.

(II) Information on president, vice president, assistant VP, and officers of departments and branches

April 1, 2024 / Unit: Shares

Job Title (Note 1)	Nationality	Name	Gender	Date appointed	Number of shares held		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 2)	Concurrent positions in other companies at present	Spouse or any relative within second degree of kinship who is managerial officers of the Company			Remark (Note 3)
					Number of shares	Share holding percentage	Number of shares	Share holding percentage	Number of share s	Share holding percentage			Job Title	Name	Relationship	
President and Chief Executive Officer	R.O.C.	Tsai, Po- Han	Male	2020.07.1 0	124,741	0.12	-	-	-	-	B.S. in Hotel Management, University of San Francisco MBA, Peter F. Drucker Academy Hotel Services, Hawaii, USA Chairperson and CEO of the Company	Note 4	-	-	-	-
Hotel President	R.O.C.	Ta-Chi Fu	Male	2019.02.2 0	-	-	-	-	-	-	Taipei College of Marine Technology Vice President of Novotel Taipei Taoyuan International Airport	-	-	-	-	-
Vice President	R.O.C.	Kuei- Ling Min	Female	2012.10.0 1	1,641	0.00	-	-	-	-	Master in Finance, National Taiwan University of Science and Technology, Assistant VP of Cross Pacific Venture Partners Inc. Manager of Investment Business Group, RITEK CORPORATION	-	-	-	-	-

Job Title (Note 1)	Nationality	Name	Gender	Date appointed	Number of shares held		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 2)	Concurrent positions in other companies at present	Spouse or any relative within second degree of kinship who is managerial officers of the Company			Remark (Note 3)
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Vice President	R.O.C.	Fang-Mei Wu	Female	2016.01.01	-	-	-	-	-	-	Department of Clerical and Hotel Management, Tokyo YMCA Hotel Management College Assistant VP of Sales Department, Lai Lai Hotel Assistant VP of Sales Department, The Westin Taipei Assistant VP of Sales Department, Sheraton Taipei Hotel Vice President of Humble House Taipei	-	-	-	-	-
Vice President	R.O.C.	You-Yu Liu	Female	2022.10.05	1,996	0.00	-	-	-	-	B.S. in Tourism, Western Michigan University MBA, Western Michigan University Manager of Front Office Department, Sheraton Taipei Hotel Assistant VP of Guest Room Department, Le Méridien Taipei Executive Vice President of Guest Room Department, Le Méridien Taipei and Humble House Taipei Executive Vice President, Housekeeping Department, Le Méridien Taipei	-	-	-	-	-

Job Title (Note 1)	Nationality	Name	Gender	Date appointed	Number of shares held		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 2)	Concurr ent position s in other compan ies at present	Spouse or any relative within second degree of kinship who is managerial officers of the Company			Rema rk (Note 3)
					Number of shares	Share holdin g perce ntage	Numbe r of shares	Share holdin g perce ntage	Numb er of share s	Share holdin g perce ntage			Job Title	Name	Relati onshi p	
Chief Financial Officer	R.O.C.	Yu-Nung Pan	Fem ale	2013.05.0 6	1,641	0.00	-	-	-	-	MBA, Ming Chuan University Head of Accounting Section and Accounting Officer of Vietnam Plant, TATUNG CHINAWARE CO., LTD. Assistant VP of Finance and Accounting Division, Zenitron Corporation.	-	-	-	-	-
Vice President	R.O.C.	Meng- Han Hsieh	Male	2023.09.0 1	2,872	0.00	-	-	-	-	Master's degree in European Political Science from Tamkang University Manager, Food and Beverage Department, My Humble House Taipei Assistant Vice President, Food and Beverage Department, Mu Jiao Xi Hotel Assistant Vice President, Food and Beverage Department, Le Méridien Taipei Senior Assistant Vice President, Food and Beverage Department, Sheraton Taipei Hotel (concurrently in charge of Le Méridien Taipei and Humble Boutique Hotel)	-	-	-	-	-

Job Title (Note 1)	Nationality	Name	Gender	Date appointed	Number of shares held		Shareholding of spouse and minor children at present		Shareholding in the name of others		Major education and experience (Note 2)	Concurrent positions in other companies at present	Spouse or any relative within second degree of kinship who is managerial officers of the Company			Remark (Note 3)
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Job Title	Name	Relationship	
Vice President	R.O.C.	Pang-Yuan Li	Female	2023.09.01	-	-	-	-	-	-	Department of Hotel Business Management, TransWorld University Assistant Vice President, Le Méridien Taipei Banquet & Conference Business Unit Unit Assistant Vice President, Sheraton Taipei Banquet & Conference Business	-	-	-	-	-
Vice President	R.O.C.	Sung-Po Wang	Male	2023.09.01	-	-	-	-	-	-	Master of Business Administration, University of the Incarnate Word in Texas Marketing Assistant Vice President, Mu Jiao Xi Hotel	-	-	-	-	-

Note 1: Information on President, Vice President, Assistant VP, officers of department and branch should be included, and any position equivalent to President, Vice President or Assistant VP, regardless of the job titles, should also be disclosed.

Note 2: Experiences related to current position, such as having worked for the firm of the auditing and attesting CPAs or its affiliates during the above-mentioned period, the job title of the position and the duties performed should be specified.

Note 3: If the president or equivalent (the top managerial officer) and the chairperson are the same person, each other's spouse or relative within first degree of kinship, the reason, rationality, necessity, countermeasures (such as increasing the number of independent directors and having a majority of directors who are not concurrently serving as employees or managerial officers, etc.) and related information should be described.

As the Company is still actively observing and training the successor to the CEO, the Board of Directors approved on May 12, 2020 that the Chairperson of the Company would perform the duties of the CEO due to the need for operational management. The Chairperson of the Board of Directors has been closely communicating with directors on the current status of the Company's operations to enforce corporate governance, and the following measures have been taken to enhance the roles of the Board of Directors and strengthen its supervisory functions: 1. The three existing independent directors are specialized in the fields of business, finance, treasury and industry, and are able to effectively perform their supervisory functions. 2. The Company arranges for each director to attend professional directorship courses every year to enable them to effectively perform their functions as a director. 3. Independent directors are allowed to fully discuss and make recommendations to the Board of Directors in all the functional committees to enhance the effectiveness of the operations of the Board of Directors. 4. The Company's directors, other than the chairperson, are not concurrently employees or managerial officers, which is also helpful to the enforcement and promotion of corporate governance. 5. The Company intends to elect one additional independent director at the regular shareholders' meeting on May 30, 2023 to strengthen corporate governance.

Since the candidates for the CEO of the company are still actively observing and undergoing training, based on the needs of operational management, the chairman of the company temporarily takes the position of CEO after the approval of the board of directors on May 12. The chairman of the board of directors maintains close and effective communication with the directors regarding the Company's recent operating status, plans and policies to implement corporate governance, and takes the following measures to enhance the functions of the board of directors and strengthen the supervision function: The Company elected an additional independent director at the shareholders' meeting on May 30, 2023. The current four independent directors have expertise in business, finance, banking, and industry sectors, respectively, and can effectively perform their supervisory functions. 2. Arrange for each director to participate in professional director courses each year to enhance their performance in their roles as directors. 3. Independent directors can fully discuss and make recommendations to the board of directors in each functional committee to improve the operational efficiency of the board of directors. 4. None of the directors, except for the Chairman of the Company, are also employees or managerial officers, which is conducive to the implementation and promotion of corporate governance.

Note 4: Chairperson of Kan Shi Shan Fang Co., Ltd., Chairperson (Corporate Representative) of My Humble House Corporation, Chairperson (Corporate Representative) of Hanxi Investment Co., Ltd., Chairperson (Corporate Representative) of Sheng Wei Investment Co., Ltd. and Chairperson of My Humble House Co., Ltd. , Chairperson of My Humble House Investment Co., Ltd., Supervisor of Camellian CO., LTD.

III. Remuneration for directors, supervisors, president and vice president for the most recent year (2023)

(I) Remuneration for directors

Unit: Thousands of NTD; %

Job Title	Name	Remuneration for directors								A, B, C and D as a % of the net profit after tax		Remuneration for the concurrent position as an employee								A, B, C, D, E, F and G as a % of the net profit after tax		Remuneration from investees other than subsidiaries or the parent company		
		Base remuneration (A)		Severance and pension (B)		Profit-sharing remuneration for directors (C)		Business execution expenses (Note 1) (D)				Salary, bonus, special allowance (E)		Severance and pension (F)		Profit-sharing remuneration for employees (G)								
		The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company..	All companies in the financial statements			
Chairperson	Tsai ,Po-Han	5,911	5,911	-	-	-	-	1,375	1,375	7,286 1.76%	7,286 1.76%	-	-	-	-	-	-	-	-	-	-	7,286 1.76%	7,286 1.76%	None
Director	Camellian CO., LTD.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None
	Representative: Ellie Lai	120	120	-	-	-	-	20	20	140 0.03%	140 0.03%	-	-	-	-	-	-	-	-	-	-	140 0.03%	140 0.03%	6,701
Director	Xuan Wei Investment Co., Ltd.	120	120	-	-	-	-	25	25	145 0.04%	145 0.04%	-	-	-	-	-	-	-	-	-	-	145 0.04%	145 0.04%	None
	Representative: Chia-Hsuan Tsai	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	None

Director	Zheng Xian Information Management Co., Ltd.	120	120	-	-	-	-	-	-	120 0.03%	120 0.03%	-	-	-	-	-	-	-	120 0.03%	120 0.03%	None
	Representative : Chih-Wei Chu (Note 2)	-	-	-	-	-	-	20	20	20 0.00%	20 0.00%	-	-	-	-	-	-	-	20 0.00%	20 0.00%	
	Representative : Miao-Hua Kao	-	-	-	-	-	-	10	10	10 0.00%	10 0.00%	-	-	-	-	-	-	-	10 0.00%	10 0.00%	None
Director	Tung-Fang-Mei Enterprises Co. Ltd.	120	120	-	-	-	-	20	20	140 0.03%	140 0.03%	-	-	-	-	-	-	-	140 0.03%	140 0.03%	None
	Representative: En-Cheng Lu	-	-	-	-	-	-	-	-	- -%	- -%	-	-	-	-	-	-	-	- -%	- -%	None
Director	Tung-Fang-Mei Enterprises Co. Ltd.	120	120	-	-	-	-	20	20	140 0.03%	140 0.03%	-	-	-	-	-	-	-	140 0.03%	140 0.03%	None
	Representative: Chuan-Fang Cheng	-	-	-	-	-	-	-	-	- -%	- -%	-	-	-	-	-	-	-	- -%	- -%	None
Independent Director	Liang Chang	360	360	-	-	-	-	15	15	375 0.09%	375 0.09%	-	-	-	-	-	-	-	375 0.09%	375 0.09%	None
Independent Director	Mei-Chi Ling	360	360	-	-	-	-	30	30	390 0.09%	390 0.09%	-	-	-	-	-	-	-	390 0.09%	390 0.09%	None
Independent Director	Chien-Ping Chen	360	360	-	-	-	-	30	30	390 0.09%	390 0.09%	-	-	-	-	-	-	-	390 0.09%	390 0.09%	None
Independent Director	Hsian-Chung Chen	210	210	-	-	-	-	10	10	220 0.05%	220 0.05%	-	-	-	-	-	-	-	220 0.05%	220 0.05%	None

Note 1: The expenses include the cost for company cars, but do not include the related compensation of NT\$988,000 to drivers.

Note 2: Resigned on June 15, 2023.

Note 3: The base remuneration for directors is based on the Company's Articles of Incorporation, which is authorized to the Board of Directors to determine the value of directors' participation and contribution to the Company's operations, with the industry standards taken into account. The profit-sharing remuneration for directors is based on the Company's Articles of Incorporation. The Remuneration Committee will consider the performance of the Board of Directors as a whole, the Company's operating results and future operations, and make proposals on profit-sharing remuneration, and after the Board of Directors' resolution and shareholders' meeting's adoption, its distribution will be determined based on the value of the directors' participation in and contribution to the Company's operations.

Note 4: In addition to the above disclosure, the remuneration received by directors of the Company for services rendered by the directors (e.g. as non-employee consultants, etc. to the parent company/any companies in the financial statements/investees) in the most recent year: None.

(II) Remuneration for president and vice president for the most recent year

1. Remuneration for president and vice president

Unit: Thousands of NTD; %

Job Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C) (Note 1)		Profit-sharing remuneration for employees (D)				A, B, C and D as a % of the net profit after tax (%)		Remuneration from investee s other than subsidia ries or the parent compan y
		The Compan y..	All compani es in the financial stateme nts	The Compan y..	All compani es in the financial stateme nts	The Compan y..	All compani es in the financial stateme nts	The Company..		All companies in the financial statements		The Compan y..	All compani es in the financial statemen ts	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President and Chief Executive Officer	Tsai,Po-Han (Note 2)	20,519	20,519	648	648	9,984	9,984	-	-	-	-	31,151 7.52%	31,151 7.52%	-
Hotel President	Ta-Chi Fu													
Vice President	Kuei-Ling Min													
Vice President	Fang-Mei Wu													
Vice President	You-Yu Liu													

Chief Financial Officer	Yu-Nung Pan													
Vice President	Meng-Han Hsieh (Note 3)													
Vice President	Pang-Yuan Li (Note 3)													
Vice President	Sung-Po Wang (Note 3)													

Note 1: The expense includes Company vehicle expenses and transportation subsidies, but do not include compensation for Company drivers (totaled NT \$988 thousand).

Note 2: The Company's chairperson is also the chief executive officer, and the remuneration listed in the table includes the remuneration as the chairperson and the related remuneration for the concurrent position as an employee

Note 3: Assumed office on September 1, 2023.

Remuneration Range

Remuneration range for each president and vice president of the Company	Name of president and vice president	
	The Company..	The parent company and all investees
Less than 1,000,000	Wen-Lung Tai, Hsin-Jung Lo, You-Yu Liu	Wen-Lung Tai, Hsin-Jung Lo, You-Yu Liu
\$1,000,000 (inclusive) ~ \$2,000,000 (exclusive)	Meng-Han Hsieh, Sung-Po Wang	Meng-Han Hsieh, Sung-Po Wang
\$2,000,000 (inclusive) ~ \$3,500,000 (exclusive)	You-Yu Liu, Pang-Yuan Li	You-Yu Liu, Pang-Yuan Li
\$3,500,000 (inclusive) ~ \$5,000,000 (exclusive)	Ta-Chi Fu, Fang-Mei Wu, Yu-Nung Pan, Kuei-Ling Min	Ta-Chi Fu, Fang-Mei Wu, Yu-Nung Pan, Kuei-Ling Min
\$5,000,000 (inclusive) ~ \$10,000,000 (exclusive)	Tsai, Po-Han	Tsai, Po-Han
\$10,000,000 (inclusive) ~ \$15,000,000 (exclusive)	—	—
\$15,000,000 (inclusive) ~ \$30,000,000 (exclusive)	—	—
\$30,000,000 (inclusive) ~ \$50,000,000 (exclusive)	—	—
\$50,000,000 (inclusive) ~ \$100,000,000 (exclusive)	—	—
More than 100,000,000	—	—
Total	9 people	9 people

2. Remuneration for the top five highest paid officers

Job Title	Name	Salary (A)		Severance and pension (B)		Bonus and allowance (C). (Note 1)		Profit-sharing remuneration for employees (D)				A, B, C and D as a % of the net profit after tax (%)		Remuneration from investees other than subsidiaries or the parent company
		The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..	All companies in the financial statements	The Company..		All companies in the financial statements		The Company..	All companies in the financial statements	
								Cash Amount	Stock Amount	Cash Amount	Stock Amount			
President and Chief Executive Officer	Tsai,Po-Han (Note 2)	4,800	4,800	-	-	2,336	2,336	-	-	-	-	7,136 1.72%	7,136 1.72%	-
Hotel President	Ta-Chi Fu	3,221	3,221	108	108	1,216	1,216	-	-	-	-	4,545 1.10%	4,545 1.10%	-
Vice President	Kuei-Ling Min	3,000	3,000	108	108	1,090	1,090	-	-	-	-	4,198 1.01%	4,198 1.01%	-
Chief Financial Officer	Yu-Nung Pan	2,940	2,940	108	108	1,090	1,090	-	-	-	-	4,138 1.00%	4,138 1.00%	-
Vice President	Fang-Mei Wu	2,640	2,640	108	108	947	947	-	-	-	-	3,695 0.89%	3,695 0.89%	-

Note 1: The expenses include the cost for company cars and transportation subsidy, but do not include the related compensation of NT\$988,000 to drivers.

Note 2: The Company's chairperson is also the chief executive officer, and the remuneration listed in the table includes the remuneration as the chairperson and the related remuneration for the concurrent position as an employee

- (III) The name of the managerial officer who received remuneration for employees and the status of the distribution for the most recent year

The Company had a surplus in 2023. However, after deducting the accumulated losses, there is no surplus remaining, thus no distribution of employee remuneration.

- (IV) Compare and describe the total remuneration paid to directors, supervisors, president, and vice president in the most recent 2 years by the Company and all companies in the consolidated financial statements as a % of the net profit after tax, and explain the policies, criteria, combination, the procedures for determining remuneration and the correlation to operating performances and future risks.

1. Analysis of the proportion of the total remuneration to the net profit after tax:

The Company incurred a net loss after tax in 2022 and recorded a net profit after tax in 2023, rendering this ratio not applicable.

Comparison and analysis of the total remuneration paid in the two years:

The total remuneration paid in 2023 increased compared to the previous year, primarily due to the newly appointed three deputy general managers in 2023 and the resumption of performance bonuses.

2. The Company's policy, criteria and package for the payment of remuneration, the procedures for determining remuneration, and the correlation with operating performance and future risks.

(1) The base remuneration for directors is based on the Company's Articles of Incorporation, which is authorized to the Board of Directors to determine the value of directors' participation and contribution to the Company's operations, with the industry standards taken into account. The profit-sharing remuneration for directors is based on the Company's Articles of Incorporation. The Remuneration Committee will consider the performance of the Board of Directors as a whole, the Company's operating results and future operations, and make proposals on profit-sharing remuneration, and after the Board of Directors' resolution and shareholders' meeting's adoption, its distribution will be determined based on the value of the directors' participation in and contribution to the Company's operations. The remuneration for directors shall be in accordance with the "Regulations Governing the Salary and Remuneration for Directors" of the Company.

(2) The remuneration for president and vice president is based on the position held and the responsibilities assumed, the salary level of the position in the industry and the degree of contribution to the achievement

of the Company's operating objectives for the year. The proposal is evaluated and presented by the chairperson, submitted to the Remuneration Committee for consideration and sent to the Board of Directors for resolution.

- (3) The annual operating performance and future risks will affect the remuneration for directors, president and vice president of the Company.

IV. Operations of Corporate Governance

(I) Operations of the Board of Directors

The Board of Directors met 6 times during the most recent year (2023) and the attendance of directors was as follows:

Job Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remark
Chairperson	Tsai, Po-Han	6	0	100%	(Number of expected attendance was 6)
Director	Camellian CO., LTD. Representative: Ellie Lai	4	2	67%	(Number of expected attendance was 6)
Director	Xuan Wei Investment Co., Ltd. Representative: Chia-Hsuan Tsai	5	1	83%	(Number of expected attendance was 6)
Director	Zheng Xian Information Management Co., Ltd. Representative: Chih-Wei Chu	4	0	100%	Resigned on 2023.6.15 (Required attendance: 4 times)
	Representative : Miao-Hua Kao	2	0	100%	Appointed on 2023.6.15 (Required attendance: twice)

Director	Tung-Fang-Mei Enterprises Co. Ltd. Representative: En-Cheng Lu	4	2	67%	(Number of expected attendance was 6)
Director	Tung-Fang-Mei Enterprises Co. Ltd. Representative: Chuan-Fang Cheng	4	2	67%	(Number of expected attendance was 6)
Independent Director	Liang Chang	3	3	50%	(Number of expected attendance was 6)
Independent Director	Mei-Chi Ling	6	0	100%	(Number of expected attendance was 6)
Independent Director	Chien-Ping Chen	6	0	100%	(Number of expected attendance was 6)
Independent Director	Hsian-Chung Chen	2	0	67%	Appointed on 2023.5.30 (Required attendance: 3)

Other matters required to be recorded:

- I. If the operations of the Board of Directors is under any of the following circumstances, the date, period, proposal content, all independent directors' opinions and the Company's handling of their opinions should be described:

(I) Matters listed in Article 14-3 of the Securities and Exchange Act:

Session and date of Board meeting	Proposal contents	Independent directors' opinions	The Company's handling of independent directors' opinions
9th Term 5th meeting 2023.01.12	1. Ratified the appointment and removal of the Company's Chief Auditor. 2. Approved the amendment to the Company's "Internal Significant Information	Nil.	Nil.

		Processing Operation Procedures” .			
9th Term 6th meeting 2023.03.09		1. Passed the proposal for the Company's 2023 CPA appointment fee.	Nil.	Nil.	
9th Term 10th meeting 2023.11.09		1. Approved the endorsement and guarantee for subsidiaries. 2. Passed the establishment of the “Financial and Business Transactions Regulations for Related Parties” within the company.	Nil.	Nil.	
<p>(II) In addition to the previous matters, other board meeting resolutions that have been opposed or reserved by independent directors with records or written statements: None</p> <p>II. In the implementation of a director’s recusal for being an interested party in a proposal, the director’s name, the proposal contents, the reasons for recusal and his or her participation in voting should be stated: None</p> <p>III. TWSE/TPEX listed companies should disclose information on the evaluation timeframe, scope, method and criteria of the self (or peer) evaluation of the Board of Directors. The implementation of the Board of Directors’ performance is as follows:</p> <p>Board of Directors performance evaluation:</p> <p>The Company has established the Rules for Self-Evaluation or Peer Evaluation of the Board of Directors on May 12, 2020, and has issued performance self-evaluation questionnaires to all members of the Board of Directors in November of each year to conduct self-evaluation of themselves since 2020.</p>					
Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content	
Once every year	2022.07.01 ~ 2023.06.30	The entire Board	Board of Directors Internal self-evaluation	<p>Evaluation criteria for assessing the performance of the Board of Directors covers the following 5 aspects:</p> <ul style="list-style-type: none"> ● Participation in the operation of the company ● Improve the quality of board decisions 	

					<ul style="list-style-type: none"> ● Composition and organizational structure of the Board of Directors ● Director appointment and ongoing professional development ● Internal control <p>The results of the latest 2023 board performance evaluation, the overall weighted average score of the board ' s self-evaluation is 92.84 points (full score is 100 points), the results are "good", and the 2023 evaluation results were reported to the board of directors on March 8, 2024.</p>
			Individual director Member	Director Member self-evaluation	<p>The Item measurement of the performance evaluation of board members covers the following 6 aspects:</p> <ul style="list-style-type: none"> ● Familiarity with the goals and missions of the Company ● Awareness of the duties of a director ● Participation in the operation of the company ● Internal relationship management and communication ● Director appointment and ongoing professional development ● Internal control <p>The results of the latest 2023 board performance evaluation, the overall weighted average score of the board members'</p>

					self-evaluation is 90.78 points (full score is 100 points), the results are "good", and the 2023 evaluation results were reported in the board of directors on March 8, 2024.
				Internal self-evaluation of functional committees	To evaluate the performance evaluation of functional committees, please refer to (2) Operation and Performance of the Audit Committee. 4. Evaluation results of the Audit Committee or the Nomination Committee and (4) Composition and operation of the Remuneration Committee or the Nomination Committee 2. Information on the operation of the Remuneration Committee.
<p>IV. Evaluation of the objective for enhancing the functions of the Board of Directors (e.g., establishing an audit committee, enhancing information transparency, etc.) and its implementation in the current year and the most recent year:</p> <p>On November 9, 2023, the Board of Directors of the Company approved the report on "Renewal of directors' and managerial officers' liability insurance".</p>					

(II) Operations of the Audit Committee

The Audit Committee met 5 times (A) during the most recent year (2023) and the attendance of independent directors was as follows:

Job Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remark
Independent Director	Mei-Chi Ling	5	0	100%	
Independent	Liang	3	2	60%	

nt Director	Chang				
Independen nt Director	Chien- Ping Chen	5	0	100%	
Independen nt Director	Hsian- Chung Chen	2	0	100%	Appointed on 2023.5.30

Other matters required to be recorded:

- I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal contents, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:
 - (I) Matters listed in Article 14-5 of the Securities and Exchange Act: The Audit Committee held five meetings in 2023, and the resolutions were as described in Note 1, and the Audit Committee did not object to any of the matters listed in Article 14-5 of the Securities and Exchange Act and approved them as presented.
 - (II) In addition to the previous matters, other matters that have not been approved by the Audit Committee but approved by more than two-thirds of all directors: None
- II. In the implementation of an independent director's recusal for being an interested party in a proposal, the independent director's name, the proposal contents, the reasons for recusal and his or her participation in voting should be stated:
- III. Communication between independent directors, internal audit officer and CPAs (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):
 - (I) The Company's Internal Audit Officer regularly communicates with the Audit Committee on the matters instructed in letter by the competent authorities and the improvement status, the results of quarterly audit reports and the implementation of their follow-up reports, the audit plan and implementation focus for the following year, and the implementation of the self-evaluation of the internal control system.
 - (II) The Company's attesting CPAs regularly report the key audit findings of the financial statements and other communication matters required by the relevant laws and regulations at the Audit

Committee meetings twice a year, and report to the Audit Committee in a timely manner if there are special circumstances.

Please refer to Note 2 and Note 3 for a summary of the historical communication between the independent directors and the Internal Audit Officer and CPAs.

IV. Audit Committee Performance Evaluation Results

The Company conducts the performance evaluation of the Audit Committee at the end of the year. The criteria for evaluating the performance of Audit Committee members are as follows:

Evaluation cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Content
Once Every year	2022.07.01 ~ 2023.06.30	Individual Director	Internal self-evaluation of functional committees	<p>Performance Evaluation Criteria for Audit Committee members.</p> <p>It covers the following five aspects:</p> <ul style="list-style-type: none"> ● Participation in the operation of the company ● Awareness of the duties of the Audit Committee ● Improvement in quality of decisions made by the Audit Committee

				<ul style="list-style-type: none"> ● Composition of the audit committee and election of its members ● Internal control <p>The results of 2023 annual audit committee performance evaluation, the overall weighted average score of the self-evaluation is 98.46 points (out of 100), indicating a "good" performance, and the 2023 evaluation results were reported to the board of directors on March 8, 2024.</p>
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Note 1: Contents of resolutions of the Audit Committee meetings

Term	Session	Meeting date	Proposal contents
3	3	2023.01.12	1. Ratified the appointment and removal of the

Term	Session	Meeting date	Proposal contents
			<p>Company's internal audit supervisor.</p> <p>2. Passed the establishment of the Company's "Internal Major Information Processing Operation Procedures"</p> <p>Approved the amendment of the Articles of Incorporation.</p> <p>The above resolutions have been submitted and approved at the 5th meeting of the 9th Board of Directors of the Company.</p>
3	4	2023.03.09	<p>1. Passed the 2022 Business Report and Financial Statements.</p> <p>2. Passed the 2022 Appropriation of Losses.</p> <p>3. Passed the issuance of the Company's 2022 "Internal Control System Statement".</p> <p>4. Passed Public Expense for the appointment of the Company's CPAs for 2023.</p> <p>5. Passed the Proposal to Pre-approve the Non-certification Services provided by the CPAs, their accounting firm, and affiliated companies of their accounting firm to the Company and its subsidiaries.</p> <p>6. Passed the Amendment to the "Procedures for Appointment of Directors".</p>

Term	Session	Meeting date	Proposal contents
			<p>7. Passed the Amendment to certain articles of the "Sustainable Development Best-Practice Principles".</p> <p>The above resolutions have been submitted to the 6th meeting of the 9th Board of Directors of the Company for approval.</p>
3	5	2023.05.12	<p>1. Passed the Company's consolidated financial statements for the first quarter of 2023.</p> <p>2. Passed the Amendment to certain articles of the "Organizational Rules of the Audit Committee".</p> <p>3. Passed the Amendment to certain articles of the Remuneration Committee Organization Regulations.</p> <p>4. Passed the Amendment to the " Method for the Evaluation of the Performance of the Board of Directors".</p> <p>5. Passed the Amendment to certain articles of "Corporate Governance Best Practice Principles".</p> <p>6. Passed the Amendment to certain articles of Scope of Responsibilities of Independent Directors Regulations.</p> <p>The above resolution has been submitted to the 7th meeting of the 9th Board of Directors of the Company for approval.</p>

Term	Session	Meeting date	Proposal contents
3	6	2023.08.11	<p>1. Approved the Company' s consolidated financial statements for the second quarter of 2023.</p> <p>2. Approved the addition of certified public accountants, their firms, and affiliated companies to provide non-certification services to the Company and its subsidiaries.</p> <p>3. Approved the change of the custodian of the endorsement guarantee seal.</p> <p>4. Approved the Company's 2022 sustainability report.</p> <p>The above resolutions have been submitted to the 9th meeting of the 9th Board of Directors of the Company for approval.</p>
3	7	2023.11.09	<p>1. Approved the Company' s consolidated financial statements for the third quarter of 2023.</p> <p>2. Approved the endorsement guarantee for subsidiaries.</p> <p>3. Approved the establishment of “Financial Transactions and Operations Regulations among Related Parties” .</p> <p>4. Approved the Company's 2024 audit plan.</p> <p>The above resolutions have been submitted to the 10th meeting of the 9th Board of</p>

Term	Session	Meeting date	Proposal contents
			Directors of the Company for approval.

Note 2: Summary of communication between independent directors and Internal Audit Officer

The Company's Audit Officer regularly communicates with the independent directors through meetings of the Audit Committee, with the following highlights:

Date	Nature	Communication matters	Communication results
2023.03.09	Audit Committee	<ol style="list-style-type: none"> 1. Reported on audit operations and explained internal control deficiencies and improvement plans. 2. Reported on instructions and improvements from the regulatory authority, as well as response to inquiries. 3. Issuance of the Company's 2022 "Internal Control System Statement". 	After communication and discussion, the independent directors had no objection to the report on the results of audit operations.
2023.05.12	Audit Committee	<ol style="list-style-type: none"> 1. Reported on the audit operations and explained internal control deficiencies and improvement plans. 2. Reported on instructions and improvements from the regulatory authority, as well 	After communication and discussion, the independent directors had no objection to the report on the results of audit operations.

		as response to inquiries.	
2023.08.11	Audit Committee	<ol style="list-style-type: none"> 1. Reported on the audit operations and explained internal control deficiencies and improvement plans. 2. Reported on instructions and improvements from the regulatory authority, as well as response to inquiries. 	After communication and discussion, the independent directors had no objection to the report on the results of audit operations.
2023.11.09	Audit Committee	<ol style="list-style-type: none"> 1. Reported on the audit operations and explained internal control deficiencies and improvement plans. 2. Reported on instructions and improvements from the regulatory authority, as well as response to inquiries. 	After communication and discussion, the independent directors had no objection to the report on the results of audit operations.

Note 3: Summary of communication between independent directors and CPAs.

Date	Nature	Communication focus	Communication results
2023.03.09	Audit Committee	CPAs reported to the Audit Committee and described the audit method and results of the Company's 2022 parent company only and consolidated financial statements.	CPAs discussed and communicated with the Audit Committee and the attendees of the meeting on the issues raised by the Audit Committee. The Audit Committee had no opinions for this meeting.
2023.11.09	Audit Committee	The accountant reports to the Audit Committee and explains the review process and results of the Company's consolidated financial report for the third quarter of 2023.	The CPAs discussed and communicated with the members of the Audit Committee and the participants on the issues consulted. The Audit Committee had no objections at this meeting.
	Audit Committee Pre-meeting Individual communication (Once a year)	Communication contents between the CPAs and the Audit Committee are as follows: 1. Explain the transparency report released by the accounting firm in 2023. 2. Important matters in the financial report.	The accountant provided explanations and responded to inquiries from the Audit Committee members individually.

(III) Operation status of corporate governance and the differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	V		The Company has established the "Corporate Governance Best Practice Principles" based on the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", which were approved by the Board of Directors and disclosed on the Market Observation Post System (MOPS) and the Company's website. The same applies to amendments.	No material difference.
II. The Company's ownership structure and shareholder equity (I) Has the Company established internal operating procedures to handle shareholder recommendations, doubts, disputes and litigations, and implemented them in accordance with the procedures?	V		(I) The Company has a dedicated investor relations staff, with a spokesperson or acting spokesperson to handle suggestions or respond to questions from investors. There was no litigation with shareholders.	(I) No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(II) Does the Company have a list of the major shareholders who actually control the Company and those who ultimately have control over the major shareholders?	V		(II) The Company keeps track of the shareholdings of directors, managerial officers and major shareholders with 10% ownership or more, and reports the changes in their shareholdings on a monthly basis in accordance with the regulations.	(II) No material difference.
(III) Has the Company established and implemented risk control and firewall mechanisms between affiliates?	V		(III) All transactions between the Company and its affiliates are conducted in accordance with laws and regulations, while relevant regulations are established in the internal control system in accordance with the laws.	(III) No material difference.
(IV) Has the Company formulated internal regulations to prevent insiders from trading securities using undisclosed information on the market?	V		(IV) The Company has established the "Internal Management Operations CT-16 - Procedures for Handling Material Inside Information and Prevention of Insider Trading" in the internal control system. In addition, the Company's Audit Committee and Board of Directors, which met on March 11, 2022, approved the amendments to the internal control system to prohibit insiders	(IV) No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>from trading marketable securities using unpublished information in the market, with reference to the latest version of the "Corporate Governance Best Practice Principles", adding provisions to prohibit insider trading of stocks before the release of financial and business results.</p> <p>In addition, the Board of Directors approved the amendments to the "Procedures for Handling Material Inside Information" on 2023/1.</p>	
<p>III. Composition and duties of the Board of Directors.</p> <p>(I) Has the Board of Directors formulated and implemented a diversity policy on membership?</p>	V		<p>(I) 1. Diversity policy of the Board of Directors:</p> <p>(1) The composition of the Board of Directors should be determined by taking into consideration a variety of requirements such as the Company's operational structure, business development direction, and future</p>	<p>(I) No material difference.</p>

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>development trends, and evaluating a number of diversity aspects, such as: basic composition (e.g., gender, nationality, age, etc.), professional/industrial experience, and professional knowledge and skills (e.g., accounting, legal, risk management, information technology, etc.).</p> <p>(2)A diverse Board of Directors with different perspectives and opinions will enhance the quality of decision-making and benefit the Company's shareholders and other stakeholders.</p> <p>(3) The Board of Directors and management attach importance to inclusiveness and diversity to support the Company's values.</p> <p>2.Diversity management objectives and enforcement:</p> <p>(1) The Company places emphasis on</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>gender equality in the composition of the Board of Directors, and the target percentage of female directors is 30% or more. Of the ten current Board of Directors members, five are women, one of whom is an independent director, with female directors accounting for 50% of all Board members.</p> <p>(2) The Board of Directors supports and oversees management's initiatives to increase the percentage of female senior managerial officers.</p> <p>(3) The term of office for independent directors is 3-9 years;</p> <p>(4) Please refer to Note 1 for the overall competency and age distribution of the Board of Directors.</p> <p>3.Diversity policy, management objectives and enforcement are disclosed on the official website simultaneously.</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
(II) In addition to the Remuneration Committee and the Audit Committee established in accordance with law, has the Company voluntarily set up other functional committees?		V	(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law and has not considered setting up other functional committees for the time being.	(II) In the future, the Company will handle related matters based on the actual needs of the Company's operations or the laws and regulations.
(III) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and nomination for reappointment?		V	The Company passed the "Self-Evaluation or Peer Evaluation of the Board of Directors Measures " in 2020. The Company conducts self-evaluation or peer evaluation of the Board of Directors and individual directors on a regular basis every year. After the questionnaires are collected, the organizer of the Board of Directors will conduct an analysis in accordance with the aforementioned measures and report the results to the Board of Directors, along with	(III) No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>recommendations for improvement. These suggestions will be utilized in the reference for individual director compensation and nomination for re-election.</p> <p>The implementation status and results of the performance evaluation of the Board of Directors and individual directors in 2023 have been reported to the Board of Directors on November 9, 2023.</p> <p>For the implementation status, please refer to the descriptions in IV. Operations of Corporate Governance - (I) Operations of the Board of Directors - Other matters required to be recorded. III of this Annual Report:</p>	
(IV) Does the Company regularly evaluate the independence of attesting CPAs?	V		(III) The Company has established the evaluation items on independence in accordance with Article 47 of the "Certified Public Accountant Act" and the provisions of the Bulletin of Norm of Professional Ethics for Certified Public Accountant of the Republic of China No. 10	(IV) No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>“Integrity, Objectivity and Independence” and regularly (once a year) evaluates the independence of the CPAs and submits the results to the Audit Committee and the Board of Directors for approval.</p> <p>The Company appointed PwC Taiwan Tsung-Hsi Lai, and Ping-Chun Chih as CPAs in 2023. The independence and competence of the accountants were evaluated with reference to the Audit Quality Indicator (AQIU), which was considered and approved by the Audit Committee and the Board of Directors on November 2022.</p> <p>In addition, in alignment with the internal organization adjustment of PricewaterhouseCoopers Taiwan, the Company plans to change the CPAs to Tsung-Hsi Lai, and Chan-Yuan Tu from the first quarter financial statements of 2024. The independence and competence of</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>accountants will be evaluated with reference to the audit quality indicators (AQIs), which were reviewed and approved by the Audit Committee and the Board of Directors on March 2024.</p> <p>Please refer to Note 2 in the following table for details.</p>	
IV. Does the Company as a listed enterprise have suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors to comply with laws and regulations, conducting board meeting and shareholders' meeting related matters in accordance with law, handling	V		(I) In compliance with Article 3-1 of the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" of the Taiwan Stock Exchange, in 2019, the Company resolved to appoint a functional leader in the Board meeting to be responsible for The Board of Directors has resolved to establish a functional director to manage corporate governance related matters, including administering matters related to the Board of Directors and shareholders' meetings, assisting directors in their appointment and continuing education,	No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
company registration and alteration registration, and preparing minutes of board meetings and shareholders' meetings, etc.)?			<p>providing information necessary for directors to carry out their business, assisting directors in complying with laws and regulations, and other matters in accordance with the Articles of Incorporation or contracts, etc.. Vice President Min of the Chairperson's Office, who has many years of experience in the administration of stock affairs and meeting procedures of public companies, was assigned to serve as the Corporate Governance Officer.</p> <p>(II) Implementation status of the businesses of the Company's Corporate Governance Officer in 2023 is as follows:</p> <p>1. Arranged and confirmed the time for all directors to attend the Board meetings, and assisted them to hold 6 Board meetings and 1 regular shareholders' meeting in 2023.</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>2. Arranged courses to assist the Company's directors in completing their continuing education.</p> <p>3. Acted as the liaison between the Company's management team and the directors.</p> <p>4. Supervised the Company in completing the corporate governance self-evaluation for 2023.</p> <p>5. Reported regularly to the Board of Directors on the implementation status of corporate governance, ethical corporate management and sustainable development. (At least once a year)</p> <p>(III) Please refer to Note 3 for details of the Company's Corporate Governance Officer's continuing education in 2023.</p>	
V. Has the Company established communication channels with stakeholders (including but not limited to	V		The Company maintains good communication with employees, suppliers, investors, consumers, etc. through labor-management meetings,	No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
shareholders, employees, customers and suppliers, etc.) and a special section for stakeholders on the Company's website, and responded appropriately to important corporate social responsibility issues that are of concern to stakeholders?			procurement, finance and other specialized units, and sets up a stakeholder area on the Company's website to respond appropriately to important CSR issues of concern to stakeholders.	
VI. Has the Company appointed a professional stock affairs agency to handle matters for shareholders' meetings?	V		The Company appoints Fubon Securities Co., Ltd. to provide shareholders services	No material difference.
VII. Information disclosure (I) Has the Company set up a website to disclose finance and business matters and corporate governance information?	V		(I) The Company has set up an official website: http://www.mhh-group.com to disclose information to disclose finance and business matters and corporate governance.	(I) No material difference.
(II) Has the Company adopted other means of information disclosure (such as setting up an English website,	V		(II) A spokesperson and an acting spokesperson are provided in accordance with the regulations; dedicated staff members are	(II) No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>appointing dedicated personnel responsible for the collection and disclosure of Company information, implementing a spokesperson system, posting the Company's earnings calls on its website, etc.)?</p> <p>(III) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year, and the financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?</p>	V		<p>designated to be responsible for reporting financial, business information and disclosure on the Company's website; information related to the Company's earnings calls can also be found on the MOPS.</p> <p>(III) The Company publishes and reports annual financial statements signed or sealed by the chairperson, the managerial officer and the chief accounting officer, and audited and attested by CPAs, approved by the Board of Directors and adopted by the Audit Committee within 75 days after the end of each fiscal year in accordance with the law. Within forty-five days after the end of the first, second and third quarters of each fiscal year, the Company publishes and reports the financial statements signed or sealed by the chairperson, the managerial officer and the chief accounting officer, reviewed by the</p>	<p>(II) In the future, the Company will handle related matters based on the needs of the Company's operations or the laws and regulations.</p>

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			CPAs, approved by the Board of Directors and adopted by the Audit Committee. The Company also publishes and reports its operations for the previous month by the 10th day of each month.	
VIII. Does the Company have other important information that is helpful to understand its implementation of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, continuing education of directors and supervisors, Implementation of risk management policies and risk measurement standards, implementation of customer policies, the Company's purchase of liability insurance for directors and supervisors, etc.)?	V		<p>(I) Employee rights and employee care:</p> <p>In order to protect the lives of workers and promote social security, all employees of the Company participate in "labor, health insurance and labor retirement plan"; in addition, in order to take care of the lives of employees, we provide the benefits of "welfare group insurance".</p> <p>The Company provides welfares such as "free meals, lockers, uniforms, work safety shoes and various protective gears, childcare subsidies and annual health checkups, spring party, domestic and foreign trips, and annual bonuses". The Company selects outstanding employees every quarter</p>	No material difference.

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>and gives them certificates, free meal vouchers, free hotel accommodation vouchers or bonuses as an incentive.</p> <p>(II) Investor relation: The Company discloses all information on the Market Observation Post System as required by law, and appoints a spokesperson and an acting spokesperson to establish good communication channels with investors.</p> <p>(III) Supplierrelation: The Company follows the established procurement policies and payment internal control system for dealings with suppliers, and establishes partnerships with them based on the concept of equality and mutual benefits to maintain a long-term relationship. We also make use of the contract clauses and vendor evaluation to get a better quality of supply.</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>(IV) Stakeholders' rights The Company maintains good communication with employees, customers, suppliers, etc., and handles their opinions and suggestions appropriately.</p> <p>(V) Directors' continuing education In order to implement corporate governance, the Company takes the initiative to inform directors of relevant corporate governance information and arranges from time to time for directors to take further education courses in the areas of finance, business and corporate governance in accordance with the reference example of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies". Please refer to Note 4 for related contents.</p> <p>(VI) Implementation status of risk management policies and risk measurement standards:</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>The Company has established a risk management framework for information security management issues.</p> <p>The Company currently has an Information Security Committee to review the information security governance policies of the Group and its subsidiaries, monitor information security operations, and report regularly to the Board of Directors on the status of information security governance audits. The president and the officer of the Information Division are responsible for information security governance, planning, supervision and implementation, in order to build up a comprehensive information security capability and awareness of information security among employees. The Information Security Audit Unit includes members of the Company's Information Division and Audit Office, and the Information Security Management Unit includes the tier-one</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>officer of each department. Each hotel has professional information staff responsible for handling matters related to information system security prevention and crisis management to prevent computer network crime and crisis and to maintain information system security. Establish the security control mechanism of the computer network system to ensure the security of network transmission data, protect the network operation, and prevent the leakage of confidential information caused by unauthorized access to the system.</p> <p>Strengthen network security management for cross-company computer network systems, and install anti-virus software internally and set up external network firewalls to prevent computer viruses and offensive malware from invading and paralyzing the company's network system. Educate employees on the concept of using</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>legal software in the right way, and promote employee awareness of the threat of computer viruses to further enhance their vigilance on information security. Users should avoid using passwords that can be easily identified and guessed, and should not leave passwords blank and change them regularly. The accounts of former employees are verified and deactivated to prevent data leakage.</p> <p>In addition, we have set up WAF protection against new types of network attacks and conduct quarterly vulnerability scans to identify weaknesses in our website in advance and strengthen protection.</p> <p>To prevent data leakage, we have set up a DLP data leakage protection monitoring system to continuously protect data security. The IT infrastructure is regularly reviewed and optimized by a professional network security company on a quarterly basis. We</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>have also started to evaluate the information security insurance, so that we can transfer the risk in the event of information security incidents and reduce the risk of our operations.</p> <p>The above security protections are expected to reduce information security risks, and regular internal control self-evaluation of website vulnerability scanning is conducted to prevent information security risks before they occur, with regular disaster drills to establish SOPs for various conditions for compliance in the event of an information security incident. We establish complete backup information of all systems and system host backup work, check backup records daily, and restore operation to the goal of continuous operation without interruption in the shortest possible time when an information security incident or system damage occurs.</p>	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>(VII)implementation status of customer policy: Customer suggestions and customer satisfaction are the driving force for the growth of the company's operations. We uphold the customer-oriented service attitude to create a refreshing dining experience for our customers, and establish a good interactive relationship with our customers with honesty and enthusiasm.</p> <p>(VIII)The Company's purchase of liability insurance for directors: The Company completed the renewal of directors' liability insurance, including the insured amount, coverage and premium rate, and reported to the Board of Directors in November 2023.</p>	
<p>IX. Please explain the improvements made based on the results of the Corporate Governance Evaluation System released by the Corporate Governance Center of Taiwan Stock Exchange Corporation in the most recent year and provide the priority enhancement measures for areas that have not yet been addressed.</p> <p>For the results of the most recent corporate governance evaluation, the reinforcement provisions are as follows:</p>				

Evaluation item				Operation status		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
				Yes	No	
				Summary description		
	Item	No.	Indicator	Explanation		
	1.	1.7	Does the company upload the shareholders' meeting handbook and supplementary information 30 days before the shareholders' meeting?	The shareholders' meeting handbook and supplementary information for 2023 have been uploaded 30 days before the meeting.		
	2.	1.9	Does the Company upload the English version of the meeting notice 30 days before the annual shareholders' meeting?	The English version of the notice of the 2023 shareholders' meeting has been uploaded 30 days before the meeting.		
	3.	1.10	Does the Company upload the English version of the meeting handbook and supplementary information 30 days before the annual shareholders' meeting?	The English version of the meeting handbook and supplementary information for the 2023 shareholders' meeting have been uploaded 30 days before the meeting.		
	4.	1.11	Does the Company upload the English version of the annual report 7 days before the shareholders' meeting? If the English annual report is uploaded 16 days before the regular shareholders' meeting, one additional point will be added to the total score.	The English version of the annual report of the 2023 shareholders' meeting has been uploaded 7 days before the meeting.		
	5.	2.18	Does the company regularly conduct	The implementation and results of the performance		

Evaluation item				Operation status		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
				Yes	No	
			internal performance evaluations of its functional committees (including at least the Audit Committee and the Remuneration Committee) every year, and disclose the implementation status and evaluation results on the company's website or annual report?			evaluation of the functional committees in 2023 have been reported to the Board of Directors on November 9, 2023, and disclosed on the Company's website.
	6.	2.27	Does the company formulate an intellectual property management plan linked to its operational objectives, and disclose the implementation status on the company's website or annual report, and report to the board of directors at least once a year? If the Taiwan Intellectual Property Management System (TIPS), ISO56005 or similar standards for intellectual property management systems are introduced and verified by a third party, one additional point will be added to the total score.			The company has formulated trademark management measures after internal evaluation, and a dedicated unit has compiled the use of trademarks by the group, and regular maintenance has been reported to the board of directors on November 9, 2023, and disclosed on the company's website.

Evaluation item				Operation status		The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
				Yes	No	
	7.	3.5	Does the company upload the annual financial report disclosed in English 16 days before the regular shareholders' meeting?			The English version of the 2022 annual financial statements has been uploaded 16 days before the 2023 annual meeting.
	8.	4.7	Does the Company upload the English version of Market Observation Post System and sustainability report on its website?			The English version of sustainability report in 2022 has been uploaded to the Market Observation Post System for declaration and disclosed on the Company's website.
	9.	3.12	Does the company's annual report disclose a specific dividend policy?			The Company has amended its articles of association and has disclosed the dividend policy in the 2022 Annual Report.
	10.	4.12	Does the company establish policies for greenhouse gas reduction, water usage reduction or other waste management policies, including reduction targets, implementation measures and achievements?			The Company has established policies for greenhouse gas, water and waste, including reduction targets, implementation measures and achievements, which are disclosed in the Company's annual sustainability report.
	11.	4.18	Does the company disclose information on the corporate governance, strategy, risk management, indicators and targets			In 2022, the sustainability report has been disclosed to provide relevant information on the corporate governance, strategy, risk management, indicators and

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
			of climate-related risks and opportunities in accordance with the framework of the Task Force on Climate-related Financial Disclosures (TCFD)?	goals of climate-related risks and opportunities in accordance with the TCFD framework.

Note 1: The overall competency and age distribution of the Board of Directors.

Diversity standards Name of director	Gender	Concurrently serving an employee of the	Operational judgement ability	Accounting and financial analysis	Business management ability	Crisis management ability	Industry Knowledge	International market perspective	Leadership ability	Decision-making ability	Law	Age
Tsai,Po-Han	Male	✓	✓		✓	✓	✓	✓	✓	✓		41-50
Ellie Lai	Female		✓		✓	✓	✓	✓	✓	✓		51-60
Chia-Hsuan Tsai	Female		✓				✓	✓		✓		41-50

Evaluation item					Operation status								The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
					Yes	No	Summary description							
	Miao-Hua Kao	Fem ale			✓	✓	✓			✓	✓		51-60	
	En-Cheng Lu	Male				✓	✓	✓	✓	✓	✓		71-80	
	Chuan-Fang Cheng	Fem ale				✓	✓	✓	✓	✓	✓		71-80	
	Liang Chang (Independe nt Director)	Male			✓	✓	✓		✓	✓	✓	✓	71-80	
	Mei-Chi Ling (Independe nt Director)	Fem ale			✓				✓			✓	51-60	
	Chien-Ping Chen (Independe nt Director)	Male			✓	✓	✓		✓	✓	✓	✓	61-70	
	Hsian-Chung Chen (Independe	Male			✓	✓	✓		✓	✓	✓	✓	51-60 years	

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	

nt Director)												
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Note 2: Evaluation standards for the independence of CPAs

Item	Results
1.As of the most recent attestation, there has been no such situation as not having replaced the attesting CPA for seven years.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2.No significant financial interests with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
3.No inappropriate relationship with the client.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
4.The CPA should ensure the integrity, impartiality and independence of his or her associates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
5.The CPA shall not audit and attest the financial statements of the organizations he or she served within two years prior to the date of the CPA's practice.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
6.The CPA's name shall not be used by others.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
7.The CPA shall not hold any shares of the Company or its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
8.No monetary lending or borrowing with the Company and its affiliates.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
9.No joint investment or benefit-sharing relationship with the	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Evaluation item	Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
	Yes	No	Summary description	
	Company or its affiliates.			
	10.No regular employment with the Company or its affiliates for a fixed remuneration			
	11.Not involved in the management function of making decisions for the Company or its affiliates.			
	12.Not engaged in any other business that may compromise his or her independence.			
	13.No spouse or relatives within second degree of kinship in the Company's management.			
	14.No commission received in connection with the business of the Company			
	15.To date, no disciplinary action has been received or the principle of independence has been compromised.			
	16. Evaluation of the quality indicators of the audit (AQIS)			
Note 3: Continuing education of the Corporate Governance Officer:				
Corporate Governance Officer	Training date	Course organizer	Course name	Training hour

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
			Yes	No	Summary description		
Note 4: Directors' continuing education	Kuei-Ling Min	2023/04/21			Taiwan Corporate Governance Association	How the Board of Directors Formulated ESG Sustainability Governance Strategies in 2023	3
		2023/04/27			Taiwan Stock Exchange Corporation	Advocacy Meeting on Sustainable Development Action Plans for Listed Companies	3
		2023/05/12			Taiwan Corporate Governance Association	New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3
		2023/07/18			Accounting Research and Development Foundation	2023 Financial Transformation and Sustainability Disclosure	3
		2023/08/15			Taiwan Corporate Governance Association	Dual-axis Transformation of Sustainability and Digital Transformation	3

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
			Yes	No	Summary description	
	Name of director	Training date	Course organizer		Course name	Training hour
	Tsai,Po-Han	2023/05/12	Taiwan Corporate Governance Association		New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3
	Xuan Wei Investment Co., Ltd. Representative: Chia-Hsuan Tsai	2023/05/12	Taiwan Corporate Governance Association		New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3
		2023/08/24	Taiwan Corporate Governance Association		Dual-axis Transformation of Sustainability and Digital Transformation	3

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
			Yes	No	Summary description		
	Camellian CO., LTD. Representative: Ellie Lai	2023/05/12			New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3	
	Tung-Fang-Mei Enterprises Co. Ltd. Representative: Chuan-Fang Cheng	2023/05/12			New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3	

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
			Yes	No	Summary description		
	Tung-Fang-Mei Enterprises Co. Ltd. Representative: En-Cheng Lu	2023/05/12			New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3	
	Zheng Xian Information Management Co., Ltd. Representative: Miao-Hua Kao	2023/05/15			Corporate Governance and Securities Regulations	3	
		2023/07/04			2023 Cathay Sustainable Finance and Climate Change Summit	3	
	Mei-Chi Ling	2023/05/12			New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.	
			Yes	No	Summary description		
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3	
	Liang Chang	2023/05/12	Taiwan Corporate Governance Association		New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	
		2023/09/06			Sustainability Risk Trends and Response Strategies	3	
	Chien-Ping Chen	2023/05/12	Taiwan Corporate Governance Association		New Perspectives on Integrated Strategic Development and ESG Corporate Risk Management	3	
		2023/08/24			Dual-axis Transformation of Sustainability and Digital Transformation	3	

Evaluation item			Operation status			The differences from the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor.
			Yes	No	Summary description	
	Hsian-Chung Chen	2023/03/27	Chinese National Association of Industry and Commerce		Corporate Resilience and Taiwan's Competitiveness	3
		2023/08/24	Taiwan Corporate Governance Association		Dual-axis Transformation of Sustainability and Digital Transformation	3

(IV) Composition and operations of the Remuneration Committee or Nomination Committee

1. Information on the members of the Remuneration Committee

Position (Note 1)	Name	Criteria Professional qualification and experience (Note 2)	Status of independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of the remuneration committee
Independent Director Convener	Chien-Ping Chen	MBA, University of California Chairperson of Ta Chong Commercial Bank Co., Ltd. President of Ta Chong Bills Finance Co., Ltd. Independent Director of ASIA POLYMER CORPORATION Chairperson of Mirror TV Committee Member Chen has a master's degree from a U.S. business school and has served as the chairperson of a large commercial bank and the president of a bills finance company in Taiwan, with extensive practical experience in finance and treasury. Currently an independent director of the Company, a member of the Audit Committee and the convener of the Remuneration Committee.	Please refer to Three. Corporate Governance Report - II. Information on directors, supervisors, president, vice president, assistant VP, and officers of departments and branches - (I) Information on directors - 4. Disclosure of professional qualification of directors and supervisors and independence of independent directors	0

<div>Criteria</div> <div>Position (Note 1)</div> <div>Name</div>	Professional qualification and experience (Note 2)	Status of independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of the remuneration committee
Independent Director	<p>Liang Chang</p> <p>Ph.D. in Economics, State University of New York at Albany, USA Chairperson, Jardine Matheson Group, Taiwan Director of TSRC Corporation Independent director of HSBC (Taiwan) Director, Cathay Financial Holding Co., Ltd. Independent Director, Cathay Real Estate Development Co., Ltd. Director, Global Investment Holdings Co., Ltd Director, Maxigen Biotech Inc.</p> <p>Committee Member Chang holds a Ph.D. from a U.S. business school and has served as a chairperson and director of foreign companies, with extensive practical experience in finance and business management. Currently an independent director of the Company, a member of the Audit Committee and the Remuneration Committee.</p>	<p>Please refer to Three. Corporate Governance Report - II. Information on directors, supervisors, president, vice president, assistant VP, and officers of departments and branches - (I) Information on directors - 4. Disclosure of professional qualification of directors and supervisors and independence of independent directors</p>	1

Position (Note 1)	Criteria		Professional qualification and experience (Note 2)	Status of independence (Note 3)	Number of other public companies in which the individual is concurrently serving as a member of the remuneration committee
	Name				
Independent Director	Hsian-Chung Chen	<p>Purdue Univ. Department of Industrial Engineering Director, Walsin Lihwa Corporation Director, EasyCard Investment Holdings Co., Ltd. Independent Director, Teco Image Systems (TIS) Co., Ltd.</p> <p>Director Chen holds a Bachelor ' s degree in Industrial Engineering from the United States and serves as the Chairman of a listed company. He has extensive experience in business management. He is currently an independent director, a member of the Audit Committee and a member of the Remuneration Committee of the Company.</p>	<p>Please refer to Section 2 of the Corporate Governance Report. "Directors, Supervisors, General Manager, Vice Presidents, Assistant Vice President, and Heads of Departments and Branches Managers," specifically subsection (1) "Information on Directors," subsection 4 "Professional Qualifications of Directors and Supervisors, and Disclosure of Independence Information of Independent Directors.</p>	1	

Note 1: Specify the relevant years of service, professional qualification and experience, and independence of each member of the Remuneration Committee. For independent directors, please make a note to refer to the relevant information on the director. Please enter either independent director or other for position (for the convener, please add a note).

Note 2: Specify the professional qualification and experience of each member of the Remuneration Committee

Note 3: Status of independence: Describe the status of independence for the members of the Remuneration Committee, including but not limited to whether they, their spouses or relatives within second degree of kinship, are directors, supervisors or employees of the Company or its

affiliates; the number and percentage of shares held by them (or in the name of others); whether they are directors of companies with specific relationships with the Company (refer to Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange). The amount of remuneration received from the Company or its affiliates for business, legal, financial and accounting services in the most recent two years.

2. Information on the operations of the Remuneration Committee

(1) There are 4 members in the Remuneration Committee of the Company.

(2) The term of office of the current committee members: May 30, 2022 to May 29, 2025, and in most recent year (2023), the Remuneration Committee met 3 times (A) and the qualification and attendance of the committee members are as follows:

Job Title	Name	Number of attendance in person (B)	Number of attendance by proxy	Percentage of attendance in person (%) (B/A)	Remark
Convener	Chien-Ping Chen	3	0	100%	
Committee Member	Liang Chang	2	1	67%	
Committee Member	Mei-Chi Ling	3	0	100%	
Member	Hsian-Chung Chen	1	0	100%	Took office on 2023.05.30

Other matters required to be recorded:

- I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, please state the date, session, proposal contents, resolution of the Board, and its handling of the Committee's opinions (if the salary and remuneration approved by the Board of Directors is better than the recommendation proposed by the Remuneration Committee, the difference and reasons should be stated): None.
- II. For the resolutions by the Remuneration Committee. If any members have objections or reservations with records or written statements, the

date, session, proposal contents, the opinions of all members, its handling of the members' opinions should be stated: None.

Details of the discussions and resolutions of the Remuneration Committee in 2023 are described in Note 1.

III. Performance Evaluation Results of the Remuneration Committee

The Company conducts the performance evaluation of the Remuneration Committee at the end of the year. The performance evaluation criteria for members of the Compensation Committee is as follows:

Evaluation Cycle	Evaluation Period	Evaluation Scope	Evaluation Method	Evaluation Contents
Every Once year	2022.07.01 ~ 2023.06.30	Individual Director Members	Internal self-evaluation of functional committees	<p>Performance evaluation criteria for Remuneration Committee members</p> <p>It covers the following five aspects:</p> <ul style="list-style-type: none"> ● Degree of participation in the company operation ● Awareness of the duties of the Remuneration Committee ● Improvement of the quality of decisions made by the Remuneration Committee ● Composition of the Remuneration Committee and election of its members ● Internal control <p>The results of the most recent performance evaluation of Compensation Committee members for the year 2023 were as follows: the self-assessment overall weighted average score was 98.46 points (out of 100), resulting in a rating of "good". The results of the evaluation were reported to the Board of Directors on March 8, 2024.</p>

Note 1:

Term	Session	Meeting date	Proposal contents
4	2	2023.01.12	<p>1. Resolution on Remuneration of the Company's managerial officers</p> <p>2. Resolution on proposing an additional 0.2 months of year-end bonus for employees for the fiscal year 2022.</p> <p>The above resolutions have been submitted to the 5th meeting of the 9th Board of Directors of the Company for approval.</p>
4	3	2023.03.09	<p>1. Resolution on Remuneration of the Company's managerial officers</p> <p>The above resolution has been submitted to the 6th meeting of the 9th Board of Directors of the Company for approval.</p>
4	4	2023.11.09	<p>1. Resolution on ratifying the remuneration and appointment of the Company's managerial officers.</p> <p>2. Resolution on amendments to the Company's "Year-End Bonus Distribution Method".</p> <p>3. Resolution on determining the number of months for the distribution of year-end bonuses of 2023.</p> <p>The above resolutions have been submitted to the 10th meeting of the 9th Board of Directors of the Company for approval.</p>

3. Information on the member of the Nomination Committee and its operations

The Company has not established a nomination committee.

(V) Implementation status of the promotion of sustainable development, the differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors?	V		1. In order to promote the sustainable management of My Humble House Group, the Company established the "Corporate Social Responsibility Promotion Group" in 2016, with the chairperson as the convener and the CEO's Office and the president of each hotel forming the "ESG Decision-making Group" responsible for formulating strategies for sustainable development. In addition, according to the functions of each department, the "Corporate Governance Group" is composed of the Chairperson's Office and the Finance Department, the "Employee Care Group" is composed of the Human Resources Department, the "Social Welfare Group" is composed of the Brand and Media Relations Department, and the "Sustainable Environment Group" is	No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>composed of the Engineering Division, Engineering Department, Operations Office, Food and Beverage Department, Food Safety Group, Guest Room Department, Brand and Media Relations Department, Purchasing Department. The five core groups are working in a diversified manner to enforce the implementation of sustainable development in all aspects of our operations.</p> <p>2. On March 09, 2017, the Board of Directors of the Company resolved to adopt the "Corporate Social Responsibility Best Practice Principles" as the basis for all employees to practice sustainable corporate development. In addition, on March 11, 2022, the Board of Directors resolved to change the name of the Company's "Corporate Social Responsibility Best Practice Principles" to "Sustainable Development Best Practice Principles" after the amendments to the</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>"Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies". At the same time, the former "CSR Promotion Group" was renamed as "Sustainable Development Promotion Group" after the Board meeting.</p> <p>3. In the third quarter of each year, the "Sustainable Development Promotion Group" of the Company will complete the "Sustainable Development Report" for the previous year and report to the Board of Directors together with the implementation status of sustainable development, corporate governance and ethical corporate management. Relevant implementation status was discussed and reported at the Board of Directors meeting on August and November 2023, respectively.</p> <p>4. Once a year, the Company's management team shall report to the Board of Directors on</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			the progress of sustainable development (including the ESG report). The management team must propose corporate strategies to the Board of Directors while the Board of Directors must evaluate the likelihood if these strategies will succeed and constantly review the progress of the strategies and instruct the management team to make adjustments as necessary. In recent years, climate change and greenhouse gas-related issues have become the mainstream doctrines, and the Board of Directors will discuss with the management team about the impact on the hotel industry and future countermeasures.	
II. Does the Company, in accordance with the principle of materiality, conduct risk assessments on environmental, social and corporate governance issues related to the Company's operations, and formulate relevant risk management policies or strategies"	V		<ul style="list-style-type: none"> ● Scope of risk management During the process of operation and management, preventive measures are taken to anticipate and control potential risks, with relevant precautionary measures formulated. Risk assessments related to environmental,	No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.						
	Yes	No	Summary description							
			<p>social, corporate governance, and information security issues relevant to the company's operations are conducted based on the principle of significance, serving as a reference for the company's risk management and operational strategies.</p> <ul style="list-style-type: none">● Risk management policies and procedures <p>Based on the assessed risks, the Company has established relevant risk management policies or strategies, as outlined below:</p> <table><tr><th>Mat erial Issu es</th><th>Risk Assessm ent Items</th><th>Response Policies</th></tr><tr><td>Envi ron men t (E)</td><td>Climate change</td><td><ul style="list-style-type: none">● Periodically review real-time information from the Water Resources Agency to monitor water conditions and devise water usage strategies.● Increase the proportion of</td></tr></table>	Mat erial Issu es	Risk Assessm ent Items	Response Policies	Envi ron men t (E)	Climate change	<ul style="list-style-type: none">● Periodically review real-time information from the Water Resources Agency to monitor water conditions and devise water usage strategies.● Increase the proportion of	
Mat erial Issu es	Risk Assessm ent Items	Response Policies								
Envi ron men t (E)	Climate change	<ul style="list-style-type: none">● Periodically review real-time information from the Water Resources Agency to monitor water conditions and devise water usage strategies.● Increase the proportion of								

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
				<p>local procurement to reduce carbon emissions from the delivery of food.</p> <ul style="list-style-type: none"> ● Develop new suppliers periodically and implement supplier management. ● Maintain multiple sources of supply to ensure the stability of the supply chain. ● Procure products with sustainability labels to implement environmental friendly practices.
			Energy Resource Waste management	<ul style="list-style-type: none"> ● Through energy management, daily record of energy use status, monitor energy use, and report energy anomalies regularly. ● Regularly review water and electricity consumption, reduce equipment use during off-peak hours or adjust to

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<div>intermittent operations, and set water and electricity consumption reduction targets.</div> <ul style="list-style-type: none"> ● Establish the Greenhouse Gas Inventory and Promotion Team of the COH Group, participate in government net zero emission seminars and training, understand the latest renewable energy regulations, and be responsible for the overall planning and various greenhouse gas emission statistics. ● Reduce the provision of disposable consumables and move towards green accommodation. ● Comply with government 	

Promotion item	Implementation status					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description			
					laws and regulations to plan the appropriate storage location for waste and outsource waste management to qualified professional waste disposal companies.	
			Society (S)	Customer relations	<ul style="list-style-type: none">Communicate the company's performance to stakeholders through the company's website, annual reports, and corporate social responsibility reports.Organize charity events, such as adopting street trees and participating in "Earth Day" events, to convey the concept of	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<div>sustainability to consumers.</div> <div>Consumer health and safety</div> <div> <ul style="list-style-type: none"> ● Establish The “ Food Safety Team” to focus on strict monitoring of all aspects from procurement, inspection, production to serving, ensuring compliance with food safety policies and regulations. ● Continue to strengthen the traceability management of food ingredients, conduct safety inspections for all items and food quality checks for served food to comply with food safety and health laws and </div>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
				<p>regulations, while actively promoting the production traceability system.</p> <ul style="list-style-type: none"> ● Continue to implement the local ingredient procurement policy, and work with the contract farms to provide customers with safe ingredients. ● Enhance the knowledge of food safety-related regulations among restaurant staff, and implement them in their work areas.
			Customer privacy management	<ul style="list-style-type: none"> ● Establish a secure control mechanism for computer network system: Ensure

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<div>ment</div> <div> <p>the security of network transmission data, protect network operations, and prevent unauthorized access to confidential data.</p> <ul style="list-style-type: none"> ● Strengthen network security management for inter-company computer network systems: Install antivirus software internally, set up external network firewalls to prevent computer viruses and malicious software attacks, and prevent the company's network system from being paralyzed. ● Educate employees on </div>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
				correct concept of information security: Ensure that employees are aware of the threats of computer viruses, and use legal software to enhance employees' information security awareness.
			Corporate Governance (G)	<ul style="list-style-type: none"> ● Maintain financial stability and good credit standing, adopt a conservative financial planning principle, regularly evaluate bank loan interest rates, and maintain close contact with banks to obtain more favorable interest rates. ● Inflation is taken into

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>nal risks (including interest rate fluctuations, inflation, important domestic and international response measures and policy changes, corporat</p> <p>consideration when planning the annual operation plan. Adjusting sales pricing according to market demand.</p> <ul style="list-style-type: none"> ● Adhere to operational policies in accordance with the law, and constantly monitor significant domestic and international policy and regulatory changes affecting operations and seeking timely advice from legal experts. ● Appoint personnel to monitor changes in tax-related laws and regulations, and formulate response 	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			e image changes and information security)	measures to ensure tax compliance.
			<ul style="list-style-type: none"> ● Legal compliance 	<ul style="list-style-type: none"> ● Continue to track the development of new and revised regulations within the scope of business responsibility, analyze the impact of new and revised regulations on the company, and plan response strategies. ● Continue to implement legal compliance with a variety of laws and regulations promotion, advocacy, and

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<div>educational training courses, and continuously tracks industry-related laws and regulations and policies, assesses the potential risks of regulatory changes on the Company, and reviews the internal regulations of My Humble House Hospitality in a timely manner, and strives to comply with the laws and regulations with the highest standards.</div> <div>In addition, in response to the increasingly severe economic, social and environmental changes, the Company proactively plans for continuous management of business operations</div>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>through a comprehensive management mechanism. It continuously reviews and improves to ensure that in the event of an emergency or impact, the Company can fully maintain and restore normal operations, thereby reducing the impact on customers and the company's losses. In addition, in response to the changes in the hotel industry after the pandemic, we proposed three major plans for rapid market adaptation, to talent development, and enhancement of dining advantages, actively expanding both digital and physical channels.</p> <p>For details explanations of the above items, please refer to the 2022 sustainability report.</p>	
<p>III. Environmental issues</p> <p>(I) Has the Company set up an appropriate environmental management system based</p>	V		<p>(I) The Company's responsible unit for environmental management is the</p>	<p>(I) No material difference.</p>

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
on the characteristics of its industry?			Engineering Division, which supervises each hotel's engineering department in monitoring and managing energy management indicators such as electricity usage, gas emissions, water usage and recycling, in order to have a friendly working environment that is environmentally friendly and energy-saving. In addition, we also establish a maintenance plan for each hotel's equipment, and regularly record each equipment's operational data to analyze whether it is reasonable.	
(II) Is the Company committed to improving the efficiency of resource utilization and using recycled materials with low impact on the environment?	V		(II) The Company is committed to various energy saving and carbon reduction strategies and Improve energy usage efficiency, with the following specific measures: (1) Real-time monitoring of energy usage	(II) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>①Each hotel's engineering department reviews and controls energy usage on a daily basis, and adjusts the parameters of the dual-effect heat pump, air conditioning, hot water and boiler systems from time to time to optimize the operational efficiency of each equipment.</p> <p>②We set up the central system regulation alarm system, and if the preset power consumption limit is exceeded, it will be unloaded urgently, and report the abnormal condition to achieve the goal of energy saving.</p> <p>③In the second half of 2023, the Company planned to set up smart systems in guest elevators to improve customer satisfaction and transportation efficiency while reducing energy consumption due to</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>elevator idling.</p> <p>(2) Equipment retirement and replacement</p> <p>①We carry out replacement of air compressor equipment and selection of energy-efficient models that comply with government regulations.</p> <p>②Each year, we replace the lighting with LED energy-saving bulbs to reduce energy waste and improve equipment safety.</p> <p>③We conduct replacement of the lobby revolving doors with automatic sensor for opening and closing the doors to assist in the air conditioning of the building and reduce indoor air pollution.</p> <p>④ Upgrade the frequency conversion motors of guest room air conditionersto reduce noise and save electricity by 31%.</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>(3) Continuing promotion of the concept of environmental protection</p> <p>①Employees are encouraged to use public transportation, walk, bike, or ride together when they go to work.</p> <p>②Every year, we participate in the World Wide Fund for Nature's (WWF) "Earth Hour" campaign by turning off non-essential lighting in the hotel and appealing to our guests to participate in a paperless way through the TV in the guest rooms and electronic signage.</p>	
(III) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take countermeasures to respond to climate related issues?	√		(III) The Engineering Division of the Company regularly compares and analyzes the daily utility energy usage records of each hotel with those of the Meteorological Bureau and compares them with historical data to review the reasonableness of the utility energy usage and to use them as a	(III) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.															
	Yes	No	Summary description																
			<p>reference for future energy usage estimates of each hotel.</p> <p>In addition, the Company has discussed the potential risks, opportunities, and countermeasures of climate change on the Company now and in the future, and the relevant assessment will be disclosed in the 2023 ESG Report.</p>																
(IV) Does the Company make statistics on greenhouse gas emissions, water consumption and total weight of waste for the past two years, and formulate policies for energy conservation and carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management?	V		<div>(I) Greenhouse gas:</div> <table> <tr> <th>Year</th> <th>Scope 1 Carbon emission s (tons)</th> <th>Scope 2 Carbon emissions (tons)</th> <th>Intensity (Tons of CO2e /Thousands of revenue)</th> </tr> <tr> <td>2022</td> <td>4,132.70</td> <td>14,309.52</td> <td>0.0056</td> </tr> <tr> <td>2023</td> <td>4,792.70</td> <td>15,126.21</td> <td>0.0042</td> </tr> </table> <div>(2) Water consumption</div> <table> <tr> <th>Year</th> <th>Total water consumption</th> <th>Intensity (Tons /Thousands of</th> </tr> </table>	Year	Scope 1 Carbon emission s (tons)	Scope 2 Carbon emissions (tons)	Intensity (Tons of CO2e /Thousands of revenue)	2022	4,132.70	14,309.52	0.0056	2023	4,792.70	15,126.21	0.0042	Year	Total water consumption	Intensity (Tons /Thousands of	(IV) No material difference.
Year	Scope 1 Carbon emission s (tons)	Scope 2 Carbon emissions (tons)	Intensity (Tons of CO2e /Thousands of revenue)																
2022	4,132.70	14,309.52	0.0056																
2023	4,792.70	15,126.21	0.0042																
Year	Total water consumption	Intensity (Tons /Thousands of																	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			(Tons)	
			revenue)	
			2022	
			798,425	
			0.241	
			2023	
			888,602	
			0.185	
			(3) Waste:	
			Year	
			Total amount (Tons)	
			2022	
			2,258.18	
			2023	
			2,410.54	
			Note: The scope of 2022 data covers Sheraton Taipei, Le Méridien and Mu Jiao Xi Hotel; The scope of 2023 data covers Sheraton Taipei , Le Méridien , Mu Jiao Xi Hotel and Humble Boutique Hotel.	
			The Company has set "replacement of old equipment" as the main energy-saving	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>measures, and continued to invest in the replacement of old equipment projects. In addition to replacing lamps and equipment, we conduct structural inspections of existing buildings and exteriors Through centralized air conditioning monitoring, it controls and detects CO2 emissions. It installs a water recycling device, recycles water for cooling tower circulation, and maintains the water circulation equipment monthly. By doing good cleaning, replacing consumables, and conducting structural and functional inspections, it not only effectively utilizes water resources but also reduces the cost of equipment wear and tear.</p> <p>The Company is also committed to reducing carbon emission intensity (tons of CO2e/Thousand NT dollar Revenue), adjusting energy conservation based on domestic and international energy conservation and carbon reduction trends. It sets 2018 as the base year,</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>with the goal of reducing carbon emission intensity by 1% per year, and formulating short, medium, and long-term plans to continue promoting energy conservation and carbon reduction measures and purchasing environmentally friendly energy-saving equipment. It aims to reduce carbon intensity by 12% by 2030.</p> <p>For more information on our energy conservation management, water resource management and waste management, please refer to our Sustainability Report.</p>	
<p>IV. Social issues</p> <p>(I) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations as well as the International Bill of Human Rights?</p>	V		<p>(I) The Company complies with the Taiwan Labor Standards Act and other relevant laws and regulations and establishes "Work Rules" and reports them to the Department of Labor in accordance with the law, and the same applies to</p>	<p>(I) No material difference.</p>

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			amendments to protect the rights and interests of employees and the principle of fair and open management.	
(II) If the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		(II) 1. Employee remuneration and welfare measures: The Company has established and implemented reasonable employee welfare measures, as described in the Annual Report under "V. Operations overview - V. Labor relations" In addition, the Company has established the "Remuneration Committee" to perform supervisory duties, and has formulated an Employee Handbook that sets forth "Operating Procedures for Ethical Management and Guidelines for Conduct" "Code of Ethical Conduct", "Service Disciplines", "Performance Appraisal System", "Reward and Punishment Standards", "Code of Practice for Employees Accepting Gifts,	(II) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			Declaration of Interests and Declaration of Conflicts of Interest" and the newly issued "Basic Code of Conduct and Operation Points of Humble House Group Employees" to be issued to employees on the day they reporting for work for their information and compliance. The contents clearly define the rights and obligations of employees. The "Regulations Governing the Salary and Remuneration", the "Regulations Governing the Payment of Cash Gifts for the Three Festivals", "Regulations Governing the Payment of Year-end Bonuses", and "Operational Performance Bonus System" were also established to share the Company's profits with employees and to ensure that employees' remuneration grows together with the Company's operations, in line with the Company's efforts to promote	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>sustainable development.</p> <p>2. Workplace diversity and equality: The Company upholds equal pay for equal work for men and women and equal opportunities for promotion; In 2023, the average proportion of female employees is 48.97%; In 2023, the average proportion of female supervisors is 45.19%.</p>	
(III) Does the Company provide employees with a safe and healthy working environment, and related education?	V		(III) The Company complies with the requirements of occupational safety and health-related laws and regulations and regularly inspects and repairs all equipment, and complies with the self-officer management mechanism; sets up the Occupational Safety Office and a medical room to provide employees with workplace safety care; holds annual employee health checks and education courses related to safety, health, and a	(III) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>happy workplace, and provides health education information from time to time so that employees can have an additional level of protection for their own health and safety. Please refer to the Sustainability Report for details.</p> <p>In terms of occupational safety and health policies, the Occupational Safety Office is responsible for establishing work safety and health rules, prevention plans, countermeasures, maintenance and automatic inspection of various equipment, safety inspection of employees' work environment, safety and health education training and promotion, and providing employees with the knowledge and skills needed to perform their jobs and prevent disasters. The company also holds a monthly safety and health committee to review and improve the situation; The Company appoints the Occupational</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.						
	Yes	No	Summary description							
			<p>Safety and Health Association of the R.O.C. and Zhonghua Inspection Technology CO., Ltd. every six months to monitor the operating environment for chemical factors (such as carbon dioxide concentration) and physical factors (such as noise, high temperature, and humidity) and provide inspection reports; conducts annual health checkups for all employees. The Company also invites medical doctors to conduct health diagnosis and consultations for employees with abnormal health checkup values as the monthly labor health service and also provides professional health information to protect employees' physical and mental health.</p> <p>Occupational safety training and promotion in the past two years:</p> <table><tr><th>Year</th><th>Number of trainees</th><th>Total number of training hours</th></tr><tr><td>2022</td><td>5,318</td><td>4,030</td></tr></table>	Year	Number of trainees	Total number of training hours	2022	5,318	4,030	
Year	Number of trainees	Total number of training hours								
2022	5,318	4,030								

Promotion item	Implementation status					The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description			
			2023	5,039	4,936.33	
			The number of occupational injuries in the Company in 2023 is 106 (accounting for 7.54% of the total employees), mainly due to 1. traffic accidents during commute, 2. slips, 3. cuts, and 4. burns. After internal evaluation and improvement measures, the Company strengthens the promotion of traffic safety in the occupational safety course for new employees to enhance their traffic safety awareness. Please refer to the Sustainability Report for detailed descriptions of the above items.			
(IV) Has the Company established an effective career development training program for employees?	V		(IV) In 2023, the Group passed the TTQS Talent Development Quality Management System evaluation, strengthening the complete functional training for supervisors and colleagues at all levels including diverse content such as sustainable ESG, operational processes, health promotion,			(IV) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>food safety, occupational health and safety, service areas, legal compliance, multimedia editing production, corporate seminars, and various language courses. This Assists employees to continue their learning and growth through diverse learning methods, introducing training courses related to the development of corporate culture and workplace ethics and beliefs to cultivate key capabilities in colleagues. In 2023, a total of 17,438 employees completed employee education and training, with a total of 39,520.08 hours. In addition, annual performance appraisal interviews every year, the direct supervisors and colleagues jointly discuss and set up a personal development plans. Through regular review and feedback, employees are assisted in self-improvement and career advancement.</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			For more detailed information on these items, please refer to the Sustainability Report.	
(V) Does the Company comply with relevant laws and regulations and international standards regarding customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant customer rights protection policies and complaint procedures?	V		<p>(V) In accordance with the “Act Governing Food Safety and Sanitation”, the Company has appointed a dedicated food technician in each hotel, who works together with the purchasing department and the food and beverage department of each hotel to activate the "Food Safety Control Task Force" mechanism to regularly review and improve food safety issues in order to protect consumers for food safety.</p> <p>In accordance with the “People with Disabilities Rights Protection Act”, the Company has stated on the official website of each hotel that "the Company complies with the relevant laws and regulations and respects and protects the personality and legitimate rights of the physically and</p>	(V) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>mentally handicapped, and guarantees their fair use of related facilities and equipment and their enjoyment of related rights".</p> <p>In order to protect the privacy of hotel guests and to protect and implement the personal information of customers, the Company has stated on the official website of the hotel that "The Company complies with the relevant laws and regulations on the protection of personal information (including but not limited to the Personal Data Protection Act of the Republic of China) and will use it during the operation period based on respecting the rights and interests of guests, and will protect it properly in accordance with the provisions of the law. For this premise, you agree to the Company's use of the information within the scope of the law, but in accordance with the law, you may still</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>request: inquiring, viewing, copying, supplementing, correcting, stopping the collection and use of the information, requesting deletion, and please contact us by e-mail if you need to do so. The aforementioned personal information and privacy statement is also in compliance with EU and international law.</p> <p>The Company's official website contains a full disclosure of its products and services for consumers to browse at any time. The Company also has a telephone hotline and a customer service e-mail address for further inquiries from consumers. A dedicated customer service unit is in place to handle consumer complaints. If consumers have any comments about our products and services, they can use our on-site customer service staff, customer service hotline or email messages to file a complaint. In order to protect consumers'</p>	

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			rights and interests, the Company not only reminds customers through SMS notifications and social media platforms, but also reminds visitors with a pop-up window on the official website of each hotel that "Fraud is rampant. Please be vigilant to avoid being cheated. If you receive a suspicious call, please call the hotel or call 165 for verification, and be aware of the following: Do not use ATMs, do not give personal information, and do not return unfamiliar phone calls" as well as other precautionary measures to protect customers' rights and interests.	
(VI) Has the Company formulated supplier management policies that require suppliers to follow relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and monitor their implementation?	V		(VI) The Company has established a supplier selection standard and audit system to regularly review the qualification of suppliers; In 2022, the Company re-signed the "Purchase Transaction Agreement" with each supplier, and the main new provision is to require our suppliers to	(VI) No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
			<p>comply with the "Global Supplier Code of Conduct" in order to fulfill their corporate social responsibility, including the following three items: business conduct and ethics, respect for human rights and work rights, and commitment to environmental protection. For details, please refer to the Sustainability Report.</p> <p>In addition, the Company requires the construction vendors to fill out the application form and the letter of commitment for occupational safety and health before entering our hotels, and to conduct self-assessment for each item of occupational safety and health.</p>	
V. Does the Company make reference to international reporting standards or guidelines to prepare corporate social responsibility or other reports that disclose non-financial information about the Company? Has the	V		The annual sustainability report is prepared in accordance with the GRI Standards published by the Global Reporting Initiative (GRI), industry supplemental guidance, and the "Taiwan Stock Exchange Corporation Rules	No material difference.

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
assurance or opinion from third-party certifying institutions been obtained for the reports of the preceding paragraph?			Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" announced by the Taiwan Stock Exchange. We have obtained independent limited assurance from Ernst & Young CPAs in accordance with Statement of Standard Accounting Standards No. 1, "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information," issued by the Accounting Research and Development Foundation of the Republic of China and published on the Company's official website: https://www.mhh-group.com	
<p>VI. If the Company has related practice principles of its own in accordance with the "Corporate Social Responsibility Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: no difference.</p> <p>The Company has established the "Corporate Social Responsibility Best Practice Principles", which were amended and renamed as the "Sustainable Development Best Practice Principles" as approved by the Board of Directors in March, 2022 to strengthen the implementation of sustainable development. The Company regularly reviews the implementation status of the Principles and makes improvements accordingly. There has been no difference in implementation to date.</p>				

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
VII. Other important information that is helpful to understand the implementation of corporate social responsibility:				
1. <u>Environmental protection</u> : Our hotels continue to adopt street trees to green the environment.				
2. <u>Support and sponsor Taiwan sports activities and develop potential sports talents</u>				
The Company sponsored the establishment of the "Chinese Enterprise Archery League" in 2019, and selected the best archers in Taiwan, both male and female, to form the My Humble House Group Archery Team to participate in tournaments and has won the annual championship of the Chinese Enterprise Archery Competition for 4 consecutive years.				
We hope that by sponsoring this professional archery league, we can raise awareness and promote the sport of archery in Taiwan, create a healthy archery environment with the spirit of precision and sustainability, discover potential new talent, extend the careers of Taiwan's top archery players, and preserve the legacy of outstanding coaches. This will directly enhance the competitive strength of the Taiwan archery team and protect the working rights of the archers and coaches, avoiding the loss of the long-nurtured archery talents in the country due to the interruption of their amateur careers, as well as achieving social welfare and fulfilling the purpose of corporate social responsibility.				
3. <u>Earth Hour</u>				
Each year, our hotel participates in the "Earth Hour" campaign, which is a global energy-saving, carbon-reduction and environmental protection campaign organized by the World Wide Fund for Nature (WWF), aiming to send a global message about environmental protection and care for the Earth. On the night of the event, from 8:30-9:30 pm, we will turn off the exterior and projector lights, exterior and pedestrian lights, parking lot lights, and reduce or turn off non-essential indoor lighting, using a paperless way to call on guests to join the Earth Hour campaign through accommodation TV and electronic signage to protect the beautiful blue planet.				
4. <u>Local inheritance, Mu conveys feelings</u>				

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>The Yilan paddy fields have a favorable environment and beautiful scenery and is home to many water birds. In recent years, rapid loss of the paddy fields in Lanyang Plains has led to deteriorating habitat conditions and a significant decrease in bird numbers. The Jiaoxi Hanmu Hotel is committed to preserving these precious resources that are disappearing by subscribing to rice cultivation conducted without pesticides or chemical fertilizers. The rice is then donated to charitable organizations, supporting local farmers who advocate for environmental friendliness and giving back to society.</p> <p><u>5. Give back to the society with action during the Mid-Autumn Festival</u></p> <p>The Group has always been committed to charity and public welfare activities. In 2023, it gave back to the society with practical actions. On the eve of the Mid-Autumn Festival, it gave back to society through practical actions, donating mooncakes to charity organizations before the Mid-Autumn Festival to allow underprivileged families receiving the <u>mooncakes to feel full of blessings and warmth.</u></p> <p><u>6. Ocean protection activists and corporate beach cleanup experience</u></p> <p>In September, we cooperated with an environmental-friendly subsidiary company to lead everyone outdoors to experience fun and meaningful corporate sustainability activities. The main purpose of this activity was to understand the current situation and issues of marine waste through gamified experiences and beach cleaning actions, convey the concept of corporate concern for marine sustainability and plastic reduction, and build a consensus on sustainability.</p> <p><u>7. Humble House Life APP bring your own meal box to reduce waste</u></p> <p>In response to the promotion of the "Mom Climate Action Alliance" to reduce waste by bringing your own lunch box, the Han Group provided preferential measures to increase people's willingness to bring their own lunch boxes, reducing the use of disposable lunch boxes from the user end.</p> <p><u>8. Let's love stone tigers and protect their habitats together</u></p>				

Promotion item	Implementation status			The differences from the Sustainable Development Best Practice Principles for TWSE/TPEX listed Companies and the reasons therefor.
	Yes	No	Summary description	
<p>The Humble House Hospitality started to offer “Stone Tiger Rice” at each of the restaurants of Sheraton Taipei , Le Méridien , Mu Jiao Xi Hotel and Humble Boutique Hotel since October. This is a group of local residents producing agricultural products known as "Stone Tiger Rice" using pesticide-free and environmentally friendly farming methods that are friendly to leopard cats. Through the "watershed recovery" strategy, the paddy fields become the foraging habitat for leopard cats, and leopard cats from nearby mountain areas can also enter the paddy fields to forage. By promoting Leopard Cat Rice, we hope to balance farmers' economic needs, natural ecology, and sustainable living, achieving coexistence of ecology and agriculture.</p> <p><u>9. HonDao Org. Helping the Elderly, Love Garden Party</u></p> <p>Mu Jiao Xi Hotel supports HonDao’s Senior Citizen's Charity Love Garden Party, allowing families to enjoy food and fun together at the fair, while also seeing the difficulties faced by elderly peo</p> <p><u>9.Christmas charity donation event</u></p> <p>The Company’ s hotels spare no effort to participate in public welfare activities. Every December, the Company holds Christmas charity donation events to respond to practical actions, inviting the public to participate and generously donate to help those in need, spreading love to every corner of the world.</p>				

(6) Implementation status of climate-related information

Item	Implementation			
1. Describe the effectiveness of the Board of Directors and the management monitoring and governance of climate-related risks and opportunities.	<p>1. The Company has introduced the Task Force on Climate-related Financial Disclosures (TCFD) since 2023, and annually reviews and discloses identified climate risks in its reports.</p> <p>2. Each department of the Company is responsible for collecting and compiling various climate-related risk issues and reporting them for review. The risks are then assessed and identified by the steering committee and reported to the board of directors, followed by the implementation of climate change risk response measures.</p>			
2. Describe the climate risks and opportunities identified How to influence the business, strategy and finance (short, medium and long term) of the enterprise.	<ul style="list-style-type: none"> The Company has identified immediate and long-term physical climate risks as "extreme weather events", "rising costs of the raw materials", "energy supply interruption" and "rising average temperature" respectively. The impact of climate change may result in disruptions in the company's operations. 			
	Period	Risk	Impact	Response measures
	Long-term	Extreme weather events	<ul style="list-style-type: none"> There has been a decrease in the public's demand for tourism, leading to a reduction in occupancy rates. As a result, hotels were compelled to suspend or reschedule their external activities, resulting in reduced 	<ul style="list-style-type: none"> "Typhoon Disaster Prevention Emergency Response Measures", regular typhoon disaster prevention drills, typhoon disaster prevention preparation and maintenance, and immediate typhoon prevention meetings are

Item	Implementation			
			<p>customer flow and decreased revenue.</p> <ul style="list-style-type: none"> • The cost of responding to climate change is expensed. 	<p>held to monitor typhoon dynamics to reduce risks.</p> <ul style="list-style-type: none"> • Establishment of "Emergency Incident Reporting Procedure (SIR)," immediate notification to all colleagues in case of emergency events. • The Company has insurance for inventories and assets to reduce losses caused by the inventory and asset impairment. • Real-time monitoring of water information by the Water Resources Agency and formulation of water shortage countermeasures. • Reduce the risk of natural disasters and improve resilience through

Item	Implementation			
				business continuity management.
	Mid-term	Rising raw material costs	<ul style="list-style-type: none"> • The rising costs of food and beverage ingredients eroded operating profits. 	<ul style="list-style-type: none"> • Increase the proportion of local procurement to reduce carbon emissions from long-distance transportation of food ingredients. • Develop new suppliers from time to time and implement supplier management. • Ensure multiple sources of supply and establish supplier code of conduct management.
	Mid-term	Energy supply disruptions	<ul style="list-style-type: none"> • Loss of revenue due to suspension of operations and other events. • Losses caused by customer complaints that indirectly affect brand reputation. 	<ul style="list-style-type: none"> • Stabilize hotel operations and enhance overall competitiveness through energy management. • Daily record of energy usage and report energy anomalies monthly.

Item	Implementation			
	Long-term	Rising average temperatures	<ul style="list-style-type: none"> The increase in electricity consumption and carbon emissions led to increased operating costs. 	<ul style="list-style-type: none"> Regularly review electricity consumption and set electricity consumption reduction targets. Reduce the use of equipment during off-peak hours or adjust it to intermittent operations.
	<ul style="list-style-type: none"> Climate transformation risks include “mandatory regulations on products and services” , “increased cost of greenhouse gas emissions” , “stricter regulations on renewable energy” , “changes in consumer preferences” and “impact on corporate image” , affecting the Company’s operating costs and bring potential risks to the Company. 			
	Period	Risk	Impact	Response measures
	Short to medium term	Mandatory Regulations on Products and Services	<ul style="list-style-type: none"> Additional expenditure for internal transformation of the enterprise to comply with the regulations. Costs of building energy-saving systems and purchasing 	<ul style="list-style-type: none"> Combine diverse legal promotion and education training to strengthen employee legal concepts. Assess new or revised laws and regulations within the scope of responsibility of each unit,

Item	Implementation			
			energy-saving equipment.	<p>analyze the impact of new revised laws and regulations on the company, propose response strategies, and execute the effectiveness assessment of legal compliance by the Legal Affairs Office.</p> <ul style="list-style-type: none"> • Set up an information security team and establish a security control mechanism for computer network systems to ensure the security of data transmission, prevent computer viruses or malicious software attacks, and reduce the risk of personal information leakage. • Establish a food safety team, conduct monthly in-

Item	Implementation			
				<p>house and cross-inspection, holds regular food safety meetings, and promotes, guides and supervises food safety policies to reduce the impact of potential food safety risks.</p> <ul style="list-style-type: none"> • Replace old and high-energy-consumption equipment. • Use equipment with sustainable or energy-saving trademarks
	Mid-term	Increase in GHG emission costs	<ul style="list-style-type: none"> • The payment of carbon fees increases operating costs. • Failure to comply with regulatory requirements may result in fines, increasing operating expenses. 	<p>The greenhouse gas inventory and promotion team was established by My Humble House Hospitality to be responsible for the formulation of overall plans, statistics of various greenhouse gas emissions, inventory and report preparation.</p>

Item	Implementation			
	Mid-term	More stringent regulations on renewable energy	<ul style="list-style-type: none"> Costs of purchasing renewable energy and green energy certificates. Invest in resources to promote corporate green transformation. 	The Greenhouse Gas Inventory and Promotion Team of the My Humble House Hospitality participated in the government's Net Zero seminar and training to understand the latest renewable energy regulations.
	Short-term	Changes in consumer preferences	<ul style="list-style-type: none"> Cost of consumer resistance. Expenses for sustainable education training and transformation investments. 	Move towards green hospitality, reduce the provision of single-use items, and establish a circular tourism model.
	Short-term	Impact on corporate image	<ul style="list-style-type: none"> Unable to meet the expectations of stakeholders and fail to demonstrate the commitment to low-carbon practices. 	<ul style="list-style-type: none"> Communicate the implementation results to stakeholders through the Company's website, annual reports and corporate social responsibility reports.

Item	Implementation			
			<ul style="list-style-type: none"> The image of transformation has lost customers' trust, resulting in a decrease in revenue. 	<ul style="list-style-type: none"> Emphasizing corporate image and risk control and respond to energy conservation and carbon reduction by adopting street trees and participating in the "Earth Hour" event.
	<ul style="list-style-type: none"> Eight climate opportunities were identified as follows: 			
	Period	Opportunities	Contents	
	Mid-term	Improve the efficiency of water use	Implement water-saving measures, improve the efficiency of water use, reduce production costs, and thereby reduce the impact and cost of operations in the event of water shortage.	
	Mid-term	Stipulate risk management procedures	Conduct flooding scenario analysis, improve management of flooding risks and build flood barriers, reduce capital losses arising from unexpected flooding, and improve climate resilience as a competitive advantage of the enterprise.	
	Long-term	Win public recognition and carbon emission offset cooperation	Obtain public sector rewards and carbon emission offset cooperation to reduce potential future carbon tax or carbon fees and achieve net zero emissions.	

Item	Implementation		
	Mid-term	Utilization of renewable energy	Set up self-owned renewable energy power generation equipment to reduce greenhouse gas emissions, reduce the risk of possible external power shortages, and avoid possible carbon tax or carbon fee costs in the future.
	Long-term	Improve energy efficiency	The Company purchases the latest energy-saving equipment (such as variable frequency air conditioners) and constructs more efficient systems (energy monitoring systems) in its operations to improve energy efficiency and save operating costs.
	Mid-term	Enhance supply chain stability	Implement climate risk identification, and regularly audits and guidance for high-risk suppliers to ensure effective risk control, reduce the risk of chain breaks faced by future suppliers due to climate risk changes, enhance supply chain stability, and ensure timely delivery.
	Mid-term	Local procurement	Actively develop local suppliers, implement local procurement, reduce management operating costs, reduce indirect transportation greenhouse gas emissions, and create local employment opportunities and economic prosperity to enhance positive image.
	Short-term	Develop green innovative services/products	Reduce the development of pork and beef products, launch new products such as low-carbon (beans, white meat, eggs, and fish) meals, vegetable food/plant-based products to increase revenue, meet market demand and reduce the impact of global climate change risks.

Item	Implementation						
3. Describe the financial impact of extreme weather events and transformation actions.	<ul style="list-style-type: none"> • As for the impact of extreme climate events and transformation actions on finance, please refer to the description of Item 2 above. • In the face of the transformation risks and physical risks and opportunities brought about by climate change, the Company incorporates related risks into operational decisions, identifies and manages risks, and actively deploys and responds to them to maintain the competitiveness of the enterprise. • The Company has established a greenhouse gas promotion team, which is responsible for the planning and implementation of the overall greenhouse gas strategy, regularly evaluating effectiveness, and continuously improving and enhancing. 						
4. Describe how the identification, assessment and management process of climate risks are integrated into the overall risk management system.	<ul style="list-style-type: none"> • In order to strengthen the attention and management of climate risks and respond to the significant impact of climate change, the Company re-identifies and evaluates major climate change risks and opportunities every year, incorporates climate change impact factors in daily operations, strategic planning and decision-making processes, analyzes the potential impact that may have on the Company, and formulates response measures. • The Company's climate risk management process is mainly divided into five steps, from risk identification, measurement, monitoring to reporting, which are described as follows: <table> <tr> <th>Process</th><th>Contents</th></tr> <tr> <td>1</td><td> <ul style="list-style-type: none"> • Climate Risk Data Collection • Department Manager Interviews </td></tr> <tr> <td>2</td><td> <ul style="list-style-type: none"> • Identification of possible events and risk factors • Identification of climate change risks and opportunities </td></tr> </table>	Process	Contents	1	<ul style="list-style-type: none"> • Climate Risk Data Collection • Department Manager Interviews 	2	<ul style="list-style-type: none"> • Identification of possible events and risk factors • Identification of climate change risks and opportunities
Process	Contents						
1	<ul style="list-style-type: none"> • Climate Risk Data Collection • Department Manager Interviews 						
2	<ul style="list-style-type: none"> • Identification of possible events and risk factors • Identification of climate change risks and opportunities 						

Item	Implementation
	3 • Explanation of significant risks and opportunities
	4 • Development of risk response strategies • Establishment of risk management indicators and goals
	5 • Regular evaluation and review of effectiveness Continuous improvement and refinement
5. If using scenario analysis to assess resilience to climate change risks, explain the scenario, parameters, assumptions, analysis factors, and major financial impacts used.	The Company will conduct scenario analysis in 2024 to assess resilience to face climate change risks, with disclosure in the 2023 sustainability report.
6. If there is a transformation plan to manage climate-related risks, explain the content of the plan, and indicators and goals used to identify and manage physical risks and transformation risks.	<p>The Company manages various physical risks and transition risks with three main themes: "Legal Compliance," "Hardware Equipment Updates," and "Greenhouse Gas Inventory."</p> <p>Firstly, regularly update various climate-related laws and regulations, strictly abide by their regulatory requirements, and serve as the development foundation of the transformation plan.</p> <p>Secondly, replace hardware equipment with environmental protection labels, and eliminate fuel-consuming official vehicles.</p> <p>Thirdly, gradually complete the greenhouse gas inventory and plan the reduction policy.</p>
7. If internal carbon pricing is used for planning, the basis for price setting shall be described.	The Company has not yet established internal carbon pricing; relevant departments are currently conducting research and development in this area.

Item	Implementation
<p>8. If there is a climate-related target, it should explain the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of the progress; If the Carbon Offset or Renewable Energy Certificate (RECs) are used to achieve the relevant goals, the source and quantity of the carbon reduction quota offset or the number of the Renewable Energy Certificate (RECs) should be stated.</p>	<p>The Company is committed to reducing carbon emission intensity (tons of CO2e/thousand dollars of revenue), adjusting energy conservation with reference to domestic and international energy conservation and carbon reduction trends. The reference year is set to 2018, targeting a 1% reduction in carbon emission intensity each year, and planning short, medium and long-term plans. Continuously promote energy conservation and carbon reduction measures and purchase environmental friendly energy-saving equipment. The goal is to reduce carbon emission intensity by 12% in 2030.</p>
<p>9. Greenhouse gas inventory and assurance situation, reduction targets, strategies and specific action plans (please also 1-1 and 1-2).</p>	

1-1 The Company's greenhouse gas inventory and assurance in the last two years

1-1-1 Greenhouse gas inventory information

Describe the greenhouse gas emissions (metric tons of CO₂e), intensity (metric tons of CO₂e/thousand) and data coverage for the last two years.

Greenhouse gasses:

<u>Year</u>	<u>Scope 1</u>	<u>Scope 2</u>	<u>Intensity</u> (Tons CO ₂ e/NT \$thousands of revenue)
111	4,132.70	14,309.52	0.0056
112	4,792.70	15,126.21	0.0042

Note: The scope of 2022 data covers Sheraton Taipei, Le Méridien and Mu Jiao Xi Hotel; The scope of 2023 data covers Sheraton Taipei, Le Méridien, Mu Jiao Xi Hotel and Humble Boutique Hotel.

Note 1: Direct emissions (Scope 1: Direct emissions from sources that are owned or controlled by the Company), energy indirect emissions (Scope 2: Indirect emissions from the purchase of electricity, heat or steam) and other indirect emissions (Scope 3: Indirect emissions from company activities, excluding energy indirect emissions, which are from sources that are owned or controlled by other companies).

Note 2: The data coverage of direct and indirect energy emissions shall be processed according to the schedule specified in Article 10, Paragraph 2 of this guidelines, and the information of other indirect emissions may be disclosed on a voluntary basis.

Note 3: Greenhouse gas inventory standard: The Greenhouse Gas Protocol or ISO 14064-1 issued by the International Organization for Standardization.

Note 4: The intensity of greenhouse gas emissions can be calculated by each unit of product/service or revenue, but at least the data calculated by revenue (NT \$million) should be stated.

1-1-2 Greenhouse gas verification information

Describe the assurance situation for the most recent two years as of the publication date of the annual report, including the scope of assurance, the assurance agency, the assurance standards and the assurance opinions:

The Company has not yet carried out greenhouse gas verification operations, and has planned a sustainable development roadmap in accordance with the Financial Supervisory Commission regulations, and will conduct inventory and verification according to the schedule.

Note 1: It shall be handled in accordance with the schedule stipulated in Article 10, Paragraph 2 of this Code. If the Company fails to obtain a complete greenhouse gas assurance opinion as of the date of publication of the annual report, the "complete assurance information will be disclosed in the sustainability report" shall be indicated. If the Company fails to prepare the sustainability report, the "complete assurance information will be disclosed in the Market Observation Post System" shall be indicated, and the complete assurance information shall be disclosed in the annual report of the following year.

Note 2: The confidence agency should meet the relevant regulations of the Taiwan Stock Exchange Corporation and Taipei Exchange stipulated sustainability report confidence agency.

1-2 Greenhouse gas reduction targets, strategies and concrete action plans

Describe the baseline year of greenhouse gas reduction and its data, reduction targets, strategies and specific action plans, as well as the achievement of reduction targets.

The Company has set 2018 as the baseline year, with a goal to reduce carbon emission intensity by 1% per year, and formulate short, medium and long-term plans, adjusting energy conservation actions with reference to domestic and international energy conservation and carbon reduction trends, continuously promote energy conservation and carbon reduction measures and purchase environmental friendly energy-saving equipment, and expect to reduce carbon emission intensity by 12% in 2030.

Note 1: It shall be handled according to the schedule stipulated in Article 10, Paragraph 2 of this Code.

Note 2: The baseline year should be the year when the inventory is completed based on the consolidated financial report. For example, in accordance with the provisions of Article 10, Paragraph 2 of this Code, companies with a capital amount of

more than NT \$10 billion should complete the inventory of the 2024 consolidated financial report in 2025, so the baseline year is 2024. If the company has completed the inventory of the consolidated financial report in advance, the earlier year can be the base year, and the data of the base year can be calculated by the average of a single year or a few years.

(VII) Operation status of ethical corporate management and the differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
I. Formulation of ethical corporate management policy and plan (I) Has the Company formulated an ethical corporate management policy approved by the Board of Directors, and are the policy and practice of ethical corporate management stated in the Company's regulations and external documents, as well as the commitment of the Board of Directors and the senior management to actively implement the	V		The Company has established the "Operating Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct", which have been approved by the Board of Directors and will be reported to the most recent shareholders' meeting for any amendments. The Company's "Operating Procedures for Ethical Management and	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
policy?			<p>Guidelines for Conduct" and "Code of Ethical Conduct" have been disclosed on MOPS and the Company's website. They are included in the Employee Handbook.</p> <p>All members of the Board of Directors of the Company have signed the "Declaration on Ethical Corporate Management" on January 29, 2021, stating that they will abide by the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies" and "Operating Procedures for Ethical Management and Guidelines for Conduct of My Humble House Hospitality Management Consulting Co., Ltd." and that they will not offer, accept, promise or demand any improper benefits, directly or indirectly, or engage in any other acts that violate integrity, are illegal or breach fiduciary duties in the course of</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			performing their duties as directors. In addition, the Group's middle-level and above officers of each hotel completed the signing of the "Declaration on Ethical Corporate Management" to actively enforce the ethical corporate management policy.	
(II) If the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct, and on the basis of this, has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies"?	V		In accordance with the "Operating Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" approved by the Board of Directors, the Company has established the "Code of Practice for Employees Accepting Gifts/Declaration of Interests and Declaration of Conflicts of Interest" to establish clear rules for handling and reporting matters that may lead to unethical risks, such as receiving benefits, accepting gifts or conflicts of interest in the course of performing business by employees. This Code	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			<p>of Practice was approved by the chairperson. The Company and each hotel's president review the contents of the declarations made by the units under their jurisdictions at the end of each year to assess the potential unethical risks.</p> <p>In addition, the Company respects intellectual property rights and the Legal Affairs Office follows the regulations of the Intellectual Property Office of the Ministry of Economic Affairs to apply and use trademarks in accordance with the law. The Legal Affairs Office shall prepare and file a register, take inventory regularly in the fourth quarter of each year, and report to the board of directors; The most recent reporting date is November 9, 2023. The implementation is also disclosed on the Group's official website.</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			In terms of food safety and hygiene, each of the Company's hotels has a dedicated food technician who works with the purchasing department, each hotel's food and beverage department, and the Audit Office to activate the "Food Safety Control Task Force" mechanism, and holds quarterly meetings to review recent fresh food procurement and quality control hygiene deficiencies and propose improvement measures. In addition, the Fresh Food Management Unit of the Purchasing Department, together with the food safety technicians, also conducts regular on-site audits and evaluations of important food suppliers every year in order to protect consumers for food safety. .	
(III) If the Company has specified operating procedures, conduct guidelines, and	V		The Company has established the "Code of Practice for Employees Accepting	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?			<p>Gifts/Declaration of Interests and Declaration of Conflicts of Interest", which has been promulgated and implemented since 2018. Each year, the top officer of each unit will review the declaration of employees and the implementation status from time to time, and the Company's Ethical Corporate Management Promotion Group will regularly review whether the aforementioned Code of Practice is in compliance with the latest regulations of "Operating Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" and make amendments in a timely manner.</p> <p>In addition, the Company has also established the "Regulations on Employee Complaints and Handling". If any employee encounters other employees who violate the Company's rules</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			and regulations, violate the law or engage in misconduct that affects the Company's rights and interests, or finds that other employees intend to use their positions to obtain improper benefits that affect the Company's rights and interests, he or she can report the matter through the compliant system.	
II. Implementation of ethical corporate management (I) Does the Company evaluate the ethical records of its counterparties and specify the ethical conduct clauses in the contracts signed with the counterparties?	V		The "Purchase Transaction Agreement" signed between the Company and the suppliers of each hotel of the Group stipulates that both parties shall abide by the anti-bribery rules and prohibit the payment and receipt of commissions, kickbacks or other improper benefits, and that if any party is involved in unethical business activities, the other party may terminate or cancel the contract at any time.	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
(II) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and report regularly (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		The Company's "Procedures for Ethical Management and Guidelines for Conduct" has designated the Chairman's Office as the dedicated unit to be responsible for related matters. The responsible unit reported to the Board of Directors on November 9, 2023 on the implementation of internal regulations.	No material difference.
(III) Does the Company have a policy to prevent conflict of interest, provide appropriate channels for explanation, and implement it?	V		The Company's "Integrity Operation Declaration" and "Code of Conduct" clearly stipulate policies to prevent conflicts of interest, provide appropriate reporting channels, and require relevant units of the Company to implement them. In addition, the Company's "Integrity Operation Declaration for Board of Directors Meetings" regulates the recusal of directors, managerial officers and other interested parties attending or present at the board of directors.	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			The Company has promulgated and implemented the "Code of Practice for Employees Accepting Gifts/Declaration of Interests and Declaration of Conflicts of Interest" since 2018. In accordance with the provisions of this Code of Practice, if an employee expects to undertake a case that involves a conflict of interest, or if he/she reviews the content of the tasks currently being performed and finds a conflict of interest, he/she should immediately fill out a "Declaration on Conflict of Interest" and sign a declaration to complete the declaration process to enforce the prevention policy on conflict of interest	
(IV) If the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws	V		In order to promote the implementation of ethical corporate management, the Company has established an accounting system and an internal control system. The Audit Office has	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
up relevant audit plans based on the evaluation results of risk of unethical conduct, and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?			included the "Compliance Operation of Laws and Regulations" and "Reporting Operation of Unethical Conduct or Improper Behavior" in the annual audit plan, and conducts regular audits based on the relevant acts that may expose the Company to the risk of dishonesty.	
(V) Does the Company regularly organize internal and external education and training on ethical corporate management?	V		In the fiscal year 2023, the company organized relevant courses on sustainability ESG, operational SOP, health promotion, food safety/occupational safety, health and safety, service professionalism, compliance with laws and regulations, and corporate seminars. A total of 13,467 individuals participated in self-organized or external education and training, with a total training duration of 25,415.56 hours.	No material difference.
III. Operations of the Company's whistleblower reporting system				
(I) Has the Company set up a specific	V		To establish an honest and transparent	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
whistleblower reporting and reward system and a convenient reporting channel, and designated appropriate personnel to deal with the reported matters?			<p>corporate culture and promote sound operations, and protect the rights of the whistleblowers, the Company has established the "Employee Complaint and Handling Regulations", and in accordance with the Company's " Integrity Operation Procedures and Code of Conduct ", it has established and announced a reporting hotline and reporting email address on the Company's website and internal website, providing internal and external personnel with complaints, reports or exchange of opinions and accepting reports of crimes, fraud or violations. The Chairman's Office of the Company is the unit for accepting reported cases, and the Audit Office is the unit for investigating reported cases.</p> <p>The information on reporting channels is as follows:</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			1. Reporting line: 0979-608-705. 2. Reporting mailbox: comment @ mhh-group.com 3. Acceptance unit of the reported case: Chairman's Office. A complaint shall be submitted in writing or by email, and the name, title and department of the complainant shall be recorded. The facts, reasons and expectations of the complaint shall be attached if there are relevant documents and evidence. The content of the complaint should be detailed and there should be no abuses and offensive wordings.	
(II) Has the Company formulated standard operating procedures for the investigation of the reported matters, follow-up measures to be taken after the completion of the investigation,	V		The Company's "Employee Complaint and Handling Guidelines" specify the relevant operating procedures for accepting reports. After the investigation team completes the	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
and the relevant confidentiality mechanisms?			<p>investigation report, it will propose suggestions for improvement or correction and punishment according to the management level or the scope of impact involved in the reported matter. The encrypted investigation report will be provided to the top supervisor of the relevant responsible unit for review according to the decision-making authority, and the investigation team will also track the subsequent improvement of the accepted matters.</p> <p>The members of the complaint handling team and relevant parties shall keep the relevant information confidential during the investigation period and after the investigation results. It is strictly forbidden to publish or disclose the case to others without authorization. The parties concerned that cannot be kept confidential and result in the outflow of the case will be handled</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			<p>in accordance with relevant regulations.</p> <p>In addition, to ensure that the Company has a smooth channel to receive reports of unethical behavior or misconduct from internal or external parties, the Company has referred to the latest version of the "Corporate Governance Best Practice Principles" and "Operating Procedures for Ethical Management and Guidelines for Conduct" on the procedures for reporting unethical behavior and misconduct and on March 2022, the Board of Directors resolved to approve the amendments to the internal control system, adding "CT-19 Whistleblower Reporting Operations for Unethical Behavior or Misconduct" to "Internal Management Operations" as the standard operating procedures for internal audit unit to regularly examine whether the Company is conducting</p>	

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			investigations on the reported matters in accordance with the standard operating procedures.	
(III) If the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V		The Company's "Employee Grievance and Handling Regulations" state: The purpose of the complaint is to solve the Company's internal issues. The general manager and members of the investigation team should investigate and deal with fairness and justice, and the Company shall not dismiss, transfer, or impose unfavorable disciplinary actions because the employee files a complaint under this Code or assists others in appealing. In the " Integrity Operation Procedures and Code of Conduct ", it is stated that the identity of the whistleblower and the content of the report will be kept confidential, and that the whistleblower will be protected from improper treatment due to the	No material difference.

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
			report. The Company has not accepted any internal report from employees in 2023.	
IV. Enhancement of Information Disclosure Does the Company disclose the content and effectiveness of its Ethical Corporate Management Principles on its website and the Market Observation Post System?	√		The Company has disclosed its internal policies and implementation status on its website and MOPS.	No material difference.
V. If the Company has related practice principles of its own in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies", please state the differences between the two and the state of implementation: No significant difference. The Company has established the "Operating Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Ethical Conduct" in accordance with the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX-listed Companies". There is no material difference in the operations.				
VI. Other important information that is helpful to understand the implementation of ethical corporate management: Please refer to the Company's website (www.idealbike.com.tw) for the contents of the Company's Ethical Corporate Management Principles. The Company complies with the Company Act, the Business Accounting Act and other relevant regulations or other laws and				

Evaluation item	Operation status			The differences from the Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies and the reasons therefor:
	Yes	No	Summary description	
regulations on business practices as a basis for the implementation of ethical corporate management.				

- (VIII) If the Company has formulated the "Corporate Governance Best Practice Principles" and related rules, it shall disclose its inquiry methods:

The Company has established the "Code of Ethical Conduct", the "Operating Procedures for Ethical Management and Guidelines for Conduct" and the "Corporate Governance Best Practice Principles", which are published in MOPS and the Company's website at <http://mops.twse.com.tw> and <http://www.mhh-group.com>.

- (IX) Other important information for understanding of the operations of corporate governance may be disclosed:

For more information, please visit MOPS at <http://mops.twse.com.tw>.

- (X) Regarding the implementation of the internal control system, the following matters should be disclosed

1. Statement of Internal Control

My Humble House Hospitality Management Consulting Co., Ltd.

Statement of Internal Control System

Date: March 8, 2024

The Company states the following for its 2023 internal control system based on the results of self-evaluation:

- I. The Company knows that establishing, implementing and maintaining an internal control system is the responsibility of the Company's Board of Directors and managerial officers, and the Company has established this system. Its purpose is to provide reasonable assurance of the achievement of objectives such as the effectiveness and efficiency of operations (including profitability, performance and asset security, etc.), the reliability, timeliness, and transparency of reporting, as well as compliance with relevant rulings, laws and regulations, etc.
- II. Internal control system has its inherent limitations. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance of the achievement of the above three objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system has a self-monitoring mechanism. Once a defect is identified, the Company will take corrective actions.
- III. The Company determines the effectiveness of the design and implementation of its internal control system in accordance with the criteria of the effectiveness of the internal control system stipulated in the "Regulations Governing

Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"). The criteria of internal control system adopted in the "Regulations" are based on the process of managerial control and divide internal control system into five components: 1. control environment, 2. risk evaluation, 3. control operations, 4. Information and communication, and 5. Monitoring operations. Each component consists of a number of items. Please refer to the "Regulations" for these items.

- IV. The Company has adopted the aforementioned criteria of internal control system to evaluate the effectiveness of the design and implementation of its internal control system.
- V. Based on the evaluation results of the preceding paragraph, the Company believed that the design and implementation of its internal control system was effective as of December 31, 2023 (including the supervision and management of subsidiaries), with a understanding of the extent to which the objectives of effectiveness and efficiency of operations were achieved, whether the reporting was reliable, timely, transparent, and if the compliance with relevant rulings, laws and regulations is met, and a reasonable assurance of the achievement of these objectives.
- VI. This Statement will become the main contents of the Company's Annual Report and prospectus, and will be made public. If the above-mentioned disclosures have falsehood or concealment, legal liability under Articles 20, 32, 171 and 174 of the Securities and Exchange Act will be incurred.
- VII. This Statement was approved by the Company's Board of Directors on March 8, 2024. Of the 10 directors present, 0 had objections, and the rest all agreed with the content of this statement and declare here.

My Humble House Hospitality Management Consulting Co., Ltd.

Chairperson: Tsai,Po-Han with signature

Chief Executive Officer: Tsai,Po-Han with signature

2. Review report on the internal control system by a CPa: None.
- (XI) During the most recent year or during the current year up to the date of publication of the Annual Report, if the Company or its internal personnel have been punished in accordance with law, or the Company has punished its internal personnel for violating the provisions of the internal control system, the major deficiencies and improvements should be listed: None
- (XII) Important resolutions of the shareholders' meetings and Board meetings during the most recent year or during the current year up to the date of publication of the Annual Report:

1. Important resolutions of the shareholders' meeting in 2023

Date	Important resolution	Subsequent implementation
2023.05.30	1. Adoption of the 2022 Business Report and Financial Statements	The Company has completed the relevant announcement and filing with the competent authorities for recordation in accordance with the Company Act and other related laws and regulations.
	2. Adoption of 2022 loss make-up proposal	The Company's loss to be made up for as of the end of 2022 was NT\$930,243,870.
	3. Amendments to certain provisions of the Company's "Articles of Incorporation".	On June 08, 2022, the Company applied to the Department of Commerce of the Ministry of Economic Affairs to complete the change registration.
	4. Amendment of the "Procedures for Election of Directors" section.	The proposal was approved as presented and implemented as resolved.
	5. Proposal to add one independent director.	Elected Mr. Hsian-Chung Chen as an independent director and announced on May 30, 2023.
	6. Discussion on the termination of the non-	Effective after resolution and announced on May 30, 2023.

	<p>competent clause for newly appointed independent directors.</p>	
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2. Important resolutions of Board of Directors in 2023 and in 2024 up to April 1

Date	Important resolution
2023.01.12	<ol style="list-style-type: none"> 1. Passed the remuneration for managerial officers. 2. Passed the confirmation of the appointment and dismissal of the Company's Chief Auditor. 3. Approved the establishment of the Company's "Procedures for Handling Material Insider Information". 4. Approved the proposal to add 0.2 month to the Company's 2022 employee year-end bonus.
2023.03.09	<ol style="list-style-type: none"> 1. Approved the 2022 business report and financial statements. 2. Approved the 2022 deficit compensation proposal. 3. Approved the issuance of the 2022 "Internal Control System Statement". 4. Passed the appointment of the Company's CPAs for 2023. 5. Approved the proposed pre-approval of certified public accountants, their firms, and their firm-related entities to provide non-assurance services to the company and its subsidiaries. 6. Passed the amendment to certain articles of the "Procedures for Election of Directors". 7. Approved the amendment to certain articles of "Sustainable Development Best-Practice Principles". 8. Passed the remuneration for managerial officers. 9. Approved the application and extension of credit facilities from financial institutions. 10. Passed the proposed election of an additional independent director and submission of a list of candidates for independent director nominees for approval by the board of directors. 11. Approved the discussion on the termination of the non-compete clause for newly appointed independent directors. 12. Approved the convening of the 2023 Annual General Meeting.
2023.05.12	<ol style="list-style-type: none"> 1. Passed the Company's consolidated financial statements for the first quarter of 2023. 2. Approved the application and extension of credit facilities from financial institutions. 3. Approved the amendment to certain articles of the "Organizational Rules of the Audit Committee".

Date	Important resolution
	<p>4. Approved the amendment to certain articles of the “Remuneration Committee Charter”.</p> <p>5. Approved the amendment to certain articles of the “Regulations Governing the Evaluation of the Performance of the Board of Directors ” (formerly: Self-evaluation or peer evaluation of the Board of Directors)</p> <p>6. Approved the amendment to certain articles of "Corporate Governance Best Practice Principles".</p> <p>1. 7. Approved the amendment to certain articles of the “Rules Governing the Scope of Powers of Independent Directors”.</p>
2023.05.30	<p>1. Appointment of Director Hsian-Chung Chen as an independent member of the 4th Remuneration Committee of the Company.</p> <p>1. 2. Appointment of Director Hsian-Chung Chen as an independent member of the 3rd Audit Committee of the Company.</p>
2023.08.11	<p>1. Approved the Company’ s consolidated financial statements for the second quarter of 2023.</p> <p>2. Approved the addition of matters related to non-assurance services provided by the auditor, its firm, and its affiliated companies to the company and its subsidiaries.</p> <p>3. Approved the change in the custodian of the endorsement/guarantee seal.</p> <p>4. Passed the Company's 2022 sustanbility report report.</p> <p>1. 5. Passed the financial institution credit line application and extension case.</p>
2023.11.09	<p>1. Approved the Company’ s consolidated financial statements for the third quarter of 2023.</p> <p>2. Passed the 2024 business plan and budget.</p> <p>3. Approved the endorsement and guarantee for subsidiaries.</p> <p>4. Passed the establishment of “Rules Governing Financial and Business Matters Between this Corporation and its Related Parties” .</p> <p>5. Passed the Company's 2024 audit plan.</p> <p>6. To ratify the remuneration and appointment of managerial officers.</p> <p>7. Passed the amendment to the Company's "Year-end Bonus Payment Method".</p> <p>8. Approved the Company's 2023 year-end bonus payment proposal.</p> <p>1. 9. Approved the application and extension of credit facilities from financial institutions.</p>

Date	Important resolution
2024.03.08	1. Passed the remuneration proposal of the Company. 2. Approved the 2023 Business Report and Financial Statements. 3. Passed the proposal for 2023 loss appropriation. 4. Passed the 2023 "Declaration of Internal Control System" . 5. The Company's replacement of CPAs and evaluation of the independence of CPAs since the first quarter financial statements of 2024. 6. Approved the Company' s 2024 CPA appointment fee. 7. Approved the amendment to certain articles of "Rules of Procedure for Board of Directors Meetings" . 8. Approved the amendment to certain articles of "Rules of Procedure for Shareholders Meetings " . 9. Approved the proposal to convene the 2024 Annual General Meeting.

(XIII) If the directors have different opinions on the resolutions reached by the Board of Directors with a record or written statement made in the most recent year and up to the printing date of the Annual Report, please state the content of the opinion:
None.

(XIV) For the most recent year or the current year up to the date of publication of the Annual Report, summary of the resignation and dismissal of the Company's chairperson, president, accounting officer, finance officer, internal audit officer, corporate governance officer, and R&D officer: None.

V. Information on attesting CPAs' professional fees

(I) Information on attesting CPAs' professional fees

Unit: Thousands of NTD

CPA firm	CPA name	CPA audit period	Audit fees	Non-audit fees	Total	Remark
PwC Taiwan	Tsung-Hsi Lai Ping-Chun Chih	2023	2,540	850(Note 1)	3,390	-
PRICEWATERHOUSECOOPERS MANAGEMENT CONSULTING CO., LTD.	Note 2	-	-	995(Note 3)	995	-

C. Financial Consulting-Associate(CFR)	Note 4			425(Note 5)	425	
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Note 1: It refers to tax certification, certification for concurrent businessmen, income agreement procedures, and full-time employee salary information certification fees for non-managerial positions.

Note 2: The executive director was Chiung-Ying Lin

Note 3: Consulting service fee for the project "Innovation and Breakthrough in Response to Changes"

Note 4: The executive director was Li-Li Weng

Note 5: Consulting service fee for investment evaluation projects.

(II) The audit fees paid in the year of the replacement of CPA firm is less than the audit fees in the year before the change, the audit fees before and after the replacement should be disclosed and the reasons therefor: Not applicable

(III) Where the audit fees decreased by 10% or more from the previous year, the amount, percentage and reasons therefor should be disclosed: Not applicable

VI. Information on replacement of CPA:

(1) Regarding the former CPA

Date of Replacement	March 8, 2024 (Date of Board Resolution)		
Replacement reasons and explanations	Internal organizational restructuring of PwC Taiwan, CPA of Ping-Chun Chih was replaced with CPA of Chan-Yuan Tu		
Explanation by the Appointee or CPA for Termination or Non-Acceptance of Appointment	<div>Contracting Party Situation</div>	CPA	Appointer
	Active termination of appointment	Not applicable.	
	Appointment rejected (discontinued)		
Opinions and reasons for issuing audit reports other than unqualified opinions in the last two years	Not applicable.		
Different opinions from the issuer:	Yes		Accounting principles or practices

Not applicable.		Disclosure of financial statements
		Audit scope or steps
		Others
	Nil.	
	Explanation	
Other Disclosures	Not applicable.	

(2) Regarding the successor CPA

Name of accounting firm	PwC Taiwan
Name of CPA	Tsung-Hsi Lai,, Chan-Yuan Tu
Date of Appointment	From the first quarter of 2024 financial statements until now
Consultation results and opinions on accounting treatments or principles with respect to specified transactions and the company's financial reports that the CPA might issue prior to the engagement.	Not applicable.
Succeeding CPA' s written opinion of disagreement toward the former CPA	Not applicable.

(3) Response of the Predecessor Accountant to Items 1 and 2-3 of Article 10, Paragraph 6 of this Guideline:

Not applicable.

VII. Chairperson, president, or officer in charge of financial or accounting matters of the Company who has worked in the firm of the attesting CPAs or its affiliates within the most recent year: None

VIII. Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% ownership or more during the most recent year or during the current year up to the date of publication of the Annual Report.

(I) Any equity transfer or change in equity pledge by a director, supervisor, managerial officer, or shareholder with 10% ownership or more

Unit: Shares

Job Title	Name	2023		2024 up to April 1, 2024	
		Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged	Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged
Chairperson	Tsai,Po-Han	-	-	-	-
Director	Camellian CO., LTD.	-	-	-	-
	Corporate Representative: Ellie Lai	(718,000)	-	(161,000)	-
Director (Major Shareholder)	Xuan Wei Investment Co., Ltd.	-	-	-	-
	Corporate Representative: Chia-Hsuan Tsai	-	-	-	-
Director	Zheng Xian Information Management Co., Ltd.	-	-	-	-
	Legal representative: Chih-Wei Chu (Note 1)	-	-	-	-
	Legal representative: Miao-Hua Kao (Note 2)	-	-	-	-
Director (Major Shareholder)	Tung-Fang-Mei Enterprises Co. Ltd.	-	-	-	-
	Corporate Representative: En-Cheng Lu	-	-	-	-
	Corporate Representative: Chuan-Fang Cheng	-	-	-	-
Independent Director	Liang Chang	-	-	-	-
Independent Director	Mei-Chi Ling	-	-	-	-

Job Title	Name	2023		2024 up to April 1, 2024	
		Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged	Increase (Decrease) in the number of shares held	Increase (Decrease) in the number of shares pledged
Independent Director	Chien-Ping Chen	-	-	-	-
Operations President	Hsian-Chung Chen (Note 3)	-	-	-	-
Hotel President	Ta-Chi Fu	-	-	-	-
Vice President	Kuei-Ling Min	-	-	-	-
Chief Financial Officer	Yu-Nung Pan	(37,898)	-	-	-
Vice President	Fang-Mei Wu	(9,000)	-	-	-
Vice President	You-Yu Liu	-	-	-	-
Vice President	Meng-Han Hsieh (Note 4)	-	-	-	-
Vice President	Pang-Yuan Li (Note 5)	-	-	-	-
Vice President	Sung-Po Wang (Note 6)	-	-	-	-

Note 1: Zheng Xian Information was dismissed from the position of legal representative on June 15, 2023.

Note 2: Zheng Xian Information was appointed as the legal representative of on June 15, 2023.

Note 3: Elected as an independent director on May 30, 2023.

Note 4: Has served as the Deputy General Manager of Restaurant, General Manager's Office, since September 1, 2023.

Note 5: Assumed the position of Vice President of Operations Office on September 1, 2023.

Note 6: Assumed the position of Vice President of Operations in the President's Office on September 1, 2023.

- (II) If the counterparty to whom the shares are transferred or pledged is a related party, the name of such counterparty, its relationship with the Company, directors, supervisors, managerial officers and shareholders holding more than 10% of the total shares of the Company, and the number of shares acquired or pledged shall be disclosed: The counterparty is not a related party, so it is not applicable.

IX. Information on the relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another

Unit: Shares; April 1, 2023

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
Tung-Fang-Mei Enterprises Co. Ltd. Person in Charge: En-Cheng Lu	15,474,546 -	15.24% -	-	-	-	-	-	-	-
Xuan Wei Investment Co., Ltd. Person in Charge: Pi-Chu Huang	14,080,228 -	13.87% -	-	-	-	-	Chun Sui Investment Industrial Co., Ltd.	Their chairpersons are the same individual	-
							Camellian CO., LTD.	Their chairpersons are relatives by marriage within second degree of kinship	-
							Humble House Hotel Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
Humble House Hotel Co., Ltd. Person in Charge: Ellie Lai	10,000,000 105,803	9.85% 0.10%	-	-	-	-	Camellian CO., LTD.	Their chairpersons are the same individual	-
							My Humble House International Investment Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	
							Kan Shi Shan Fang Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	-
							Xuan Wei Investment Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-
							Chun Sui Investment Industrial Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
Camellian CO., LTD. Person in Charge: Ellie Lai	7,112,743	7.01%	-	-	-	-	Humble House Hotel Co., Ltd.	Same Chairman	-
	105,803	0.10%					Kan Shi Shan Fang Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	-
							My Humble House International Investment Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	-
							Xuan Wei Investment Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-
							Chun Sui Investment Industrial Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
Kan Shi Shan Fang Co., Ltd. Person in charge: Tsai, Po-Han	7,112,562	7.01%	-	-	-	-	Humble House Hotel Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	-
	124,741	0.12%					Camellian CO., LTD.	Their chairpersons are relatives by marriage within first degree of kinship	-
							My Humble House International Investment Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-
My Humble House International Investment Co., Ltd. Person in Charge: Min-Hsuan Huang	6,364,655 28,240	6.27% 0.03%	-	-	-	-	Humble House Hotel Co., Ltd.	Their chairpersons are relatives by marriage within first degree of kinship	-

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
							Camellian CO., LTD.	Their chairpersons are relatives by marriage within first degree of kinship	-
							Kan Shi Shan Fang Co., Ltd.	Their chairpersons are relatives by marriage within second degree of kinship	-
Da Mo Enterprises Co. Ltd. Person in Charge: Cheng-Hua Lin	6,015,101 -	5.92% -	-	-	-	-	-	-	-
Chun Sui Investment Industrial Co., Ltd. Responsible person: Pi-Chu Huang	2,122,687 -	2.09% -	-	-	-	-	Xuan Wei Investme nt Co., Ltd.	Same Chairman	
							Humble House Hotel Co., Ltd.	Chairman is a second-degree relative by marriage	
							Camellian Co. Ltd.	Chairman is a second-degree relative by marriage	

Name	Shareholding of the individual		Shareholding of spouse and minor children		Shareholding in the name of others		The name and relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another		Remark
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relationship	
Chuan Fu Investment Corporation Responsible person: Chia-Chien Chou	1,725,592 191,806	1.70% 0.21%	-	-	-	-	-	-	-
Investment account of Preferred Investment Advisors(HK) Limited	1,305,000	1.29%	-	-	-	-	-	-	-

Note 1: The Table shows the top ten shareholders after adding the number of preferred shares.

Note 2: Shareholding percentage is calculated based on the total number of 101,526,000 shares issued.

- X. Total number of shares and the consolidated ownership percentage held in any single investee by the Company, its directors, supervisors, managerial officers, or any enterprises controlled either directly or indirectly by the Company

December 31, 2023; Unit: Thousands of Shares; %

Investee (Note)	Investment by the Company..		Investment by directors, supervisors, managerial officers, and any enterprises controlled either directly or indirectly by the Company		Total investment	
	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage	Number of shares	Shareholding Percentage
Hanxi Investment Co., Ltd.	26,100	100.00	—	—	26,100	100.00
My Humble House	100	100.00	—	—	100	100.00
Humble House Hotel Co.,	5,000	25.00	9,960	49.80	14,960	74.80

Note: Long-term investments recognized using the equity method.

Four. Capital Raising

I. Capital and shares

(I) Source of capital

1. Type of shares

April 1, 2024; Unit: Shares

Type of shares	Authorized capital			Remark
	Outstanding shares	Unissued shares	Total	
Registered common stocks	91,526,000	98,474,000	200,000,000	Stocks of TWSE-listed company
Preferred stocks	10,000,000			Unlisted (Privately placed preferred stocks)

2. Formation of capital

April 1, 2024; Unit: Shares/NTD

Year.Month	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment for shares	Others
2000.01	10	5,000,000	50,000,000	5,000,000	50,000,000	Establishment	None	Note 1
2002.06	10	55,000,000	550,000,000	55,000,000	550,000,000	Capital reduction to make up for losses 25,000,000 Capital increase by cash 525,000,000	"	Note 2
2005.01	10	200,000,000	2,000,000,000	100,000,000	1,000,000,000	Capital increase by cash 450,000,000	"	Note 3
2009.04	10	200,000,000	2,000,000,000	120,000,000	1,200,000,000	Capital increase by cash 200,000,000	"	Note 4

Year.Month	Issue price	Authorized capital		Paid-in capital		Remark		
		Number of shares	Amount	Number of shares	Amount	Source of capital	Using property other than cash as payment for shares	Others
2012.12	20	200,000,000	2,000,000,000	126,000,000	1,260,000,000	Capital increase by cash 60,000,000	"	Note 5
2014.07	10	200,000,000	2,000,000,000	100,800,000	1,008,000,000	Capital reduction by cash 252,000,000	"	Note 5
2016.05	50.44	200,000,000	2,000,000,000	111,526,000	1,115,260,000	Capital increase by cash 107,260,000	"	Note 7
2022.07	10	200,000,000	2,000,000,000	101,526,000	1,015,260,000	Capital reduction to make up for losses 200,000,000	"	Note 8
	20					Private placement of preferred stocks 100,000,000		

Note 1: The Company reapplied for the business registration certificate in 2005, and the change was approved with the letter Jing-Shou-Shang-Zi No. 09401202990 dated October 12, 2005 by the Ministry of Economic Affairs on record

Note 2: Approved with the letter Jing-Shou-Shang-Zi No. 09101226250 dated June 21, 2002 by the Ministry of Economic Affairs on record

Note 3: Approved with the letter Jing-Shou-Shang-Zi No. 09301251770 dated January 5, 2005 by the Ministry of Economic Affairs on record

Note 4: Approved with the letter Jing-Shou-Shang-Zi No. 09801068400 dated April 9, 2009 by the Ministry of Economic Affairs on record

Note 5: Approved with the letter Jing-Shou-Shang-Zi No. 10101266030 dated December 28, 2012 by the Ministry of Economic Affairs on record

Note 6: Approved with the letter Jing-Shou-Shang-Zi No. 10301132400 dated July 15, 2014 by the Ministry of Economic Affairs on record

Note 7: Approved with the letter Jing-Shou-Shang-Zi No. 10501110150 dated June 7, 2016 by the Ministry of Economic Affairs on record

Note 8: Approved with the letter Jing-Shou-Shang-Zi No. 11101121770 dated July 11, 2022 by the Ministry of Economic Affairs on record

(II) Shareholding structure

1. Common stocks

April 1, 2024; Unit: Shares

Shareholding structure Number	Governance agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions or individuals	Total
Number of	—	—	35	7,265	36	7,336
Number of	—	—	64,723,772	23,142,458	3,659,770	91,526,000
Shareholding	—	—	70.72%	25.28%	4.00%	100.00%

Note: TWSE/TPEX primary listed companies and emerging stock companies should disclose the shareholding percentage in these companies by Mainland investors; mainland investors refer to the people, legal entities, organizations, and other institutions in Mainland China or the enterprises they invest in a third region as stipulated in Article 3 of the Measures Governing Investment Permit to the People of Mainland Area

2. Class A preferred stocks

April 1, 2024; Unit: Shares

Shareholding structure Number	Governance agencies	Financial institutions	Other legal entities	Individuals	Foreign institutions or individuals	Total
Number of	—	—	1	—	—	1
Number of	—	—	10,000,00	—	—	10,000,000
Shareholding	—	—	100.00%	—	—	100.00%

(III) Equity distribution

1. Common stocks

April 1, 2024; Unit: Shareholders/Shares

Shareholding range	Number of	Number of	Shareholding
1 to 999	1,585	424,399	0.46%
1,000 to 5,000	4,916	9,251,595	10.11%
5,001 to 10,000	480	3,782,938	4.13%
10,001 to 15,000	116	1,482,653	1.62%
15,001 to 20,000	63	1,159,961	1.27%
20,001 to 30,000	68	1,730,701	1.89%
30,001 to 40,000	29	1,011,542	1.10%
40,001 to 50,000	15	699,957	0.77%
50,001 to 100,000	22	1,396,531	1.53%

Shareholding range	Number of	Number of	Shareholding
100,001 to 200,000	21	3,206,406	3.50%
200,001 to 400,000	8	2,231,094	2.44%
400,001 to 600,000	0	0	0.00%
600,001 to 800,000	2	1,414,833	1.55%
800,001 to 1,000,000	0	0	0.00%
More than 1,000,001	11	63,733,390	69.63%
Total	7,336	91,526,000	100.00%

2. Class A preferred stocks

April 1, 2024; Unit: Shareholders/Shares

Shareholding range	Number of	Number of	Shareholding
More than 1,000,001	1	10,000,000	100.00%
Total	1	10,000,000	100.00%

(IV) List of major shareholders

Name of shareholders with more than 5% ownership or top 10 shareholders, the amount and percentage of their shareholding

April 1, 2024; Unit: Shares

Shares	Number of shares held.	Shareholding percentage
Name of major shareholder		
Tung-Fang-Mei Enterprises Co. Ltd.	15,474,546	15.24%
Xuan Wei Investment Co., Ltd.	14,080,228	13.87%
Humble House Hotel Co., Ltd.	10,000,000	9.85%
Camellian CO., LTD.	7,112,743	7.01%
Kan Shi Shan Fang Co., Ltd.	7,112,562	7.01%
My Humble House International Investment Co., Ltd.	6,364,655	6.27%
Da Mo Enterprises Co. Ltd.	6,015,101	5.92%
Chun Sui Investment Industrial Co., Ltd.	2,122,687	2.09%
Chuan Fu Investment Co., Ltd.	1,725,592	1.70%
Investment account with PREFERRED INVESTMENT ADVISORS (H.K) LIMITED	1,305,000	1.29%

Note 1: The table shows the top ten shareholders after adding the number of preferred shares.

Note 2: Shareholding percentage is calculated based on the total number of 101,526,000 shares issued.

(V) Information on market price, net worth, earnings, dividends per share for the most recent two years

Unit: NTD; Thousands of Shares

Item \ Year		2022	2023	2024 up to March 31 (Note 6)
Market price per share (Note 1)	Highest	32.30	86.00	64.90
	Lowest	21.00	29.75	48.05
	Average	25.93	60.62	56.87
Net worth per share (Note 2)	Before distribution	7.08	11.68	—
	After distribution	7.08	Not yet distributed	—
Earnings per share	Weighted average number of shares	91,526	91,526	91,526
	Earnings per share	(3.69)	4.52	—
	Retrospective adjusted earnings per share	(3.69)	4.52	—
Dividends per share	Cash dividends		—	—
	Stock dividends	Surplus allotment	—	—
		Capital surplus share allotment	—	—
	Accumulated unpaid dividends		—	—
Analysis of return on investment	Price to earnings ratio (Note 3)		(6.67)	11.56
	Price to dividends ratio (Note 4)		—	—
	Cash dividend yield (Note 5)		—	—

Note 1: The source of information is the highest and lowest market prices of common stocks on the website of the Taiwan Stock Exchange for the current year, and the average market price for the current year is calculated based on the current year's transaction value and volume.

Note 2: Based on the number of shares outstanding at the end of the year and the distribution resolved by the Board of Directors or the shareholders' meeting of the following year.

Note 3: Price to earnings ratio = average closing price per share for the year/earnings per share.

Note 4: Price to dividends ratio = average closing price per share for the year/cash dividend per share.

Note 5: Cash dividend yield = dividend per share/average closing price per share for the year

Note 6: Net worth per share and earnings per share should be presented with the data for the most recent quarter audited (reviewed) by CPAs as of the date of publication of the Annual Report; the remaining fields should be presented with the data for the current year as of the date of publication of the Annual Report.

(VI) The Company's dividend policy and its implementation status

1. Dividend policy as set forth in the Company's Articles of Incorporation

If the Company makes a profit in a year, it shall set aside not less than 1% as profit-sharing remuneration for employees, which shall be resolved by the Board of Directors to be paid in stock or in cash to employees including employees of subordinate companies who meet certain criteria; the Company may set aside not more than 1% as profit-sharing remuneration for directors from the above profit. The distribution of profit-sharing remuneration for employees and profit-sharing remuneration for directors shall be made by a resolution of the Board of Directors with the presence of two-thirds of the directors and the approval of a majority of the directors present, and reported to the shareholders' meeting. However, if the Company still has accumulated losses, the Company shall reserve the amount for loss make-up in advance and then appropriate profit-sharing remuneration for employees and profit-sharing remuneration for directors in accordance with the aforementioned percentages.

If the Company has any earnings as concluded by the year-end accounting close, the Company shall first pay taxes, make up for past losses and then set aside 10% for legal reserve; however, if the legal reserve has reached the Company's paid-in capital, no further provision shall be made; from the surplus earnings, the Company may appropriate or reverse special reserve, if necessary, in accordance with laws or the regulations of the competent authorities. Based on the remaining earnings, if any, together with the accumulated undistributed earnings from previous years, the Board of Directors shall prepare a proposal for the distribution of dividends to shareholders and, in the case of distribution by issuance of new shares, shall request the shareholders' meeting to resolve on the distribution; in the case of distribution by cash, shall be authorized to distribute the dividends with the presence of at least two-thirds of the

directors and the approval of a majority of the directors present, and shall report the distribution to the shareholders' meeting.

The distribution of the Company's earnings shall be determined by the Board of Directors in accordance with the results of operations and capital planning, taking into account the Company's environment and growth stage, the interests of shareholders, the balance of dividends and the Company's long-term financial planning, etc., and shall be submitted to the shareholders' meeting for resolution. . An annual appropriation of no less than 10% of distributable earnings is made for the distribution of dividends to shareholders. Dividends may be distributed in cash or stock when distributing dividends to shareholders, with cash dividends accounting for no less than 20% of the total dividend amount.

2. Dividend distribution to be proposed to the shareholders' meeting: The Company has surplus in 2023, but after deducting accumulated losses, there is no surplus, so there is no surplus distribution.

(VII) The effect of the stock dividends to be proposed to the shareholders' meeting on the Company's business results and earnings per share: Not applicable

(VIII) Profit-sharing remuneration for employees, directors, and supervisors

1. Percentages or ranges of profit-sharing remuneration for employees, directors and supervisors under the Articles of Incorporation: Please refer to (6) above.

2. The basis for estimating the amount of profit-sharing remuneration for employees, profit-sharing remuneration for directors and supervisors for the current period, the basis for calculating the number of shares distributed as bonus, and the accounting treatment if the actual amount of distribution differs from the estimated amount.

The profit-sharing remuneration for employees, directors and supervisors is estimated and calculated based on the percentage set forth in the Company's Articles of Incorporation and recognized as operating expenses for the current period. If the actual amount distributed differs from the estimated amount, it is accounted for as a change in accounting estimate and recognized as profit or loss in the year of actual distribution. The Company has surplus in 2023, but after deducting accumulated losses, there is no surplus, so it will not estimate the remuneration of employees and directors and supervisors.

3. Distribution of remuneration approved by the Board of Directors: The Company has surplus in 2023, but there is no surplus after deducting

accumulated losses, so it will not distribute employee remuneration and director and supervisor remuneration.

4. The difference between the actual amount of profit-sharing remuneration for employees, directors and supervisors for the previous year (including the number of shares distributed, the amount and the share price) and the recognized amount of profit-sharing remuneration for employees, directors and supervisors, the reasons for the difference and the treatment of the difference should be described.

There was no profit-sharing remuneration as the Company had a loss in 2022 so it is not applicable.

- (IX) Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent year or during the current year up to the date of publication of the Annual Report: None

II. Issuance of corporate bonds: Noe

III. Issuance of preferred stock:

Item (Note 2) \ Issue date		Privately placed Class A preferred stock (Note 3) August 5, 2022
Denomination		NT\$10
Issue price		NT\$20
Number of shares		10,000,000 shares
Total amount		NT\$200,000,000
Rights and obligations	Distribution of dividends and bonuses	<p>1. Dividends: Dividends on preferred stocks are calculated at 3% per annum, based on the issue price per share.</p> <p>2. Distribution of dividends: Dividends on Class A preferred stocks may be paid in cash in one lump sum each year on the base date set by the Board of Directors or the chairperson authorized by resolution of the Board of Directors for the previous year. The amount of dividends to be paid in the year of issue and redemption is calculated based on the actual number of days of issuance in that year.</p> <p>3. If the Company has any earnings as concluded by the year-end accounting close, the Company shall first pay taxes,</p>

<div>Issue date</div> <div>Item (Note 2)</div>	<div>Privately placed Class A preferred stock (Note 3)</div> <div>August 5, 2022</div>
	<p>make up for past losses and then set aside 10% for legal reserve in accordance with the law, and appropriate or reverse special reserve in accordance with laws or the regulations of the competent authorities, and if there are still surplus earnings, the Company shall give priority to the distribution of dividends on the preferred stocks for the current year.</p> <p>4. The Company has the discretion to distribute dividends on the Class A preferred stocks. If the Company has no or insufficient earnings to distribute dividends on the preferred shares as concluded by the year-end accounting close or due to other necessary considerations, the Board of Directors may resolve not to distribute dividends on the Class A preferred stocks and this shall not constitute a breach of contract and the shareholders of the Class A preferred stocks shall not object.</p> <p>5. The Class A preferred stocks are non-cumulative, and the resolution not to distribute or to distribute insufficient dividends shall not be cumulative and deferred to future years.</p> <p>6. Except for receiving the aforementioned dividends, Class A preferred stockholders may not participate in the distribution of earnings and capital surplus by cash and by capitalization as equity.</p>
	<div>Distribution of remaining properties</div> <p>Class A preferred stockholders shall have priority over common shareholders in the distribution of the Company's remaining properties and shall be paid in the same order as the stockholders of each class of preferred stock issued by the Company, all subordinate</p>

Item (Note 2)		Issue date	Privately placed Class A preferred stock (Note 3) August 5, 2022
			to general creditors, to the extent that it does not exceed the amount of the issued and outstanding preferred stocks at the time of the distribution, based on the issue price.
	Exercise of voting rights		Class A preferred stockholders shall not have the right to vote at the common shareholders' meeting, but shall have the right to vote at the preferred stockholders' meeting or at the shareholders' meeting concerning the preferred stockholders' rights and obligations.
	Others		The capital surplus from the issuance of Class A preferred shares at a premium shall not be capitalized as equity during the issuance period of the preferred stocks, except to make up for losses. 2. Class A preferred stocks are not listed for trading during the issuance period.
Preferred stocks Outstanding	Amount redeemed or converted		-
	Balance unredeemed or unconverted		10,000 thousand shares
	Terms of redemption or conversion		1. Class A preferred stocks have no expiration date and Class A preferred stockholders may not request the Company to redeem the rights of Class A preferred stocks held by them. However, the Company may redeem all or a portion of the Class A Preferred stocks at the actual issue price at any time from the day after the second year of the issuance. The Class A preferred stocks not redeemed shall continue to be subject to the rights and obligations of the terms of issuance set forth in each paragraph of this Article. In the year in which the Class A preferred stocks are redeemed, if the Company

<div>Issue date</div> <div>Item (Note 2)</div>			<div>Privately placed Class A preferred stock</div> <div>(Note 3)</div> <div>August 5, 2022</div>
			<div>resolves to pay dividends, the dividends payable as of the redeemed date shall be calculated based on the actual number of days of issuance in that year.</div> <div>2. Class A preferred stocks are not convertible into common stocks.</div>
Market price per share	The current year up to April 18, 2024 (Note 4)	Highest	-
		Lowest	-
		Average	-
With other rights	Amount of shares converted or subscribed during the current year up to the date of publication of the Annual Report		Class A preferred stocks are not convertible into common stocks.
	Measures for issuance and conversion or subscription of stocks		Please refer to the Company's Articles of Incorporation
Effect of terms of issuance on preferred shareholders' equity, possible dilution of equity and effect on existing shareholders' equity			The price of the privately placed Class A preferred stocks is determined in accordance with the "Directions for Public Companies Conducting Private Placements of Securities" and in consideration of the Company's future development and the fact that there are restrictions on the timing, target and quantity of the transfer of private placement of marketable securities, and that the preferred stocks are not allowed to be listed and traded on the stock exchange, so the their liquidity is low. The price is determined in a reasonable manner and should not have a significant effect on shareholders' equity.

Note 1: The issuance of preferred stocks include public and private placement of preferred stocks in process. The publicly placed preferred stocks in process are those that have been effective after approved by the Board of Directors; the privately placed preferred stocks are those that have been approved by the Board of Directors.

Note 2: The number of fields will be adjusted according to the actual number of issuances.

Note 3: The privately placed preferred stocks should be marked in a prominent manner.

Note 4: Information for the current year up to the date of publication of the Annual Report should be filled in.

- IV. Issuance of global depository receipts: None
- V. Issuance of employee stock options: None
- VI. Issuance of employee restricted stocks: None
- VII. Issuance of new shares in connection with mergers or acquisitions of shares of other companies: None
- VIII. Implementation status of capital utilization plan

Analysis of previous issuances or private placements of marketable securities that have not yet been completed or have been completed within the most recent three years and the benefits of the plans have not yet been realized: None.

Five. Operations Overview

I. Business contents

(I) Business scope

1. The contents of business

- (1) Operations of international tourist hotels.
- (2) Operations of Chinese and Western restaurants, cafes, bars, conference rooms, gymnasiums, sauna, beauty salons, stores (books, flowers, souvenirs, etc.) and parking lots.
- (3) Consulting and advisory services for hotel management.
- (4) Consulting and diagnostic analysis of the operations of various leisure and recreational facilities.
- (5) All business activities that are not prohibited or restricted by law, except those that are subject to special approval

2. Sales percentage of main products

Unit: Thousands of NTD; %

Main product \ Year	2022		2023	
	Amount	%	Amount	%
Accommodation revenue	1,094,553	31.98%	1,881,468	38.94%
Food and beverage revenue	2,207,649	64.51%	2,828,897	58.56%
Other revenue	120,008	3.51%	120,770	2.50%
Total	3,422,210	100.00%	4,831,135	100.00%

3. Current products(services) and new products (services) planned to be developed by the Company

(1) Sheraton Taipei Hotel

In July 2002, the original Lai Lai Hotel was officially taken over by My Humble House Hospitality Management Consulting Co., Ltd. and renamed as Sheraton Taipei Hotel. In order to create a new and refined fashion style while preserving the elegant and sophisticated cultural elements of classical Chinese atmosphere, Sheraton Taipei was completely redecorated in the past three years, with carefully placed antique art pieces and interesting ancient Chinese totems everywhere. Sheraton Taipei has 688 classic guest rooms, theme suites and family

rooms, as well as a number of Chinese, Western, Japanese and Thai restaurants, providing guests with a wide range of meals and accommodation.

(2) Le Méridien Taipei

Le Méridien Taipei, officially opened in December 2010, is located in the heart of Taipei's fashionable and artistic district - Xinyi District and is designed to meet the needs of the most discerning clientele with 160 rooms including 6 styles of spacious and elegantly designed, high-ceilinged guest rooms and suites, as well as innovative gourmet restaurants, a chocolate dessert boutique and a stylish bar. The hotel's avant-garde and stylish interior offers guests not only a perfect stay, but also a comfortable journey of discovery.

(3) Mu Jiao Xi Hotel

Mu Jiao Xi Hotel was officially opened in November 2017, and is the first resort hotel brand created by the Company. Located in the scenic area of Jiaoxi, the hotel consists of two buildings, with 118 and 72 guest rooms respectively, each with its own hot spring bath; 3 themed restaurants, a banquet hall, a children's lounge, a pet garden, a compound hot spring pool, an outdoor swimming pool, a fitness center and an open-air sauna. Mu Jiao Xi Hotel is a perfect blend of nature, famous hot springs and local culture, interpreting the aesthetics of quiet and elegant life, enjoying the simple leisure time and creating a different experience for travelers.

(4) Humble Boutique Hotel

Humble Boutique Hotel was officially opened in May 2022. Conveniently located near the exit of Taipei Songjiang Nanjing MRT station, the hotel is our first boutique hotel residence with 111 guest rooms and a restaurant featuring creative cuisine that conveys the brand concept of "good food, good feeling, good mood". With the experiences from the "heart", Humble Boutique Hotel offers a sanctuary in the busy city, allowing visitors to slow down, arouse their energies, and experience a new journey that combines the culture of the city and the neighborhood.

(II) Industry overview

1. Current status and development of the industry

Since the outbreak of the COVID-19 pandemic in late 2019, the world has faced an unprecedented health, social and economic crisis. With the continuous mutation of the novel coronavirus strain, it has gradually shown

a trend of becoming more like the flu, with most infected individuals exhibiting mild symptoms or being asymptomatic. Therefore, considering the increase in vaccination coverage, countries choose to coexist with the virus, and gradually loosen border quarantine restrictions, which also increases the convenience of international travel. As international flights gradually recover, it also helps to increase passenger volume. In addition, the pent-up demand for overseas travel during the pandemic also quickly erupted after the border reopening, forming a retaliatory tourism phenomenon after the pandemic, which led to a significant increase in the number of inbound and outbound travelers in various countries in 2023, injecting new vitality into the tourism and hospitality industry. In terms of catering, as the pandemic was brought under control, people's worries about the pandemic were reduced, and enterprises began to resume year-end banquets, spring parties and conference activities. The wedding banquets were also arranged by new couples who postponed their weddings due to the pandemic, making the overall catering market more active than last year.

As countries around the world gradually lifted border controls and lifted tourism restrictions, Taiwan also officially opened its borders in October 2022, and the international tourism market has become active. the Tourism Bureau of the Ministry of Transportation and Communications. announced that the goal of 2024 is to restore the number of international tourism tourists to Taiwan to the pre-pandemic level of 12 million and exceed the pre-pandemic level in 2025. At the same time, the Company continues to actively implement various plans of “Tourism 2025 — Taiwan Tourism Towards 2025 Plan (2021-2025)” , and drive the accelerated recovery of the tourism industry through five major strategies: creating attractive attractions, developing themed tourism, optimizing industrial environment, promoting digital experience, and expanding tourism customer sources.

Overview of foreign visitor arrivals in Taiwan

Unit: 10 Thousand; %

Item	2018	2019	2020	2021	2022	2023
Number of visitors to Taiwan	1,106.7	1,186.4	137.8	14.0	89.6	648.7
Growth rate	3.05	7.21	-88.39	-89.8	537.8	624.0

Source: Tourism Market Statistics by the Tourism Bureau, Ministry of Transportation and Communications

Due to the slowdown of the COVID-19 epidemic, the Chinese government fully opened the border in early October 2022, and gradually relaxed the entry-exit and quarantine regulations in 2023, such as the cancelation of the PCR inspection requirement for Chinese inbound tourists to Taiwan at the end of January, and the opening of free travel by Hong Kong and Macau residents to Taiwan in February 2023, and the resumption of application for online visa and entry permit application, which has greatly increased the number of visitors to Taiwan for tourism and business.

According to the statistics of the Tourism Bureau of the Ministry of Transportation and Communications., the number of visitors to Taiwan in 2023 will reach 6.487 million, a significant increase of 624% compared to last year. The figure shows that the number of visitors to Taiwan from various countries has grown significantly compared to 2022, with visitors from Asia such as Hong Kong, Macau, Japan, South Korea and Southeast Asia accounting for the majority. Among them, the number of visitors from Hong Kong and Macau has increased by 3,577.3% compared with 2022, ranking first, followed by South Korea with an annual growth rate of 1,339.14%, Japan with an annual growth rate of 959.44%, followed by mainland China 828.17%, other regions in Asia 468.48%, and finally Southeast Asia region with a growth rate of 365.56%. The number of tourists from Hong Kong in 2023 is as high as 1.1996 million, which is due to the opening of the aforementioned policy of free travel for residents of Hong Kong and Macau, and the relatively close geographical location of Taiwan, as well as the relatively cheap tourism prices compared to other countries, attracting many tourists from Hong Kong and Macao to visit Taiwan. Since Japan and Taiwan have a friendly relationship, many Japanese tourists choose Taiwan as their destination. In recent years, “Someday or One Day ” and “The Distance between Us and Evil” are popular in South Korea and the local people are attracted by Taiwan’s characteristics such as culture and food. In addition, , with the short flight

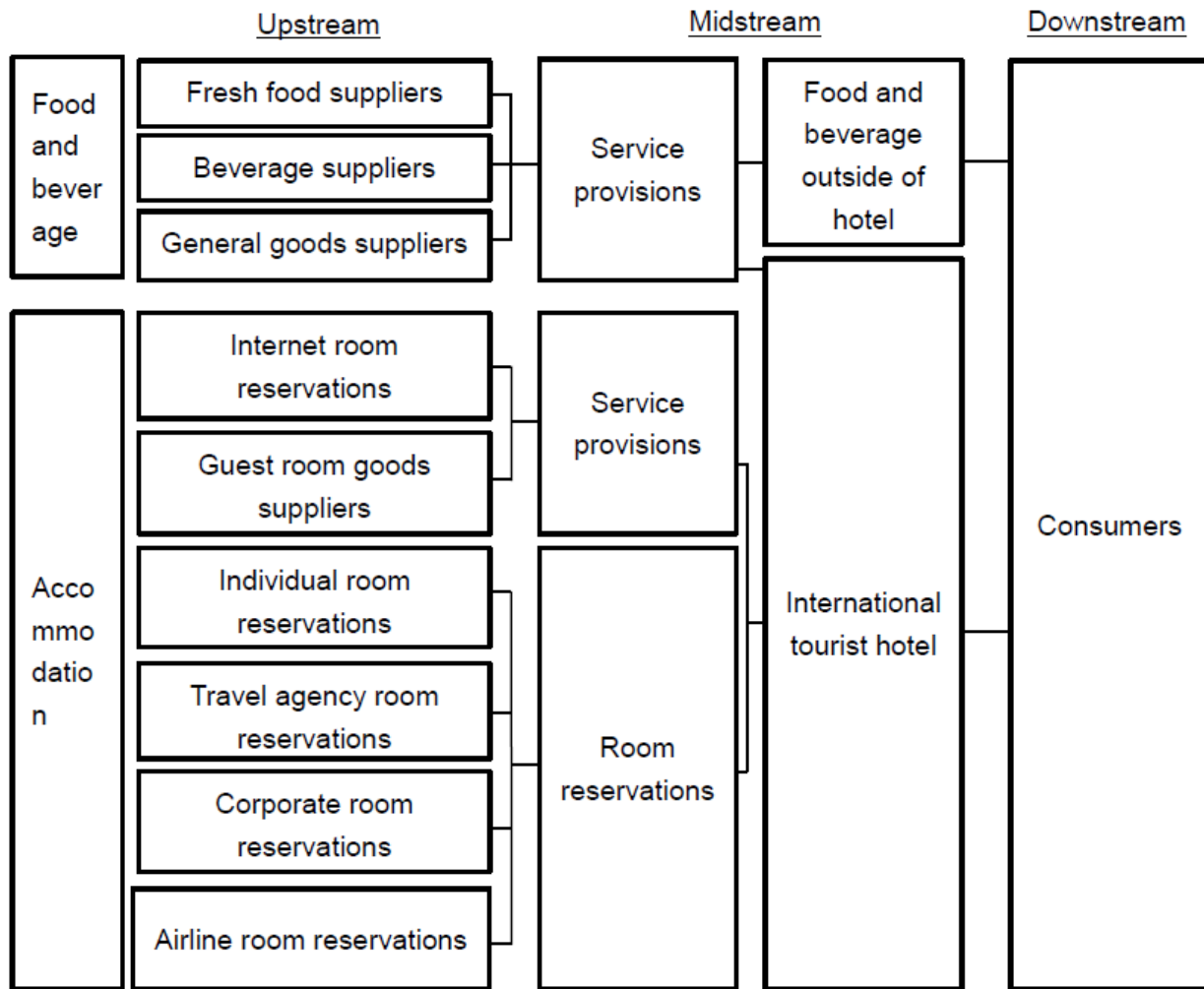
time between the two places, it is convenient for people to plan their trips, so more and more Korean people are visiting Taiwan. In recent years, the Taiwanese government has actively promoted the New Southbound Policy of tourism. In addition to expanding countries that are eligible for visa-exemption and online visas, it is also committed to creating a Muslim-friendly environment and increasing the willingness of Southeast Asian tourists to travel to Taiwan. In addition, in regions outside Asia, the demand for cross-border travel and business visits has increased after the epidemic, and the number of people entering Taiwan from Europe, America, New Zealand, and Australia has also increased.

**Percentage and growth rate of major sources of tourists to
Taiwan by country in 2023**

Region/Country	Visitor arrivals to Taiwan	Annual growth rate %	Percentage %	Percentage increase/decrease over 2019 %
Asia	5,432,055	679.58	83.7	-5.3
Mainland China	226,269	828.17	3.5	-19.4
Japan	928,235	959.44	14.3	-4.0
Hong Kong, Macau	1,199,572	3,577.30	18.5	3.7
South Korea	744,727	1,339.14	11.5	1.0
Southeast Asia	2,253,483	365.56	34.7	12.9
Rest of Asia	79,769	468.48	1.2	0.5
Americas	639,976	487.99	9.9	3.4
Europe	298,986	353.08	4.6	1.3
Oceania	104,205	598.42	1.6	0.5
Other regions	11,729	354.98	0.2	1.0
Total	6,486,951	624.02	100.0	

Source: Statistics from the Tourism Bureau, Ministry of Transportation and Communications

2. Correlations among the upstream, midstream, and downstream industries



The Company is mainly engaged in the operations of international tourist hotels and the provision of services such as food and beverage, leisure and recreational facilities, and conference venues. In terms of overall correlations among tourism and hotel industries, the Company is in the middle of the industrial chain. The Company's primary sources of revenue are from food and beverage and accommodation segments. In the food and beverage segment, the Company purchases fresh food, beverages and general supplies from upstream suppliers and then provides delicious food to downstream end consumers such as leisure travelers and tour groups. As for the accommodation segment, the Company accepts room reservations from the Internet, individuals, travel agencies or corporate groups, and purchases accommodation-related supplies from upstream vendors to pamper travelers to enjoy comfortable and quality accommodation services.

3. Product development trends

(1)The government actively promotes the development of the tourism industry

The government is promoting the "Tourism 2025-Taiwan Tourism Toward 2025 Program (2021-2025)" and adjusting the focus in the direction of sustainable and green tourism through five major strategies, including "creating attractive tourist spots, preparing thematic tourism, optimizing the industrial environment, promoting digital experience, and expanding tourism sources to create of "Taiwan Inbound Marketing", and using "quality tourism, soft and hard skills" to create "Taiwan's charm", "policy guidance, cross-regional integration" to show "Taiwan's diversity", "transformation and optimization, linkage with industries" to enhance "Taiwan's good service", "digital application, smart travel" to facilitate "Taiwan's good tourism", and "online voice, precise marketing" to create "Taiwan's tourist attractions" to show the new vibes of Taiwan's five merits.

(2)Advanced Internet technology and rapid expansion of online travel market

With the development of Internet technology and the popularity of mobile devices, the business model of online travel agency (OTA) is rapidly emerging, which integrates upstream resources through holding, strategic alliance, and brokerage, and sells directly to downstream. Its business model is also B2C, mainly by facilitating transactions and receiving commissions to make profits, such as Agoda, Ctrip, Expedia, Booking.com, Hotels.com and other well-known multinational OTAs, because they have a huge database, can quickly meet the various needs of travelers, and therefore have strong competitiveness in terms of intimacy to customers and brand power. In recent years, the proportion of sales through OTAs in the Taiwan travel market has been increasing year by year, and has become a major source of room reservations for many hotels.

(3)Services are evolving toward intellectualization

With the application of Big Data and database analysis, the internal systems of hotel groups can be integrated into a complete information system in the future, including reservation, checkout, purchasing, and storage systems, etc. Management technicalization will save some manpower, and the costs saved can be transferred to benefit travelers with the provisions of more sophisticated services, or even new services by tracking and analyzing travelers' preferences through consumer

preference records. For example, we can plan special room types and reserve conference space to predict consumer demand for precise marketing.

With the advancement of technology, smart hotels equipped with smart home appliances have become a competitive advantage of future accommodation service providers. The concept of Bring Your Own Device (BYOD) has gradually attracted the attention of hotel operators. Guests can use personal mobile phones to control hotel facilities through downloaded APP, improving the convenience of facility use. In addition, there are also hotel operators equipped with smart speakers in the rooms, allowing guests to control the lighting equipment, air conditioning, guest room services, and nearby attractions in the rooms through voice control, and become a private butler. By providing smart services, we can also assist hotel operators to better understand customer preferences and strengthen hotel operation management.

(4) Ever exquisite leisure travels

With the change in travel trends, consumers are demanding safety, security, and good travel experience, while destination travel and in-depth travel have become the new mainstream, with more requirements for perfect leisure facilities, quality of service staff, surrounding itineraries, and the availability of parent-child interactive activities. Therefore, exquisite and flexible leisure travel will become the main appeal for the industry players to compete.

(5) Customer segmentation has become an important issue for brand management

In response to changes in travel trends, various hotel groups have been making every effort in recent years to develop branded product marketing strategies based on different target groups, ranging from high-end luxury to business affordability, or from caring and professional butler services to light service models, and even extending to theme-based hotels. In addition to segmentation by theme, regional hotels are also actively creating localized consumer experiences that resonate with visitors through local life and cultural experiences, thereby enhancing customer retention.

(6) The advent of self-media era

In recent years, with the rise of online communities, the influence of KOLs, such as YouTubers and Internet celebrities, has expanded and become an important medium for vendors to promote their brand

products. Vendors can invite KOLs to share their hotel accommodation and dining experiences to increase product exposure and achieve good publicity. Consumers can even directly make room reservations and order meal coupons through the links provided by KOLs to directly achieve the purpose of selling products.

4. Competitive situation

Taiwan's hotel market continues to expand, and Taiwan's accommodation industry is actively introducing foreign hotel chains to establish a presence in Taiwan. Although fierce competition has weakened investors' willingness to enter this market, and some operators with poor operating performance are gradually withdrawing from the market, many of the accommodation facilities prepared and built during the peak of the boom will continue to be put into operations, and will divide the limited number of business travelers and high-spending groups with the premium business hotels that have entered the market. In recent years, short-term shared rental platforms have emerged, prompting general residential space to enter the accommodation service market. Therefore, the pressure of oversupply in the Taiwan accommodation industry continues to exist.

Compared to Taiwan's tourist hotel industry, which has a dense presence in terms of locations and diversified restaurants, major foreign hotel groups are distinguished by their ability to attract customers across countries with brand synergies. On the other hand, some small and medium-sized accommodation service providers without distinctive features and strong brand backing are unsuccessful in competing by cutting prices, and may eventually be forced to withdraw from the market, unless they join large hotel groups, indicating that the trend the big players in the accommodation service industry remain big is becoming more and more obvious. In Taiwan, the accommodation service market is going through an adjustment period while gradually moving from quantitative growth to qualitative change, from simply satisfying business and tourism needs to diversified hotel development that leverage local tourism resources and make full use of in-hotel facilities. In addition, how to take advantage of their locations to develop a differentiated service experience to attract consumers of different types and various interests has become the focus of development for all industry players.

(III) Technology and R&D overview

In order to continue to improve the quality of our services and provide flexible, innovative, and differentiated services to our customers, we have introduced the concept of management technicalization, streamlined our

operations to save manpower, and developed the Humble House Life APP to accurately record consumer preferences and track them at any time, creating a digital accommodation and dining experience. The Company invested \$3,531,000 in research and development in 2023.

(IV) Long-term and short-term business development plans

1. Short-term business development plan

- (1) Improve autonomous management of food safety and strengthen the source management mechanism of suppliers in order to maintain the Company's gourmet image and protect consumer rights.
- (2) Strengthen consumer protection, enhance trip flexibility and digital services to provide consumers with a profound travel experience.
- (3) Increase the average output value of per guest room by the effectively control guest room vacancy/market supply and demand and selling price.
- (4) Improve our service quality and actively train hotel management professionals in respond to the long-term competition from international hotel chains
- (5) Strengthen service quality and become the "highest quality hospitality brand in Taiwan", integrate the Group's hotel and restaurant services and launch the "Humble House Life APP" digital platform, which will provide members with the convenience of a one-stop shopping and points collection and other services, in order to steadily increase the loyalty of domestic or foreign customers and mitigate the risk of competition in the market, and to retain the existing customers and actively develop new customers in the market.
- (6) Actively cooperate with players from other industries to provide combined packages including accommodation to draw attentions in the market and create business opportunities.

2. Long-term business development plan

- (1) Fully utilize the brand and hotel product excellence, carefully control operating costs and maximize sales channels to increase operating profit, and continue to develop marketing-oriented business groups.
- (2) Provide personalized and sophisticated services to enhance customer satisfaction and frequency of use with innovative products and a courteous and convenient living environment.
- (3) Increase the guest room occupancy rate and additional spending of business travelers to maintain the leading position of higher revenue in the market.
- (4) Implement friendly environment, integrate local culture, promote green

procurement, and implement Travel Sustainable badge.

(5) Continue to identify suitable locations for the development of tourist hotel business branches to provide high-quality accommodation and leisure facilities.

(6) Actively pursue meeting services and accommodation opportunities for incentive travel and international conferences in Taiwan.

(7) Actively develop new markets for food and beverage to expand customer sources and revenue, and increase revenue growth momentum.

II. Market, production and sales overview

(I) Market analysis

1. Sales regions of main products (services)

The Company is an operator of the tourist hotels in Taiwan and has not yet expanded its operations overseas; therefore, 100% of the services are provided in Taiwan. For 2023, the Company's revenue from food and beverage and travel services and other revenue accounted for 97% and 3% of net operating revenue, respectively. Breakdown of the Company's accommodation business by nature of customer source and by country of origin for the most recent two years is as follows

(1) Percentage of the Company's revenue from accommodation by market for the most recent two years

Unit: %

Nature (Note 1)	Hotel Year		Sheraton Taipei		Le Méridien Taipei		Mu Jiao Xi		Humble Boutique (Note 2)	
	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023
Independent customers	78.8	75.5	89.9	91.5	72.0	68.8	99.2	98.2		
Group customers	16.9	20.3	10.1	8.5	28.0	31.2	0.8	1.8		
Others	4.3	4.2	0.0	0.0	0.0	0.0	0.0	0.0		
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		

Source: The Company's own statistics.

Note 1: The difference between independent customers and group customers is that group customers refer to those that book eight or more rooms in a single transaction; others refer to those who are on long-term accommodation or airline crew.

Note 2: Humble Boutique Hotel started trial operations on March 19, 2022 and officially opened on May 5 of the same year.

(2) Percentage of the Company's guests by nationality (Room Nights) for most recent two years

Unit: %

Sheraton Taipei			Le Méridien Taipei			Mu Jiao Xi			Humble Boutique (Note)		
Year Nationality	2022	2023	Year Nationality	2022	2023	Year Nationality	2022	2023	Year Nationality	2022	2023
Taiwan	71.1	32.1	Taiwan	72.7	40.1	Taiwan	98.7	93.6	Taiwan	87.8	34.9
U.S.A.	13.0	20.4	U.S.A.	8.3	23.2	Hong Kong	0.0	2.4	Hong Kong	1.2	30.2
Japan	1.8	13.8	Hong Kong	1.8	10.5	U.S.A.	0.9	1.7	U.S.A.	2.0	5.9
Hong Kong	1.4	5.2	China	0.7	2.9	Japan	0.0	0.4	Japan	1.7	4.8
Others	12.7	28.5	Others	16.5	23.3	Others	0.4	1.9	Others	7.3	24.2
Total	100.0	100.0	Total	100.0	100.0	Total	100.0	100.0	Total	100.0	100.0

Source: The Company's own statistics.

Note: Humble Boutique Hotel started trial operations on March 19, 2022 and officially opened on May 5 of the same year.

2. Market share

Sheraton Taipei Hotel and Le Méridien Taipei, which are both international tourist hotels in Taipei, are the Company's main revenue generators. Their main competitors include Regent Hotel, Grand Hyatt Taipei, W Taipei, Taipei Marriott Hotel, Shangri-La's Far Eastern Plaza Hotel, Grand Hotel and Howard Plaza Hotel Taipei, etc. According to the ranking of operating revenue of international tourist hotels for 2023 by the Tourism Bureau of the Ministry of Transportation and Communications, Sheraton Taipei Hotel and Le Méridien Taipei had a combined total net operating revenue of NT\$3.9 billion, far exceeding most of the competitors.

Mu Jiao Xi Hotel is a tourist hotel in Yilan. Its main competitors include Silks Place Yilan, Hotel Royal Chiaohsi, and Evergreen Resort Hotel. According to the statistics of the Tourism Bureau of the Ministry of Transportation and Communications for 2023, the occupancy rate of Mu Jiao Xi Hotel reached 57.17%, which was much higher than most of its counterparts.

Monthly business report for Taipei tourist hotels

Unit: Thousands of NTD; %

Ranking	Hotel name	Total operating revenue for 2023	Percentage
1	Regent Hotel	3,177,186	11.07%
2	Grand Hyatt Taipei	2,885,769	10.06%
3	Sheraton Taipei Hotel	2,509,654	8.75%

Ranking	Hotel name	Total operating revenue for 2023	Percentage
4	Taipei Marriott Hotel	1,979,570	6.90%
5	W Taipei	1,685,702	5.88%
6	Shangri-La Far East, Taipei	1,649,595	5.75%
7	Grand Hotel	1,539,463	5.37%
8	Le Méridien Taipei	1,390,114	4.84%
9	Howard Plaza Hotel	1,325,268	4.62%
10	Grand Mayfull Hotel Taipei	1,198,911	4.18%
	Other	9,351,208	32.59%
	Total	28,692,439	100.00%

Source: Statistics on tourism business from the Tourism Bureau, Ministry of Transportation and Communications

Note: Based on total operating revenue for the whole year of 2023.

Monthly business report for Yilan tourist hotels

Unit: Thousands of NTD; %

Ranking	Hotel name	Total operating revenue for 2023	Percentage
1	Silks Place Yilan	1,353,332	31.88%
2	Hotel Royal Chiaohsi,	869,201	20.47%
3	Mu Jiao Xi Hotel	607,001	14.30%
4	Evergreen Resort Hotel (Jiaoxi)	560,779	13.21%
5	The Archipelego	283,877	6.69%
6	Dancewoods Hotel and Resorts	236,276	5.57%
7	Yilan The Walden	196,845	4.64%
8	Sun Spring Resort	91,048	2.14%
9	Kilin Hotel, JiaoXi	42,378	1.00%
	The Lion Hotel	4,483	0.11%
	Total	4,245,220	100.00%

Source: Statistics on tourism business from the Tourism Bureau, Ministry of Transportation and Communications

Note: Based on total operating revenue for the whole year of 2023.

3. Future supply and demand conditions in the market and growth

In recent years, under the impact of the COVID-19 pandemic, countries have strictly implemented border controls, and the tourism hotel industry has become one of the most directly affected industries by the pandemic. Especially for tourist

hotels that used to mainly serve foreign tourists, the restriction on the number of visitors to Taiwan due to border control policies has posed significant challenges. However, with the increase in global vaccine coverage and the trend of the pandemic to become influenza, the public is also gradually accepting coexistence with the virus. In 2022, countries gradually opened borders to foreign tourists and eased relevant epidemic prevention measures. Taiwan also fully opened the border in early October. By 2023, the number of inbound tourists in Taiwan has increased by 624% compared with the previous year, indicating that the tourism industry market is recovering rapidly. `

During the pandemic, operators have gradually reduced the pace of establishing or expanding new locations. For example, Sherwood Taipei, San Want Residences Taipei, Tayih Landis Tainan, and Ambassador Hotel Kaohsiung announced their closure in 2021 and 2022, slowing down the increase in supply in the market. In addition, some players choose to revitalize their assets and reduce the size of their hotels. For example, Ambassador Hotel Taipei and Ambassador Hotel Kaohsiung initiated a project to reconstruct their original unsafe and old bases into three buildings, only one of which is still used as a hotel, while the other two are planned to be converted into luxury residences. Sunworld Dynasty Hotel Taipei had 730 guest rooms, the third largest in Taipei. In order to effectively utilize the assets, the owner decided to retain only 408 guest rooms and sublet the remaining space to other businesses for conversion into social housing and gymnasiums, and refurbish the original space to start anew under the new name of "ILLUME Taipei".

However, at the same time, financially stronger players seize the opportunity to acquire market share from eliminated competitors. International hotel brands also continue to focus on business negotiations, sightseeing shopping, and breathtaking scenery as their main strategies, persistently establishing new locations in Taiwan. For instance, hotels like the Le Méridien Taichung, the Hotel Indigo Alishan, and Le Méridien Hualien Resort, which opened between 2022 and 2023, as well as the Nikko Kaohsiung Hotel, expected to open in 2024, and the Four Seasons Hotel, combined with the Park Hyatt and Andaz Hotel in Taipei Sky Tower expected to open between 2025 and 2026, and the MGH Mitsui Garden Hotel on Dunhua North Road. This reflects the operators' optimistic outlook towards Taiwan's tourism market, as they continue to inject funds, putting pressure on the occupancy rates and average room prices of international tourist hotels. In addition to the continuous entry of international tourism brands, the rise of distinctive homestay trends in recent years has led to a rapid increase in the number of homestays. With lower investment costs and barriers to entry compared to traditional hotels, homestays have gained popularity among domestic travelers due to their local cultural characteristics, spatial independence, and lower room prices,

intensifying competition in the hotel industry.

Companies with relatively strong capital are looking for opportunities to receive the market of companies that are eliminated, while international hotel brands also focus on business negotiations, tourism and shopping, and absolute beauty scenery and continue to set up new locations in Taiwan, such as Le Meridien Taichung, Hotel Indigo Alishan and Le Méridien Hualien Resort, which will be opened between 2022 and 2023, and Nikko Kaohsiung Hotel, which is expected to be opened in 2024, and Four Seasons Hotel, which is expected to be opened between 2025 and 2026. The Sky Taipei combined with “Park Hyatt” and “Andaz” and MGH Mitsui Garden Hotel Taipei Dunhua North Road, etc., reflect that companies are still optimistic about the tourism market in Taiwan, and continue to inject funds, which will create competitive pressure on the occupancy rate and average room price of International Tourist Hotel. In addition to the continuous entry of international tourism brands, due to the rise of the characteristic guest rooms, and the relatively low investment cost and low entry threshold required for the guest rooms compared to the general hotel industry, the number of guest rooms has shown a rapid growth in recent years. In addition, the guest rooms have the advantages of local cultural characteristics, space independence and low housing prices, which are well received by domestic tourists, making the competition in the hotel industry more intense.

With the sufficient supply of vaccines internationally and the continuous increase in vaccination rates, countries have gradually transitioned from zero-COVID policies to coexistence with the virus. In 2022, various countries gradually opened their borders, and China also abandoned its dynamic zero-COVID policy, announcing a comprehensive lifting of restrictions in January 2022. Although Taiwan lifted border controls at the end of 2022, considering the severe epidemic situation in China, it still prohibits tourists from mainland China, Hong Kong, and Macau from entering Taiwan. Only Hong Kong and Macau tourist groups were allowed to enter Taiwan in October, and after evaluating the local pandemic situation, Taiwan announced the opening of individual travel for tourists from Hong Kong and Macau in February of the following year, leading to an explosive growth in the number of tourists from Hong Kong and Macau to Taiwan. With the rapid economic recovery worldwide, people's demand for travel consumption has increased, and airlines have also opened more international flights, leading to an expected continuous growth in accommodation demand.

Regarding dining trends, due to the evident easing of the pandemic situation in 2023, there has been a noticeable rise in the population's inclination towards eating out. People's willingness to eat out increased, leading to a return of restaurant patronage, and seminars, wedding banquets and company dinner parties that were previously cancelled due to the pandemic were

held as usual. With the lifting of pandemic controls, there will be a wave of global retaliatory spending, and the demand for banquets and sightseeing tours that were delayed due to pandemic will continue to be revitalized, bringing momentum into the long-depressed tourism industry.

4. Competitive edges

(1) Location advantage

The Company is located in Taipei City and Sheraton Taipei Hotel is near the central government, Taipei Station, and the MRT Shandao Temple Station; Le Méridien Taipei is located in the fashionable arts and cultural Xinyi District, and has convenient transportation, which is favorable for business, shopping, and leisure. The hotels have been favored by travel agencies and domestic and foreign travelers, and have been appointed by the government to receive VIPs during national holidays and important festivals. Mu Jiao Xi Hotel is conveniently located near Jiaoxi Railway Station and the transfer depot, and is situated in the lively Jiaoxi business district, next to the famous scenic spots, providing visitors with a relaxing experience of cultural tour and a happy vacation to roam around the beautiful scenery of Yilan. Humble Boutique Hotel, which opened in May 2022, is conveniently located near the exit of Taipei Songjiang Nanjing MRT station, with excellent location and convenient transportation network. Surrounded by the Siping Yangguang Shopping District, Guanghua Shopping District, Liaoning Night Market, Xingtian Temple, and a neighborhood park with green scenery, combined with the street culture of the city, leading travelers to experience a new journey by staying in the neighborhood.

(2) Hotel visibility and brand image

Sheraton Taipei and Le Méridien Taipei, two of our five-star international chain hotels, have successfully achieved remarkable recognition by providing guests with quality, complete and luxurious meals and accommodation with a cultural and artistic atmosphere that is different from other hotels in the industry. The hotel has received many awards from leading travel magazines in Taiwan. Over the years, the hotels have been well received by domestic and foreign business travelers, and have received numerous awards from well-known travel magazines and media around the world.

Our Mu Jiao Xi Hotel inherits the unique taste of the aesthetics, humanities and arts of My Humble House, perfectly blending nature, famous hot springs and local culture to interpret the aesthetics of tranquility and refined living.

Our Humble Boutique Hotel, which was officially opened in May 2022, continues My Humble House's style of "art is life" and "life is art", providing a sanctuary in a busy city, allowing travelers to awaken their energy and relax and enjoy their home-like stays.

(3) Clearly defined market segmentation

The Company has two five-star international chain hotels, Sheraton Taipei Hotel, which targets domestic and international travelers who love Taipei's Western District, and is capable of hosting large travel groups in addition to casual guests; Le Méridien Le Méridien is located in a prime location in the Xinyi District, and focuses on customer groups at the top of the pyramid with high prices. In order to provide guests with exquisite service quality, the hotel only has 160 guest rooms, which is different from other industry players, to meet the diversified needs of domestic and foreign customers for accommodation, various food and beverage, shopping and leisure services, and succeed in market segmentation. Our Mu Jiao Xi Hotel in Yilan is a five-star hot spring resort and leisure hotel with the brand created by the Company that adopts the concept of contemporary art exhibition to blend with local culture to provide travelers with a high-quality and tasteful resort and leisure atmosphere to meet the needs of the slow travel, in-depth, and personalized domestic tourism market. Humble Boutique Hotel, which opened in May 2022, is the first boutique hotel under the Company's portfolio. It is located in the Songjiang-Nanjing business district, which is known as the "Wall Street of Taipei" and is adjacent to the exit of the Songjiang-Nanjing MRT station, targeting domestic and foreign business travelers. The guest rooms are designed to meet the needs of travelers for both business breaks and travel breaks, perfect for travelers who want to experience a stopover.

(4) Diversified operations

In addition to focusing on our core business of tourist hotels, the Company is seeking new business locations to expand the scale of its operations and to explore its licensed management business. In response to the rapid rise of the home economy, the Company is also actively developing new food and beverage channels to meet market demand.

5.Favorable and unfavorable factors of development prospects and countermeasures

(1) Favorable factors

- ① The government is actively developing international tourist sources and promoting sophisticated domestic tours

The epidemic has impacted the tourism of various countries, but the crisis has also brought about opportunities. In addition to expanding the domestic tourism market boom to serve as the basis for subsequent promotion of international tourism, the government also actively promotes the integration of resources of regional tourism development organizations and "accelerated expansion of attracting international tourists" and other activities to actively attract customers, continue to promote Taiwan brands through online voice, innovate and diversify marketing, and accelerate the recovery and growth opportunities of the international market to Taiwan.

In terms of the domestic tourism market, we continue to launch themes such as accommodation combined with local activities, and cooperate with Taipei double-deck sightseeing bus to create a curious experience of sharing Michelin cuisine at night. In the international tourism market, based on changes in market structure and customer preference, we will develop emerging markets, expand long-term markets and develop special customer groups such as senior citizens, Muslim and youth, and conduct precision marketing through big data and OTA platform cooperation.

② Increasing opportunities for MICE activities such as meetings and incentive travel

With the opening of Nangang Exhibition Center, Hall 2 in March 2019, the demand for large exhibition venues in Taiwan are addressed and the international competitiveness of Taiwan's convention and exhibition industry are enhanced. The business opportunities of Meeting, Incentive, Conference and Exhibition can be expected.

③ Increasing social interests in leisure travel and available leisure time

With the annual steady growth of per capita national income and the rapid development of the tourism industry, the demand for the tourism industry is increasing. In addition, due to the declining birth rate in Taiwan, parents pay more attention to the leisure activities during family holidays, which drives the robust development of the domestic parent-child tourism market. This provides growth momentum for the future development of the domestic tourism industry. The innovative sales strategies of tourism industry are also important to the living and leisure needs of the citizens.

④ Distinct market positioning and international brand image

Because consumers' consumption habits have migrated upwards, they have certain requirements for product quality. As such, the

Company obtained the authorization by the world-renowned “Starwood Hotels & Resorts Worldwide”. With the acquisition and merger of Starwood by Marriott International in September 2016. Upon completion of the merger and acquisition, they became the world's largest international hotel chain. The combined membership of its loyalty program has exceeded 100 million, and its experience in the international tourist hotel market with its reputation, high standard of service quality, standardized management and global marketing will be even more beneficial to the future operations and management of our two international tourist hotels.

⑤ Rise of Senior travel

With Taiwan entering an aging society, due to the emphasis of the new generation of seniors on quality of life and leisure entertainment, silver age tourism is bound to become an important trend in future domestic tourism. The Tourism Bureau invests NT\$50 billion annually to encourage travel industry to integrate various accessible facilities and rich and diverse scenic resources in Taiwan to create high-quality products suitable for silver-haired and barrier-free tourism. To promote silver age tourism, the Tourism Bureau established the "Golden Year" brand in 2023, designed 8 demonstration itineraries for silver age tourism, selected tourism elements suitable for silver age theme tourism, and improved the quality of silver age tourism. In addition, the Tourism Bureau of the Ministry of Transportation plans to launch the "Golden Years Journey" certification in 2024 to help travel agencies create high-quality itineraries with four characteristics of "Slow: Slow Travel", "Health: Pay Attention to Health", "Fun: Enjoy Fun Together", and "Learning: Intellectual Learning" through cooperation with AI robots to provide intelligent services, or by hiring middle-aged and elderly employees to solve the dilemma of labor shortage.

(2) Unfavorable factors and countermeasures

① operating costs increase

Due to the impact of the Ukrainian-Russian war on the international energy price, the power generation cost of Taiwan Power Company continues to rise, and the electricity cost has significantly increased by 15% and 14.2% in 2022 and 2023, respectively, while the basic salary of labor has also increased year by year. The Ministry of Labor approved in September 2023 that the floor plate will adjust the basic salary to NT \$27,470 from 2024, with an increase of about 4%. In addition, due to the pressure of store rental and the impact of the

high price of major ingredients, the company's operating cost burden continues to increase, which erodes profitability.

Countermeasures:

The Company attaches importance to the integration and management of the supply chain, and has established long-term partnerships with suppliers, and has centralized the purchase of foodstuffs through tenders and obtained food safety inspection reports to strengthen the monitoring of the production and sales of supply chain to enforce food safety autonomous management, as well as to ensure the advantages of purchase price and quality. In addition, the Company will exercise more prudent cost control and develop energy-saving measures to reduce the impact of rising operating costs.

② Apparent oversupply in Taiwan's tourist hotel industry

In recent years, international hotel brands have continued to enter the tourist hotel market, such as Japanese brand hotels, which will have an impact on the supply and demand in the Taiwan tourist hotel market, to the detriment of the overall occupancy rate and average room price.

Countermeasures:

In the face of strong market competition, the Company not only maintains its existing stable customer base, but also actively finds new customer sources, continues to invest in the expansion of new operating bases and the replacement of hotel equipment to provide better facilities and services, and strengthens customer recognition and appreciation of the Company. The company has also adopted various marketing strategies to increase exposure through various VIP privileges, travel show promotions, and alliances with credit card companies and airlines to offer various discount packages. In addition, the Group has integrated its hotel and food and beverage services to launch the "Humble House Life APP" digital platform, which provides members with the convenience of points collection and one-stop shopping services, in order to steadily increase the loyalty of domestic and foreign accommodation and food and beverage customers and address the risk of competition in the market.

③ The tourism industry has distinct seasonality, which is not conducive to investments and operations of the industry

Almost all tourist areas have both off and peak seasons, and even within a week from Monday to Sunday, business performances are different. Hotel owners must take into account the occupancy rate,

number of guest rooms, seasonality, traffic and weather, and other factors to develop a flexible and dynamic price adjustment system to fit the difference between off and peak seasons without affecting the quality of customer service, so that demand and supply can reach a balance, and at the same time to achieve the best overall revenue.

Countermeasures:

For the seasonality of the accommodation business, in addition to the establishment of a comprehensive reservation system to make full use of the hotel capacity, we also have alliances with other industries to promote off-season discounts to develop off-season demand and increase customer base, etc.

- ④ The labor shortage in the accommodation and food and beverage service industry is becoming a big problem after the pandemic

In recent years, the tourism and catering industries have been deeply affected by the epidemic, all restaurants and hotels have minimized operating costs and reduced manpower, so the released manpower has turned to the development of the Other industry. In addition, the phenomenon of declining birth rates has intensified, the younger generation has a variety of job-seeking options, and is inclined to choose work with higher freedom, resulting in a serious outflow of manpower in the tourism industry. When the wave of tourism and dining people quickly returns, the industry is facing the problem of insufficient manpower.

Countermeasures:

The Company actively recruits new employees, establishes a sound personnel system and good corporate culture, regularly reviews employee salary and welfare policies and employee satisfaction, attaches importance to employee training and cultivating future successors, and gradually improves the management and leadership capabilities of managers at all levels to retain high-quality talents, and also introduces AI robots to provide intelligent services, or hires middle-aged and senior employees to solve the dilemma of lack of work.

- ⑤ The number of Chinese tourists visiting Taiwan is difficult to recover

Due to the slowdown of the epidemic and the cancelation of the dynamic zero-COVID policy in China, the number of outbound tourists in China has increased significantly compared with the same period last year. However, due to the political factors of both sides of the strait, China only allows third mainland Chinese tourists to come to Taiwan for sightseeing, and China has not yet opened mainland passenger

tours and inbound tours, so the number of tourists from China to Taiwan is still delayed and cannot be increased.

Countermeasures:

Actively expand diversified international tourism sources, and in line with the government's new southbound policy, the company will build a Muslim-friendly environment, provide facilities that meet the needs of Muslim, and strive for Muslim passengers to move in. At the same time, the Company also designed travel itineraries with local customs for foreign tourists in combination with local characteristics to attract international tourists who want to understand Taiwan's local culture.

(II) Important applications and production processes of main products

The Company's main products are guest room accommodation, food and beverage supply, and banquet and conference venues, and other related facilities, all of which are designed to maximize customer satisfaction.

(III) Supply of main raw materials

The Company is mainly engaged in the guest room accommodation and food and beverage services, and its main raw materials are the spare parts for guest rooms and ingredients for food and beverage services, etc. Their supplies are stable.

(IV) List of major suppliers and customers

1.The names customers who accounted for more than 10% of the total sales in any of the most recent 2 years, their sales amount and percentage

The Company's main business is the operations of international tourist hotels, and its customers are widely dispersed. There were no customers who accounted for more than 10% of the total sales in the most recent 2 years

2.The names suppliers who accounted for more than 10% of the total purchases in any of the most recent 2 years, their purchase amount and percentage

The Company's purchases are widely dispersed, and no single supplier accounted for more than 10% of the total purchases in the most recent two years.

(V) Production volume and value for the most recent two years

The Company is mainly engaged in the businesses of guest room accommodation and food and beverage services, and therefore does not

have information on the production and sales volumes and values because it is not a general manufacturing company. We can only show the value of each main product for the most recent two years for the services in the following table:

Unit: Thousands of NTD

Main product \ Year	2022		2023	
	Production volume	Production value	Production volume	Production value
Guest room costs	-	781,074	-	837,317
Food and beverage costs	-	1,674,000	-	1,971,734
Other costs	-	117,044	-	157,403
Total	-	2,572,118	-	2,966,454

(VI) Sales volume and value for the most recent two years

The Company is mainly engaged in the businesses of guest room accommodation and food and beverage services, and therefore does not have information on the production and sales volumes and values because it is not a general manufacturing company. We can only show the value of each main business for the most recent two years for the services in the following table:

Unit: Thousands of NTD

Main product \ Sales Volume / Value \ Year	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Accommodation revenue	-	1,094,553	-	-	-	1,881,468	-	-
Food and beverage revenue	-	2,207,649	-	-	-	2,828,897	-	-
Other revenue	-	120,008	-	-	-	120,770	-	-
Total	-	3,422,210	-	-	-	4,831,135	-	-

III. Information on employees for the most recent 2 years, and the current year up to the date of publication of the Annual Report

Unit: People; Age: Years

Year		2022	2023	Up to 2024/3/31
Number of employees	Outside directors	8	9	9
	Above vice president	7	8	8
	Assistant VP	30	31	31
	Manager	80	85	88
	Assistant manager	142	142	153
	General staff	1,002	1041	1,030
	Interns	150	114	110
	Hourly staff	228	190	173
	Total	1,647	1620	1,602
Average age (Note)		38	38	39
Average years of service (Note)		5.7	5.8	5.8
Education distribution (Note)	Doctorate	0.07	0	0.28
	Master	3.17	3.07	12.55
	University or college	70.47	71.33	62.34
	Senior high school	20.72	20.18	20.02
	Below senior high school	5.57	5.42	4.81

Note: Excluding hourly staff

IV. Information on environmental protection expenditures

For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to environmental pollution (including compensation and environmental protection audit results of violations of environmental protection laws and regulations, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses, and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: For the most recent year and the current year up to the date of publication of the Annual Report, the Company did not have any significant losses or penalties due to environmental pollution.

V. Labor relations

(I) List the Company's employee welfare measures, training, education and

retirement systems and their implementation, as well as the agreements between management and employees and measures to protect the rights and interests of employees

1. Employee welfare measures

The Company's welfare measures are carried out in accordance with the Labor Standards Act, the Labor Insurance Act, the National Health Insurance Act, and other relevant laws and regulations, and the Employee Welfare Committee was established to handle employee welfare matters and the Company and its employees make appropriations to the employee welfare fund and employees are entitled to the welfare measures. The main policies and measures are as follows:

- (1) Cash gifts for three festivals, wedding, funeral, childbirth, hospitalization, medical treatment, and travel subsidies.
- (2) Year-end bonuses and employee compensation: Year-end bonuses are distributed before the Chinese New Year, and operating performance bonuses are issued in April each year according to the company's previous year's operating conditions and individual work performance evaluations.
- (3) With a nursing room and a professional registered to provide employees with safety and health guidance, occupational and general injury and illness prevention and education, health consultation, first aid and emergency treatment. Annual health checkups and regular medical doctor on-site providing professional occupational disease services
- (4) The Company purchases labor insurance and health insurance in addition to group insurance and accident insurance and provide labor retirement systems for employees in accordance with the law
- (5) The Company adjusts insurance coverages in group insurance and increased the funeral subsidy for employees' immediate family members.
- (6) Employees are entitled to discounts on meals and hotel accommodation in the Company's restaurants and hotels and to discounts on meals in the month of their birthdays.
- (7) We provide work safety shoes and various protective gears to protect employees for occupational safety.
- (8) In order to recruit quality talents and effectuate the development program, we have added a bonus system for interns upon graduation and return to work for the Company, and paid housing allowance for foreign interns.

- (9) Childcare leave without pay: Anyone who meets the criteria of the law may apply for childcare leave without pay. The Company also agrees that those who have been employed for less than six months may apply according to their needs.
- (10) General leave without pay: In addition to the statutory reasons such as general injury and sick leave exceeding the time limit, military service, criminal cases, and childcare, and for the need to take care of immediate family members due to serious illness, etc., employees may also apply for leave without pay for a period not exceeding two months.
- (11) There are rest rooms or dormitories for employees to rest after working hours, on night shifts, or for employees who live in remote areas
- (12) Others: We regularly select outstanding employees and give them awards and public recognition.

2. Continuing education and training

The Company attaches great importance to the career development of our employees and the enhancement of their strengths. For the professional development of our employees, we have designed various core, professional and management courses and formulated talent training programs for each job level to cultivate quality employees with potentials. Employees can continue to improve their functional skills through internal training, external study, e-learning system and partner coaching program, which accompanies the continuous development of the Group and enhances the competitiveness of the Company at the same time.

- (1) Core general knowledge courses: By conveying the Group's core values and culture, we let employees understand the care and respect the Company entertains for its guests and employees. For example: pre-employment training, considerate service process, considerate remedial measures, new generation service culture.
- (2) Professional skills training: We formulate training plans according to the duties of employees for them to perform their work with the required professional abilities, so that employees in the various roles will be more confident and productive, and we will select quality employees and leaders to actively participate in the Marriott Group's various online learning courses and seminars outside hotels.
- (3) Management courses: The Company has set up "My Humble House Academy" leadership training courses, which are divided into junior manager, assistant manager and manager levels according to the different job ranks of management to equip them with different management skills with both depth and breadth; the contents cover

various management skills, such as: leadership and motivation, delegation management, process optimization, conflict management... etc. Through classroom face-to-face sessions, group discussions and assignments, mentorship programs, and team dynamics, the program will progressively improve the management and leadership skills of leaders at all levels.

- (4) Certification courses: We comply with government regulations and sponsor employees to attend various certification courses, such as HACCP, chef hygiene training, fire prevention management, occupational safety and health, boiler operations, waste water treatment, first aid personnel, AED operations, etc.
- (5) Unit trainer system: Each unit in the operations department has a trainer role, who must be coached as a trainer, understand the 6 major systems of training and various training techniques, and be responsible for the arrangement and teaching of professional knowledge and skills training courses within the unit, so that the seeds of training can be spread in each unit and blossom.

3. Retirement systems and the implementation status

The Company recognizes the contributions of senior employees over the years and provides them with pensions and benefits based on their seniority in accordance with the law.

- (1) For employees subject to the pension system under the Labor Standards Act, the Company makes monthly appropriations to the retirement reserve in accordance with the Labor Standards Act, and appoints an actuary at the end of each year to ensure that the retirement reserve is sufficient to pay for employees who are subject to mandatory retirement or who retire on their own initiative.
- (2) For employees subject to the pension system under the Labor Pension Act, the Company makes monthly contributions in accordance with the Labor Pension Act and the monthly salary classification table approved by the Executive Yuan, and the contributions shall be deposited in the employee's personal pension account at the Bureau of Labor Insurance.
- (3) The Company shall pay the year-end bonus to retiring employees in proportional to their months of service in the last year
- (4) In 2023, a total 16 employees reached retirement age, and 1 employees retired voluntarily.

4. Labor management agreements

- (1) Since its establishment, the Company has harmonious labor relations and no major labor disputes or losses have occurred, and all levels of management communicate with employees from time to time, and each business location has a labor-management committee member that holds quarterly labor-management meetings to discuss and coordinate the opinions of all parties. A number of consensuses on related issues have been reached and the minutes of the meetings were announced to all employees.
- (2) Each business unit has an "employee complaint e-mail address and telephone number" and formulated "sexual harassment prevention measures, complaints and disciplinary measures" to properly and fairly handle employee complaints. It is expected that management and employees will continue to maintain a more harmonious relationship.

5. Measures for protecting employee rights and interests

- (1) The Company has established personnel management regulations in accordance with relevant laws and regulations, which specify the legal rights and welfares of employees, and regularly reviews and revises them to meet actual needs, reports them to the local labor departments, and then announces them to all employees for their information and compliance.
- (2) Each business unit holds regular "employee meetings" to announce corporate policies and major changes, and to listen to and respond to employees' questions.
- (3) Each business unit has a "president mailbox" in the employee area to communicate with employees through public or private channels and set up "employee complaint e-mail and telephone number" to solve employee troubles and problems. The Company has also established and announced the "Sexual Harassment Prevention Measures, Complaint and Disciplinary Measures" and the "Employee Complaint Process Guidelines" for employee complaints and convene committee meetings to handle them appropriately and fairly.
- (4) To enforce occupational safety and health policies, we have established a dedicated department for occupational safety and health, responsible for formulating work safety and health rules, prevention plans and countermeasures. Currently, we have established the "Prevention Plan for Illegal Infringements in the Execution of Duties", "Prevention Plan for Abnormal Workload", "Prevention Plan for Human Hazards", "Health Protection Plan for Maternal Workers", and "Respiratory Protection Plan".

(5) We hold regular Occupational Safety and Health Committee meeting to review the implementation status of each item for improvement. We carry out maintenance and automatic inspection of various equipment, safety inspection of employees' working environment, safety and health education and training and promotion. We also provide employees with the knowledge and skills needed to perform their jobs and prevent disasters, and to protect the rights of employees' physical and mental health.

(II) For the most recent year and for the current year up to the date of publication of the Annual Report, the amount of loss due to labor disputes (including labor inspection results of violations of the labor standards act, the penalty date, the penalty number, the provisions of the regulation violated, the content of the regulation violated, and the penalty content should be stated) and the estimated amount of current and potential future losses and countermeasures should be disclosed and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated

Disposition date	2023/9/14	2023/7/20	2024/3/18	2024/3/8
Disposition number	Labor Office Document No.11260941541	Labor Bureau No. 11201870342	Taipei City Labor Letter No. 11360000701	Labor Bureau No. 11301868102
Regulations Violated	Article 43, Paragraph 1 of the Occupational Safety and Health Facility Regulations and Article 6, Paragraph 1, Clause 1 of the Labor Insurance and Protection Act	Article 12 of the Labor Occupational Accident Insurance and Protection Act	Labor Standards Act, Article 24, Paragraph 1 & 2, Article 32, Paragraph 2, Article 34, Paragraph 2, Article 79, Paragraph 1, Paragraph 1, and Article 80, Paragraph 1, Paragraph 1	Paragraph 1 and 17, Article 6 of the Labor Occupational Accident Insurance and Protection Act, and Article 26 of the Enforcement Rules (Labor Standards Act Article 2 Paragraph 3), Article 98 Paragraph 1
Content of Regulations	Failure to install protective covers	Failure to handle	Shortage of overtime pay	Failure to report the

Violated	for mechanical transmission devices.	insurance enrollment and cancellation procedures for employees.	on weekdays and rest days, exceeding 12 consecutive working hours, and insufficient rest intervals between shifts of less than 11 hours.	participation of employees in labor accident insurance and the insured salary for high coverage in accordance with regulations during their employment.
Content of Punishment	Penalty: NT \$30,000	Penalty: NT \$20,000	Penalty: NT \$200,000	Penalty: NT 40,000
Response measures	Increased purchase of protective covers and provided relevant safety and health training courses for colleagues in the dining department.	Missed insurance days have been compensated	Overtime pay will include relevant allowances in the calculation standard. Strengthen guidance and control over overtime hours, with a maximum of 4 hours per day. Check the schedule of operational units, paying special attention to the scheduling of colleagues who worked overtime the previous day.	Adjust the method of insuring hourly employees and the calculation method of insured salary.

The Company has always held the belief that employees are the most important assets of the Company, and has established personnel management rules and regulations in accordance with laws and regulations, and announced them to employees for their information and compliance. The

Company holds labor-management meetings in accordance with the law, and communicates the Company's rules and regulations and the employees' opinions at all times through employee meetings, president's mailbox, departmental meetings and various announcements. There were no significant labor disputes in the most recent year and the current year up to the date of publication of the Annual Report.

VI. Cybersecurity management

- (I) The Company's cybersecurity risk management framework, cybersecurity policies, specific management programs and resources devoted to cybersecurity management should be described.

The Company currently has an Information Security Committee to review the information security governance policies of the Group and its subsidiaries, monitor information security operations, and report regularly to the Board of Directors on the status of information security governance audits. The president and the officer of the Information Division are responsible for information security governance, planning, supervision and implementation, in order to build up a comprehensive information security capability and awareness of information security among employees. The Information Security Audit Unit includes members of the Company's Information Division and Audit Office, and the Information Security Management Unit includes the tier-one officer of each department. Each hotel has professional information staff responsible for handling matters related to information system security prevention and crisis management to prevent computer network crime and crisis and to maintain information system security. Establish the security control mechanism of the computer network system to ensure the security of network transmission data, protect the network operation, and prevent the leakage of confidential information caused by unauthorized access to the system.

Strengthen network security management for cross-company computer network systems, and install anti-virus software internally and set up external network firewalls to prevent computer viruses and offensive malware from invading and paralyzing the company's network system. Educate employees on the concept of using legal software in the right way, and promote employee awareness of the threat of computer viruses to further enhance their vigilance on information security. Users should avoid using passwords that can be easily identified and guessed, and should not leave passwords blank and change them regularly. The accounts of former employees are verified and deactivated to prevent data leakage.

In addition, we have set up WAF protection against new types of network

attacks and conduct quarterly vulnerability scans to identify weaknesses in our website in advance and strengthen protection.

To prevent data leakage, we have set up a DLP data leakage protection monitoring system to continuously protect data security.

The IT infrastructure is regularly reviewed and optimized by a professional network security company on a quarterly basis. We have also started to evaluate the information security insurance, so that we can transfer the risk in the event of information security incidents and reduce the risk of our operations.

The above security protections are expected to reduce information security risks, and regular internal control self-evaluation of website vulnerability scanning is conducted to prevent information security risks before they occur, with regular disaster drills to establish SOPs for various conditions for compliance in the event of an information security incident. We establish complete backup information of all systems and system host backup work, check backup records daily, and restore operation to the goal of continuous operation without interruption in the shortest possible time when an information security incident or system damage occurs.

- (II) For the most recent year and for the current year as of the publication of the Annual Report, the amount of loss and possible impacts from major cyber security incidents and countermeasures and if the amount cannot be reasonably estimated, the fact that it cannot be reasonably estimated shall be stated: For the most recent year and the current year up to the date of publication of the Annual Report, the Company had no major cybersecurity incidents.

VII. Information contracts

Nature of the contract	Parties to the contract	Contract start and end date	Main contents	Restrictive clauses
Real estate lease contract	Land Bank of Taiwan	2017.06.01 ~ 2032.05.31	1.The subject matter of the lease: No. 12, Section 1, Zhongxiao East Road, Taipei City. 2.Rent calculation and payment method: The higher of the annual minimum guarantee rent of the subject matter of the lease or the commission calculated as a percentage of the	1.The subject matter of the lease shall be limited only for the purpose of operating international tourist hotels and related businesses. 2.The subject matter of the lease shall not be subleased, underleased, pledged, lent to others or jointly

Nature of the contract	Parties to the contract	Contract start and end date	Main contents	Restrictive clauses
			revenue generated from the subject matter of the lease	used with other companies in whole or in part without the written consent of the lessor, nor shall it be entrusted to others for operations or jointly operated with others, nor shall it be used as collateral by the leasehold right.
Real estate lease contract	Taishin Life Insurance Company Ltd.	2010.10.01 ~ 2030.09.30	1.The subject matter of the lease: No. 38, Songren Road, Xinyi District, Taipei City. 2.Rent calculation and payment method: For certain areas, rents are fixed based on area of use, and for guest rooms, food and beverage areas, etc. rents are calculated based on revenue, but shall not be less than the annual minimum guarantee rent for each lease year.	The subject matter of the lease shall only be used for operations of a general tourist hotel or international tourist hotel. The subject matter of the lease shall not be used for other purposes without the written consent of the lessor or for illegal acts
Real estate lease contract	TransGlobe Life Insurance Inc.	2017.07.28~ 2038. 07. 27	1.The subject matter of the lease: No. 1 and No. 2, Jiankang Road, Jiaoxi Township, Yilan County 2.Rent calculation and payment method: The higher of the annual minimum guarantee rent of the subject matter of the lease or the commission calculated as a percentage of the revenue generated from the subject matter of the lease	The subject matter of the lease shall only be limited for use in the operations of a general, hotel, tourist hotel or international tourist hotel.

Nature of the contract	Parties to the contract	Contract start and end date	Main contents	Restrictive clauses
Real estate lease contract	Continental Engineering Corporation	2022.3.1~2042.2.28	1.The subject matter of the lease: No. 396, 405-1, No. 3, Third Subsection, Zhongshan District, Taipei City, No. 116 (1st floor to 9th floor) and part of No. 118, Songjiang Road. 2.Rent calculation and payment method: The monthly rent is calculated based on the registered area of the leased property and the contracted amount.	The subject matter of the lease shall only be limited for use in the operations of a general, hotel or tourist hotel
Brand license contract	Starwood Asia Pacific Hotels & Resorts Pte. Ltd.	2012.12.31 ~ 2032.05.31	To license the Company to use the "Sheraton" service mark and system.	None
Service payment contract	Sheraton Overseas Management Corporation	2012.12.31 ~ 2032.05.31	The Company pays marketing and information service fees based on the brand license contract	None
Brand license and service payment contract	Starwood(M) International, Inc.	2010.12.31 ~ 2025.12.31	1.To license the Company to use the "Le Meridien" service mark and system. 2.The Company shall pay for marketing services and information services, etc. in accordance with the contract.	None
Money trust contract	SUNNY BANK	2017.09.29 ~ 2024.09.28 Neither party objects in writing to the renewal of the contract one month prior to the expiration of	Gift certificate performance guarantee.	None

Nature of the contract	Parties to the contract	Contract start and end date	Main contents	Restrictive clauses
		the contract, the contract shall continue to be extended on the same terms for one year from the day following the expiration of the contract.		
Borrowing contract	Cathay United Bank	2020.09.03-2026.09.03	Long-term lending and long-term secured lending	None
Borrowing contract	Hua Nan Commercial Bank, Ltd.	2020.09.15-2026.09.15	Long-term lending and long-term secured lending	None
Borrowing contract	First Commercial Bank	2020.08.14-2025.08.14	Long-term lending and long-term secured lending	None
Borrowing contract	First Commercial Bank	2020.08.10-2025.08.10	Long-term lending and long-term secured lending	None

Six. Financial Position

I. Condensed Balance Sheets and Statements of Comprehensive Income for the most recent 5 years

(I) Condensed Balance Sheets and Statements of Comprehensive Income

1. Condensed Balance Sheets

(1) IFRSs (Consolidated)

Unit: Thousands of NTD

Year Item		Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Current assets		1,135,133	1,025,091	915,661	899,727	1,235,862
Property, plant and equipment		1,309,793	1,151,658	1,063,779	987,078	949,617
Intangible assets		6,759	2,586	7,316	8,968	6,405
Other assets		13,128,051	12,481,961	11,642,610	12,457,746	11,431,462
Total assets		15,579,736	14,661,296	13,629,366	14,353,519	13,623,346
Current liabilities	Before distribution	1,930,045	2,013,296	2,342,458	2,504,486	2,406,698
	After distribution	2,041,571	2,013,296	2,342,458	2,504,486	Not distributed yet
Non-current liabilities		11,774,625	11,143,051	10,485,136	11,130,188	10,030,698
Total liabilities	Before distribution	13,704,670	13,156,347	12,827,594	13,634,674	12,437,396
	After distribution	13,816,196	13,156,347	12,827,594	13,634,674	Not distributed yet
Equity attributable to shareholders of the parent company		1,875,066	1,504,949	801,772	718,845	1,185,950

Stock capital		1,115,260	1,115,260	1,115,260	1,015,260	1,015,260
Capital surplus		456,438	456,438	456,438	556,438	556,438
Retained earnings	Before distribution	327,046	(110,688)	(799,906)	(930,244)	(488,542)
	After distribution	215,520	(110,688)	(799,906)	(930,244)	Not distributed yet
Other equity		(23,678)	43,939	29,980	77,391	102,794
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,875,066	1,504,949	801,772	718,845	1,185,950
	After distribution	1,763,540	1,504,949	801,772	718,845	Not distributed yet

Note: The above financial information for the years have been audited and attested by CPAs.

(2) IFRSs (Parent Company Only)

Unit: Thousands of NTD

Unit: Thousands of NTD

Year Item		Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Current assets		1,011,153	855,220	724,164	607,615	779,632
Property, plant and equipment		1,309,793	1,151,658	1,063,779	987,078	949,617
Intangible assets		6,759	2,586	7,316	8,968	6,405
Other assets		13,240,345	12,626,085	11,810,594	12,748,507	11,883,117
Total assets		15,568,050	14,635,549	13,605,853	14,352,168	13,618,771
Current liabilities	Before distribution	1,918,209	1,987,489	2,318,885	2,503,075	2,402,063
	After distribution	2,029,735	1,987,489	2,318,885	2,503,075	Not distributed

	on					yet
Non-current liabilities		11,774,775	11,143,111	10,485,196	11,130,248	10,030,758
Total liabilities	Before distribution	13,692,984	13,130,600	12,804,081	13,633,323	12,432,821
	After distribution	13,804,510	13,130,600	12,804,081	13,633,323	Not distributed yet
Equity.		1,875,066	1,504,949	801,772	718,845	1,185,950
Stock capital		1,115,260	1,115,260	1,115,260	1,015,260	1,015,260
Capital surplus		456,438	456,438	456,438	556,438	556,438
Retained earnings	Before distribution	327,046	(110,688)	(799,906)	(930,244)	(488,542)
	After distribution	215,520	(110,688)	(799,906)	(930,244)	Not distributed yet
Other equity		(23,678)	43,939	29,980	77,391	102,794
Treasury stock		-	-	-	-	-
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	1,875,066	1,504,949	801,772	718,845	1,185,950
	After distribution	1,763,540	1,504,949	801,772	718,845	Not distributed yet

Note: The above financial information for the years have been audited and attested by CPAs.

2. Condensed Statements of Comprehensive Income

(1) IFRSs (Consolidated)

Unit: Thousands of
NTD

Item \ Year	Financial information for the most recent five years				
	2019	2020	2021	2022	2023
Operating revenue	4,478,451	2,806,550	2,333,910	3,422,210	4,831,135
Operating gross profit	1,784,671	599,369	188,336	850,092	1,864,681
Other income and expenses, net	(4,830)	119,522	21,896	129,814	165,290
Operating profit or loss	322,615	(417,184)	(801,808)	(230,212)	625,770
Non-operating income or expenses	(168,190)	(69,455)	(102,522)	(207,716)	(152,549)
Net profit (loss) before tax	154,425	(486,639)	(904,330)	(437,928)	473,221
Continuing operations Net profit (loss) for the period	123,351	(351,467)	(719,595)	(338,063)	414,019
Loss from discontinued operations	-	-	-	-	-
Net profit (loss) for the period	123,351	(351,467)	(719,595)	(338,063)	414,019
Other comprehensive income for the period (net of tax)	761	92,876	16,418	55,136	53,086
Total comprehensive income for the period	124,112	(258,591)	(703,177)	(282,927)	467,105

Net profit (loss) attributable to shareholders of the parent company	123,351	(351,467)	(719,595)	(338,063)	414,019
Net profit (loss) attributable to shareholders of the parent company	-	-	-	-	-
Total comprehensive income attributable to shareholders of the parent company	124,112	(258,591)	(703,177)	(282,927)	467,105
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings (Losses) per share (NTD) (Note 2)	1.35	(3.84)	(7.86)	(3.69)	4.52

Note 1: The above financial information for the years have been audited and attested by CPAs.

Note 2: The Company made a capital reduction to make up for losses in 2022, and therefore retroactively adjusted the earnings (losses) per share for previous years.

(2) IFRSs (Parent Company Only)

Unit: Thousands of NTD

Item \ Year	Financial information for the most recent five years				
	2019	2020	2021	2022	2023
Operating revenue	4,475,929	2,806,567	2,331,137	3,419,385	4,829,356
Operating gross profit	1,784,090	593,316	181,402	846,333	1,862,017
Other income and expenses, net	-	20,163	-	-	-
Operating profit or loss	328,844	(523,232)	(833,182)	(360,631)	459,260
Non-operating income or expenses	(175,729)	35,222	(72,605)	(78,800)	9,470
Net profit (loss) before tax	153,115	(488,010)	(905,787)	(439,431)	468,730
Continuing operations Net profit (loss) for the period	123,351	(351,467)	(719,595)	(338,063)	414,019
Loss from discontinued operations	-	-	-	-	-
Net profit (loss) for the period	123,351	(351,467)	(719,595)	(338,063)	414,019
Other comprehensive income for the period (net of tax)	761	92,876	16,418	55,136	53,086
Total comprehensive income for the period	124,112	(258,591)	(703,177)	(282,927)	467,105
Earnings (Losses) per share (NTD) (Note 2)	1.35	(3.84)	(7.86)	(3.69)	4.52

Note 1: The above financial information for the years have been audited and attested by CPAs.

Note 2: The Company made a capital reduction to make up for losses in 2022, and therefore retroactively adjusted the earnings (losses) per

share for previous years.

(II) The names of the attesting CPAs and their audit opinions for the most recent five years

Year	CPA firm	CPA name	Audit opinion
2019	PwC Taiwan	Chao-Ming Wang, Ping-Chun Chih	Unqualified opinion
2020	PwC Taiwan	Tsung-Hsi Lai,, Ping-Chun Chih	Unqualified opinion
2021	PwC Taiwan	Tsung-Hsi Lai, Ping-Chun Chih	Unqualified opinion
2022	PwC Taiwan	Tsung-Hsi Lai, Ping-Chun Chih	Unqualified opinion
2023	PwC Taiwan	Tsung-Hsi Lai, Ping-Chun Chih	Unqualified opinion

II. Financial analysis for the most recent 5 years

(I) IFRSs

1. Analysis of Consolidated Financial Statements

Analysis item \ Year		Financial analysis for the most recent 5 years				
		2019	2020	2021	2022	2023
Capital structure	Debts to assets ratio (%)	87.96	89.74	94.12	94.99	91.29
	Long-term capital to property, plant, and equipment ratio (%)	1042.13	1098.24	1061.02	1200.42	1181.18
Solvency	Current ratio (%)	58.81	50.92	39.09	35.92	51.35
	Quick ratio (%)	51.15	45.67	34.33	31.13	45.74
	Interests coverage multiplier	167.43	(124.96)	(339.95)	(105.66)	338.85
Operating performance	Accounts receivable turnover rate (times)	33.53	34.55	48.01	52.19	45.52
	Average collection days	11	11	8	7	8
	Inventory turnover rate (times)	22.85	22.79	27.27	31.84	35.56
	Accounts payable turnover rate (times)	16.18	13.31	11.78	10.17	11.51
	Average sales days	16	16	13	11	10
	Property, plant and equipment turnover rate (times)	2.97	2.28	2.11	3.34	4.99
	Total assets turnover rate (times)	0.47	0.19	0.16	0.24	0.35
Profitability	Return on assets (%)	3.19	(1.18)	(3.92)	(1.20)	4.09
	Return on equity (%)	6.60	(20.80)	(62.39)	(44.46)	43.47
	Net profit before tax to paid-in capital (%)	13.85	(43.63)	(81.09)	(43.13)	46.61
	Net profit margin (%)	2.75	(12.52)	(30.83)	(9.88)	8.57
	Earnings per share (NTD)	1.35	(3.84)	(7.86)	(3.69)	4.52
Cash flows	Cash flow ratio (%)	54.25	39.89	14.03	28.83	60.23
	Cash flow adequacy ratio (%)	112.80	132.94	144.46	254.78	532.90
	Cash reinvestment ratio (%)	35.60	29.45	30.40	77.79	103.08
Leverage	Operating leverage	4.99	(1.28)	(0.27)	(3.67)	2.77
	Financial leverage	3.45	0.66	0.80	0.52	1.46
<p>Please explain the reasons for the changes in the financial ratios for the most recent two years (Analysis can be exempted if the change is less than 20%)</p> <ol style="list-style-type: none"> 1. Increase in current ratio and quick ratio: Mainly due to the easing of the COVID-19 pandemic, good business performance, and an increase in cash holdings and financial assets measured at fair value through profit or loss. 2. Increase in interest coverage ratio: Mainly due to the easing of the COVID-19 pandemic and a significant increase in operating profit. 3. Increase in turnover ratios for real estate, plants, and equipment, and total assets: Mainly due to the easing of the COVID-19 pandemic, good business performance, and a significant increase in overall revenue. 						

4. Increase in asset turnover ratio, equity return ratio, ratio of pre-tax net profit to paid-in capital, net profit margin, and earnings per share: Mainly due to the easing of the COVID-19 pandemic and a significant increase in net profit.
5. Increase in cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio: Mainly due to the easing of the COVID-19 pandemic, good business performance, leading to a significant increase in net cash flow from operating activities.
6. Increase in operating leverage and financial leverage: Mainly due to the easing of the COVID-19 pandemic and a significant increase in operating profit.

2. Analysis of Parent Company Only Financial Statements

Analysis item		Year	Financial analysis for the most recent 5 years				
			2019	2020	2021	2022	2023
Capital structure	Debts to assets ratio (%)		87.96	89.72	94.11	94.99	91.29
	Long-term capital to property, plant, and equipment ratio (%)		1042.14	1098.25	1061.03	1200.42	1181.18
Solvency	Current ratio (%)		52.71	43.03	31.23	24.27	32.46
	Quick ratio (%)		46.98	37.71	26.44	19.50	26.84
	Interests coverage multiplier		166.89	(125.72)	(341.42)	(106.55)	336.64
Operating performance	Accounts receivable turnover rate (times)		33.58	34.61	48.02	52.23	45.53
	Average collection days		11	11	8	7	8
	Inventory turnover rate (times)		34.95	28.40	27.32	31.86	35.57
	Accounts payable turnover rate (times)		16.17	13.35	11.81	10.18	11.52
	Average sales days		10	13	13	11	10
	Property, plant and equipment turnover rate (times)		2.96	2.28	2.10	3.33	4.99
	Total assets turnover rate (times)		0.47	0.19	0.17	0.24	0.35
Profitability	Return on assets (%)		3.19	(1.18)	(3.93)	(1.20)	4.09
	Return on equity (%)		6.60	(20.80)	(62.39)	(44.46)	43.47
	Net profit before tax to paid-in capital (%)		13.73	(43.76)	(81.22)	(43.28)	46.17
	Net profit margin (%)		2.76	(12.52)	(30.87)	(9.89)	8.57
	Earnings per share (NTD)		1.35	(3.84)	(7.86)	(3.69)	4.52
Cash flows	Cash flow ratio (%)		54.59	40.45	14.14	27.66	60.30
	Cash flow adequacy ratio (%)		110.36	130.20	141.83	252.56	529.15
	Cash reinvestment ratio (%)		35.61	29.48	30.33	74.59	103.00
Leverage	Operating leverage		4.90	(1.01)	(0.25)	(2.34)	3.77

	Financial leverage	3.29	0.71	0.80	0.63	1.76
<p>Please explain the reasons for the changes in the financial ratios for the most recent two years (Analysis can be exempted if the change is less than 20%)</p> <ol style="list-style-type: none"> 1. The current ratio and quick ratio have increased: This is primarily due to the easing of the COVID-19 pandemic, resulting in good operational performance and an increase in cash holdings and financial assets measured at fair value through profit or loss.^[1] 2. The interest coverage ratio has increased: This is mainly due to the easing of the COVID-19 pandemic, resulting in a significant increase in operating profit.^[1] 3. The turnover ratios for real estate, plants, and equipment, as well as the total asset turnover ratio, have increased: This is primarily due to the easing of the COVID-19 pandemic, resulting in good operational performance and a significant increase in overall revenue.^[1] 4. The asset return ratio, equity return ratio, ratio of pre-tax net profit to paid-in capital, net profit margin, and earnings per share have increased: This is mainly due to the easing of the COVID-19 pandemic, resulting in a substantial increase in net profit.^[1] 5. The cash flow ratio, cash flow adequacy ratio, and cash reinvestment ratio have increased: This is primarily due to the easing of the COVID-19 pandemic, resulting in good operational performance, leading to a significant increase in net cash flow from operating activities. 6. Increase in operating leverage and financial leverage: Mainly due to the slowdown of the COVID-19 epidemic and the substantial increase in Net operating income . 						

Note 3: The calculation formula is as follows

1. Capital structure

(1) Debts to assets ratio = total liabilities/total assets

(2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment

2. Solvency

(1) Current ratio = current assets/current liabilities

(2) Quick ratio = (current assets - inventory - prepaid expenses)/current liabilities

(3) Interests coverage multiplier = net profit before tax and interest expense/interest expense for the period

3. Operating performance

(1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).

(2) Average collection days = 365/accounts receivable turnover rate

(3) Inventory turnover rate = costs of goods sold/average inventory

(4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold / balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).

(5) Average sales days = 365/inventory turnover rate

(6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment

(7) Total assets turnover rate = net sales/average total assets

4. Profitability

(1) Return on assets = [net profit after tax + interest expense x (1 - tax rate)]/average total assets

(2) Return on equity = net profit after tax/average total equity

(3) Net profit before tax to paid-in capital = Net profit before tax / paid-in capital.

(4) Net profit margin = net profit after tax/net sales

(5) Earnings per share = (net profit attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding

5. Cash flows

(1) Cash flow ratio = net cash flow from operating activities/current liabilities.

(2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years / sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years

(3) Cash investment ratio = (net cash flow from operating activities - cash dividend) / (gross property, plant, and equipment + long-term investment + other non-current assets + working capitals).

6. Leverage

(1) Operating leverage = (net operating revenues - variable operating costs and expenses) / operating profits.

(2) Financial leverage = operating profits / (operating profits - interest expense).

- III. Supervisors' or Audit Committee's review report on the most recent annual financial statements

Audit Committee's review report

The Board of Directors has prepared the Company's 2023 annual report, financial statements, and loss make-up proposal, among which the financial statements have been audited and attested CPAs Tsung-Hsi Lai and Ping-Chun Chih from PwC Taiwan and an independent auditors' report has been issued. The above business report, financial statements and loss make-up proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, this review report is hereby submitted for your examination.

To

The 2024 regular shareholders' meeting of the Company
My Humble House Hospitality Management
Consulting Co., Ltd.

Convener of the Audit Committee: Mei-Chi Ling

March 8, 2024

- IV. Financial statements for the most recent year: Please refer to Appendix 1 of this Annual Report.
- V. Parent company only financial statements of the Company for the most recent year audited and attested by CPAs: please refer to Appendix 2 of this Annual Report
- VI. If the Company or its affiliates, in the most recent year and in the current year up to the date of publication of this Annual Report, experienced financial difficulties, the impacts on the Company's financial position should be disclosed: None

Seven. Review and analysis of financial position and financial performance, and risks

I. Financial position

Unit: Thousands of NTD

Item \ Year	2022	2023	Difference	
			Amount	%
Current assets	899,727	1,235,862	336,135	37.36
Investments under the equity method	61,492	133,642	72,150	117.33
Property, plant and equipment	987,078	949,617	(37,461)	(3.8)
Intangible assets	8,968	6,405	(2,563)	(28.58)
Other assets	12,396,254	11,297,820	(1,098,434)	(8.86)
Total assets	14,353,519	13,623,346	(730,173)	(5.09)
Current liabilities	2,504,486	2,406,698	(97,788)	(3.9)
Non-current liabilities	11,130,188	10,030,698	(1,099,490)	(9.88)
Total liabilities	13,634,674	12,437,396	(1,197,278)	(8.78)
Stock capital	1,015,260	1,015,260	0	0
Capital surplus	556,438	556,438	0	0
Retained earnings	(930,244)	(488,542)	441,702	47.48
Other equity	77,391	102,794	25,403	32.82
Equity attributable to shareholders of the parent company	718,845	1,185,950	467,105	64.98
Non-controlling interests	-	-	-	-
Total shareholders' equity	718,845	1,185,950	467,105	64.98
<p>1. Explanation for changes between the most recent two years up to 20%, and the amount of change reaching \$10 million:</p> <p>(1) The increase in current assets is primarily due to the easing of the COVID-19 pandemic, resulting in a favorable business performance, and an increase in cash holdings and financial assets measured at fair value through profit or loss.</p> <p>(2) The increase in investments accounted for using the equity method is mainly due to the increase in investment income recognized from adopting the equity method for Shanshe International Hotel Co., Ltd.</p> <p>(3) The increase in retained earnings is primarily due to the substantial improvement in business conditions resulting from the easing of the COVID-19 pandemic, leading to a significant increase in profits.</p> <p>(4) The increase in other equity is mainly due to the increase in other</p>				

comprehensive income recognized from adopting the equity method

(5) The increase in equity attributable to owners of the parent company and total shareholders' equity is mainly due to the substantial improvement in business conditions resulting from the easing of the COVID-19 pandemic, leading to a significant increase in profits, as well as the increase in other comprehensive income recognized from adopting the equity method.

2. Future corresponding plans with significant impact: Not applicable.

II. Financial performance

(I) Comparative analysis of financial performance

Unit: Thousands of NTD

Item \ Year	2022	2023	Difference	
			Amount	%
Operating revenue	3,422,210	4,831,135	1,408,925	41.17
Operating costs	2,572,118	2,966,454	394,336	15.33
Operating gross profit	850,092	1,864,681	1,014,589	119.35
Operating expenses	1,210,118	1,404,201	194,083	16.04
Other income and expenses, net	129,814	165,290	35,476	27.33
Operating (loss) profit	(230,212)	625,770	855,982	371.82
Non-operating income or expenses	(207,716)	(152,549)	55,167	26.56
Profit (loss) before tax	(437,928)	473,221	911,149	208.06
Income tax (profit) expense	(99,865)	59,202	159,067	159.28
Net (loss) income	(338,063)	414,019	752,082	222.47

1.Explanation for changes between the most recent two years up to 20%, and the amount of change reaching \$10 million)

(1) The increase in Operating revenue and Gross profit from operations was mainly due to the slowdown of the COVID-19 epidemic, good operating performance, and a significant increase in overall revenue.

(2) The increase in net losses of Other income and expenses was mainly due to the increase in valuation of financial Assets under Fair value through profit and loss.

(3) The increase in net operating profit, Profit before tax, Net Profit and Tax expense was mainly due to the slowdown of the COVID-19 epidemic and

the substantial increase in Net operating income .

(4) The increase in Non-operating income and expenses was mainly due to the increase in investment benefits recognized under Equity.

- (2) Expected sales volume and its basis, possible impact on the Company's future financial and business matters and corresponding plans

The company sets annual sales targets based on annual budgets, operational plans, and past actual performance. In the post-epidemic era of comprehensive global economic recovery, the company will provide a diverse range of products to meet the deep and refined needs of domestic tourism. It will negotiate annual cooperation with various business companies, conduct promotional activities in foreign countries, actively develop the layout of the international business market and develop customer sources. It will promote the catering and banquet market, commercialize popular meal products, actively develop multi-channel sales, strengthen digital transformation, enhance management systems, continue to streamline expenses, reduce operating costs, increase cost flexibility, pay attention to the cash cycle, and maintain sufficient operating funds.

III. Cash flows

- (I) Analysis of changes in cash flows for the most recent two years

Unit: Thousands of NTD

Item \ Year	2022	2023	Increase (Decrease) %
Net cash inflows from operating activities	722,097	1,449,639	100.75
Net cash outflows from investing activities	(94,431)	(36,917)	(60.91)
Net cash outflows from financing activities	(737,647)	(1,251,553)	69.67
Analysis of changes in increase or decrease %:			
1. Net cash flows from operating activities increased: mainly due to the slowdown of the COVID-19 pandemic, Operating revenue and Net operating income increased significantly.			
2. Decrease in Net cash flows used in investing activities: Mainly due to the decrease in financial Assets measured at amortized cost and the decrease in capital expenditures such as Acquisition of property, plant and equipment.			
3. Net cash flows used in financing activities increased: mainly due to the repayment of the amount of the lease Liabilities and Repayments of long-term debt in the current period.			

- (2) Improvement plan for lack of liquidity: The company does not have a shortage of cash, nor is there a risk of insufficient liquidity

(III) Liquidity analysis for the coming year

Unit: Thousands of NTD

Cash at the beginning of the period Balance (1)	Net cash flows from operating activities for the whole year (2)	The whole year Cash outflows (inflows) (3)	Cash surplus (shortfall) (1)+(2)-(3)	Remedies for cash shortfall	
				Investing plans	Financial plans
366,845	1,574,993	1,560,455	381,383	Not applicable	Not applicable
<p>1. Analysis of changes in cash flows for the coming year:</p> <p>(1) Operating activities: Mainly cash inflows from operating activities expected for 2024.</p> <p>(2) Investing activities: Mainly the estimated payments for the equipment renewal and renovation of Sheraton, Le Meridien, Mu Jiao Xi and Humble Boutique.</p> <p>(3) Financing activities: Mainly the repayment of bank loans and principal of leases.</p> <p>2. Remedies for cash shortfall and liquidity analysis: Not applicable.</p>					

IV. Impact of major capital expenditures on finance and business matters in the most recent year

The Company's cash outflow for the purchase of fixed Assets was NT \$97,583,000, which was mainly for the rental and improvement projects and equipment repair, replacement and other expenditures of Sheraton Taipei Hotel, Le Meridien Taipei and Mu Jiao Xi Hotel rooms and restaurants. The epidemic has stabilized, relevant epidemic prevention policies and border control have been relaxed, passengers have gradually returned, and the operating conditions have returned to the pre-epidemic level.

Since the Company maintains good long-term cooperation with banks, capital expenditures does not have a significant impact on the financial business.

V. Policy on investments in other businesses for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the

coming year.

(I) Policy on investments in other businesses for the most recent year

The Company's policy on investments in other businesses focuses on restaurant and tourism businesses, and is implemented by the executive unit in accordance with the Company's internal control system, including the "Investment Cycle" and "Procedures for Acquisition or Disposal of Assets".

(II) Main reasons for profit or loss for the most recent year and improvement plan

Unit: Thousands of NTD

Item \ Description	Profit (Loss) recognized in 2023	Main reasons for profit or loss	Improvement plan
Hanxi Investment Co., Ltd.	164,391	Mainly the recognition of unrealized valuation gain on financial assets at fair value through profit or loss	-
My Humble House Restaurant Corporation	488	In good operating condition.	-
Humble House Hotel Co., Ltd.	16,314	The pandemic has stabilized and the operating conditions have gradually returned to pre-epidemic.	-

(III) Investment plan for the coming year

The Company shall continue to focus on hotel development and has no major long-term equity investment plans for the coming year. However, depending on the operational needs, the investees may propose capital increase plans to the Company, which will be processed after the investment evaluation and related approval procedures.

VI. Risks

(I) Impact of changes in interest rates, exchange rates, and inflation on the Company's profit or loss and future countermeasures.

1. Impact of changes in interest rates on the Company's profit or loss and future countermeasures.

The Company regularly evaluates bank borrowing interest rates and closely liaises with banks to obtain more favorable borrowing interest rates, which are generally stable. Since the interest expenses on bank loans did not reach 1% of operating revenue in most recent three years, it is clear that changes in interest rates would not have a material impact on the Company's profit or loss. In addition, the Company has sound financial position, good credit standing and conservative and prudent capital planning. Therefore, it is expected that future changes in interest rates shall not have a material impact on the Company's overall operations.

2.Impact of changes in exchange rates on the Company's profit or loss and future countermeasures.

The Company operates international tourist hotels with 100% domestic sales and its operating revenue and costs are mainly denominated in NTD so the impact of changes in exchange rates on the Company's profit or loss is minimal.

3.Impact of inflation on the Company's profit or loss and future countermeasures.

The Company has taken the risk of inflation into consideration when formulating its annual business plan, and continues to monitor the changes in market prices and adjusts sales pricing according to market demand. The Company maintains good interactions with suppliers and its procurement policy is to reduce the cost of purchases through regular bidding by vendors and to have a number of qualified alternative suppliers to choose from in order to cope with the impact of inflation on the Company's profit or loss.

(II) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee, and derivatives transactions for the most recent year, main reasons for gain or loss, and future countermeasures:

1.The Company's financial strategy is to be prudent and conservative. Therefore, during the most recent year and the current year up to the date of publication of the Annual Report, we did not engage in high-risk, high-leverage investments and derivative transactions.

2.The Company has established "Procedures for Acquisition or Disposal of Assets" in accordance with the relevant laws and regulations of the competent authorities for compliance. In addition, the Company has followed the "Procedures for Endorsement and Guarantee" and "Procedures for Lending of Funds to Others" for endorsement, guarantee, and lending of funds to others, and has announced the relevant

information in accordance with the regulations.

(III) Future research and development plans and estimated investment in research and development expenses

Item	R&D project	Estimated investment in R&D expenses (Thousands of NTD)	R&D timeline	Description
1	Humble House Life APP	27,020	2024.1.1-2025.12.31	Optimization of system features
2	Customer relationship management system			Customer database integration
3	Information system security			Enhancement of backup mechanism, information security vulnerability monitoring and disaster drills to prevent operational disruption risks.
4	Guest room intelligence system			Enhancement of guest room intelligence and improvement of customer experience.
5	Cloud-based front office operating system			Full support of mobile devices to increase operational efficiency.

(IV) Impact of significant domestic and foreign policies and legal changes on the Company's finance and business matters and the countermeasures:

The Company's operating policies are governed by laws and regulations, and the Company keeps an eye on important domestic and foreign policies and legal changes that affect its operations, and consults relevant legal experts in a timely manner in response. As of the date of publication of the Annual Report, there has been no significant change in domestic and foreign policies and laws that would affect the Company's financial and business matters.

(V) Impact of technological changes and industry changes on the Company's finance and business matters and the countermeasures:

The Company always pays attention to the evolution of the industry in which it operates and uses innovative services to meet the needs of consumers in order to achieve the Group's goal of sustainable development. As of the date of publication of the Annual Report, the Company has not experienced any significant impact on financial and business matters due to

changes in the industry.

Please refer to Five, Operation Overview - VI, Cybersecurity management for the description of cybersecurity risks.

(VI) Impact of corporate image change on corporate crisis management and countermeasures: None.

The Company operates international tourist hotels under the business philosophy of "cultural, artistic, and aesthetic convergence," providing guests with the most abundant and exquisite food and accommodation, leading the industry, and focusing on corporate image and risk control, adopting street trees, sponsoring potential sports professionals, supporting and promoting Taiwan sports activities on a long-term basis, and cooperating with the Tourism Bureau in domestic and foreign promotional activities to enhance Taiwan's image. We also aim to enhance the overall image of the Company by providing customer-focused services. As of the date of publication of the Annual Report, nothing has happened to affect our corporate image.

(VII) Expected benefits and possible risks of the merger and acquisition and countermeasures: None.

There were no mergers and acquisitions in the most recent year and the current year up to the date of publication of the Annual Report of the Company.

(VIII) Expected benefits of plant expansion and possible risks and countermeasures:

The Company is in the tourism industry and does not have any production plants, so it is not applicable.

(IX) Risks associated with concentration of purchases and sales and countermeasures:

1. Purchases

The Company mainly provides accommodation and food and beverage services, and its main purchases are fresh food and groceries and maintains two to three sources of supply for each type of ingredients. In the most recent year and the current year up to the date of publication of the Annual Report, no single supplier accounted for 10% of the total purchases and purchases from the top ten suppliers did not account for more than 50% of the total purchases, so the risk associated with concentration of purchases is limited.

2. Sales

The Company sells to the general public and has no specific sales

target. Therefore, the Company has no risk associated with concentration of sales.

- (X) Impact of massive transfer or change of shareholding by directors, supervisors or major shareholders with 10% ownership or more on the Company, risks and countermeasures:

During the most recent year and the current year up to the date of publication of the Annual Report, there was no massive transfer or change of shareholdings by directors, supervisors or major shareholders holding more than 10% of the shares of the Company.

- (XI) Impact of the change in management rights on the Company, risks and countermeasures:

There was no change in management rights in the most recent year and the current year up to the date of publication of the Annual Report of the Company.

- (XII) For litigation or non-litigation events, if the Company, its directors, supervisors, presidents, de facto persons in charge, major shareholders with more than 10% stake, or subordinate companies have been convicted by final and binding judgments or are still bound by significant litigation, non-litigation or administrative disputes, the results of which may have a significant impact on shareholder interests or securities prices, the facts of the dispute, the amount of the subject matter, the start date of the litigation, the main parties involved and the handling of the case as of the date of publication of the Annual Report shall be disclosed: None.

- (XIII) Other important risks and countermeasures: None

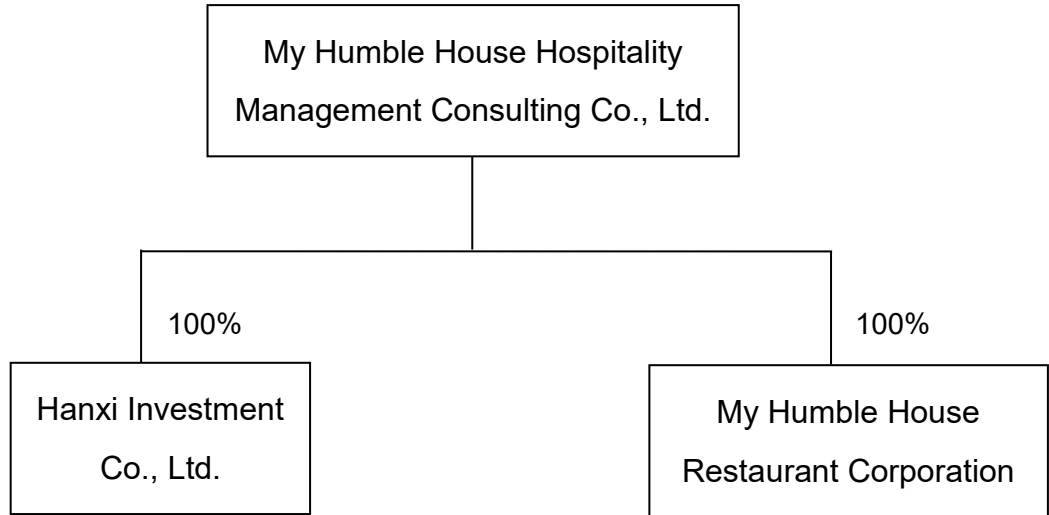
VII. Other important matters: None

Eight. Special Matters

I. Information on affiliates

(I) Organizational chart of affiliates

December 31, 2023



(II) Basic information on affiliates

December 31, 2023 / Unit: Thousands of NTD

Name of enterprise	Date of Establishment	Address	Paid-in capital	Main business
Hanxi Investment Co., Ltd.	2007/04/12	21st Floor, No. 15-1, Section 1, Hangzhou South Road, Zhongzheng District, Taipei City	261,000	General investments
My Humble House Restaurant Corporation	2007/08/10	21st Floor, No. 15-1, Section 1, Hangzhou South Road, Zhongzheng District, Taipei City	1,000	Food and beverage business

(III) Information on the common shareholders of affiliates presumed to be in a controlling and subordinate relationship: No such situation.

(IV) The industries covered by the businesses of all affiliates:

1. The businesses of the Company and its affiliates include tourist hotels, food and beverage services, and general investments.
2. Major division of businesses: None

(V) Information on directors, supervisors and presidents of affiliates

December 31, 2023 / Unit: Shares; %

Name of enterprise	Job Title	Name or representative	Shareholding.	
			Number of shares	Shareholding percentage
Hanxi Investment Co., Ltd.	Chairperson	My Humble House Hospitality Management Consulting Co., Ltd. Representative: Tsai, Po-Han	26,100,000	100.00%
	President	None	-	-
My Humble House Restaurant Corporation	Chairperson	My Humble House Hospitality Management Consulting Co., Ltd. Representative: Tsai, Po-Han	100,000	100.00%
	President	None	-	-

(VI) Financial positions and operating results of affiliates

December 31, 2023 / Unit: Thousands of NTD

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating profit (loss)	Net profit (loss) for the period (after tax)	Earnings (Losses) per share after tax (NTD)
Hanxi Investment Co., Ltd.	261,000	474,433	4,637	469,795	166,915	165,506	164,391	6.30
My Humble House Restaurant Corporation	1,000	2,896	303	2,593	11,729	653	488	4.88

(VII) Consolidated financial statements of affiliates

In 2023, The related information that should be disclosed in the consolidated financial statements of affiliates has already been disclosed in the consolidated financial reports of the parent company and subsidiaries so that the consolidated financial statements of affiliates would not be prepared and published separately. Please refer to pages 261 to 339.

(VIII) Affiliation report: Not applicable.

- II. Private Placement Securities in the Most Recent Years: None.
- III. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent year or during the current year up to the date of publication of the Annual Report: None
- IV. Other matters that require additional explanation: None

Nine. Any of the circumstances 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 Company's securities, which occurred during the most recent year or during the current year up to the date of publication of the Annual Report: None

My Humble House Hospitality Management
Consulting Co., Ltd. and its subsidiaries
Consolidated Financial Statements and
Independent Auditors' Report
2023 and 2022
(Stock Code 2739)

Company Address: No. 12, Sec. 1, Zhongxiao E. Rd.,
Taipei City
TEL: (02)2321-5858

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
2023 and 2022 Parent Company Only Financial Statements and Independent Auditors’
Report
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My Humble House Hospitality Management Consulting Co., Ltd.

Representation Letter

We hereby declare that we have confirmed the companies which shall be included in the consolidated financial statements of the affiliates and the ones which shall be included in the consolidated financial statements in accordance with IFRS 10 are identical; the related information has been disclosed in consolidated financial statements and will hence not be included in consolidated financial statements of the affiliates for the year ended in 2023, (January 1–December 31, 2023) in accordance with “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises.”

Declared by

Name of the Company: My Humble House Hospitality
Management Consulting Co., Ltd.

Representative: Tsai, Po-Han

March 8, 2024

Independent Auditors' Report
(2024) Tsai-Shen-Bao-Zi No. 23004372

To My Humble House Hospitality Management Consulting Co., Ltd.

Audit Opinion

We have audited the accompanying consolidated financial statements of My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries (the “Group”), which comprise the consolidated balance sheets as of from January 1 to December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies as of from January 1 to December 31, 2023 and 2022.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of from January 1 to December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), interpretations (IFRS), and SIC interpretations endorsed and issued by the Financial Supervisory Commission (FSC).

Basis for the Audit Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Group in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for the Group's consolidated financial statements for the year 2023 are stated as follows:

The accuracy of food service and occupancy revenue

Description

The 2023 food service revenue and occupancy revenue were NT\$2,828,897 thousand and NT\$1,880,811 thousand, respectively, accounted for 58.56% and 38.93%, respectively of the total consolidated operating revenue. Please refer to Note 4 (29) in the consolidated financial statements for the accounting policy of the operating revenue; please refer to Note 6 (23) in the consolidated financial statements for the descriptions of accounting items.

The amount of food service revenue and occupancy revenue is huge. In addition, due to the industry nature, the sources of customers are business travelers, individual travelers, and groups. The unit price of products is low, and the number of sales is high, which results in huge transaction amount. As a result, the possibility of misstatement is higher, which may result in the material misstatement of the consolidated financial statements. Therefore, we regard the accuracy of food service revenue and occupancy revenue as one of the most significant audit matters in this year's audit.

Responding audit procedure

We have executed the following responding audit procedure on the aforementioned key audit items:

1. Understand and test the effectiveness of internal revenue control over the food service and occupancy, including confirming the amount of the sales statement generated by the sales system is consistent with the credited amount.

2. Execute the confirmation test, which includes:
 - (1) Verify the accuracy of customer bills, invoice record, and credited amount.
 - (2) Verify the accuracy of the credited amount and the invoice amount.
 - (3) Verify the accuracy of the receivable record and the original credited amount.

Other Matters – Parent Company Only Financial Statements

My Humble House Hospitality Management Consulting Co., Ltd. has prepared the parent company only financial statements for 2023 and 2022, to which we have also issued an independent auditors' report with unqualified opinion along with the section on other matters and provided for reference.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C., and for necessary 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, the responsibilities of the management include assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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 auditing standards generally accepted in the R.O.C. will always detect a material misstatement when it exists in the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the consolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on 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 the management level.
4. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of the Group have significant

uncertainty, and provide conclusion thereto. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause the Group to have no ability for continuous operation.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including relevant notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of the Group and provide opinion on the consolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the Group.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

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

PricewaterhouseCoopers, Taiwan

Certified Public Accountant Lai, Chung-Hsi
Chih, Ping-Chiun

Former Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan
Approval number: Jin-Guan-Cheng-Liu-Zi No. 0960038033
Former Securities and Futures Commission, Ministry of Finance
Approval number: (1999) Tai-Tsai-Cheng (6) No. 16120

March 8, 2024

My Humble House Hospitality Management Consulting Co., Ltd.
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

Asset			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current asset						
1100	Cash and cash equivalents	VI (1)	\$ 366,845	3	\$ 205,676	1
1110	Financial assets at fair value – current	VI (2)	439,874	3	276,276	2
1136	Financial assets at amortized cost – current	VI (3) and VIII	156,205	1	212,687	1
1150	Notes receivable, net	VI (4)	209	-	216	-
1170	Accounts receivable, net	VI (4)	130,879	1	70,366	1
1180	Net accounts receivable – related parties	VII	181	-	8,182	-
1200	Other receivables		2,746	-	746	-
1210	Other receivables – related parties	VII	3,061	-	4,836	-
1220	Current tax assets		786	-	556	-
130X	Inventories	VI (5)	83,573	1	83,261	1
1410	Prepayments		51,503	-	36,925	-
11XX	Total current asset		1,235,862	9	899,727	6
Non-current assets						
1550	Investment accounted for using the equity method	VI (6)	133,642	1	61,492	-
1600	Property, plant and equipment	VI (7)	949,617	7	987,078	7
1755	Right-of-use asset	VI (8)	9,959,757	73	10,980,990	77
1760	Investment property, net	VI (10)	579,942	4	580,900	4
1780	Intangible asset	VI (11)	6,405	-	8,968	-
1840	Deferred tax assets	VI (31)	398,479	3	453,347	3
1900	Other non-current assets	VI (12)	359,642	3	381,017	3
15XX	Total non-current asset		12,387,484	91	13,453,792	94
1XXX	Total assets		\$ 13,623,346	100	\$ 14,353,519	100

Continue on next page

My Humble House Hospitality Management Consulting Co., Ltd.
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

Liabilities and Equity			December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2130	Contract liabilities – current	VI (23)	\$ 535,897	4	\$ 563,055	4
2150	Notes payable		3,691	-	102,784	1
2170	Accounts payable		206,295	2	202,668	1
2200	Other payables	VI (14)	554,914	4	557,913	4
2220	Other payables – related parties	VII	4,204	-	6,508	-
2230	Current tax liabilities		4,471	-	1,248	-
2280	Lease liabilities – current	VI (15)	996,418	7	959,858	7
2320	Long-term liabilities mature within one year or within one operating cycle	VI (16)	90,105	1	96,485	-
2399	Other current liabilities – others		10,703	-	13,967	-
21XX	Total current liabilities		2,406,698	18	2,504,486	17
Non-current liabilities						
2540	Long-term borrowings	VI (16)	119,718	1	233,827	2
2580	Lease liabilities – non-current	VI (15)	9,799,585	72	10,782,673	75
2600	Other non-current liabilities	VI (17) (18)	111,395	-	113,688	1
25XX	Total non-current liabilities		10,030,698	73	11,130,188	78
2XXX	Total Liabilities		12,437,396	91	13,634,674	95
Equity						
Equity attributable to owners of the parent company						
	Share capital	VI (19)				
3110	Common share		915,260	7	915,260	6
3120	Preferred share		100,000	1	100,000	1
	Capital surplus	VI (20)				
3200	Capital surplus		556,438	4	556,438	4
	Retained earnings	VI (21)				
3350	Accumulated deficit		(488,542)	(4)	(930,244)	(7)
	Other equities	VI (22)				
3400	Other equities		102,794	1	77,391	1
31XX	Total equity attributable to owners of the parent company		1,185,950	9	718,845	5
3XXX	Total equity		1,185,950	9	718,845	5
	Significant contingent liabilities and unrecognized commitments	IX				
3X2X	Total liabilities and equities		\$ 13,623,346	100	\$ 14,353,519	100

The attached notes are part of the consolidated financial statements. please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
Consolidated Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars
(NTD for earnings (loss) per share)

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating income	VI (23) and VII	\$ 4,831,135	100	\$ 3,422,210	100
5000	Operating costs	VI (5) (29) (30) and VII	(2,966,454)	(61)	(2,572,118)	(75)
5900	Gross profit		1,864,681	39	850,092	25
	Operating expenses	VI (5) (29) (30) and VII				
6100	Selling expenses		(283,031)	(6)	(198,056)	(6)
6200	Administrative expenses		(1,121,170)	(23)	(1,012,062)	(30)
6000	Total operating expenses		(1,404,201)	(29)	(1,210,118)	(36)
6500	Net other incomes and expenses	VI (2)(24)	165,290	3	129,814	4
6900	Operating profit (loss)		625,770	13	(230,212)	(7)
	Non-operating income and expense					
7100	Interest revenue	VI (3) (25)	2,499	-	2,550	-
7010	Other income	VI (26) and VII	32,484	1	40,775	1
7020	Other gains or losses	VI (2) (10) (12) (27)	(8,832)	-	4,055	-
7050	Financial costs	VI (8) (13) (28)	(198,140)	(4)	(212,947)	(6)
7060	Share of other profits/losses of associated companies and joint venture accounted for using equity method	VI (6)	19,440	-	(42,149)	(1)
7000	Total non-operating incomes and expenses		(152,549)	(3)	(207,716)	(6)
7900	Net profit (loss) before tax		473,221	10	(437,928)	(13)
7950	Tax (expenses) gains	VI (31)	(59,202)	(1)	99,865	3
8200	Net profit (loss) current		<u>\$ 414,019</u>	<u>9</u>	<u>(\$ 338,063)</u>	<u>(10)</u>
	Other comprehensive gains (losses)					
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	VI (17)	\$ 469	-	\$ 4,568	-
8320	Share of other comprehensive profits/losses of associated companies and joint venture accounted for using equity method – Items not reclassified subsequently to profit or loss	VI (22)	52,711	1	51,482	2
8349	Income taxes related to the items not re-classified	VI (31)	(94)	-	(914)	-
8310	Total amount of items not reclassified subsequently to profit or loss		53,086	1	55,136	2
8300	Other comprehensive income (net amount)		<u>\$ 53,086</u>	<u>1</u>	<u>\$ 55,136</u>	<u>2</u>
8500	Total comprehensive income in the current period		<u>\$ 467,105</u>	<u>10</u>	<u>(\$ 282,927)</u>	<u>(8)</u>
	Net profit (loss) attributable to:					
8610	Owners of the parent company		<u>\$ 414,019</u>	<u>9</u>	<u>(\$ 338,063)</u>	<u>(10)</u>
	Total comprehensive income attributable to:					
8710	Owners of the parent company		<u>\$ 467,105</u>	<u>10</u>	<u>(\$ 282,927)</u>	<u>(8)</u>
	Earnings (loss) per share	VI (32)				
9750	Basic earnings (loss) per share		<u>(\$ 4.52)</u>		<u>(\$ 3.69)</u>	
9850	Diluted earnings (loss) per share		<u>(\$ 4.52)</u>		<u>(\$ 3.69)</u>	

The attached notes are part of the consolidated financial statements. please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
Consolidated Statement of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

		Equity attributable to owners of the parent company					
		Share capital				Unrealized income/(loss) on financial assets at fair value through other comprehensive income	
	Note	Common share	Preferred share	Capital surplus – Additional paid-in capital	Accumulated deficit		Total Equity
<u>2022</u>							
		\$ 1,115,260	\$ -	\$ 456,438	(\$ 799,906)	\$ 29,980	\$ 801,772
		-	-	-	(338,063)	-	(338,063)
	VI (22)	-	-	-	3,654	51,482	55,136
		-	-	-	(334,409)	51,482	(282,927)
	VI (19)	(200,000)	-	-	200,000	-	-
	VI (19)	-	100,000	100,000	-	-	200,000
	VI (22)	-	-	-	4,071	(4,071)	-
		\$ 915,260	\$ 100,000	\$ 556,438	(\$ 930,244)	\$ 77,391	\$ 718,845
<u>2023</u>							
		\$ 915,260	\$ 100,000	\$ 556,438	(\$ 930,244)	\$ 77,391	\$ 718,845
		-	-	-	414,019	-	414,019
	VI (22)	-	-	-	375	52,711	53,086
		-	-	-	414,394	52,711	467,105
	VI (22)	-	-	-	27,308	(27,308)	-
		\$ 915,260	\$ 100,000	\$ 556,438	(\$ 488,542)	\$ 102,794	\$ 1,185,950

The attached notes are part of the consolidated financial statements. please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

	Note	2023	2022
<u>Cash flows from operating activities</u>			
Profit (loss) before tax		\$ 473,221	(\$ 437,928)
Adjustment item			
Income/expenses items			
Depreciation expense	VI (7)(8)(10) (27)(29)	1,209,643	1,184,552
Amortization expenses	VI (11) (29)	2,887	2,679
Net gain on financial assets at fair value	VI (2)(24) (27)	(165,737)	(129,840)
Interest expenses	VI (28)	198,122	212,938
Interest revenue	VI (25)	(2,470)	(2,532)
Dividend revenue		(1,625)	(2,300)
Share of other profits/losses of associated companies and joint venture accounted for using equity method	VI (6)	(19,440)	42,149
Net loss on disposal and discard of property, plant and equipment	VI (27)	858	987
Gains on disposal of office ornaments	VI (12) (27)	(3,220)	-
Office ornaments impairment loss	VI (12) (27)	10,359	-
Property, plant and equipment recognized as expenses		-	2
Other non-current assets recognized as expenses		-	1,238
Asset/liability variation related to operating activities			
Net asset variation related to operating activities			
Financial assets at fair value – current		(1,082)	31,030
Notes receivable, net		7	431
Accounts receivable, net		(60,498)	(26,118)
Net accounts receivable – related parties		8,001	(2,909)
Other receivables		(2,028)	260
Other receivables – related parties		1,775	(2,364)
Inventories		(312)	(4,980)
Prepayments		(14,578)	(3,755)
Net liability variation related to operating activities			
Contract liability		(27,158)	(59,601)
Notes payable		(5,712)	6,074
Accounts payable		3,627	5,770
Other payables		55,956	96,696
Other payables – related parties		(2,304)	3,394
Other current liabilities		(3,264)	2,039
Other non-current liabilities		(1,475)	(1,615)
Cash inflow provided by operating activities		1,653,553	916,297
Interest received		2,498	2,720
Dividends received		4,831	8,050
Interest paid		(209,808)	(203,491)
Income tax paid		(1,435)	(1,479)
Net cash inflow from operating activities		1,449,639	722,097

Continue on next page

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
Consolidated Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

	Note	2023	2022
<u>Cash flows from investing activities</u>			
Increase in financial assets at amortized cost		(\$ 323,148)	(\$ 321,675)
Decrease in financial assets at amortized cost		379,630	356,692
Acquisition of property, plant and equipment	VI (33)	(97,583)	(122,793)
Proceeds from disposal of property, plant and equipment		586	52
Acquisition of intangible assets	VI (33)	(1,428)	(8,603)
Increase in refundable deposits		(4,797)	(488)
Decrease in refundable deposits		3,551	253
Increase in prepaid equipment amount		(950)	(1,555)
Proceeds from disposal of decorations	VI (33)	7,222	3,686
Net cash outflow from investment activities		(36,917)	(94,431)
<u>Cash flows from financing activities</u>			
Decrease in short-term borrowings	VI (34)	-	(22,800)
Repayments of long-term borrowings	VI (34)	(120,489)	(19,688)
Increase in guarantee deposits received	VI (34)	13,301	9,805
Decrease in guarantee deposits received	VI (34)	(13,650)	(12,152)
Repaid principal of lease	VI (34)	(1,130,715)	(892,812)
Issuance of preferred share	VI (19)	-	200,000
Net cash outflow from financing activities		(1,251,553)	(737,647)
Increase (decrease) in current cash and cash equivalents		161,169	(109,981)
Cash and cash equivalents at the beginning of the year		205,676	315,657
Cash and cash equivalents at the end of the year		<u>\$ 366,845</u>	<u>\$ 205,676</u>

The attached notes are part of the consolidated financial statements. please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries
Notes of Consolidated Financial Statements
2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

I. Company History

My Humble House Hospitality Management Consulting Co., Ltd. and its subsidiaries (hereinafter referred to as the Group) was incorporated on January 17, 2000 by the approval of the competent authority. The main businesses of the Company are the operation of international tourist hotels and their restaurants, consulting services for hotel management, the consulting services for the operation of all recreational industry facilities, and securities investment. The stock of the Company has been listed on TWSE since May 19, 2016.

II. Approval Date and Procedures of The Financial Statements

The disclosure of these consolidated financial statements were approved by the Board of Directors on March 8, 2024.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations, and amendments endorsed by the FSC effective from 2023 are as follows:

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8, ‘Definition of Accounting Estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’	January 1, 2023
Amendments to IAS 12, ‘International Rent Tax Reform – Pillar Two Model Rules’	May 23, 2023

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Group.

(II) Effect of new issuances of or amendments to IFRS and IAS as endorsed by the FSC but not yet adopted by the Company

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

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of Liabilities as Current or Non-Current'	January 1, 2024
Amendments to IAS 1, 'Non-Current Liabilities with Covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier Financing Arrangements'	January 1, 2024

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Group.

(III) IFRS issued by IASB but not yet endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28, 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined by the IASB
IFRS 17, 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial Application of International Financial Reporting Standards and IFRS 17 9—Comparative Information'	January 1, 2023
Amendments to IAS 21, 'Lack of Compatibility'	January 1, 2025

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Group.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted for preparation of this consolidated financial

report are described below. Unless otherwise specified, these policies are applicable in all reporting periods.

(I) Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the R.O.C. (hereinafter referred to as IFRSs).

(II) Basis of preparation

1. Apart from the following significant items, the consolidated financial statements have been prepared on the historical cost basis:
 - (1) Financial assets at fair value through profit or loss that are measured at fair value.
 - (2) Defined benefit liabilities recognized with the net amount of pension assets less the present value of defined benefit obligations.
2. Please refer to the description in Note 5 for the preparation of the financial report that complies with the IFRSs that requires some significant accounting estimates of the Group, and the application of the accounting policies requires the management using their judgment, items involving with high judgment or complexity, or items involving with significant assumptions or estimates of the consolidated financial reports.

(III) Basis of consolidation

Principles for preparing consolidated financial statements

- (1) The Group includes all subsidiaries as entities in the consolidated financial reports. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The subsidiaries are included in the consolidated financial reports from the date the Group acquires the ownership and are excluded from the consolidated report from the date the Group loses the ownership.
- (2) The transactions, account balances, and unrealized profit and loss among all entities of the Group have been written off. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
- (3) The components of profit or loss and other comprehensive income belongs to the owners of the parent company and non-controlling

equity; The comprehensive income also belongs to the owners of the company and non-controlling equity despite the non-controlling equity becomes the loss balance.

- (4) When the changes in the ownership equity on subsidiaries by the Group (transactions with non-controlling entity) do not result in the loss of control over subsidiaries, such changes are considered equity transactions, which is also considered as the transaction with the owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value paid or received is recognized directly in equity.
- (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. The accounting disposition for the amounts previously recognized in other comprehensive income in relation to the subsidiary are the same as the accounting basis of the Group directly disposing relevant assets or liabilities, which is to be reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of.

2. Subsidiaries incorporated in the consolidated financial statements:

		% of Ownership		
Investor	Investee	Main Business	December 31, 2023	December 31, 2022
The Company	Han Shi Investment Co., Ltd. (Han Shi Investment)	General investments	100%	100%
“	Han She Recipe Co., Ltd. (Han She Recipe)	Food service	100%	100%

3. Subsidiaries not incorporated in the consolidated financial statements:
4. The adjustment and disposal for different accounting period of the Group and subsidiaries: None.
5. Significant restrictions: None.
6. Subsidiaries with material non-controlling interest over the Group: None.

(IV) Translation of foreign currency

The items listed in the financial report of the Group are measured in accordance with the currency of the main economic environment where the operation of the Group is located (functional currency). The consolidated

financial statements of the Group were expressed in “New Taiwan dollars,” which is the Company’s functional currency.

Foreign currency trading and balance

1. Foreign currencies are converted into functional currency based on the spot exchange rate of the transaction date or measurement date. The exchange difference derived from such transactions is classified as current profit or loss.
2. The balance of monetary assets and liabilities in foreign currencies are adjusted based on the spot exchange rate valuation on the date of balance sheet. The exchange difference derived from such adjustments is classified as current profit or loss.
3. Where the balance of non-monetary assets and liabilities in foreign currencies is measured at fair value through other comprehensive income, it shall be adjusted based on the spot exchange rate valuation on the date of balance sheet. The exchange difference derived from such adjustments is classified as other comprehensive income. Where the balance of non-monetary assets and liabilities in foreign currencies is not measured at fair value, it shall be measured at the historical exchange rate initial transaction date.
4. All other exchange profit or loss are listed in “Other Profit and Loss” in the balance sheet.

(V) Classification of Current and Non-current Assets and Liabilities

1. Assets meeting one of the following conditions are classified as current assets:
 - (1) Expect to realize, or intends to sell or consume the asset, in its normal operating cycle.
 - (2) Hold primarily for the purpose of trading.
 - (3) Assets that are expected to be realized within twelve months from the balance sheet date; and
 - (4) Cash and cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position.The Group classifies assets not meeting any of the conditions as non-current assets.
2. Liabilities meeting one of the following conditions are classified as current liabilities:
 - (1) Expects to settle in its normal operating cycle.

- (2) Hold primarily for the purpose of trading.
- (3) Liabilities that are expected to be repaid within twelve months from the balance sheet date; and
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instruments, these terms do not affect its classification.

The Group classifies liabilities not meeting any of the conditions as non-current liabilities.

(VI) Cash equivalents

Cash equivalents refer to investments with short maturities and high liquidity, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Time deposit is classified as cash equivalent if it meets the aforementioned definition and its purpose of holding is to meet the short-term cash commitment for operation.

(VII) Financial assets at fair value

1. Refers to financial assets at fair value not through amortized costs or other comprehensive income.
2. All regular way purchases or sales of financial assets at fair value through profit or loss of the Group are recognized on a trade date basis.
3. The Group initially measures the financial assets and liabilities at fair value, and the relevant transaction costs are recognized in profit or loss. Subsequently, financial assets should be measured at fair value, and gains or losses are recognized as profit or loss.
4. When the right of dividends received is certain, and economic benefits related to dividends are likely to flow to the Company, and the amount of dividends may be reliably measured, the Group recognizes the dividend income as profit or loss.

(VIII) Financial assets measured at amortized cost

1. Refer to the financial assets that meet all of the following conditions:
 - (1) Hold the financial assets within a business model whose objective is achieved by both collecting contractual cash flows.
 - (2) The covenant of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. All regular way purchases or sales of financial assets at fair value through

amortized costs of the Group are recognized on a trade date basis.

3. The Group initially measures the financial assets and liabilities at fair value and the relevant transaction costs. Subsequently, the changes in fair value are recognized as interest income or impairment loss based on effective interest method according to the amortization procedure during the circulation period. When derecognizing, the gains or losses are recognized as profit or loss.

(IX) Accounts and notes receivables

1. Refer to the amount and notes that the Company has an unconditional contractual right to consideration for goods or services that have been transferred.
2. These are short-term accounts and note receivables with no stated interest rate. Given the influence of discount is not significant, they are measured at the original invoice amount by the Group.

(X) Impairment of financial asset

For financial assets at amortized cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Group recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Group recognizes the impairment provision for lifetime ECLs.

(XI) Derecognition of financial assets

When the contractual terms for receiving the cash flow from financial assets expire, the Group will derecognize such financial assets.

(XII) Leasing transaction of lessor – operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

Inventories adopts the perpetual inventory system, which is based on the acquisition cost. Cost is carried forward, except for the merchandise inventory of art and cultural services which adopts the individual

identification method, the rest adopts the weighted average method. Inventories is stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and selling expenses.

(XIV) Investment accounted for using the equity method – Associate

1. Associated companies are the entities on which the Group has significant influence, but no control over. In general, the Group directly or indirectly owns 20% or more of the shares with voting rights. The Group's investment in associate is accounted for using the equity method, and it is recognized based on the acquisition costs when the acquisition occurred.
2. The Group's share of its associate's post-acquisition profits or losses is recognized as profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Group does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
3. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognizes the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
4. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associate have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of and the Group loses the significant influence over this associate. If it retains significant

influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XV) Property, Plant and Equipment

1. Property, plant and equipment are initially recorded at cost.
2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other repairs and maintenance are recognized as profit or loss during the financial period in which they are incurred.
3. All other repairs and maintenance are recognized as profit or loss during the financial period in which they are incurred. Each part of an item of property, plant and equipment that is significant in relation to the item must be depreciated individually.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end by the Group. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" from the date of the change. The useful lives of all assets are as follows:

Computer communication equipment	1–6 years
Transportation equipment	4–7 years
Office equipment	2–8 years
Operating equipment	2 years
Leased improvements	2–20 years
Office equipment	1–14 years
5. The Group has recognized the construction payables and the prepayments of delivered but to be accepted equipment in Property, Plant and Equipment. Other prepayments for business facilities are recognized in other non-current assets.

(XVI) Leasing arrangement of lessee – right-of-use assets/lease liabilities

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the

Group. Where the lease contracts are short-term leasing or leasing of low-value target assets, the leasing payment is recognized as expenses using the straight-line method during the lease term.

2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. The leasing payment includes:
 - (1) Fixed payments, less any lease incentives receivable; and
 - (2) Floating lease payments that are determined by certain indicator or rate;

The Group subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments do not arise from contract modifications.

3. At the commencement date, the right -of-use asset is stated at cost comprising the following:
 - (1) The amount of the initial measurement of lease liability; and
 - (2) Any lease payments made at or before the commencement date.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(XVII) Investment Property

The investment property is recognized based on the costs of acquisition. The subsequent measurement adopts costs model. Apart from the lands, the investment property is depreciated using straight-line method based on the estimated useful life. The useful life is 30 years.

(XVIII) Intangible asset

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

(XIX) Other non-current assets

They are mainly decorations, such as the purchased traditional Chinese paintings, prints, and antiques. These artworks are initially recorded at cost, and they are not depreciated. The costs will be written off by the time of actual disposal.

(XX) Impairment of non-financial assets

The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XXI) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXII) Accounts and notes payables

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
2. These are short-term accounts and note payables with no stated interest rate. Given the influence of discount is not significant, they are measured at the original invoice amount by the Group.

(XXIII) Derecognition of financial liabilities

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

(XXIV) Provision for liabilities

Provisions for liabilities are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the

current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions for liabilities are not recognized for future operating losses.

(XXV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

2. Pension

(1) Defined contribution plans

For defined contribution plan, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plan

A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

B. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Past service costs are recognized immediately in profit or loss.

3. Employees' compensation and remuneration of directors and supervisors

Remuneration of employees and directors are recognized as expense and

liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates. If remuneration of employee is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the Board meeting resolution.

(XXVI) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which case the tax is recognized in other comprehensive income or equity.
2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders pass the resolution to retain the earnings.
3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets, liabilities, and their carrying amounts in the Consolidated balance sheet. However, the deferred Goodwill was not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax applies tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax assets is realized or the deferred tax liability is settled..
4. Deferred tax assets are recognized only to the extent that it is probable

that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. They are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVII) Share capital

Common shares are classified as equity. The classification of preferred shares is determined by assessing the particular rights attached to the preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the fundamental characteristic of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(XXVIII) Distribution of dividends

The dividends distributed to the shareholders of the Company is recognized in the financial report when the shareholders' meeting approves the distribution of dividends. The distribution of cash dividends is recognized as liability.

(XXIX) Revenue

1. The Group mainly provides good service, accommodation, and brand licensing. Where the services provided by the Group exceed the payables of customers, they are recognized as contract assets; on the contrary, where the payables of customers exceed the services provided by the Group, they are recognized as contract liabilities.
 - (1) The food service is recognized when the product is sold to the customers. The transaction amount of product sale is collected from the customers immediately when they purchase the

products.

- (2) The accommodation is recognized as revenue when the service is provided to the customers during the financial reporting period. The customers pay the contract price within the agreed payment schedule.
- (3) Brand licensing refers to the Group entering into contracts with customers to license the brand of the Group. Since the licensing can be classified, the recognition of licensing revenue in the licensing period is determined by the nature of licensing.

2. Financing component

For the contracts entered into by the Group and customers, the time between the transfer of committed products or services and the payment does not exceed one year. As a result, the Group does not adjust the transaction price to reflect the time value of money.

(XXX) Government grants

A government grant is recognized at fair value when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received. Where the nature of the government grants is to compensate the incurred expenses of the Group, the government grants will be recognized as current income in the period when the expenses are incurred on a systematic basis.

(XXXI) Operating Departments

The information on operating departments of the Group is reported in the same manner as the internal management report provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources to the operating departments and assessing their performance.

V. Critical Accounting Judgment, Estimates, and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Critical accounting

judgements, estimates, and key sources of assumption uncertainty are addressed as follows:

(I) Critical judgments in applying the Company's accounting policies

None.

(II) Critical accounting estimates and assumptions__

(1) Impairment assessment of tangible assets

In the process of evaluating the potential impairment of assets, the Group is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies of the Group could result in significant impairment in future years.

On December 31 2023, the Company recognized impairment loss as office ornaments amounting to NT\$348,119.

(2) Impairment assessment for investments accounted for using the equity method

The Group assesses the impairment of investments accounted for using the equity method whenever triggering events or changes in circumstances indicate that an investment may be impaired and carrying value may not be recoverable. The Group measures the recoverable amount based on the expected cash dividend and the discounted value of a projected future cash flow from disposal of the investment and analyses the reasonableness of such assumptions.

(3) Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax assets requires the Company's subjective judgment and estimate, including the future revenue growth and profitability, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, the industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets. As of December 31, 2023, the amount of deferred income tax asset recognized by the Group is NT\$398,479.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and penny cash	\$ 11,009	\$ 8,828
Check and demand deposit	352,766	162,841
Time deposits	-	2,990
Cash equivalents	<u>3,070</u>	<u>31,017</u>
Total	<u>\$ 366,845</u>	<u>\$ 205,676</u>

1. The Group is in good credit condition with the corresponding financial institutions, and it also engages with multiple financial institutions to distribute the credit risk. The possibility of occurrence of default risk is quite low.
2. The Group does not pledge cash and cash equivalents.
3. As of December 31, 2023 and 2022, the amount of time deposit with the maturity over 3 months held by the Group is NT\$0 and NT\$10,270, respectively and is recognized as “Financial assets measured at amortized cost.”

(II) Financial assets at fair value

Item	December 31, 2023	December 31, 2022
Current item:		
Financial assets designated as at fair value		
Shares of publicly quoted entity	\$ 106,277	\$ 75,795
Beneficiary certificate	<u>48,802</u>	<u>-</u>
	155,079	75,795
Value adjustment	<u>284,795</u>	<u>200,481</u>
Total	<u>\$ 439,874</u>	<u>\$ 276,276</u>

1. The statement of financial assets at fair value recognized as income is as follows:

	2023	2022
Financial assets designated as at fair value		
Equity instrument	\$ 165,246	\$ 129,814
Beneficiary certificate	<u>491</u>	<u>26</u>
Total	<u>\$ 165,737</u>	<u>\$ 129,840</u>

2. The Group did not use the financial assets at fair value for pledge or guarantees.
3. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), and information relating to fair

value is provided in Note 12(3).

(III) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current item:		
Trust cash in banks	\$ 156,205	\$ 202,417
Time deposit with maturity over 3 months	<u>-</u>	<u>10,270</u>
Total	<u>\$ 156,205</u>	<u>\$ 212,687</u>

1. The statement of financial assets measured at amortized cost recognized as income is as follows:

	2023	2022
Interest revenue	<u>\$ 1,668</u>	<u>\$ 1,552</u>

2. Without considering the collateral or other credit enhancement, the maximum credit risk exposure amount of the most significant financial assets measured at amortized cost as of December 31 of 2023 and 2022 for the Group is NT\$156,205 and NT\$212,687, respectively.
3. Please refer to Note 8 for the financial assets measured at amortized cost used for pledge or guarantees by the Group.
4. Please refer to Note 12 (2) for the credit risk of financial assets measured at amortized cost.

(IV) Notes and accounts receivables

	December 31, 2023	December 31, 2022
Notes receivable	\$ 209	\$ 216
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 209</u>	<u>\$ 216</u>
Accounts receivable	\$ 131,988	\$ 71,475
Less: Allowance for bad debts	<u>(1,109)</u>	<u>(1,109)</u>
	<u>\$ 130,879</u>	<u>\$ 70,366</u>

1. The aging analysis of notes and accounts receivables is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Within 30 days	\$ 115,287	\$ 144	\$ 64,420	\$ 158
Between 31–90 days	15,794	65	6,899	58
Between 91–180 days	907	-	156	-
Over 181 Days	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 131,988</u>	<u>\$ 209</u>	<u>\$ 71,475</u>	<u>\$ 216</u>

The above aging analysis was based on account date.

2. The balance of receivables for the contract between the Group and customers (including notes receivable) as of December 31, 2023, December 31, 2022, and January 1, 2022 is NT\$132,197, NT\$71,691, and NT\$46,004, respectively.
3. The deposits received held by the Group as collateral of accounts receivable as of December 31, 2023 and 2022 is NT\$82,458 and NT\$87,290, respectively; the deposits received held as collateral of notes receivable is NT\$1,330 and NT\$1,030 respectively.
4. Without considering the collateral or other credit enhancement, the maximum credit risk exposure amount of the most significant notes receivable as of December 31 of 2023 and 2022 for the Group is NT\$209 and NT\$216 respectively; the maximum credit risk exposure amount of the most significant accounts receivable as of December 31 of 2023 and 2022 is NT\$130,879 and NT\$70,366 respectively.
5. Please refer to Note 12 (2) for the credit risk of accounts and notes receivable.

(V) Inventories

	December 31, 2023	December 31, 2022
Food	\$ 29,181	\$ 29,465
Beverages (including alcohol)	52,373	52,371
Commodity inventory	1,330	736
Others	689	689
Total	<u>\$ 83,573</u>	<u>\$ 83,261</u>

The inventory cost recognized as operating cost and operating expenses in 2023 and 2022 for the Group is NT\$913,243 and NT\$783,807, respectively.

(VI) Investment accounted for using the equity method

1. The statement is as follows:

Associate:	December 31, 2023	December 31, 2022
Humble House Hotel Co., Ltd. (Humble House hotel)	<u>\$ 133,642</u>	<u>\$ 61,492</u>

2. Share of other profits/losses of associates accounted for using equity method:

Associate:	2023	2022
Humble House Hotel	<u>\$ 19,440</u>	<u>\$ 42,149</u>

3. The basic information of the significant associates of the Group is as follows:

Company Name	Main Operation Location	Percentage of Ownership	Percentage of Ownership	Nature of Relationship	Measurement Method
		December 31, 2023	December 31, 2022		
Humble House Hotel	Taiwan	29.80%	29.80%	Owens more than 20% of the voting rights	Equity method

4. The aggregated financial information of the significant associates of the Group is as follows:

Balance sheet

	Humble House Hotel	
	December 31, 2023	December 31, 2022
Current asset	\$ 635,499	\$ 533,185
Non-current assets	2,554,868	2,801,171
Current liabilities	(652,751)	(585,953)
Non-current liabilities	(2,105,681)	(2,558,477)
Net total assets	\$ 431,935	\$ 189,926
The Company's share of net assets of associate (Note)	\$ 128,717	\$ 56,598

Note: The difference with the carrying amount is incurred by the difference of original investment cost less the fair value of the net identifiable assets and the unrealized income incurred by upstream transactions.

Statement of comprehensive income

	Humble House Hotel	
	2023	2022
Revenue	\$ 746,154	\$ 426,197
Current net gain (loss) of continuing operations	\$ 65,127	(\$ 141,549)
Other comprehensive gains (net amount after-tax)	176,881	172,757
Total amount of current comprehensive gains (losses)	\$ 242,008	\$ 31,208

(VII) Property, Plant and Equipment

	Computer communication equipment	Transportation Equipment	Office equipment	Operating equipment	Leased Improvements	Other equipment	Incomplete construction and equipment to be accepted	Total
January 1, 2023								
Cost	\$ 84,393	\$ 8,835	\$ 13,250	\$ 65,453	\$ 1,263,212	\$ 637,069	\$ 18,267	\$ 2,090,479
Accumulated depreciation	(69,219)	(4,765)	(12,807)	(56,801)	(481,451)	(478,358)	-	(1,103,401)
	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>
<u>2023</u>								
January 1	\$ 15,174	\$ 4,070	\$ 443	\$ 8,652	\$ 781,761	\$ 158,711	\$ 18,267	\$ 987,078
Additions	6,206	-	20	13,715	57,019	29,742	16,642	123,344
Costs of disposal	(3,491)	-	(72)	(11,181)	(117,585)	(10,347)	-	(142,676)
Depreciation of disposal	3,491	-	72	10,102	117,476	10,091	-	141,232
Reclassification	220	-	-	-	16,102	14,196	(17,743)	12,775
Depreciation expense	(7,311)	(1,139)	(195)	(8,447)	(100,053)	(54,991)	-	(172,136)
December 31	<u>\$ 14,289</u>	<u>\$ 2,931</u>	<u>\$ 268</u>	<u>\$ 12,841</u>	<u>\$ 754,720</u>	<u>\$ 147,402</u>	<u>\$ 17,166</u>	<u>\$ 949,617</u>
December 31, 2023								
Cost	\$ 87,328	\$ 8,835	\$ 13,198	\$ 67,987	\$ 1,218,748	\$ 670,660	\$ 17,166	\$ 2,083,922
Accumulated depreciation	(73,039)	(5,904)	(12,930)	(55,146)	(464,028)	(523,258)	-	(1,134,305)
	<u>\$ 14,289</u>	<u>\$ 2,931</u>	<u>\$ 268</u>	<u>\$ 12,841</u>	<u>\$ 754,720</u>	<u>\$ 147,402</u>	<u>\$ 17,166</u>	<u>\$ 949,617</u>

	Computer communication equipment	Transportation Equipment	Office equipment	Operating equipment	Leased Improvements	Other equipment	Incomplete construction and equipment to be accepted	Total
January 1, 2022								
Cost	\$ 80,147	\$ 8,835	\$ 13,264	\$ 64,472	\$ 1,256,717	\$ 607,108	\$ 44,943	\$ 2,075,486
Accumulated depreciation	(65,229)	(3,568)	(12,721)	(55,889)	(439,902)	(434,398)	-	(1,011,707)
	<u>\$ 14,918</u>	<u>\$ 5,267</u>	<u>\$ 543</u>	<u>\$ 8,583</u>	<u>\$ 816,815</u>	<u>\$ 172,710</u>	<u>\$ 44,943</u>	<u>\$ 1,063,779</u>
<u>2022</u>								
January 1	\$ 14,918	\$ 5,267	\$ 543	\$ 8,583	\$ 816,815	\$ 172,710	\$ 44,943	\$ 1,063,779
Additions	8,381	-	160	9,304	39,360	26,459	19,737	103,401
Costs of disposal	(4,645)	-	(174)	(8,361)	(59,583)	(15,685)	-	(88,448)
Depreciation of disposal	4,645	-	174	7,567	59,583	15,440	-	87,409
Reclassification	510	-	-	38	26,718	19,187	(46,413)	40
Depreciation expense	(8,635)	(1,197)	(260)	(8,479)	(101,132)	(59,400)	-	(179,103)
December 31	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>
December 31, 2022								
Cost	\$ 84,393	\$ 8,835	\$ 13,250	\$ 65,453	\$ 1,263,212	\$ 637,069	\$ 18,267	\$ 2,090,479
Accumulated depreciation	(69,219)	(4,765)	(12,807)	(56,801)	(481,451)	(478,358)	-	(1,103,401)
	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>

(VIII) Leasing transaction – lessee

1. The leasing underlying assets of the Group include place of operation, employee dormitory, and leasing vehicles. The leasing period is between 2010 to 2042. The leasing contracts is negotiated individually and include different clauses and terms. The recognition information of the carrying amount of right-of-use assets and depreciation expenses by the Group is as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land and building	\$ 9,934,759	\$ 10,961,992
Transportation Equipment	13,449	12,123
Other equipment	11,549	6,875
	<u>\$ 9,959,757</u>	<u>\$ 10,980,990</u>
	2023	2022
	Depreciation expense	Depreciation expense
Land and building	\$ 1,028,441	\$ 995,821
Transportation Equipment	4,053	5,193
Other equipment	4,055	3,478
	<u>\$ 1,036,549</u>	<u>\$ 1,004,492</u>

2. The additions of the right-of-use assets for the Group in 2023 and 2022 was NT\$15,316 and NT\$1,728,428 respectively.
3. The information of income items related to the lease contracts is as follows:

	2023	2022
<u>Items affecting current profit or loss</u>		
Interest expenses on lease liabilities	\$ 192,822	\$ 205,421
Expense on short-term lease contracts	1,633	1,197
Expenses on leases of low-value assets	84	72
Adjustment of variable lease payments – rent expenses	55,377	13,541

4. The total cash outflow on lease for the Group in 2023 and 2022 was NT\$1,382,485 and NT\$1,090,118 respectively.
5. The Company has applied the practical expedient to “Covid-19-related rent concessions”, and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$18,331 as a deduction to the right-of-use assets of asset depreciation expense for the year ended 31 December 2022.

(IX) Leasing transaction – lessor

1. The leasing underlying assets of the Group include offices, cell sites, shops, and underground parking lots. The leasing period is between 2019 and 2027. The leasing contracts were negotiated individually and included different clauses and terms.
2. The Group recognized NT\$9,277 and NT\$9,426 of rental income from operating lease contracts in 2023 and 2022, respectively. There were no variable lease payments.
3. The analysis on the maturity date of lease receipt of assets subject to operating leases for the Group is as follows:

	December 31, 2023	December 31, 2022
Less than 1 year	\$ 7,095	\$ 8,497
More than 1 year but less than 2 years	3,107	6,158
More than 2 years but less than 3 years	2,021	2,933
More than 3 years but less than 4 years	620	1,907
More than 4 years but less than 5 years	-	506
Total	<u>\$ 12,843</u>	<u>\$ 20,001</u>

(X) Investment Property

	Land	Buildings	Total
January 1, 2023			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	-	(3,164)	(3,164)
	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>
January 1	\$ 561,382	\$ 19,518	\$ 580,900
Depreciation expense	-	(958)	(958)
December 31	<u>\$ 561,382</u>	<u>\$ 8,560</u>	<u>\$ 579,942</u>
December 31, 2023			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	-	(4,122)	(4,122)
	<u>\$ 561,382</u>	<u>\$ 18,560</u>	<u>\$ 579,942</u>

	Land	Buildings	Total
January 1, 2022			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	<u>-</u>	<u>(2,207)</u>	<u>(2,207)</u>
	<u>\$ 561,382</u>	<u>\$ 20,475</u>	<u>\$ 581,857</u>
January 1	\$ 561,382	\$ 20,475	\$ 581,857
Depreciation expense	<u>-</u>	<u>(957)</u>	<u>(957)</u>
December 31	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>
December 31, 2022			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	<u>-</u>	<u>(3,164)</u>	<u>(3,164)</u>
	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>

1. Rental income of investment property and the expenses of direct operation:

	2023	2022
Rental income of investment property	<u>\$ 4,740</u>	<u>\$ 4,740</u>
The expenses of direct operation incurred from the investment property with rental income recognized during the period	<u>\$ 1,253</u>	<u>\$ 1,251</u>
The expenses of direct operation incurred from the investment property without rental income recognized during the period	<u>\$ 1,356</u>	<u>\$ 1,350</u>

2. The fair value of the investment property held by the Group as of December 31 of 2023 and 2022 was NT\$650,895 and NT\$618,994. The fair value was appraised by the independent appraiser. The appraisal adopts comparative method, income approach, and land development analysis approach, and the investment property is at level 3 fair value. The main assumptions of income approach and land development analysis approach are as follows:

	December 31, 2023	December 31, 2022
Income capitalization rate	2.34%	2.35%
Capital annual interest in respect of the overall capital interest rate	3.66%	3.23%
Development rate of return	18.00%	18.00%

3. The Company has no investment property pledged to others.

(XI) Intangible asset

	2023	2022
	Computer software	Computer software
January 1		
Cost	\$ 32,084	\$ 28,162
Accumulated amortization	(23,116)	(20,846)
	<u>\$ 8,968</u>	<u>\$ 7,316</u>
January 1	\$ 8,968	\$ 7,316
Addition – acquired separately	324	4,331
Costs of disposal	(979)	(409)
Amortization of disposal	979	409
Amortization expenses	(2,887)	(2,679)
December 31	<u>\$ 6,405</u>	<u>\$ 8,968</u>
December 31		
Cost	\$ 31,429	\$ 32,084
Accumulated amortization	(25,024)	(23,116)
	<u>\$ 6,405</u>	<u>\$ 8,968</u>

The statement of amortization of intangible assets is as follows:

	2023	2022
Operating costs	\$ 231	\$ 446
Operating expenses	<u>2,656</u>	<u>2,233</u>
Total	<u>\$ 2,887</u>	<u>\$ 2,679</u>

(XII) Other non-current assets

	December 31, 2023	December 31, 2022
office ornaments	\$ 358,478	\$ 373,570
Accumulated impairment - office ornaments	(10,359)	-
Subtotal	348,119	373,570
Refundable deposits	6,947	5,701
Prepayments for business facilities	<u>4,576</u>	<u>1,746</u>
Total	<u>\$ 359,642</u>	<u>\$ 381,017</u>

- Office ornaments refers to the artwork, antiques, and modern art purchased by the Group to improve the interior decoration and spatial design of the hotel. These ornaments do not have active market transactions. Based on factors such as the transaction prices of well-known auction companies or networks, market rarity, and the evaluation results of independent experts, the Company has listed office ornament

impairment loss amounting to \$10,359 and \$0 for the years 2023 and 2022, respectively, under “Other gains and losses”.

2. The Company disposed decorations in 2022. The recognized cost was NT\$4,002, and the disposal amount was NT7,222. The gain on disposal of NT\$3,220 was recognized in “Other gains or losses.”
3. As of December 31 of 2023 and 2022, the Company still has refundable deposits, including rental deposits, performance bonds, and gas deposits.

(XIII) Short-term borrowings

1. As of December 31 of 2023 and 2022, the Group had no short-term borrowings.
2. The interest expenses recognized in profit or loss was NT\$477 and NT\$2,862, respectively, in 2023 and 2022.

(XIV) Other payables

	December 31, 2023	December 31, 2022
Wages and bonuses payable	\$ 255,071	\$ 167,098
Accounts payable, equipment	46,214	17,992
Rent payable	37,804	128,691
Business tax payable	30,629	29,719
Insurance fee payable	22,752	75,680
Technical premium payable	21,862	17,878
Pension payable	14,572	13,032
Utility payable	9,969	9,382
Other expenses payable	<u>116,041</u>	<u>98,441</u>
Total	<u>\$ 554,914</u>	<u>\$ 557,913</u>

(XV) Lease liabilities

Item	December 31, 2023	December 31, 2022
Lease liabilities – Current	<u>\$ 996,418</u>	<u>\$ 959,858</u>
Lease liabilities – Non-current	<u>\$ 9,799,585</u>	<u>\$ 10,782,673</u>

Pursuant to IFRS 16, the Group discounts the unpaid lease payable by the incremental borrowing rate of interest and recognizes it as lease liabilities.

(XVI) Long-term borrowings

Nature of borrowings	Period of loans and repayment method	Interest rate range	December 31, 2023
Long-term bank loans			
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from August 10, 2020 to August 10, 2025 and has repaid the principal on a quarterly basis starting from November 10, 2022.	1.90%	\$ 3,734
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from August 14, 2020 to August 14, 2025 and has repaid the principal on a quarterly basis starting from November 14, 2022 (Note 2).	1.90%	58,333
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from September 3, 2020 to September 3, 2026 and has repaid the principal on a quarterly basis starting from October 3, 2022 (Note 3).	1.92%	68,750
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from September 15, 2020 to September 15, 2026 and has repaid the principal on a quarterly basis starting from October 15, 2022 (Note 4).	1.90%	<u>79,006</u>
			209,823
Less: Current portion of long-term borrowings			(<u>90,105</u>)
			<u>\$ 119,718</u>

Nature of borrowings	Period of loans and repayment method	Interest rate range	December 31, 2022
Long-term bank loans			
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from August 10, 2020 to August 10, 2025 and has repaid the principal on a quarterly basis starting from November 10, 2022.	1.78%	\$ 27,500
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from August 14, 2020 to August 14, 2025 and has repaid the principal on a quarterly basis starting from November 14, 2022 (Note 2).	1.78%	110,000
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from September 3, 2020 to September 3, 2026 and has repaid the principal on a quarterly basis starting from October 3, 2022 (Note 3).	1.67%	93,750
Credit loans	The Group has paid and will continue to pay the interest on a monthly basis from September 15, 2020 to September 15, 2026 and has repaid the principal on a quarterly basis starting from October 15, 2022 (Note 4).	1.61%	\$ 99,062
			330,312
Less: Current portion of long-term borrowings			(96,485)
			<u>\$ 233,827</u>
Note 1:	The Group signed the supplementary contract in October 2021. Initially, the Group was required to repay the principal on a quarterly basis starting from November 10, 2021, but it was extended to November 10, 2022. The repayment deadline was extended from August 10, 2023 to August 10, 2025.		
Note 2:	The Group signed the supplementary contract in October 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from November 14, 2021, but it was extended to November 14, 2022. The repayment deadline was extended from August 14, 2023 to August 14, 2025.		
Note 3:	The Group signed the supplementary contract in August 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from October 3, 2021, but it was extended to October 3, 2022. The repayment deadline was extended from September 3, 2025 to September 3, 2026.		
Note 4:	The Group signed the supplementary contract in September 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from October 15, 2021, but it was		

extended to October 15, 2022. The repayment deadline was extended from September 15, 2025 to September 15, 2026.

(XVII) Pension

1. (1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. For employees who meet the conditions of retirement, under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

- (2) The amount recognized in the Balance Sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	(\$ 40,621)	(\$ 41,623)
Fair value of plan assets	27,432	26,490
Net defined benefit liability (recognized in other non-current liabilities)	(\$ 13,189)	(\$ 15,133)

(3) Movements the net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2023			
Balance as of January 1	(\$ 41,623)	\$ 26,490	(\$ 15,133)
Current service cost	(32)	-	(32)
Interest expense (income)	(529)	343	(186)
	(42,184)	26,833	(15,351)
Remeasurement:			
Return on plan assets	-	226	226
Changes in demographic assumptions	(1)	-	(1)
Changes in financial assumptions	(364)	-	(364)
Experience adjustments	608	-	608
	243	226	469
Pension fund contribution	-	1,693	1,693
Paid pension	1,320	(1,320)	-
Balance as of December 31	(\$ 40,621)	\$ 27,432	(\$ 13,189)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2022			
Balance as of January 1	(\$ 45,361)	\$ 24,045	(\$ 21,316)
Current service cost	(313)	170	(143)
Interest expense (income)	14	-	14
	(45,660)	24,215	(21,445)
Remeasurement:			
Return on plan assets	-	2,449	2,449
Changes in demographic assumptions	2	-	2
Changes in financial assumptions	2,564	-	2,564
Experience adjustments	(447)	-	(447)
	2,119	2,449	4,568
Pension fund contribution	-	1,744	1,744
Paid pension	1,748	(1,748)	-
Repayment of paid pension	170	(170)	-
Balance as of December 31	(\$ 41,623)	\$ 26,490	(\$ 15,133)

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for

Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, and investment in domestic or foreign real estate securitization products). The utilization is supervised by the Labor Pension Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Where there is deficit, the deficit may be covered by the treasury after the approval by the competent authority. Since the Company does not have the right to participate in the operation and management of the Fund, it is unable to disclose the classification of the plan asset at fair value in accordance with Section 142 of IAS 19. Regarding the fair value of the total assets consisting of the funds as of December 31 of 2023 and 2022, please refer to the Labor Pension Fund Utilization report of each year published by the government.

(5) The principal actuarial assumptions used is as follows:

	2023	2022
Discount rate	1.20%	1.30%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

The analysis of affected present value of defined benefit obligation due to the change of main actuarial assumption is as follows:

	Discount rate		Future salary increases	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2023				
Effect on the present value of defined benefit obligation	<u>(\$ 901)</u>	<u>\$ 935</u>	<u>\$ 925</u>	<u>(\$ 896)</u>
December 31, 2022				
Effect on the present value of defined benefit obligation	<u>(\$ 997)</u>	<u>\$ 1,036</u>	<u>\$ 1,026</u>	<u>(\$ 993)</u>

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$1,667.
- (7) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The maturity analysis of the future pension payment is as follows:

Within 1 year	\$	3,035
1–2 years		1,780
2–5 years		11,149
Over 5 years		<u>29,320</u>
	\$	45,284

- 2.(1) The Group has established a defined contribution pension plan under the Labor Pension Act, covering all employees with R.O.C. nationality since July 1, 2005. Under this plan, the Group contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts under the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The pension costs under the defined contribution pension plans of the Group for 2023 and 2022 were NT\$56,324 and NT\$47,675, respectively.

(XVIII) Other non-current liabilities

	December 31, 2023	December 31, 2022
Accrued pension liability	\$ 13,189	\$ 15,133
Guarantee deposits received	<u>98,206</u>	<u>98,555</u>
Total	<u>\$ 111,395</u>	<u>\$ 113,688</u>

1. Please refer to Note 6 (17) for the description of accrued pension liability.
2. Guarantee deposits received are mainly the deposits collected as the collateral of accounts receivable from co-branding companies, members, stores, and travel agencies.

(XIX) Share capital

1. As of December 31, 2023, the authorized capital of the Company is NT\$2,000,000, consisting of 200,000 thousand shares that can be issued in batches. The unissued shares may be issued in the form of common share or preferred share in batches based on the demand of Company business. The paid-in capital is NT\$915,260 in common shares and

NT\$100,000 in preferred shares with a par value of NT\$10. All proceeds from shares issued have been collected.

The beginning balance and closing balance of the number of the Company's common shares outstanding of the period are adjusted as follows:

	2023 (Note)	2022 (Note)
January 1	\$ 91,526	\$ 111,526
Capital reduction for accumulated deficit	-	(20,000)
December 31	<u>\$ 91,526</u>	<u>\$ 91,526</u>

Note: The unit is thousand shares

- The shareholders' meeting held on May 30, 2022 resolved the capital reduction for accumulated deficit. The capital reduction amount was NT\$200,000, and 20,000 thousand of common shares were written off. The capital reduction ratio was 17.93%. The capital reduction was approved by the competent authority and entered into effect. The capital reduction base date was June 27, 2022, and the registration of changes was completed on July 11, 2022.
- The shareholders' meeting approved the capital increase based on private placement with the issuance of preferred shares A on May 30, 2022, and the capital increase base date was June 28, 2022. The purpose of capital increase is to repay bank loans. The number of shares issued based on private placement was 10,000 thousand shares, and the issuance price was NT\$20 per share. The registration of changes for the capital reduction was completed on July 11, 2022. The rights and obligations of the preferred shares issued are as follows:

(1) Dividend:

The dividend for preferred shares is limited to an annual rate of 3%, calculated by the issuance price per share, and the dividend may be one-time distributed in cash every year. The Board of Directors or the Chairman authorized by the resolution of the Board of Directors will determine the base date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and recovery is calculated by the actual issuance days of the current year.

(2) Distribution of dividends:

Where the Company has earnings at the end of the fiscal year, the Company shall, apart from paying all taxes, first offset its losses in

the precious years and set aside the legal reserve and set aside or reverse the special reserve in accordance with the laws or the regulations of the competent authority. The remainder, if any, of the earnings may be allocated for the distribution of the dividends of the preferred share A of the current year.

The Company has discretion over the dividend distribution of preferred share A. The Company, upon the resolution of the Board of Directors, may decide not to distribute dividends of preferred shares if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of preferred shares, or other necessary consideration. The decision does not constitute a breach of contract, and the shareholders of preferred share A may not object to the decision. The preferred share A issued is of the non-accumulative type. The undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future.

(3) Distribution of excess dividends:

Apart from receiving the dividends prescribed in the previous paragraph, the shareholders of preferred share A may not be a part of the cash and equity capital of earnings and additional paid-in capital of common shares.

(4) Conversion to common shares:

Preferred share A may not be converted to common shares.

(5) Distribution of residual property:

The distribution priority for shareholders of preferred share A on the residual property of the Company is ahead of shareholders of common shares and equal to the preferential order of shareholders of all preferred shares issued by the Company, and the preferential order is only lower than general creditors. Yet the distribution shall not exceed the amount of the outstanding preferred shares calculated based on the issuance price by the time the distribution occurs.

(6) Voting rights and suffrage:

Shareholders of preferred share A do not have the right to vote or suffrage. However, they will have the right to vote in shareholders' meetings of preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of preferred shares.

(7) Maturity date:

Preferred share A has no maturity, and shareholders of preferred share A do not have the right to request the Company to redeem preferred

shares possessed by these shareholders. However, the Company may redeem all or partial preferred shares anytime on the next day after two years of issuance with the original issuance price. Unredeemed preferred shares shall continue to enjoy rights and obligations of issuance terms. In the year of preferred shares being redeemed, the dividends that shall be distributed until the redeem date shall be distributed in accordance with the actual issuance days of that year if the Company decides to distribute dividends.

(8) Apart from being used to cover the deficits, the capital surplus from the preferred share A issued at premium shall not be appropriated as capital during the issuance period.

(9) Preferred share A may not be listed and traded during the issuance period.

(XX) Capital surplus

In accordance with the Company Act, the capital surplus in excess of par value on issuance of common shares and donations can be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. In addition, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. The capital surplus should not be used to cover the accumulated deficit unless the legal reserve is insufficient.

(XXI) Accumulated deficit

1. In accordance with the Articles of Incorporation of the Company, where the Company has earnings at the end of the fiscal year, the Company shall, apart from paying all taxes, first offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the total paid-in capital of the Company. The remainder shall be proposed to the shareholders' meeting to set aside or reverse special reserve in accordance with related laws or the regulations and may be used to distribute the dividends of preferred shares. After that, the remaining profit together with any undistributed retained earnings of the past years shall be used by the Company's Board of Directors for the distribution of dividends and bonus for shareholders. Where the earnings are distributed in new shares, the distribution shall be submitted to the shareholders' meeting for resolution; where the

earnings are distributed in cash, the distribution shall be approved by a majority of the directors at a meeting attended by a 2/3 of the directors and reported to the shareholders' meeting.

2. The Company shall take consideration of the environment and growth stage of the Company, interests of shareholders, balancing dividends, and the long-term financial planning when distributing earnings. The Board of Directors shall propose the earnings distribution method and amount and report it to the shareholders' meeting for resolution. However, the amount of cash dividends shall not be less than 20% of the total distributable dividends of the current year.
3. The legal reserve shall not be used except for covering the deficit of the company and issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.
4. In accordance with the laws and regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
5. On 30 May 2022, the Company passed the loss make-up proposal of Resolution for 2021 at the regular shareholders' meeting. Since there are still unappropriated accumulated deficit, no dividends will be distributed.

On 30 May 2023, the Company passed the loss make-up proposal of Resolution for 2022 at the regular shareholders' meeting. Since there are still unappropriated accumulated deficit, no dividends will be distributed.

On 8 March 2024, the Board of Directors proposed the 2023 loss appropriation.

(XXII) Other items of equity

	2023	2022
Unrealized gains or losses on valuation:		
January 1	\$ 77,391	\$ 29,980
Valuation adjustment – Associate	52,711	51,482
Valuation adjustment transfer – Associate	(27,308)	(4,071)
December 31	<u>\$ 102,794</u>	<u>\$ 77,391</u>

(XXIII) Operating income

	2023	2022
Revenue from Contracts with Customers		
Revenue from Food Service	\$ 2,828,897	\$ 2,207,649
Revenue from Occupancy	1,880,811	1,093,810
Revenue from Brand Licensing	7,219	23,722
Others	109,688	92,352
Other – Rental Income	<u>4,520</u>	<u>4,677</u>
Total	<u>\$ 4,831,135</u>	<u>\$ 3,422,210</u>

Note: Other – Rental Income is listed in Guess Room Department and other departments in Note 14 (3), respectively.

1. Details of revenue from contracts with customers

The revenue of the Group comes from products and services that are provided as time passes and at a certain point in time. The source of revenue can be divided into the following product lines:

	Taiwan				Total
	Food Service	Occupancy Service	Brand Licensing	Other Departments	
<u>2023</u>					
Departmental revenue	\$2,839,129	\$1,880,811	\$ 7,219	\$ 111,032	\$4,838,191
Revenue from transaction of internal departments	(10,232)	-	-	(1,344)	(11,576)
Revenue from contracts with external customers	<u>\$2,828,897</u>	<u>\$1,880,811</u>	<u>\$ 7,219</u>	<u>\$ 109,688</u>	<u>\$4,826,615</u>
	Taiwan				Total
	Food Service	Occupancy Service	Brand Licensing	Other Departments	
<u>2022</u>					
Departmental revenue	\$2,217,921	\$1,093,810	\$ 23,722	\$ 93,813	\$3,429,266
Revenue from transaction of internal departments	(10,272)	-	-	(1,461)	(11,733)
Revenue from contracts with external customers	<u>\$2,207,649</u>	<u>\$1,093,810</u>	<u>\$ 23,722</u>	<u>\$ 92,352</u>	<u>\$3,417,533</u>

2. Contract assets and liabilities

The Group did not recognize any contract assets related to the revenue from contracts with customers. The contract liabilities recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liability: Contract liability – receipts in advance	<u>\$ 535,897</u>	<u>\$ 563,055</u>	<u>\$ 622,656</u>
Income recognized that was included in the contract liability at the beginning of the period			
	2023	2022	
Income recognized that was included in the contract liability balance at the beginning of the period			
Receipts in advance	<u>\$ 289,127</u>	<u>\$ 322,991</u>	
(XXIV) <u>Net other incomes and expenses</u>			
	2023	2022	
Gains or loss of financial assets at fair value	<u>\$ 165,290</u>	<u>\$ 129,814</u>	
(XXV) <u>Interest revenue</u>			
	2023	2022	
Interest income from bank deposits	\$ 802	\$ 980	
Interest income from financial assets measured at amortized cost	1,668	1,552	
Other interest revenue	<u>29</u>	<u>18</u>	
	<u>\$ 2,499</u>	<u>\$ 2,550</u>	
(XXVI) <u>Other income</u>			
	2023	2022	
Rental income	\$ 4,757	\$ 4,749	
Government grants	40	2,542	
Other income – Others	<u>27,687</u>	<u>33,484</u>	
	<u>\$ 32,484</u>	<u>\$ 40,775</u>	

The Tourism Bureau of Ministry of Transportation and Communication assisted the tourism and hotel industry affected by the Covid-19 pandemic. The Company recognized government grants of NT\$40 and NT\$2,542, respectively, as gains in 2023 and 2022.

(XXVII) Other gains or losses

	2023	2022
Losses from disposal of property, plant and equipment	(\$ 858)	(\$ 987)
Gains on Disposal of office ornaments	3,220	-
Foreign exchange (loss) gain	(324)	5,973
Net gain or loss on financial assets at fair value	447	26
Office ornament impairment loss	(10,359)	-
Miscellaneous expenses	(958)	(957)
<u>Total</u>	<u>(\$ 8,832)</u>	<u>\$ 4,055</u>

(XXVIII) Financial costs

	2023	2022
Interest expenses:		
Bank loans	\$ 5,300	\$ 7,509
Lease liabilities – discounting amortization	192,822	205,421
Imputed interests of deposits	18	9
Other finance costs	-	8
	<u>\$ 198,140</u>	<u>\$ 212,947</u>

(XXIX) Additional information besides expenses by nature

	2023	2022
Employee benefit expense	\$ 1,372,548	\$ 1,141,118
Depreciation expense of right-of-use assets	1,036,549	1,004,492
Depreciation on property, plant, and equipment	172,136	179,103
Amortization expenses of intangible assets	2,887	2,679
Other operating costs and expenses	<u>1,786,535</u>	<u>1,454,844</u>
<u>Total</u>	<u>\$ 4,370,655</u>	<u>\$ 3,782,236</u>

(XXX) Employee benefit expense

	2023	2022
Salary expense	\$ 1,142,413	\$ 938,715
Labor and health insurance expense	112,288	99,341
Pension expense	56,542	47,804
Other human resources expense	61,305	55,258
	<u>\$ 1,372,548</u>	<u>\$ 1,141,118</u>

1. In accordance with the Articles of Incorporation of the Company, the Company shall less the accumulated loss with profits and then appropriate the remainder no less than 1% for employee compensation and no higher than 1% for remuneration of directors and supervisors.
2. The Company has surplus in 2023, but none after deducting accumulated losses, so it will not estimate the remuneration of employees and directors and supervisors.

The Company suffered a loss for the year ended December 31, 2022.

Therefore, no employees' compensation and remuneration of directors and supervisors were recognized.

The information of employee compensation and remuneration of directors and supervisors approved by the Board of Directors of the Company may be obtained on the Market Observation Post System.

(XXXI) Income tax

1. Income tax expense (gains)
 - (1) Components of income tax expense (gains):

	2023	2022
Current income tax	\$ 187	\$ 1,503
Prior year income tax overestimation (171)	-
Changes on income tax under the alternative minimum	4,412	-
Total current income tax	<u>4,428</u>	<u>1,503</u>
Deferred income tax:		
The original incurrence and reversal of temporary difference	<u>54,774</u>	<u>(101,368)</u>
Income tax expense (gains)	<u>\$ 59,202</u>	<u>(\$ 99,865)</u>

- (2) Income tax amount related to other comprehensive income:

	2023	2022
Remeasurement of defined benefit obligations	<u>\$ 94</u>	<u>\$ 914</u>

2. Reconciliation between income tax expense (gains) and accounting profit

	2023	2022
Income tax calculated based on gains (losses) before tax and statutory tax rate	\$ 94,644	(\$ 87,586)
Change on income tax adjusted by tax regulations	(39,697)	(13,696)
Change on assessment on the realization of deferred income tax assets	14	169
Changes on income tax under the Alternative Minimum Tax	4,412	1,248
Prior year income tax overestimation	(171)	-
Income tax expense (gains)	<u>\$ 59,202</u>	<u>(\$ 99,865)</u>

3. Amounts of deferred income tax assets as a result of temporary differences are as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
-Deferred income tax assets:				
Temporary difference:				
Accrued pension liability	\$ 2,960	(\$ 295)	(\$ 94)	\$ 2,571
Bonus for unused leaves	5,861	912	-	6,773
Others	888	2,114	-	3,002
Tax losses	<u>443,638</u>	<u>(57,505)</u>	<u>-</u>	<u>386,133</u>
Total	<u>\$ 453,347</u>	<u>(\$ 54,774)</u>	<u>(\$ 94)</u>	<u>\$ 398,479</u>

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
-Deferred income tax assets:				
Temporary difference:				
Accrued pension liability	\$ 4,197	(\$ 323)	(\$ 914)	\$ 2,960
Bonus for unused leaves	4,757	1,104	-	5,861
Others	2,145	(1,257)	-	888
Tax losses	<u>341,794</u>	<u>101,844</u>	<u>-</u>	<u>443,638</u>
Total	<u>\$ 352,893</u>	<u>\$ 101,368</u>	<u>(\$ 914)</u>	<u>\$ 453,347</u>

4. The validity of unused tax loss and the amount of not being recognized as deferred income tax assets are as follows:

December 31, 2023					
Year of occurrence	Declared amount/approved amount	Un-deducted amount	Amount not recognized in deferred income tax assets	Last deduction year	
2014	\$ 4	\$ 4	\$ 4	2024	
2015	9,416	9,416	9,416	2025	
2016	1,608	1,608	1,608	2026	
2017	348	348	348	2027	
2018	353	353	353	2028	
2019	60,399	361	361	2029	
2020	714,745	487,352	346	2030	
2021	934,052	934,052	551	2031	
2022	510,157	510,157	-	2032	
2023	\$ 4	\$ 4	\$ 4	2033	

December 31, 2022					
Year of occurrence	Declared amount/approved amount	Un-deducted amount	Amount not recognized in deferred income tax assets	Last deduction year	
2013	\$ 471	\$ 471	\$ 471	2023	
2014	4	4	4	2024	
2015	9,416	9,416	9,416	2025	
2016	1,608	1,608	1,608	2026	
2017	348	348	348	2027	
2018	353	353	353	2028	
2019	60,399	60,399	361	2029	
2020	714,745	714,745	346	2030	
2021	934,051	934,051	551	2031	
2022	510,251	510,251	-	2032	

5. Deductible temporary difference of assets not recognized as deferred tax assets:

	December 31, 2023	December 31, 2022
Deductible temporary difference	<u>\$ 2,598</u>	<u>\$ 2,692</u>

6. The tax authorities have examined the income tax returns of the Company through 2021.

(XXXII) Earnings (losses) per share

	2023		
	After-tax amount	Retroactive adjustment on outstanding shares (thousands)	Loss per share (NTD)
<u>Basic loss per share</u>			
Current net loss attributable to common shareholders	<u>\$ 414,019</u>	<u>91,526</u>	<u>\$ 4.52</u>
	2022		
	After-tax amount	Retroactive adjustment on outstanding shares (thousands)	Loss per share (NTD)
<u>Basic loss per share</u>			
Current net loss attributable to common shareholders	<u>(\$ 338,063)</u>	<u>91,526</u>	<u>(\$ 3.69)</u>

(XXXIII) Supplementary information of cash flow

1. Investment activities with only partial cash payments

	2023	2022
Acquisition of property, plant, and equipment	\$ 123,344	\$ 103,401
Add: prepaid business facilities payable at the beginning of the period	16,556	35,948
Less: prepaid business facilities payable at the end of the period	(42,317)	(16,556)
Current cash payment	<u>\$ 97,583</u>	<u>\$ 122,793</u>
	2023	2022
Acquisition of intangible assets	\$ 324	\$ 4,331
Add: prepaid business facilities payable at the beginning of the period	1,245	5,517
Less: prepaid business facilities payable at the end of the period	(141)	(1,245)
Current cash payment	<u>\$ 1,428</u>	<u>\$ 8,603</u>

2. Investment activities with only partial cash receipts

	2023	2022
Proceeds from Disposal of Decorations	\$ 7,222	\$ -
Add: other payables at the beginning of the period	-	3,686
Current cash receipt	<u>\$ 7,222</u>	<u>\$ 3,686</u>

(XXXIV) Change on liabilities from financing activities

	2023				
	Short-term borrowings	Lease liabilities	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ -	\$ 11,742,531	\$ 330,312	\$ 98,555	\$ 12,171,398
Change on cash flow from financing activities	-	(1,130,715)	(120,489)	(349)	(1,251,553)
Increase amount of right-of-use asset	-	15,316	-	-	15,316
Interest expenses of discounting amortization	-	192,822	-	-	192,822
Interest paid	-	(204,423)	-	-	(204,423)
Fixed rent payable at the beginning of the period	-	120,097	-	-	120,097
Notes payable at the beginning of the period	-	88,432	-	-	88,432
Fixed rent payable at the end of the period	-	(28,057)	-	-	(28,057)
December 31	<u>\$ -</u>	<u>\$ 10,796,003</u>	<u>\$ 209,823</u>	<u>\$ 98,206</u>	<u>\$ 11,104,032</u>

	2022				
	Short-term borrowings	Lease liabilities	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 22,800	\$ 10,917,889	\$ 350,000	\$ 100,902	\$ 11,391,591
Change on cash flow from financing activities	(22,800)	(892,812)	(19,688)	(2,347)	(937,647)
Increase amount of right-of-use asset	-	1,728,428	-	-	1,728,428
Rent concession gains	-	(18,331)	-	-	(18,331)
Interest expenses of discounting amortization	-	205,421	-	-	205,421
Interest paid	-	(196,037)	-	-	(196,037)
Fixed rent payable at the beginning of the period	-	206,502	-	-	206,502
Fixed rent payable at the end of the period	-	(120,097)	-	-	(120,097)
Notes payable at the end of the period	-	(88,432)	-	-	(88,432)
December 31	<u>\$ -</u>	<u>\$ 11,830,963</u>	<u>\$ 330,312</u>	<u>\$ 98,555</u>	<u>\$ 12,259,830</u>

VII. Related party transaction

(I) Related party name and relationship

Related Party Name	Relationship with the Group
Humble House Hotel Co., Ltd. (Humble House hotel)	Associate
Camellian Co., Ltd. (Camellian)	The corporate director of the Company and the entity controlled by the major management of the Company
Tung-Fang-Mei Enterprise Co., Ltd. (Tung-Fang-Mei)	The corporate director of the Company and the entity controlled by the major management of the Company
Grandwell Motors Co., Ltd. (Grandwell)	Substantive related party
Noiz Architects Co., Ltd (Noiz Architects)	Substantive related party
My Humble House Flower Spectrum Ltd. (My Humble House Flower Spectrum)	Substantive related party
My Humble House Co., Ltd. (My Humble House)	Substantive related party
Camellian Co., Ltd. (Camellian)	Substantive related party
Espace Beaut'e International Co. (space Beaut'e)	Substantive related party
Er Shan Arts Co., Ltd. (Er Shan Arts)	Substantive related party
Ellie Lai Ltd. (Ellie)	Substantive related party (Note)
Tsai, Po-Han	Chairman of the Company

Note: Ellie has been suspended for one year since April 1, 2023.

(II) Significant related party transactions

1. Operating and other income

	2023	2022
Merchandise Sales:		
Associate	\$ 827	\$ 877
Rental Income:		
Other related party	1,375	1,459
Service Sales:		
Associate	13,832	28,013
Other related party	366	255
Total	<u>\$ 16,400</u>	<u>\$ 30,604</u>

For the related party transaction falling to the category of merchandise sales, the transaction price is determined by the general sales terms and relevant contracts. For rental income, the determination of rent takes into consideration rents of nearby offices and is agreed by both parties. The lease

term is 1 year. The rent is collected on a monthly basis pursuant to the lease contract. For revenues from services, the transaction price takes into consideration the market price and is agreed by both parties. The terms for payment receipt does not have significant difference with the non-related party transaction. As of December 31 of 2023 and 2022, the deposits received from the related party of the lease contracts were NT\$230 and NT\$250, respectively.

2. Operating costs and expenses

	2023	2022
Merchandise purchase:		
Associate	\$ -	\$ 3
Other related party	10,697	8,679
Service purchase:		
Associate	-	118
Other related party	7,544	5,753
Total	<u>\$ 18,241</u>	<u>\$ 14,553</u>

The prices of the above purchases of goods from shareholders are determined based on market conditions; The purchase of services is determined by the negotiation between the buyer and the seller, and there is no difference in the transaction conditions between non-related parties.

3. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Humble House Hotel	\$ 181	\$ 8,182
Other receivables:		
Humble House Hotel	3,045	4,834
Other related party	16	2
Subtotal	<u>3,061</u>	<u>4,836</u>
Total	<u>\$ 3,242</u>	<u>\$ 13,018</u>

The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Within 30 days	\$ 85	\$ 3,160
Between 31–90 days	96	5,022
Between 91–180 days	-	-
Over 181 Days	-	-
	<u>\$ 181</u>	<u>\$ 8,182</u>

The above aging analysis was based on account date.

4. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
Associate	\$ 551	\$ 3,659
Other related party	3,653	2,849
Total	<u>\$ 4,204</u>	<u>\$ 6,508</u>

Other payables was generated from the decoration of flowers and general goods required by the Group's hotel provided by the related party of Other..

5. Endorsement/guarantee for others by the related party

	December 31, 2023	December 31, 2022
Tsai, Po-Han	<u>\$ 209,823</u>	<u>\$ 530,312</u>

(III) Remuneration of key management personnel

	2023	2022
Salary and other short-term employee benefits	\$ 32,743	\$ 25,325
Post-employment benefits	648	485
Total	<u>\$ 33,391</u>	<u>\$ 25,810</u>

VIII. Pledged assets

The statement of the Group's assets used as guarantee:

Asset item	Book value		Purpose of guarantee
	December 31, 2023	December 31, 2022	
Financial assets at amortized cost – current – cash in banks	<u>\$ 156,205</u>	<u>\$ 202,417</u>	Escrow trust account for standard form contract for gift certificates

IX. Significant Contingent Liabilities and Unrecognized Commitments

(IV) Contingency

None.

(V) Commitment

1. As of December 31, 2023, the significant lease contracts the Group entered into are as follows:

Lessor	Lease target	Period	Rent payment and calculation method
Shin Kong Life Insurance Co., Ltd.	Superficies on land No. 10 and 10-1, subsection 4, Xinyi Section, Xinyi District, Taipei City	October 1, 2010 to September 30, 2030 with a total of 20 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
Land Bank of Taiwan	Land No. 70 and 72, subsection 3, Chenggong Section, Zhongzheng District, Taipei City and superficies of No. 12, Section 1, Zhongxiao E. Road	June 1, 2017 to May 31, 2032 with a total of 15 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
TransGlobe Life Insurance Inc.	No. 1 and 2, Jiankang Rd., Jiaoxi Township, Yilan County	July 28, 2017 to July 27, 2037 with a total of 20 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
Continental Engineering Corporation	Land No. 396 and 405-1, subsection 3, Zhongshan District, Taipei City and No. 116 (1F to 9F) and 118, Songjian Road	March 1, 2022 to February 28, 2042 with a total of 20 years	The monthly rent payment is determined by the registration area of the lease object and the agreed amount.

2. Operating lease agreement

- (1) Please refer to Note 6 (8) and 6 (9) for description.
- (2) As of December 31, 2023, the Company provided letter of bank guarantee of lessor amounted NT\$353,623, irrevocable standby documentary credit amounted NT\$278,216, and promissory note amounted NT\$150,000, which are NT\$781,839 in total as guarantee.

X. Significant Loss from Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital management

The goal of the capital management of the Group is to ensure the Group can continue operating, maintain the best capital structure to reduce the capital cost, and provide remuneration to shareholders. To maintain or adjust the capital structure, the Group may adjust the dividend amount paid to shareholders, return the capital to shareholders, issue new shares, or sell assets for the optimum capital structure.

(II) Financial instruments

1. Categories of financial instruments

	December 31, 2023	December 31, 2022
<u>Financial asset</u>		
Financial assets at fair value		
Financial assets designated as at fair value	\$ 439,874	\$ 276,276
Financial assets measured at amortized cost		
Cash and cash equivalents	366,845	205,676
Financial assets measured at amortized cost	156,205	212,687
Notes receivable	209	216
Accounts receivable	130,879	70,366
Accounts receivable – related parties	181	8,182
Other receivables	2,746	746
Other receivables – related parties	3,061	4,836
Refundable deposits	6,947	5,701
	<u>\$ 1,106,947</u>	<u>\$ 784,686</u>
<u>Financial liability</u>		
Financial liabilities measured at amortized cost		
Notes payable	\$ 3,691	\$ 102,784
Accounts payable	206,295	202,668
Other payables	554,914	557,913
Other payables – related parties	4,204	6,508
Long-term borrowings (including the current portion)	209,823	330,312
Guarantee deposits received	98,206	98,555
	<u>\$ 1,077,133</u>	<u>\$ 1,298,740</u>
Lease liabilities – current	<u>\$ 996,418</u>	<u>\$ 959,858</u>
Lease liabilities – non-current	<u>\$ 9,799,585</u>	<u>\$ 10,782,673</u>

2. Risk Management Policy

- (1) The daily operation of the Group is under the impact of multiple financial risks, including market risks (including exchange risks, interest rate risks, and price risks), credit risks, and liquidity risks. The overall risk management policy of the Group focuses on unpredictable events in the financial market and discover the possibility of minimizing the potential adverse impact on the

financial position and performance of the Group.

- (2) The risk management is implemented by the Finance Department of the Group in accordance with the policy approved by the Board of Directors. The Finance Department of the Group works closely with other operating units in the Group to identify, assess, and avoid financial risks. The Board of Directors stipulates principles for the overall risk management in writing and provides written policy for specific scope and matters, such as foreign exchange rate risk, interest rate risk, credit risk, use of derivatives and non-derivatives financial instruments, and the investment of residual liquidity.

3. The nature and level of significant financial risks

(1) Market risk

Price risk

- A. The equity instrument of the Group exposed in the price risk is the recognized financial assets at fair value. To manage the price risk of equity instrument investment, the Group disperses the portfolio within the quota set up by the Group.
- B. The Group mainly invests in equity instruments and open-end funds issued by domestic companies. The price of such equity instruments will be affected by the uncertainty of the future value of the investment target. Where all other variables remain unchanged, if the price of the equity instrument increases or decreases by 1%, the net profit of gains or losses through the equity instrument at fair value in 2023 and 2022 increases or decreases by NT\$4,399 and NT\$2,763, respectively.

(2) Credit risk

- A. The Company's credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the failure of a counterparty to settle a receivable due to collection conditions and classified as financial assets at amortized cost.
- B. The Group establishes the management on credit risks from the Group's perspective. The Company only accepts the corresponding banks and financial institutions rated at least "Class A" by the independent credit rating institutions as the counterparty. According to the Group's internal credit policy, the operating units of the Group are responsible for managing and analyzing the credit risk for each of their new clients before

standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers by taking into account their financial position, past experience and other factors. The limit amount for individual risk is stipulated by the Board of Directors in accordance with the internal or external rating, and the usage of credit limit is monitored on a regular basis.

- C. The Group adopts the following assumption under IFRS 9. If the contract payments were overdue for more than 90 days based on the terms of the contract, it is considered a breach of contract
- D. The Group adopts the assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:
If the contract payments were overdue for more than 30 days based on the terms of the contract, there has been a significant increase in credit risk on that instrument since initial recognition.
- E. The Group uses the following indicators to determine whether the credit impairment of debt instruments has occurred:
 - (A) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (B) The active market of the financial asset no longer exists due to the financial difficulties of the issuer;
 - (C) Default or delinquency in interest or principal repayments by the issuer;
 - (D) Adverse changes in national or regional economic conditions that are expected to cause a default of issuer.
- F. The Group classifies the accounts receivable of customers based on the customer rating and the nature of customer types. The expected credit loss is estimated using simplified practice based on loss rate method.
- G. The Group will write off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Group will continue executing the recourse procedures to secure the rights.
- H. The Group takes into consideration of the future prospective indicated in the economic forecast released by Taiwan Institute of Economic Research to adjust historical and timely information

within specific period to assess the default possibility of accounts receivable. As of December 31 of 2023 and 2022, the expected loss rate for not past due and overdue accounts receivable are not significant.

- I. The allowance for loss of accounts receivable using simplified practice is not significant. Therefore, it was not recognized in 2023 and 2022.
- J. J. The financial assets measured at amortized cost recognized by the Company are trust cash in banks. Since the credit quality of corresponding financial institutions is excellent, the possibility of breach of contract is low.
- K. The refundable deposits recognized by the Group are mainly the performance deposits. Since the credit quality of the counterparty is excellent, the possibility of breach of contract is low.

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating units of the Group and aggregated by the Finance Department of the Group. The Finance Department of the Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs and maintain sufficient unused loan commitment so that the Group will not breach loan quota or terms. This forecast takes consideration of the Group's debt financing plan, compliance of debt terms, meeting the goal of financial goal of internal balance sheet, and the requirement of competent laws and regulations.
- B. The operating entities of the Group invest surplus cash in interest bearing demand deposits, time deposits, money market deposits, and securities choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts. As of December 31, 2023 and 2022, the Group held the money market positions of \$795,444 and \$471,936, respectively. It is expected to generate cash flow promptly and manage the liquidity risk.

C. The unused loan amount of the Group is as follows:

	December 31, 2023	December 31, 2022
Falling due in one year	\$ 1,248,161	\$ 1,196,872
Falling due above one year	-	200,000
Total	<u>\$ 1,248,161</u>	<u>\$ 1,396,872</u>

D. The table below is the analysis of the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1–2 years	Over 2 years
Notes payable	\$ 3,691	\$ -	\$ -
Accounts payable	206,295	-	-
Other payables (including related parties)	559,118	-	-
Long-term borrowings (including the current portion)	93,302	81,329	40,223
Lease liabilities (current and non-current)	1,172,312	1,188,261	9,448,508

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	1–2 years	Over 2 years
Notes payable	\$ 102,784	\$ -	\$ -
Accounts payable	202,668	-	-
Other payables (including related parties)	564,421	-	-
Long-term borrowings (including the current portion)	101,368	106,363	132,291
Lease liabilities (current and non-current)	1,152,582	1,167,140	10,628,269

The Group does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis to be significantly earlier, nor does it expect the actual cash flow amount to be significantly different.

(III) Information on fair value

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The investments in stocks of public listed companies and beneficiary certificates at fair value invested by the Group are at this level.

Level 2: Inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability.

Level 3: Unobservable inputs for the asset or liability The fair value of the Company's investment property is included in Level 3.

2. Please refer to Note 6 (10) for the information on the fair value of investment property measured at cost.
3. The book value of the financial instruments of the Group (including cash and cash equivalents, financial assets at amortized costs, notes receivable (including related parties), other receivables (including related parties), refundable deposits, notes payable, accounts payable, other payables (including related parties), long-term borrowings, and guarantee deposits received) not at fair value is the reasonable approximation of the fair value.
4. The Group classifies the financial assets at fair value based on the nature, characteristics, risks, and fair value level of assets and liabilities. The information is as follows:

- (1) The Group classifies assets based on the nature of assets and liabilities. The information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Asset				
<u>Repeatability fair value</u>				
Financial assets at fair value				
Equity securities	\$ 391,026	\$ -	\$ -	\$ 391,026
Beneficiary certificate	<u>48,848</u>	<u>-</u>	<u>-</u>	<u>48,848</u>
Total	<u>\$ 439,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,874</u>

December 31, 2022	Level 1	Level 2	Level 3	Total
Asset				
<u>Repeatability fair value</u>				
Financial assets at fair value				
Equity securities	\$ 276,276	\$ -	\$ -	\$ 276,276

- (2) For the instruments using the quoted market price as the fair value input by the Group (Level 1), they are listed below based on the characteristics of the instruments:

	Stocks of publicly listed companies	Open-end funds
Quoted market price	Closing market prices	Net value

5. There has been no transfer between Level 1 and Level 2 in 2023 and 2022.

XIII. Other Disclosures in Notes

(I) Information on Significant Transactions

1. Financing provided to others: None.
2. Endorsements/guarantees provided: Please refer to Table 1.
3. Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): Please refer to Table 2.
4. Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Significant transactions between the parent company and subsidiaries and among subsidiaries during the reporting periods and amount: The transaction amount between the Company and subsidiaries in 2023 was not significant (the transaction amount did not reach 1% of the consolidated total assets or total revenue), so it is not required to be disclosed.

(II) Information on Investees

Information of the invested company, such as name and location (not including the invested companies in Mainland China): Please refer to Table 3.

(III) Information on Investment in Mainland China

1. Basic information: None.
2. Significant transactions, either directly or indirectly through a third area, with invested companies in the Mainland Area: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 4

XIV. Department Information

(I) General information

The management of the Group has identified the reportable departments based on the reporting information used by the operating decision makers when making decisions. The operating decision maker of the Group operates the business from the perspective of products. The Group currently focuses on food service, occupancy, and investment businesses, and the other operating results are expressed in consolidation in the column of “Other Operating Departments.”

The composition, department basis, and the measurement basis of information on departments of the Group do not have significant change in the current period.

(II) Measurement of department information

The Group measures and assesses the performance of the operating departments based on the departmental revenues and profit from operations. The financial income and expenditures (e.g. interest income and expenditures) are not contributed to the operating departments, because the activities are managed by the financial department of the Group that is responsible for the cash condition.

(III) Information of departmental

The reportable information on departments provided to the chief operating decision maker is as follows:

<u>2023</u>	Food service department	Guest room department	Others	Adjustment and write-off	Total
External revenue	\$ 2,828,897	\$ 1,881,468	\$ 120,770	\$ -	\$ 4,831,135
Internal departmental revenue	<u>10,232</u>	<u>-</u>	<u>1,344</u>	<u>(11,576)</u>	<u>-</u>
Departmental revenue	<u>\$ 2,839,129</u>	<u>\$ 1,881,468</u>	<u>\$ 122,114</u>	<u>(\$ 11,576)</u>	<u>\$ 4,831,135</u>
Department profit or loss	<u>\$ 857,424</u>	<u>\$ 1,044,149</u>	<u>(\$ 1,276,154)</u>	<u>\$ 351</u>	<u>\$ 625,770</u>
Departmental operating net loss includes: Depreciation and amortization	<u>\$ 229,796</u>	<u>\$ 474,448</u>	<u>\$ 507,328</u>	<u>\$ -</u>	<u>\$ 1,211,572</u>
<u>2022</u>	Food service department	Guest room department	Others	Adjustment and write-off	Total
External revenue	\$ 2,207,649	\$ 1,094,553	\$ 120,008	\$ -	\$ 3,422,210
Internal departmental revenue	<u>10,272</u>	<u>-</u>	<u>1,461</u>	<u>(11,733)</u>	<u>-</u>
Departmental revenue	<u>\$ 2,217,921</u>	<u>\$ 1,094,553</u>	<u>\$ 121,469</u>	<u>(\$ 11,733)</u>	<u>\$ 3,422,210</u>
Department profit or loss	<u>\$ 534,066</u>	<u>\$ 313,477</u>	<u>(\$ 1,078,098)</u>	<u>\$ 343</u>	<u>(\$ 230,212)</u>
Departmental operating net loss includes: Depreciation and amortization	<u>\$ 222,296</u>	<u>\$ 462,220</u>	<u>\$ 501,758</u>	<u>\$ -</u>	<u>\$ 1,186,274</u>

Note: The proceeds from selling of securities and valuation gains in 2023 and 2022 is NT\$165,290 and NT\$129,814, respectively, which is recognized as “Net other incomes and expenses.”

(IV) The adjustment information for the departmental profits or losses

The adjustment on the departmental profits or losses and the departmental profits or losses before tax of continuing operation in 2023 and 2022 is as follows:

	2023	2022
Reportable operating department losses	\$ 625,770	(\$ 230,212)
Non-operating income and expense	(152,549)	(207,716)
Departmental profits or losses before tax of continuing operation	<u>\$ 473,221</u>	<u>(\$ 437,928)</u>

(V) Information of products and services

The revenue from external customers mainly comes from food and occupancy service. Please refer to Note 6 (23) for the composition of revenue.

(VI) Geographical information

The Group does not have foreign operations.

(VII) Information on major customers

This is not applicable as the revenue from individual customer does not reach 10% of the consolidated total revenue in 2023 and 2022.

My Humble House Hospitality Management Consulting Co., Ltd.
Endorsements/guarantees provided
For the year ended December 31, 2023

Table 1

Unit: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

No.	Endorsed by	Endorsed party	Maximum endorsement amount to single entity	Maximum Balance of Endorsements	Balance of endorsement by the end of the period	Actually Amount	Amount Endorsed with property	endorsement amount to the net value of the most recent financial statements	Maximum Endorsements	Endorsement from the parent company to the subsidiary	Endorsement from the subsidiary to the parent company	Endorsement in Mainland China
(Note 1)	Company Name	Name	(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)		(Note 3)	Guarantee (Note 7)	Guarantee (Note 7)	(Note 7)
0	My Humble House Hospitality	Han Shi Investment	2	\$ 237,190	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	4.22	\$ 592,975	Y	N

Note 1: The description of the number columns is as follows:

(1) Fill out 0 for issuer.

(2) Sequentially number the invested companies starting from 1 based on the company classification.

Note 2: There are 7 relationships between the company making endorsements/guarantees and companies receiving endorsements/guarantees, only mark the type:

(1) Company with business relation.

(2) Subsidiaries which the Company directly or indirectly holds more than 50% of shares with voting rights.

(3) Subsidiaries directly or indirectly hold more than 50% of shares with voting rights of the Company.

(4) Among subsidiaries which the Company directly or indirectly holds more than 90% of shares with voting rights.

(5) Mutual guaranteed companies in accordance with the contract between the companies in the same industry or the joint applicants based on the requirement of contracting construction projects.

(6) Subsidiaries Endorsed by all shareholders based on the percentage of ownership due to joint investment relationship.

(7) Performance joint guarantee among companies in the same industry for the presale house selling contract regulated by the Consumer Protection Act.

Note 3: The endorsements/guarantees amount to single entity by the Company shall not exceed 20% of the net value of the most recent financial statements; the total endorsements/guarantees amount by the Company shall not exceed 50% of the net value of the most recent financial statements.

Note 4: The maximum balance of endorsements/guarantees provided in the current year.

Note 5: The amount approved by the Board of Directors shall be filled in. Where the Board of Directors authorizes the Chairman to determine the endorsements/guarantees in accordance with subparagraph 8, Article 12 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount determined by the Chairman.

Note 6: The amount actually drawn by the company that is Endorsed within the scope of the Endorsed balance shall be filled in.

Note 7: Please fill in Y if it is the endorsement by the publicly listed parent company to the subsidiary, endorsement by the subsidiary to the publicly listed parent company, or endorsement in Mainland China.

My Humble House Hospitality Management Consulting Co., Ltd.
Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities)
December 31, 2023

Table 2

Init: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial statement account	As of December 31				Note
				Carrying amount				
				Shares/Units	(Note 3)	Shareholding Ratio	Fair value	
(Note 1)	(Note 2)	(Note 4)						
My Humble House Restaurant	Capital Money Market Funds	-	Financial assets at fair value through profit or loss Assets-current	108,828	\$ 1,805	-	\$ 1,805	-
Han Shi Investment	Capital Money Market Funds	-	Financial assets at fair value through profit or loss Assets-current	2,836,187	47,043	-	47,043	-
Han Shi Investment	Stock of JSL Construction & Development Co., Ltd.	-	Financial assets at fair value through profit or loss Assets-current	4,057,345	350,149	1.036%	350,149	-
Han Shi Investment	Stock of Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss Assets-current	5,000	2,965	0.000%	2,965	-
Han Shi Investment	Stock of Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss Assets-current	800,000	36,600	0.005%	36,600	-
Han Shi Investment	Stock of Silitech Technology Corporation	-	Financial assets at fair value through profit or loss Assets-current	10,000	1,312	0.017%	1,312	-

Note 1: Marketable securities were shares, bonds, beneficiary certificates, and others within the scope of IFRS 9 "Financial Instruments."

Note 2: This column may be blank if the issuer of the securities is not a related party.

Note 3: For items measured at fair value, please fill in the carrying amount balance after the adjustment on the valuation at the fair value and deducting the accumulative impairment in the column of carrying amount; for items not measured at fair value, please fill in the carrying amount balance of the initial acquisition costs or the amortized costs deducting the accumulative impairment in the column of carrying amount.

Note 4: If the securities are restricted due to being provided as guarantee, pledged for loans or other agreement, the number of shares used for guarantee or pledged, the amount of guarantee or pledge, and restrictions shall be specified in the Note column.

My Humble House Hospitality Management Consulting Co., Ltd.
Information of the invested company, such as name and location (not including the invested companies in Mainland China)
For the year ended December 31, 2023

Table 3

:: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

Investor	Investee (Note 1 and 2)	Location	Main business	Initial investment amount		As of December 31			Gain or loss of the Investee (Note 2 (2))	investment recognized in the current period	Note
				the current period	End of last year	Number of shares	Ratio	Carrying amount			
My Humble House Hospitality	Han Shi Investment Co., Ltd.	Taiwan	General investments	\$ 50,000	\$ 50,000	26,100,000	100.00%	\$ 469,795	\$ 164,391	\$ 164,391	Subsidiary
"	Han She Recipe Co., Ltd.	Taiwan	Food service	879	879	100,000	100.00%	2,593	488	488	Subsidiary
"	Humble House Hotel Co., Ltd.	Taiwan	Hotel and food service	50,000	50,000	5,000,000	25.00%	112,909	65,127	16,314	Affiliate
Han Shi Investment	Humble House Hotel Co., Ltd.	Taiwan	Hotel and food service	14,400	14,400	960,000	4.80%	20,733	65,127	3,126	Affiliate

Note 1: Where a public company establishes an overseas holding company, which uses the consolidated financial report as the main financial report pursuant to the local regulations and applicable laws, the information of the overseas investee may be disclosed to that holding company.

Note 2: If the provision in Note 1 does not apply, please fill in the information in accordance with the following rules:

(1) The columns of "Investee," "Location," "Main business," "Initial investment amount," and "Shareholding at the end of the period" shall be filled in with the information of the investment of the (public) Company and the investment of each directly or indirectly owned investee. It should be filled out in order and the relationship between the investee and the (public) Company (subsidiary or a subsidiary of a subsidiary) shall be specified in the Note column.

(2) The current gain or loss amount of the investee shall be filled out in the column of "Current gain or loss of the investee."

(3) For the column of "Gain (loss) on investments in the current period," only need to fill in the gain or loss amount of the subsidiaries and the investees accounted for using equity method. Other information is not required. When filling in the "Current recognized gain or loss of directly owned subsidiaries," please confirm the investment gain or loss of the investee that shall be recognized in accordance with the regulations is included in the current gain or loss amount of the subsidiary.

My Humble House Hospitality Management Consulting Co., Ltd.

Information on Major Shareholders

December 31, 2023

Table 4

Name of major shareholder	Shares	
	No. of shares held	Shareholding Ratio
Tung-Fang-Mei Enterprise Co., Ltd.	15,474,546	15.24
Xuan Wei Investment Co., Ltd.	14,080,228	13.87
Humble House Hotel Co., Ltd.	10,000,000	9.85
Kan Shi Shan Fang Co., Ltd.	7,223,562	7.11
Camellian Co., Ltd.	7,112,743	7.01
Humble House International Investment Co., Ltd.	6,409,655	6.31
Da Mo Enterprise Co., Ltd.	6,015,101	5.92

Description: If the company acquires the information in this form from Taiwan Depository & Clearing Corporation (TDCC), it may describe the following matters in the Note of this form:

(1) This table is based on the information provided by the TDCC for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of every quarter. There may be a discrepancy in the number of shares recorded on the financial statements of a company and its dematerialized securities arising from the difference in basis of preparation.

(2) As table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than ten percent of the shares, including their own shares and their delivery to the trust, and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website.

My Humble House Hospitality Management
Consulting Co., Ltd.
Parent Company Only Financial Statements and
Independent Auditors' Report
2023 and 2022
(Stock Code 2739)

Company Address: No. 12, Sec. 1, Zhongxiao E. Rd.,
Taipei City

TEL: (02)2321-5858

My Humble House Hospitality Management Consulting Co., Ltd.
2023 and 2022 Parent Company Only Financial Statements and Independent Auditors' Report
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Independent Auditors' Report

(2024) Tsai-Shen-Bao-Zi No. 23004371

To My Humble House Hospitality Management Consulting Co., Ltd.

Audit Opinion

We have audited the accompanying parent only financial statements of My Humble House Hospitality Management Consulting Co., Ltd. (the "Company"), which comprise the parent only balance sheets as from January 1 to December 31, 2023 and 2022, and the parent only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent only financial statements, including a summary of significant accounting policies as from January 1 to December 31, 2023 and 2022.

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the unconsolidated financial position of the Company as from January 1 to December 31, 2023 and 2022, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the Republic of China.

Basis for the Audit Opinion

We conducted our audits in accordance with the Regulation Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards accepted in the R.O.C. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Unconsolidated Financial Statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the Company in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

The accuracy of food service revenue and occupancy revenue

Description

The 2023 food service revenue and occupancy revenue were NT\$2,828,897 thousand and NT\$1,880,811 thousand, respectively, accounting for 58.58% and 38.95%, respectively of the total operating revenue. Please refer to Note 4 (27) in the parent company only financial statements for the accounting policy of the operating revenue; please refer to Note 6 (23) in the parent company only financial statements for the descriptions of accounting items.

The amount of food service revenue and occupancy revenue is huge. In addition, due to the industry nature, the sources of customers are business travelers, individual travelers, and groups. The unit price of products is low, and the number of sales is high, which results in huge transaction amount. As a result, the possibility of misstatement is higher, which may result in the material misstatement of the parent company only financial statements. Therefore, we regard the accuracy of food service revenue and occupancy revenue as one of the most significant audit matters in this year's audit.

Responding audit procedure

We have executed the following responding audit procedure on the aforementioned key audit items:

1. Understand and test the effectiveness of internal revenue control over the food service and occupancy, including to confirm the amount of the sales statement generated by the sales system is consistent with the credited amount.
2. Execute the confirmation test, which includes:
 - (1) Verify the accuracy of customer bills, invoice record, and credited amount.
 - (2) Verify the accuracy of the credited amount and the invoice amount.
 - (3) Verify the accuracy of the receivable record and the original credited amount.

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

Management is responsible for the preparation and fair presentation of the

unconsolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary internal control as management determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, Including the Audit Committee, are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 auditing standards generally accepted in the R.O.C. will always detect a material misstatement when it exists in the unconsolidated financial statements. Misstatements can arise from fraud or error. Misstatements 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 the unconsolidated financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following tasks:

1. Identify and assess the risk of material misstatement of the unconsolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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 the management level.
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 of the Company to continue as a going concern. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the unconsolidated financial statements are required to be provided in our audit report to allow users of unconsolidated financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause My Humble House Hospitality Management Consulting Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including relevant notes, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entity of the Company, and express an opinion on unconsolidated financial statements. We handle the guidance, supervision and execution of the audit on the Group and are responsible for preparing the opinion for the parent company only financial statements.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

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

PricewaterhouseCoopers, Taiwan

Certified Public Accountant Lai, Chung-Hsi

Chih, Ping-Chiun

Former Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval number: Jin-Guan-Cheng-Liu-Zi No. 0960038033

Former Securities and Futures Commission, Ministry of Finance

Approval number: (1999) Tai-Tsai-Cheng (6) No. 16120

March 8, 2024

My Humble House Hospitality Management Consulting Co., Ltd.
Parent Company Only Balance Sheets
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

	Asset	Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
	Current asset					
1100	Cash and cash equivalents	VI (1)	\$ 351,053	3	\$ 201,238	1
1136	Financial assets at amortized cost – current	VI (3) and VIII	156,205	1	202,417	1
1150	Notes receivable, net	VI (4)	209	-	216	-
1170	Accounts receivable, net	VI (4)	130,864	1	70,149	1
1180	Net accounts receivable – related parties	VII	181	-	8,316	-
1200	Other receivables		2,746	-	725	-
1210	Other receivables – related parties	VII	3,061	-	4,836	-
1220	Current tax assets		334	-	105	-
130X	Inventories	VI (5)	83,573	1	83,261	1
1410	Prepayments		51,406	-	36,352	-
11XX	Total current asset		<u>779,632</u>	<u>6</u>	<u>607,615</u>	<u>4</u>
	Non-current assets					
1550	Investment accounted for using the equity method	VI (6)	585,297	4	352,253	2
1600	Property, plant and equipment	VI (7)	949,617	7	987,078	7
1755	Right-of-use asset	VI (8)	9,959,757	73	10,980,990	77
1760	Investment property, net	VI (10)	579,942	4	580,900	4
1780	Intangible asset	VI (11)	6,405	-	8,968	-
1840	Deferred tax assets	VI (30)	398,479	3	453,347	3
1900	Other non-current assets	VI (12)	359,642	3	381,017	3
15XX	Total non-current asset		<u>12,839,139</u>	<u>94</u>	<u>13,744,553</u>	<u>96</u>
1XXX	Total assets		<u>\$ 13,618,771</u>	<u>100</u>	<u>\$ 14,352,168</u>	<u>100</u>

(Continue on next page)

My Humble House Hospitality Management Consulting Co., Ltd.

Parent Company Only Balance Sheets

For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

Liabilities and Equity		Note	December 31, 2023		December 31, 2022	
			Amount	%	Amount	%
Current liabilities						
2130	Contract liabilities – current	VI (23)	\$ 535,897	4	\$ 563,055	4
2150	Notes payable		3,691	-	102,784	1
2170	Accounts payable		206,222	1	202,625	1
2200	Other payables	VI (14)	554,519	4	557,528	4
2220	Other payables – related parties	VII	4,403	-	6,668	-
2280	Lease liabilities – current	VI (15)	996,418	7	959,858	7
2320	Long-term liabilities mature within one year or within one operating cycle	VI (16)	90,105	1	96,485	-
2399	Other current liabilities – others		10,808	-	14,072	-
21XX	Total current liabilities		2,402,063	17	2,503,075	17
Non-current liabilities						
2540	Long-term borrowings	VI (16)	119,718	1	233,827	2
2580	Lease liabilities – non-current	VI (15)	9,799,585	72	10,782,673	75
2600	Other non-current liabilities	VI (17) (18)	111,455	1	113,748	1
25XX	Total non-current liabilities		10,030,758	74	11,130,248	78
2XXX	Total Liabilities		12,432,821	91	13,633,323	95
Equity						
	Share capital	VI (19)				
3110	Common share		915,260	7	915,260	6
3120	Preferred share		100,000	1	100,000	1
	Capital surplus	VI (20)				
3200	Capital surplus		556,438	4	556,438	4
	Retained earnings	VI (21)				
3350	Accumulated deficit		(488,542)	(4)	(930,244)	(7)
	Other equities	VI (22)				
3400	Other equities		102,794	1	77,391	1
3XXX	Total equity		1,185,950	9	718,845	5
	Significant contingent liabilities and unrecognized commitments	IX				
3X2X	Total liabilities and equities		\$ 13,618,771	100	\$ 14,352,168	100

The attached notes are part of the parent company only financial statements. Please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd.
Parent Company Only Statement of Comprehensive Income
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars
(NTD for earnings (loss) per share)

	Item	Note	2023		2022	
			Amount	%	Amount	%
4000	Operating income	VI (23) and VII	\$ 4,829,356	100	\$ 3,419,385	100
5000	Operating costs	VI (5) (28) (29) and VII	(2,967,339)	(61)	(2,573,052)	(75)
5900	Gross profit		1,862,017	39	846,333	25
	Operating expenses	VI (5) (28) (29) and VII				
6100	Selling expenses		(283,055)	(6)	(198,260)	(6)
6200	Administrative expenses		(1,119,702)	(23)	(1,008,704)	(30)
6000	Total operating expenses		(1,402,757)	(29)	(1,206,964)	(36)
6900	Operating profit (loss)		459,260	10	(360,631)	(11)
	Non-operating income and expense					
7100	Interest revenue	VI (3) (24)	2,385	-	2,500	-
7010	Other income	VI (25) and VII	32,827	-	41,118	1
7020	Other gains or losses	VI (2) (10) (12) (26)	(8,837)	-	4,055	-
7050	Financial costs	VI (8) (13) (27)	(198,098)	(4)	(212,757)	(6)
7070	Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	VI (6)	181,193	4	86,284	3
7000	Total non-operating incomes and expenses		9,470	-	(78,800)	(2)
7900	Net (profit) loss before tax		468,730	10	(439,431)	(13)
7950	Tax (expenses) gains	VI (30)	(54,711)	(1)	101,368	3
8200	Net profit (loss) - current		\$ 414,019	9	(\$ 338,063)	(10)
	Other comprehensive (loss) profit					
	Items not reclassified subsequently to profit or loss					
8311	Remeasurement of defined benefit programs	VI (17)	\$ 469	-	\$ 4,568	-
8330	Share of other comprehensive profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method – Items not reclassified subsequently to profit or loss	VI (22)	52,711	1	51,482	2
8349	Income taxes related to the items not re-classified	VI (30)	(94)	-	(914)	-
8310	Total amount of items not reclassified subsequently to profit or loss		53,086	1	55,136	2
8300	Other comprehensive income (net amount)		\$ 53,086	1	\$ 55,136	2
8500	Total comprehensive income in the current period		\$ 467,105	10	(\$ 282,927)	(8)
	Earnings (loss) per share	VI (31)				
9750	Basic earnings (loss) per share		\$ 4.52		(3.69)	
9850	Diluted earnings (loss) per share		\$ 4.52		(3.69)	

The attached notes are part of the parent company only financial statements. Please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd.
Parent Company Only Statement of Changes in Equity
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

		Share capital				Unrealized income/(loss) of financial assets at fair value through other comprehensive income	
	Note	Common share	Preferred share	Capital surplus – Additional paid-in capital	Accumulated deficit		Total Equity
<u>2022</u>							
Balance at January 1, 2022		\$ 1,115,260	\$ -	\$ 456,438	(\$ 799,906)	\$ 29,980	\$ 801,772
Net loss		-	-	-	(338,063)	-	(338,063)
Other comprehensive income (loss)	VI (22)	-	-	-	3,654	51,482	55,136
Total comprehensive income (loss)		-	-	-	(344,409)	51,482	(282,927)
Capital reduction to offset accumulated deficits	VI (19)	(200,000)	-	-	200,000	-	-
Issue of preference share	VI (19)	-	100,000	100,000	-	-	200,000
Variation of associated companies accounted for using equity method	VI (22)	-	-	-	4,071	(4,071)	-
Balance as of December 31, 2022		<u>\$ 915,260</u>	<u>\$ 100,000</u>	<u>\$ 556,438</u>	<u>(\$ 930,244)</u>	<u>\$ 77,391</u>	<u>\$ 718,845</u>
<u>2023</u>							
Balance as of January 1, 2023		\$ 915,260	\$ 100,000	\$ 556,438	(\$ 930,244)	\$ 77,391	\$ 718,845
Net income		-	-	-	414,019	-	414,019
Other comprehensive income (loss)	VI (22)	-	-	-	375	52,711	53,086
Total comprehensive income (loss)		-	-	-	414,394	52,711	467,105
Variation of associated companies accounted for using equity method	VI (22)	-	-	-	27,308	(27,308)	-
Balance as of December 31, 2023		<u>\$ 915,260</u>	<u>\$ 100,000</u>	<u>\$ 556,438</u>	<u>(\$ 488,542)</u>	<u>\$ 102,794</u>	<u>\$ 1,185,950</u>

The attached notes are part of the parent company only financial statements. Please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd.
Unconsolidated Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

	Note	2023	2022
<u>Cash flows from operating activities</u>			
Profit (loss) before tax		\$ 468,730	(\$ 439,431)
Adjustment item			
Income/expenses items			
Depreciation expense	VI (7)(8)(10) (26)(28)	1,209,643	1,184,552
Amortization expenses	VI (11) (28)	2,887	2,679
Net gain on financial assets at fair value	VI (2)(26)	(442)	(26)
Interest expenses	VI (27)	198,080	212,748
Interest revenue	VI (24)	(2,356)	(2,482)
Share of other profits/losses of subsidiaries, associated companies, and joint venture accounted for using equity method	VI (6)	(181,193)	(86,284)
Net loss on disposal and discard of property, plant and equipment	VI (26)	858	987
Gain on disposal of office ornaments	VI (12) (26)	(3,220)	-
Office ornaments impairment loss	VI (12)(26)	10,359	-
Property, plant and equipment recognized as expenses		-	2
Other non-current assets recognized as expenses		-	1,238
Asset/liability variation related to operating activities			
Net asset variation related to operating activities			
Financial assets at FVTPL – current		442	26
Notes receivable, net		7	431
Accounts receivable, net		(60,715)	(26,110)
Net accounts receivable – related parties		8,135	(2,954)
Other receivables		(2,028)	260
Other receivables – related parties		1,775	(2,364)
Inventories		(312)	(4,991)
Prepayments		(15,054)	(3,483)
Net liability variation related to operating activities			
Contract liability		(27,158)	(59,601)
Notes payable		(5,712)	6,074
Accounts payable		3,597	5,744
Other payables		55,946	96,546
Other payables – related parties		(2,265)	3,382
Other current liabilities – others		(3,264)	2,039
Other non-current liabilities		(1,475)	(1,615)
Cash inflow provided by operating activities		1,655,265	887,367
Interest received		2,363	2,689
Dividends received		860	5,656
Interest paid		(209,767)	(203,284)
Income tax (paid) returned		(166)	8
Net cash inflow from operating activities		1,448,555	692,436

Continue on next page

My Humble House Hospitality Management Consulting Co., Ltd.
Unconsolidated Statement of Cash Flows
For the Years Ended December 31, 2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

	Note	2023	2022
<u>Cash flows from investing activities</u>			
Increase in financial assets at amortized cost		(\$ 238,148)	(\$ 311,405)
Decrease in financial assets at amortized cost		284,360	349,492
Acquisition of property, plant and equipment	VI (32)	(97,583)	(122,793)
Proceeds from disposal of property, plant and equipment		586	52
Acquisition of intangible assets	VI (32)	(1,428)	(8,603)
Increase in refundable deposits		(4,797)	(488)
Decrease in refundable deposits		3,551	253
Proceeds from disposal of decorations	VI (32)	7,222	3,686
Increase in prepaid equipment amount		(950)	(1,555)
Net cash outflow from investment activities		(47,187)	(91,361)
<u>Cash flows from financing activities</u>			
Repayments of long-term borrowings	VI (33)	(120,489)	(19,688)
Increase in guarantee deposits received	VI (33)	13,301	9,805
Decrease in guarantee deposits received	VI (33)	(13,650)	(12,152)
Issuance of preferred share	VI (19)	-	200,000
Repaid principal of lease	VI (33)	(1,130,715)	(892,812)
Net cash outflow from financing activities		(1,251,553)	(714,847)
Increase (decrease) in current cash and cash equivalents		149,815	(113,772)
Cash and cash equivalents at the beginning of the year		201,238	315,010
Cash and cash equivalents at the end of the year		<u>\$ 351,053</u>	<u>\$ 201,238</u>

The attached notes are part of the parent company only financial statements. Please read them jointly.

My Humble House Hospitality Management Consulting Co., Ltd.

Notes of Parent Company Only Financial Statements

2023 and 2022

Unit: Amounts expressed in thousands of New Taiwan dollars

(Unless otherwise provided)

I. Company History

My Humble House Hospitality Management Consulting Co., Ltd. (hereinafter referred to as the Company) was incorporated on January 17, 2000 by the approval of the competent authority. The main businesses of the Company are the operation of international tourist hotels and their restaurants, consulting services for hotel management, and the consulting services for the operation of all recreational industry facilities. The stock of the Company has been listed on TWSE since May 19, 2016.

II. Approval Date and Procedures of The Financial Statements

The disclosure of these parent company only financial statements were approved by the Board of Directors on March 8, 2024.

III. New Standards, Amendments and Interpretations Adopted

(I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) and International Accounting Standards (“IAS”) that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations, and amendments endorsed by the FSC effective from 2023 are as follows:

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8, ‘Definition of Accounting Estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction’	January 1, 2023
Amendments to IAS 12, ‘International Rent Tax Reform – Pillar Two Model Rules’	May 23, 2023

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Company.

(II) Effect of new issuances of or amendments to IFRS and IAS as endorsed by the FSC but not yet adopted by the Company

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

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IFRS 16, 'Lease Liability in a Sale and Leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of Liabilities as Current or Non-Current'	January 1, 2024
Amendments to IAS 1, 'Non-Current Liabilities with Covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier Financing Arrangements'	January 1, 2024

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Company.

(III) IFRS issued by IASB but not yet endorsed by the FSC

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

New, Revised or Amended Standards and Interpretations	The effective dates of announcements by the International Accounting Standards Board (IASB)
Amendments to IFRS 10 and IAS 28, 'Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	To be determined by the IASB
IFRS 17, 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance Contracts'	January 1, 2023
Amendments to IFRS 17, 'Initial Application of International Financial Reporting Standards and IFRS 17 9—Comparative Information'	January 1, 2023
Amendments to IAS 21, 'Lack of Compatibility'	January 1, 2025

Upon evaluation, the aforementioned standards and interpretations do not have significant impact on the financial condition and performance of the Company.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted for preparation of this parent company only financial report are described below. Unless otherwise specified, these policies are applicable in all reporting periods.

(I) Compliance Statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, IFRIC and SIC Interpretations as endorsed by the Financial Supervisory Commission.

(II) Basis of preparation

1. Apart from the following significant items, the parent company only financial statements have been prepared on the historical cost basis:
 - (1) Financial assets at fair value through profit or loss that are measured at fair value.
 - (2) Defined benefit liabilities recognized with the net amount of pension assets less the present value of defined benefit obligations.
2. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statement are disclosed in Note 5.

(III) Translation of foreign currency

The items listed in the parent company only financial report of the Company are measured in accordance with the currency of the main economic environment where the operation of the Company locates (functional currency). The parent company only financial statements were expressed in New Taiwan dollars, which is the Company's functional currency.

Foreign currency trading and balance

1. Foreign currencies are converted into functional currency based on the spot exchange rate of the transaction date or measurement date. The exchange difference derived from such transactions is classified as current profit or loss.
2. The balance of monetary assets and liabilities in foreign currencies are adjusted based on the spot exchange rate valuation on the balance sheet date. The exchange difference derived from such adjustments is classified as current profit or loss.
3. Where the balance of non-monetary assets and liabilities in foreign currencies is measured at fair value through other comprehensive income,

it shall be adjusted based on the spot exchange rate valuation on the balance sheet date. The exchange difference derived from such adjustments is classified as other comprehensive income. Where the balance of non-monetary assets and liabilities in foreign currencies is not measured at fair value, it shall be measured at the historical exchange rate initial transaction date.

4. All other exchange profit or loss are listed in “Other Profit and Loss” in the balance sheet.

(IV) Classification of Current and Non-current Assets and Liabilities

1. Assets meeting one of the following conditions are classified as current assets:

- (1) Expect to realize, or intends to sell or consume the asset, in its normal operating cycle.
- (2) Hold primarily for the purpose of trading.
- (3) Assets that are expected to be realized within twelve months from the balance sheet date; and
- (4) Cash and cash equivalent, unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the date of statement of financial position.

The Company classifies assets not meeting any of the conditions as non-current assets.

2. Liabilities meeting one of the following conditions are classified as current liabilities:

- (1) Expects to settle in its normal operating cycle.
- (2) Hold primarily for the purpose of trading.
- (3) Liabilities that are expected to be repaid within twelve months from the balance sheet date; and
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. If a liability has terms that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instruments, these terms do not affect its classification. The Company classifies liabilities not meeting any of the conditions as non-current liabilities.

(V) Cash equivalents

Cash equivalents refer to investments with short maturities and high liquidity, readily convertible to a known amount of cash and are subject to an

insignificant risk of changes in value.

(VI) Financial assets at FVTPL

1. Refers to financial assets at fair value not through amortized costs or other comprehensive income.
2. All regular way purchases or sales of financial assets at fair value through profit or loss of the Company are recognized on a trade date basis.
3. The Company initially measures the financial assets and liabilities at fair value, and the relevant transaction costs are recognized in profit or loss. Subsequently, financial assets should be measured at fair value, and gains or losses are recognized as profit or loss.
4. When the right of dividends received is certain, and economic benefits related to dividends are likely to flow to the Company, and the amount of dividends may be reliably measured, the Company recognizes the dividend income as profit or loss.

(VII) Financial assets measured at amortized cost

1. Refer to the financial assets that meet all of the following conditions:
 - (1) Hold the financial assets within a business model whose objective is achieved by both collecting contractual cash flows.
 - (2) The covenant of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. All regular way purchases or sales of financial assets at fair value through amortized costs of the Company are recognized on a trade date basis.
3. The Company initially measures the financial assets and liabilities at fair value and the relevant transaction costs. Subsequently, the changes in fair value are recognized as interest income or impairment loss based on effective interest method according to the amortization procedure during the circulation period. When derecognizing, the gains or losses are recognized as profit or loss.

(VIII) Accounts and notes receivables

- (1) Refer to the amount and notes that the Company has an unconditional contractual right to consideration for goods or services that have been transferred.
- (2) These are short-term accounts and note receivables with no stated interest rate. Given the influence of discount is not significant, they are measured at the original invoice amount.

(IX) Impairment of financial asset

For financial assets at amortized cost including accounts receivable or contract assets that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(X) Derecognition of financial assets

When the contractual terms for receiving the cash flow from financial assets expire, the Company will derecognize such financial assets.

(XI) Leasing transaction of lessor – operating lease

Lease income from an operating lease (net of any incentives given to the lessee) is recognized in profit or loss on a straight-line basis over the lease term.

(XII) Inventories

Inventories adopts the perpetual inventory system, which is based on the acquisition cost. Cost is carried forward, except for the merchandise inventory of art and cultural services which adopts the individual identification method, the rest adopts the weighted average method. Inventories is stated at the lower of cost and net realizable value. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale and selling expenses.

(XIII) Investment/subsidiaries and associated companies accounted for using the equity method

1. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2. Unrealized profit or loss occurred from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
3. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized as profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.
4. Associated companies are the entities on which the Company has significant influence but no control over. In general, the Company directly or indirectly owns 20% or more of the shares with voting rights. The Company's investment in associate is accounted for using the equity method, and it is recognized based on the acquisition costs when the acquisition occurred.
5. The Company's share of its associate's post-acquisition profits or losses is recognized as profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized as other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
6. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognizes the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.
7. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies of the associate have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
8. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously

recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of and the Group loses the significant influence over this associate. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

9. In accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the parent company only financial statements. Owners’ equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the parent company only financial statements.

(XIV) Property, Plant and Equipment

1. Property, plant and equipment are initially recorded at cost.
2. Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part shall be derecognized. All other repairs and maintenance are recognized as profit or loss during the financial period in which they are incurred.
3. All other repairs and maintenance are recognized as profit or loss during the financial period in which they are incurred. Each part of an item of property, plant and equipment that is significant in relation to the item must be depreciated individually.
4. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end by the Company. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” from the date of the change. The useful lives of all assets are as

follows:

Computer communication equipment	1–6 years
Transportation equipment	4–7 years
Office equipment	2–8 years
Operating equipment	2 years
Leased improvements	2–20 years
Office equipment	1–14 years

5. The Company has recognized the construction payables and the prepayments of delivered but to be accepted equipment in Property, Plant and Equipment. Other prepayments for business facilities are recognized in other non-current assets.

(XV) Leasing arrangement of lessee – right-of-use assets/lease liabilities

1. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. Where the lease contracts are short-term leasing or leasing of low-value target assets, the leasing payment is recognized as expenses using the straight-line method during the lease term.
2. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. The leasing payment includes:
 - (1) Fixed payments, less any lease incentives receivable; and
 - (2) Floating lease payments that are determined by certain indicator or rate.

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments do not arise from contract modifications.

3. At the commencement date, the right -of-use asset is stated at cost comprising the following:
 - (1) The amount of the initial measurement of lease liability; and
 - (2) Any lease payments made at or before the commencement date.The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is

recognized as an adjustment to the right-of-use asset.

(XVI) Investment Property

The investment property is recognized based on the costs of acquisition. The subsequent measurement adopts costs model. Apart from the lands, the investment property is depreciated using straight-line method based on the estimated useful life. The useful life is 30 years.

(XVII) Intangible asset

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 1 to 10 years.

(XVIII) Other non-current assets

They are mainly decorations, such as the purchased traditional Chinese paintings, prints, and antiques. These artworks are initially recorded at cost, and they are not depreciated. The costs will be written-off by the time of actual disposal.

(XIX) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(XX) Borrowings

Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXI) Accounts and notes payables

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

2. These are short-term accounts and notes payables with no stated interest rate. Given the influence of discount is not significant, they are measured at the original invoice amount.

(XXII) Derecognition of financial liabilities

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

(XXIII) Provision for liabilities

Provisions for liabilities are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions for liabilities are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions for liabilities are not recognized for future operating losses.

(XXIV) Employee benefits

1. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

2. Pension

- (1) Defined contribution plans

For defined contribution plan, the contributions are recognized as pension expense when they are due on an accrual basis.

Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

- (2) Defined benefit plan

- A. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognized in the balance sheet in respect of

defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

- B. Remeasurements arising on defined benefit plan are recognized in other comprehensive income in the period in which they arise and are recorded as retained earnings.
- C. Past service costs are recognized immediately in profit or loss.

3. Employees' compensation and remuneration of directors and supervisors

Remuneration of employees and directors are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequent actual distributed amounts is accounted for as changes in estimates. If remuneration of employee is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the Board meeting resolution.

(XXV) Income tax

- 1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
- 2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained

earnings and is recorded as income tax expense in the year the stockholders pass the resolution to retain the earnings.

3. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets, liabilities, and their carrying amounts in the parent company only balance sheet. However, the deferred Goodwill was not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax applies tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax assets is realized or the deferred tax liability is settled.
4. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities. They are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXVI) Share capital

Common shares are classified as equity. The classification of Preferred shares is determined by assessing the particular rights attached to the Preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the fundamental characteristic of financial liabilities; otherwise, they are classified as equity. Incremental

costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(XXVII) Revenue

1. The Company mainly provides good service, accommodation, and brand licensing. Where the services provided by the Company exceed the payables of customers, they are recognized as contract assets; on the contrary, where the payables of customers exceed the services provided by the Company, they are recognized as contract liabilities.
 - (1) The food service is recognized when the product is sold to the customers. The transaction amount of product sale is collected from the customers immediately when they purchase the products.
 - (2) The accommodation is recognized as revenue when the service is provided to the customers during the financial reporting period. The customers pay the contract price within the agreed payment schedule.
 - (3) Brand licensing refers to the Company entering into the contracts with customers to license the brand of the Company. Since the licensing can be classified, the recognition of licensing revenue in the licensing period is determined by the nature of licensing.
2. Financing component
For the contracts entered into by the Company and customers, the time between the transfer of committed products or services and the payment does not exceed one year. In light of this, the Company does not adjust the transaction price to reflect the time value of money.

(XXVIII) Government grants

A government grant is recognized at fair value when there is reasonable assurance that the Company will comply with any conditions attached to the grant and the grant will be received. Where the nature of the government grants is to compensate the incurred expenses of the Company, the government grants will be recognized as current income in the period when the expenses are incurred on a systematic basis.

V. Critical Accounting Judgments, Estimates, and Key Sources of Assumption Uncertainty

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Critical accounting judgements, estimates, and key sources of assumption uncertainty are addressed as follows:

(I) Critical judgments in applying the Company's accounting policies
None.

(II) Critical accounting estimates and assumptions

(1) Impairment assessment of tangible assets

In the process of evaluating the potential impairment of assets, the Company is required to make subjective judgments in determining the independent cash flows, useful lives, expected future revenue and expenses related to the specific asset groups with the consideration of the nature of industry. Any changes in these estimates based on changed economic conditions or business strategies could result in significant impairment in future years.

On December 31 2023, the Company recognized impairment loss as office ornaments amounting to NT\$348,119.

(2) Impairment assessment for investments accounted for using the equity method

The Company assesses the impairment of investments accounted for using the equity method whenever triggering events or changes in circumstances indicate that an investment may be impaired and carrying value may not be recoverable. The Company measures the recoverable amount based on the expected cash dividend and the discounted value of a projected future cash flow from disposal of the investment and analyses the reasonableness of such assumptions.

(3) Realization of deferred income tax assets

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which those deferred tax assets can be utilized. Assessment of the realization of the deferred tax

assets requires the Company's subjective judgment and estimate, including the future revenue growth and profitability, the amount of tax credits can be utilized and feasible tax planning strategies. Any changes in the global economic environment, industry trends and relevant laws and regulations could result in significant adjustments to the deferred tax assets.

As of December 31, 2023, the amount of deferred income tax asset recognized by the Company is NT\$398,479.

VI. Summary of Significant Accounting Items

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and penny cash	\$ 11,009	\$ 8,828
Check and demand deposit	336,974	161,393
Cash equivalents	3,070	31,017
Total	<u>\$ 351,053</u>	<u>\$ 201,238</u>

1. The Company is in good credit condition with the corresponding financial institutions, and it also engages with multiple financial institutions to distribute the credit risk. The possibility of occurrence of default risk is quite low.
2. The Company does not pledge cash and cash equivalents.

(II) Financial assets at FVTPL

1. The Company does not hold any financial assets at FVTPL as of December 31 of 2023 and 2022.
2. The statement of financial assets at FVTPL recognized as income is as follows:

	2023	2022
Financial assets designated as at FVTPL		
Beneficiary certificate	<u>\$ 442</u>	<u>\$ 26</u>

3. The Company did not use the financial assets at FVTPL for pledge or guarantees.
4. Please refer to Note 12 (3) for the credit risk of financial assets at FVTPL.

(III) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current item		
Trust cash in banks	<u>\$ 156,205</u>	<u>\$ 202,417</u>

1. The statement of financial assets measured at amortized cost recognized as income is as follows:

	2023	2022
Interest revenue	\$ <u>1,604</u>	\$ <u>1,513</u>

2. Without considering the collateral or other credit enhancement, the maximum credit risk exposure amount of the most significant financial assets measured at amortized cost as of December 31 of 2023 and 2022 is NT\$156,205 and NT\$202,417, respectively.
3. Please refer to Note 8 for the financial assets measured at amortized cost used for pledge or guarantees by the Company.
4. Please refer to Note 12 (2) for the credit risk of financial assets measured at amortized cost.

(IV) Notes and accounts receivables

	December 31, 2023	December 31, 2022
Notes receivable	\$ 209	\$ 216
Less: Allowance for bad debts	<u>-</u>	<u>-</u>
	<u>\$ 209</u>	<u>\$ 216</u>
Accounts receivable	\$ 131,973	\$ 71,258
Less: Allowance for bad debts	<u>(1,109)</u>	<u>(1,109)</u>
	<u>\$ 130,864</u>	<u>\$ 70,149</u>

1. The aging analysis of notes and accounts receivables is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Within 30 days	\$ 115,272	\$ 144	\$ 64,329	\$ 158
Between 31 and 90 days	15,794	65	6,773	58
Between 91 and 180 days	907	-	156	-
Over 181 Days	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 131,973</u>	<u>\$ 209</u>	<u>\$ 71,258</u>	<u>\$ 216</u>

The above aging analysis was based on account date.

2. The balance of receivables for the contract between the Company and customers (including notes receivable) as of December 31, 2023, December 31, 2022, and January 1, 2022 is NT\$132,182, NT\$71,474, and NT\$45,795, respectively.
3. The deposits received held by the Company as collateral of accounts receivable as of December 31, 2023 and 2022 is NT\$82,458 and NT\$87,290, respectively; the deposits received held as collateral of notes receivable is NT\$1,330 and NT\$1,030 respectively.

4. Without considering the collateral or other credit enhancement, the maximum credit risk exposure amount of the most significant notes receivable as of December 31 of 2023 and 2022 is NT\$209 and NT\$216 respectively; the maximum credit risk exposure amount of the most significant accounts receivable as of December 31 of 2023 and 2022 is NT\$130,864 and NT\$70,149 respectively.
5. Please refer to Note 12 (2) for the credit risk of accounts and notes receivable.

(V) Inventories

	December 31, 2023	December 31, 2022
Food	\$ 29,181	\$ 29,465
Beverage (including alcohol)	52,373	52,371
Commodity inventory	1,330	736
Others	<u>689</u>	<u>689</u>
Total	<u>\$ 83,573</u>	<u>\$ 83,261</u>

The inventory cost recognized as operating cost and operating expenses in 2023 and 2022 is NT\$919,669 and NT\$791,003, respectively.

(VI) Investment accounted for using the equity method

1. The statement is as follows:

	December 31, 2023	December 31, 2022
<u>Subsidiary:</u>		
Han Shi Investment Co., Ltd.	\$ 496,795	\$ 296,913
Han She Recipe Co., Ltd.	2,593	2,965
<u>Associate:</u>		
Humble House Hotel Co., Ltd. (Humble House Hotel)	<u>112,909</u>	<u>52,375</u>
Total	<u>\$ 585,297</u>	<u>\$ 352,253</u>

2. Share of other profits/losses of subsidiaries, associates accounted for using equity method is as follows:

	2023	2022
<u>Subsidiary:</u>		
Han Shi Investment Co., Ltd.	\$ 164,391	\$ 120,780
Han She Recipe Co., Ltd.	488	859
<u>Associate:</u>		
Humble House Hotel	(<u>16,314</u>)	(<u>35,355</u>)
	<u>\$ 181,193</u>	<u>\$ 86,284</u>

3. Please refer to the Note 4 (3) of the 2023 consolidated financial statements for the subsidiary information.

4. Associate:

- (1) The basic information of the significant associates of the Company is as follows:

Company Name	Main Operation Location	Percentage of Ownership		Nature of Relationship	Measurement Method
		December 31, 2023	December 31, 2022		
Humble House Hotel	Taiwan	25%	25%	Owns more than 20% of the voting rights	Equity method

- (2) The aggregated financial information of the significant associates of the Company is as follows:

Balance sheet

	Humble House Hotel	
	December 31, 2023	December 31, 2022
Current asset	\$ 635,499	\$ 533,185
Non-current assets	2,554,868	2,801,171
Current liabilities	(652,751)	(585,953)
Non-current liabilities	(2,105,681)	(2,558,477)
Net total assets	\$ 431,935	\$ 189,926
The Company's share of net assets of associate (Note)	\$ 107,984	\$ 47,482

Note: The difference between the carrying amount and the original investment cost minus the difference between the fair value of the identifiable net assets and the unrealized profit and loss amount generated from the upstream transaction.

Statement of comprehensive income

	Humble House Hotel	
	2023	2022
Revenue	\$ 746,154	\$ 426,197
Current gain(loss) of continuing operations	\$ 65,127	(\$ 141,549)
Other comprehensive gains (net amount after-tax)	176,881	172,757
Total amount of current comprehensive gains (losses)	\$ 242,008	\$ 31,208

(VII) Property, Plant and Equipment

	Computer communication equipment	Transportation Equipment	Office equipment	Operating equipment	Leased Improvements	Other equipment	Incomplete construction and equipment to be accepted	Total
January 1, 2023								
Cost	\$ 84,393	\$ 8,835	\$ 13,250	\$ 65,453	\$ 1,263,212	\$ 637,069	\$ 18,267	\$ 2,090,479
Accumulated depreciation	(69,219)	(4,765)	(12,807)	(56,801)	(481,451)	(478,358)	-	(1,103,401)
	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>
<u>2023</u>								
January 1	\$ 15,174	\$ 4,070	\$ 443	\$ 8,652	\$ 781,761	\$ 158,711	\$ 18,267	\$ 987,078
Additions	6,206	-	20	13,715	57,019	29,742	16,642	123,344
Costs of disposal	(3,491)	-	(72)	(11,181)	(117,585)	(10,347)	-	(142,676)
Depreciation of disposal	3,491	-	72	10,102	117,476	10,091	-	141,232
Reclassification	220	-	-	-	16,102	14,196	(17,743)	12,775
Depreciation expense	(7,311)	(1,139)	(195)	(8,447)	(100,053)	(54,991)	-	(172,136)
December 31	<u>\$ 14,289</u>	<u>\$ 2,931</u>	<u>\$ 268</u>	<u>\$ 12,841</u>	<u>\$ 754,720</u>	<u>\$ 147,402</u>	<u>\$ 17,166</u>	<u>\$ 949,617</u>
December 31, 2023								
Cost	\$ 87,328	\$ 8,835	\$ 13,198	\$ 67,987	\$ 1,218,748	\$ 670,660	\$ 17,166	\$ 2,083,922
Accumulated depreciation	(73,039)	(5,904)	(12,930)	(55,146)	(464,028)	(523,258)	-	(1,134,305)
	<u>\$ 14,289</u>	<u>\$ 2,931</u>	<u>\$ 268</u>	<u>\$ 12,841</u>	<u>\$ 754,720</u>	<u>\$ 147,402</u>	<u>\$ 17,166</u>	<u>\$ 949,617</u>

	Computer communication equipment	Transportation Equipment	Office equipment	Operating equipment	Leased Improvements	Other equipment	Incomplete construction and equipment to be accepted	Total
January 1, 2022								
Cost	\$ 80,147	\$ 8,835	\$ 13,264	\$ 64,472	\$ 1,256,717	\$ 607,108	\$ 44,943	\$ 2,075,486
Accumulated depreciation	(65,229)	(3,568)	(12,721)	(55,889)	(439,902)	(434,398)	-	(1,011,707)
	<u>\$ 14,918</u>	<u>\$ 5,267</u>	<u>\$ 543</u>	<u>\$ 8,583</u>	<u>\$ 816,815</u>	<u>\$ 172,710</u>	<u>\$ 44,943</u>	<u>\$ 1,063,779</u>
<u>2022</u>								
January 1	\$ 14,918	\$ 5,267	\$ 543	\$ 8,583	\$ 816,815	\$ 172,710	\$ 44,943	\$ 1,063,779
Additions	8,381	-	160	9,304	39,360	26,459	19,737	103,401
Costs of disposal	(4,645)	-	(174)	(8,361)	(59,583)	(15,685)	-	(88,448)
Depreciation of disposal	4,645	-	174	7,567	59,583	15,440	-	87,409
Reclassification	510	-	-	38	26,718	19,187	(46,413)	40
Depreciation expense	(8,635)	(1,197)	(260)	(8,479)	(101,132)	(59,400)	-	(179,103)
December 31	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>
December 31, 2022								
Cost	\$ 84,393	\$ 8,835	\$ 13,250	\$ 65,453	\$ 1,263,212	\$ 637,069	\$ 18,267	\$ 2,090,479
Accumulated depreciation	(69,219)	(4,765)	(12,807)	(56,801)	(481,451)	(478,358)	-	(1,103,401)
	<u>\$ 15,174</u>	<u>\$ 4,070</u>	<u>\$ 443</u>	<u>\$ 8,652</u>	<u>\$ 781,761</u>	<u>\$ 158,711</u>	<u>\$ 18,267</u>	<u>\$ 987,078</u>

(VIII) Leasing transaction – lessee

- The leasing underlying assets of the Company include place of operation, employee dormitory, and leasing vehicles. The leasing period is between 2010 to 2042. The leasing contracts is negotiated individually and include different clauses and terms. The recognition information of the carrying amount of right-of-use assets and depreciation expenses is as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land and building	\$ 9,934,759	\$ 10,961,992
Transportation Equipment	13,449	12,123
Other equipment	11,549	6,875
	<u>\$ 9,959,757</u>	<u>\$ 10,980,990</u>
	2023	2022
	Depreciation expense	Depreciation expense
Land and building	\$ 1,028,441	\$ 995,821
Transportation Equipment	4,053	5,193
Other equipment	4,055	3,478
	<u>\$ 1,036,549</u>	<u>\$ 1,004,492</u>

- The additions of the right-of-use assets for the Company in 2023 and 2022 was NT\$15,316 and NT\$1,728,428 respectively.
- The information of income items related to the lease contracts is as follows:

	2023	2022
<u>Items affecting current profit or loss</u>		
Interest expenses on lease liabilities	\$ 192,822	\$ 205,421
Expense on short-term lease contracts	1,633	1,197
Expenses on leases of low-value assets	84	72
Adjustment of variable lease payments – rent expenses	55,377	13,541

- The total cash outflow on lease for the Company in 2023 and 2022 was NT\$1,382,485 and NT\$1,090,118 respectively.
- The Company has applied the practical expedient to “Covid-19-related rent concessions”, and recognized the gain from changes in lease payments arising from the rent concessions amounting to \$18,331 as a deduction to the right-of-use assets of asset depreciation expense for

the year ended 31 December 2022.

(IX) Leasing transaction – lessor

1. The leasing underlying assets of the Company include offices, cell sites, shops and underground parking lots. The leasing period is between 2019 and 2027. The leasing contracts were negotiated individually and included different clauses and terms.
2. The Company recognized NT\$9,620 and NT\$9,769 of rental income from operating lease contracts in 2023 and 2022, respectively. There were no variable lease payments.
3. The analysis on the maturity date of lease payment of assets subject to operating leases is as follows:

	December 31, 2023	December 31, 2022
Less than 1 year	\$ 7,200	\$ 8,602
More than 1 year but less than 2 years	3,107	6,158
More than 2 years but less than 3 years	2,021	2,933
More than 3 years but less than 4 years	620	1,907
More than 4 years but less than 5 years	-	506
Total	<u>\$ 12,948</u>	<u>\$ 20,106</u>

(X) Investment Property

	Land	Buildings	Total
January 1, 2023			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	<u>-</u>	<u>(3,164)</u>	<u>(3,164)</u>
	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>
January 1	\$ 561,382	\$ 19,518	\$ 580,900
Depreciation expense	<u>-</u>	<u>(958)</u>	<u>(958)</u>
December 31	<u>\$ 561,382</u>	<u>\$ 18,560</u>	<u>\$ 579,942</u>
December 31, 2023			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	<u>-</u>	<u>(4,122)</u>	<u>(4,122)</u>
	<u>\$ 561,382</u>	<u>\$ 18,560</u>	<u>\$ 579,942</u>

	Land	Buildings	Total
January 1, 2022			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	-	(2,207)	(2,207)
	<u>\$ 561,382</u>	<u>\$ 20,475</u>	<u>\$ 581,857</u>
January 1	\$ 561,382	\$ 20,475	\$ 581,857
Depreciation expense	-	(957)	(957)
December 31	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>
December 31, 2022			
Cost	\$ 561,382	\$ 22,682	\$ 584,064
Accumulated depreciation	-	(3,164)	(3,164)
	<u>\$ 561,382</u>	<u>\$ 19,518</u>	<u>\$ 580,900</u>

1. Rental income of investment property and the expenses of direct operation:

	2023	2022
Rental income of investment property	<u>\$ 5,083</u>	<u>\$ 4,740</u>
The expenses of direct operation incurred from the investment property with rental income recognized during the period	<u>\$ 1,253</u>	<u>\$ 1,251</u>
The expenses of direct operation incurred from the investment property without rental income recognized during the period	<u>\$ 1,356</u>	<u>\$ 1,350</u>

2. The fair value of the investment property held by the Company as of December 31 of 2023 and 2022 was NT\$650,895 and NT\$618,994. The fair value was appraised by the independent appraiser. The appraisal adopts comparative method, income approach, and land development analysis approach, and the investment property is at level 3 fair value. The main assumptions of income approach and land development analysis approach are as follows:

	December 31, 2023	December 31, 2022
Income capitalization rate	2.34%	2.35%
Capital annual interest in respect of the overall capital interest rate	3.66%	3.23%
Development rate of return	18.00%	18.00%

3. The Company has no investment property pledged to others.

(XI) Intangible asset

	2023	2022
	Computer software	Computer software
January 1		
Cost	\$ 32,084	\$ 28,162
Accumulated amortization	(23,116)	(20,846)
	<u>\$ 8,968</u>	<u>\$ 7,316</u>
January 1	\$ 8,968	\$ 7,316
Addition – acquired separately	324	4,331
Costs of disposal	(979)	(409)
Amortization of disposal	979	409
Amortization expenses	(2,887)	(2,679)
December 31	<u>\$ 6,405</u>	<u>\$ 8,968</u>
December 31		
Cost	\$ 31,429	\$ 32,084
Accumulated amortization	(25,024)	(23,116)
	<u>\$ 6,405</u>	<u>\$ 8,968</u>

The statement of amortization of intangible assets is as follows:

	2023	2022
Operating costs	\$ 231	\$ 446
Operating expenses	<u>2,656</u>	<u>2,233</u>
Total	<u>\$ 2,887</u>	<u>\$ 2,679</u>

(XII) Other non-current assets

	December 31, 2023	December 31, 2022
office ornaments	\$ 358,478	\$ 373,570
Accumulated impairment - office ornaments	(10,359)	-
Subtotal	348,119	373,570

Refundable deposits	6,947	5,701
Prepayments for business facilities	<u>4,576</u>	<u>1,746</u>
Total	<u>\$ 359,642</u>	<u>\$ 381,017</u>

1. Office ornaments refers to the artwork, antiques, and modern art purchased by the Company to improve the interior decoration and spatial design of the hotel. These ornaments do not have active market transactions. Based on factors such as the transaction prices of well-known auction companies or networks, market rarity, and the evaluation results of independent experts, the Company has listed office ornament impairment loss amounting to \$10,359 and \$0 for the years 2023 and 2022, respectively, under “Other gains and losses”.
2. The Company disposed decorations in 2023. The recognized cost was NT\$4,002, and the disposal amount was NT\$7,222. The gain on disposal of NT\$3,220 was recognized in “Other gains or losses.”
3. As of December 31 of 2023 and 2022, the Company still has refundable deposits, including rental deposits, performance bonds, and gas deposits.

(XIII) Short-term borrowings

1. The Company did not have any short-term borrowings as of December 31 of 2023 and 2022.
2. The interest expenses recognized in profit or loss was NT\$435 and NT\$2,672, respectively, in 2023 and 2022.

(XIV) Other payables

	December 31, 2023	December 31, 2022
Wages and bonuses payable	\$ 254,997	\$ 167,039
Accounts payable, equipment	46,214	17,992
Rent payable	37,804	128,691
Business tax payable	30,623	29,711
Insurance fee payable	22,735	75,665
Technical premium payable	21,862	17,878
Pension payable	14,558	13,020
Utility payable	9,969	9,382
Other expenses payable	<u>115,757</u>	<u>98,150</u>
Total	<u>\$ 554,519</u>	<u>\$ 557,528</u>

(XV) Lease liabilities

Item	December 31, 2023	December 31, 2022
Lease liabilities – Current	<u>\$ 996,418</u>	<u>\$ 959,858</u>

Lease liabilities – Non-current \$ 9,799,585 \$ 10,782,673

Pursuant to IFRS 16, the Company discounts the unpaid lease payable by the incremental borrowing rate of interest and recognizes it as lease liabilities.

(XVI) Long-term borrowings

Nature of borrowings	Period of loans and repayment method	Interest rate range	December 31, 2023
Long-term bank loans			
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from August 10, 2020 to August 10, 2025 and has repaid the principal on a quarterly basis starting from November 10, 2022.	1.90%	\$ 3,734
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from August 14, 2020 to August 14, 2025 and has repaid the principal on a quarterly basis starting from November 14, 2022 (Note 2).	1.90%	58,333
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from September 3, 2020 to September 3, 2026 and has repaid the principal on a quarterly basis starting from October 3, 2022 (Note 3).	1.92%	68,750
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from September 15, 2020 to September 15, 2026 and has repaid the principal on a quarterly basis starting from October 15, 2022 (Note 4).	1.90%	79,006
			<u>209,823</u>
Less: Current portion of long-term borrowings			<u>(90,105)</u>
			<u>\$ 119,718</u>

Nature of borrowings	Period of loans and repayment method	Interest rate range	December 31, 2022
Long-term bank loans			

Nature of borrowings	Period of loans and repayment method	Interest rate range	December 31, 2023
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from August 10, 2020 to August 10, 2025 and has repaid the principal on a quarterly basis starting from November 10, 2022.	1.78%	\$ 27,500
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from August 14, 2020 to August 14, 2025 and has repaid the principal on a quarterly basis starting from November 14, 2022 (Note 2).	1.78%	110,000
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from September 3, 2020 to September 3, 2026 and has repaid the principal on a quarterly basis starting from October 3, 2022 (Note 3).	1.67%	93,750
Credit loans	The Company has paid and will continue to pay the interest on a monthly basis from September 15, 2020 to September 15, 2026 and has repaid the principal on a quarterly basis starting from October 15, 2022 (Note 4).	1.61%	99,062
			<u>330,312</u>
Less: Current portion of long-term borrowings			<u>(96,485)</u>
			<u>\$ 233,827</u>

Note 1: The Company signed the supplementary contract in October 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from November 10, 2021, but it was extended to November 10, 2022. The repayment deadline was extended from August 10, 2023 to August 10, 2025.

Note 2: The Company signed the supplementary contract in October 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from November 14, 2021, but it was extended to November 14, 2022. The repayment deadline was extended from August 14, 2023 to August 14, 2025.

Note 3: The Company signed the supplementary contract in August 2021.

Initially, the Company was required to repay the principal on a quarterly basis starting from October 3, 2021, but it was extended to October 3, 2022. The repayment deadline was extended from September 3, 2025 to September 3, 2026.

Note 4: The Company signed the supplementary contract in September 2021. Initially, the Company was required to repay the principal on a quarterly basis starting from October 15, 2021, but it was extended to October 15, 2022. The repayment deadline was extended from September 15, 2025 to September 15, 2026.

(XVII) Pension

1. (1) The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. For employees who meet the conditions of retirement, under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.
- (2) The amount recognized in the Balance Sheet is as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	(\$ 40,621)	(\$ 41,623)
Fair value of plan assets	27,432	26,490

Net defined benefit liability (recognized in other non-current liabilities)	(\$ 13,189)	(\$ 15,133)
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(3) Movements the net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2023			
Balance as of January 1	(\$ 41,623)	\$ 26,490	(\$ 15,133)
Interest expense (income)	(32)	-	(32)
Repayment income	(529)	343	(186)
	(42,184)	26,833	(15,351)
Remeasurement:			
Return on plan assets	-	226	226
Changes in demographic assumptions	(1)	-	(1)
Changes in financial assumptions	(364)	-	(364)
Experience adjustments	608	-	608
	243	226	469
Pension fund contribution	-	1,693	1,693
Paid pension	1,320	(1,320)	-
Balance as of December 31	(\$ 40,621)	\$ 27,432	(\$ 13,189)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability
2022			
Balance as of January 1	(\$ 45,361)	\$ 24,045	(\$ 21,316)
Current service cost	(313)	170	(143)
Interest expense (income)	14	-	14
Past service cost	(45,660)	24,215	(21,445)
Remeasurement:			
Return on plan assets	-	2,449	2,449
Changes in demographic assumptions	2	-	2
Changes in financial assumptions	2,564	-	2,564
Experience adjustments	(447)	-	(447)
	2,119	2,449	4,568
Pension fund contribution	-	1,744	1,744

Paid pension	1,748	(1,748)	-
Repayment of paid pension	<u>170</u>	(<u>170</u>)	<u>-</u>
Balance as of December 31	<u>(\$ 41,623)</u>	\$	<u>26,490</u>	<u>(\$ 15,133)</u>

- (4) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products). The utilization is supervised by the Labor Pension Funds Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Where there is deficit, the deficit may be covered by the treasury after the approval by the competent authority. Since the Company does not have the right to participate in the operation and management of the Fund, it is unable to disclose the classification of the plan asset at fair value in accordance with Section 142 of IAS 19. Regarding the fair value of the total assets consisting of the funds as of December 31 of 2023 and 2022, please refer to the Labor Pension Fund Utilization report of each year published by the government.

- (5) The principal actuarial assumptions used is as follows:

	2023	2022
Discount rate	1.20%	1.30%
Future salary increases	2.00%	2.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

The analysis of affected present value of defined benefit obligation due to the change of main actuarial assumption is as follows:

Discount rate		Future salary increases	
Increase by	Decrease by	Increase by	Decrease by
0.25%	0.25%	0.25%	0.25%

December 31, 2023

Effect on the present value of defined benefit obligation (\$ 901) \$ 935 \$ 925 (\$ 896)

December 31, 2022

Effect on the present value of defined benefit obligation (\$ 997) \$ 1,036 \$ 1,026 (\$ 993)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

- (6) Expected contributions to the defined benefit pension plans of the Company for the year ending December 31, 2024 amount to \$1,667.
- (7) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The maturity analysis of the future pension payment is as follows:

Within 1 year	\$	3,035
1–2 years		1,780
2–5 years		11,149
Over 5 years		<u>29,320</u>
	\$	<u>45,284</u>

- 2.(1) The Company has established a defined contribution pension plan under the Labor Pension Act, covering all employees with R.O.C. nationality since July 1, 2005. Under this plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts under the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.
- (2) The pension costs under the defined contribution pension plans of the Company for 2023 and 2022 were NT\$56,147 and NT\$47,525, respectively.

(XVIII) Other non-current liabilities

	December 31, 2023	December 31, 2022
Accrued pension liability	\$ 13,189	\$ 15,133
Guarantee deposits received	<u>98,266</u>	<u>98,615</u>

Total	\$	111,455	\$	113,748
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1. Please refer to Note 6 (17) for the description of accrued pension liability.
2. Guarantee deposits received are mainly the deposits collected as the collateral of accounts receivable from co-branding companies, members, stores, and travel agencies.

(XIX) Share capital

1. As of December 31, 2023, the authorized capital of the Company is NT\$2,000,000, consisting of 200,000 thousand shares that can be issued in batches. The unissued shares may be issued in the form of common share or Preferred share in batches based on the demand of Company business. The paid-in capital is NT\$915,260 in common shares and NT\$100,000 in Preferred shares with a par value of NT\$10. All proceeds from shares issued have been collected.

The beginning balance and closing balance of the number of the Company's common shares outstanding of the period are adjusted as follows:

	2023 (Note)	2022 (Note)
January 1	\$ 91,526	\$ 111,526
Capital reduction for accumulated deficit	- (20,000)	
December 31	<u>\$ 91,526</u>	<u>\$ 91,526</u>

Note: The unit is thousand shares

2. The shareholders' meeting held on May 30, 2022 resolved the capital reduction for accumulated deficit. The capital reduction amount was NT\$200,000, and 20,000 thousand of common shares were written off. The capital reduction ratio was 17.93%. The capital reduction was approved by the competent authority and entered into effect. The capital reduction base date was June 27, 2022, and the registration of changes was completed on July 11, 2022.
3. The shareholders' meeting approved the capital increase based on private placement with the issuance of Preferred shares A on May 30, 2022, and the capital increase base date was June 28, 2022. The purpose of capital increase is to repay bank loans. The number of shares issued based on private placement was 10,000 thousand shares, and the issuance price was NT\$20 per share. The registration of

changes for the capital reduction was completed on July 11, 2022. The rights and obligations of the Preferred shares issued are as follows:

(1) Dividend

The dividend for Preferred shares is limited to an annual rate of 3%, calculated by the issuance price per share, and the dividend may be one-time distributed in cash every year. The Board of Directors or the Chairman authorized by the resolution of the Board of Directors will determine the base date to pay the distributable dividends of the previous year. The distribution amount of dividends in the year of issuance and recovery is calculated by the actual issuance days of the current year.

(2) Distribution of dividends:

Where the Company has earnings at the end of the fiscal year, the Company shall, apart from paying all taxes, first offset its losses in the previous years and set aside the legal reserve and set aside or reverse the special reserve in accordance with the laws or the regulations of the competent authority. The remainder, if any, of the earnings may be allocated for the distribution of the dividends of the Preferred share A of the current year.

The Company has discretion over the dividend distribution of Preferred share A. The Company, upon the resolution of the Board of Directors, may decide not to distribute dividends of Preferred shares if there are no earnings in the annual accounts or the earnings are insufficient to distribute dividends of Preferred shares, or other necessary consideration. The decision does not constitute a breach of contract, and the shareholders of Preferred share A may not object to the decision. The Preferred share A issued is of the non-accumulative type. The undistributed dividends or the deficit of dividends will not be accumulated for deferred payment in the years with earnings in the future.

(3) Distribution of excess dividends:

Apart from receiving the dividends prescribed in the previous paragraph, the shareholders of Preferred share A may not be a part of the cash and equity capital of earnings and additional paid-in capital of common shares.

(4) Conversion to common shares:

Preferred share A may not be converted to common shares.

(5) Distribution of residual property:

The distribution priority for shareholders of Preferred share A on the residual property of the Company is ahead of shareholders of common shares and equal to the preferential order of shareholders of all Preferred shares issued by the Company, and the preferential order is only lower than general creditors. Yet the distribution shall not exceed the amount of the outstanding Preferred shares calculated based on the issuance price by the time the distribution occurs.

(6) Voting rights and suffrage:

Shareholders of Preferred share A do not have the right to vote or suffrage. However, they will have to right to vote in shareholders' meetings of Preferred shares or shareholders' meetings that involve the rights and obligations of shareholders of Preferred shares.

(7) Maturity date:

Preferred share A has no maturity, and shareholders of Preferred share A do not have the right to request the Company to redeem Preferred shares possessed by these shareholders. However, the Company may redeem all or partial Preferred shares anytime on the next day after two years of issuance with the original issuance price. Unredeemed Preferred shares shall continue to enjoy rights and obligations of issuance terms. In the year of Preferred shares being redeemed, the dividends that shall be distributed until the redeem date shall be distributed in accordance with the actual issuance days of that year if the Company decides to distribute dividends.

(8) Apart from being used to cover the deficits, the capital surplus from the Preferred share A issued at premium shall not be appropriated as capital during the issuance period.

(9) Preferred share A may not be listed and traded during the issuance period.

(XX) Capital surplus

In accordance with the Company Act, the capital surplus in excess of par value on issuance of common shares and donations can be used to cover accumulated deficit or to issue new shares or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. In addition, the Securities and Exchange Act requires that the amount of capital surplus to be capitalized mentioned above should

not exceed 10% of the paid-in capital each year. The capital surplus should not be used to cover the accumulated deficit unless the legal reserve is insufficient.

(XXI) Accumulated deficit

1. In accordance with the Articles of Incorporation of the Company, where the Company has earnings at the end of the fiscal year, the Company shall, apart from paying all taxes, first offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the total paid-in capital of the Company. The remainder, shall be proposed to the shareholders' meeting to set aside or reverse special reserve in accordance with related laws or the regulations and may be used to distribute the dividends of Preferred shares. After that, the remaining profit together with any undistributed retained earnings of the past years shall be used by the Company's Board of Directors for the distribution of dividends and bonus for shareholders. Where the earnings are distributed in new shares, the distribution shall be submitted to the shareholders' meeting for resolution; where the earnings are distributed in cash, the distribution shall be approved by a majority of the directors at a meeting attended by a 2/3 of the directors and reported to the shareholders' meeting.
2. The Company shall take consideration of the environment and growth stage of the Company, interests of shareholders, balancing dividends, and the long-term financial planning when distributing earnings. The Board of Directors shall propose the earnings distribution method and amount and report it to the shareholders' meeting for resolution. However, the amount of cash dividends shall not be less than 20% of the total distributable dividends of the current year.
3. The legal reserve shall not be used except for covering the deficit of the company and issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Where legal reserve is distributed by issuing new shares or by cash, only the portion of legal reserve which exceeds 25% of the paid-in capital may be distributed.
4. In accordance with the laws and regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance

on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

5. On 30 May 2022, the Company passed the loss make-up proposal of Resolution for 2021 at the regular shareholders' meeting. Since there are still unappropriated accumulated deficit, no dividends will be distributed.

On 30 May 2023, the Company passed the loss make-up proposal of Resolution for 2022 at the regular shareholders' meeting. Since there are still unappropriated accumulated deficit, no dividends will be distributed.

On 8 March 2024, the Board of Directors proposed the 2023 loss appropriation.

(XXII) Other items of equity

	2023	2022
Unrealized gains or losses on valuation:		
January 1	\$ 77,391	\$ 29,980
Valuation adjustment – Associate	52,711	51,482
Valuation adjustment transfer – Associate	(27,308)	(4,071)
December 31	<u>\$ 102,794</u>	<u>\$ 77,391</u>

(XXIII) Operating income

	2023	2022
Revenue from Contracts with Customers		
Revenue from Food Service	\$ 2,828,897	\$ 2,207,635
Revenue from Occupancy	1,880,811	1,093,810
Revenue from Brand Licensing	7,041	23,193
Others	108,087	90,070
Other – Rental Income	<u>4,520</u>	<u>4,677</u>
Total	<u>\$ 4,829,356</u>	<u>\$ 3,419,385</u>

1. Details of revenue from contracts with customers

The revenue of the Company comes from products and services that are provided as time passes and at a certain point of time. The source of revenue can be divided into the following product lines:

<u>2023</u>	Taiwan				Total
	Food Service	Occupancy	Brand Licensing	Other Departments	
Departmental revenue	<u>\$ 2,828,897</u>	<u>\$ 1,880,811</u>	<u>\$ 7,041</u>	<u>\$ 108,087</u>	<u>\$ 4,824,836</u>
Revenue from contracts with external customers	<u>\$ 2,828,897</u>	<u>\$ 1,880,811</u>	<u>\$ 7,041</u>	<u>\$ 108,087</u>	<u>\$ 4,824,836</u>

<u>2022</u>	Taiwan				Total
	Food Service	Occupancy	Brand Licensing	Other Departments	
Departmental revenue	<u>\$ 2,207,635</u>	<u>\$ 1,093,810</u>	<u>\$ 23,193</u>	<u>\$ 90,070</u>	<u>\$ 3,414,708</u>
Revenue from contracts with external customers	<u>\$ 2,207,635</u>	<u>\$ 1,093,810</u>	<u>\$ 23,193</u>	<u>\$ 90,070</u>	<u>\$ 3,414,708</u>

2. Contract assets and liabilities

The Company did not recognize any contract assets related to the revenue from contracts with customers. The contract liabilities recognized by the Company are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liability:			
Contract liability – receipts in advance	<u>\$ 535,897</u>	<u>\$ 563,055</u>	<u>\$ 622,656</u>

Income recognized that was included in the contract liability at the beginning of the period

	2023	2022
Income recognized that was included in the contract liability balance at the beginning of the period		
Receipts in advance	<u>\$ 289,127</u>	<u>\$ 322,991</u>

(XXIV) Interest revenue

	2023	2022
Interest income from bank deposits	<u>\$ 752</u>	<u>\$ 969</u>
Interest income from financial assets measured at amortized cost	<u>1,604</u>	<u>1,513</u>
Other interest revenue	<u>29</u>	<u>18</u>
<u>Total</u>	<u>\$ 2,385</u>	<u>\$ 2,500</u>

(XXV) Other income

	2023	2022
Rental income	\$ 5,100	\$ 5,092
Government grants	40	2,542
Other income – Others	27,687	33,484
<u>Total</u>	<u>\$ 32,827</u>	<u>\$ 41,118</u>

The Tourism Bureau of the Ministry of Transportation and Communications provides subsidies for the tourism hotel industry affected by the COVID-19 pandemic. The Company recognized relevant government grants of \$40 and \$2,542 in 2023 and 2022, respectively.

(XXVI) Other gains or losses

	2023	2022
Losses from Disposal of Property, Plant and Equipment	(\$ 858)	(\$ 987)
Gain on disposal of office ornaments	3,220	-
Foreign exchange (loss) gain	(324)	5,973
Net gain or loss on financial assets at FVTPL	442	26
Office ornaments Impairment loss	(10,359)	-
Miscellaneous expenses	(958)	(957)
<u>Total</u>	<u>(\$ 8,837)</u>	<u>\$ 4,055</u>

(XXVII) Financial costs

	2023	2022
Interest expenses:		
Bank loans	\$ 5,258	\$ 7,319
Lease liabilities – discounting amortization	192,822	205,421
Imputed interests of deposits	18	9
Other interest expenditure	-	8
<u>Total</u>	<u>\$ 198,098</u>	<u>\$ 212,757</u>

(XXVIII) Additional information besides expenses by nature

	2023	2022
Employee benefit expense	\$ 1,368,755	\$ 1,138,210
Depreciation on property, plant, and equipment	172,136	179,103
Depreciation expense of right-of-use assets	1,036,549	1,004,492

Amortization expenses of intangible assets	2,887	2,679
Operating costs and expenses	<u>1,789,769</u>	<u>1,455,532</u>
Total	<u>\$ 4,370,096</u>	<u>\$ 3,780,016</u>

(XXIX) Employee benefit expense

	2023	2022
Salary expense	\$ 1,139,191	\$ 936,298
Labor and health insurance expense	111,994	99,093
Pension expense	56,365	47,654
Other human resources expense	<u>61,205</u>	<u>55,165</u>
	<u>\$ 1,368,755</u>	<u>\$ 1,138,210</u>

1. In accordance with the Articles of Incorporation of the Company, the Company shall less the accumulated loss with profits and then appropriate the remainder no less than 1% for employee compensation and no higher than 1% for remuneration of directors and supervisors.
2. The Company has surplus in 2023, but none after deducting accumulated losses, so it will not estimate the remuneration of employees and directors and supervisors.

The Company suffered a loss for the year ended 31 December 2022. Therefore, no employees' compensation and remuneration of directors and supervisors were recognized.

(XXX) Income tax

1. Income tax expense (gains)

(1) Components of income tax expense (gains):

	2023	2022
Current income tax:		
Prior year income tax overestimation	<u>(\$ 63)</u>	<u>\$ -</u>
Total current income tax	<u>(63)</u>	<u>-</u>
Deferred income tax:		
The original incurrence and reversal of temporary difference	<u>54,774</u>	<u>(101,368)</u>
Income tax expense (gains)	<u>\$ 54,711</u>	<u>(\$ 101,368)</u>

(2) Income tax amount related to other comprehensive income

	2023	2022
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Remeasurement of defined benefit obligations \$ 94 \$ 914

2. Reconciliation between income tax expense (gains) and accounting profit

	2023	2022
Income tax calculated based on gains (losses) before tax and statutory tax rate	(\$ 93,746)	(\$ 87,886)
Change on income tax adjusted by tax regulations	(38,986)	(13,651)
Change on assessment on the realization of deferred income tax assets	14	(169)
Prior year income tax overestimation	(63)	-
Income tax expense (gains)	(\$ 54,711)	(\$ 101,368)

3. Amounts of deferred income tax assets as a result of temporary differences are as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
– Deferred income tax assets:				
Temporary difference:				
Accrued pension liability	\$ 2,960	(\$ 295)	(\$ 94)	\$ 2,571
Bonus for unused leaves	5,861	912	-	6,773
Others	888	2,114	-	3,002
Tax losses	443,638	(57,505)	-	386,133
Total	\$ 453,347	(\$ 54,774)	(\$ 94)	\$ 398,479

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
– Deferred income tax assets:				
Temporary difference:				

Accrued pension liability	\$ 4,197	(\$ 323)	(\$ 914)	\$ 2,960
Bonus for unused leaves	4,757	1,104	-	5,861
Others	2,145	(1,257)	-	888
Tax losses	<u>341,794</u>	<u>101,844</u>	<u>-</u>	<u>443,638</u>
Total	<u>\$ 352,893</u>	<u>\$ 101,368</u>	<u>(\$ 914)</u>	<u>\$ 453,347</u>

4. The validity of unused tax loss and the amount of not being recognized as deferred income tax assets are as follows:

December 31, 2023					
Year of occurrence	Declared amount/approved amount	Un-deducted amount	Amount not recognized in deferred income tax assets	Last deduction year	
2019	\$ 60,038	\$ -	\$ -	2029	
2020	714,399	487,006	-	2030	
2021	933,500	933,500	-	2031	
2022	510,157	510,157	-	2032	

December 31, 2022					
Year of occurrence	Declared amount/approved amount	Un-deducted amount	Amount not recognized in deferred income tax assets	Last deduction year	
2019	\$ 60,038	\$ 60,038	\$ -	2029	
2020	714,399	714,399	-	2030	
2021	933,500	933,500	-	2031	
2022	510,251	510,251	-	2032	

5. The tax authorities have examined the income tax returns of the Company through 2020.

(XXXI) Earnings (loss) per share

	2023		
	After-tax amount	Retroactive adjustment on outstanding shares (thousands)	Earnings per share (NTD)
<u>Basic loss per share</u>			
Current net earnings attributable to common shareholders	<u>\$ 414,019</u>	<u>91,526</u>	<u>\$ 4.52</u>

		2022	
		After-tax amount	Retroactive adjustment on outstanding shares (thousands)
			Loss per share (NTD)
<u>Basic loss per share</u>			
Current net loss attributable to common shareholders		(\$ 338,063)	91,526 (\$ 3.69)
(XXXII) <u>Supplementary information of cash flow</u>			
1. Investment activities with only partial cash payments			
		2023	2022
Acquisition of property, plant, and equipment	\$	123,344	\$ 103,401
Add: prepaid business facilities payable at the beginning of the period		16,556	35,948
Less: prepaid business facilities payable at the end of the period	(42,317)	(16,556)
Current cash payment	\$	97,583	\$ 122,793
		2023	2022
Acquisition of intangible assets	\$	324	\$ 4,331
Add: prepaid business facilities payable at the beginning of the period		1,245	5,517
Less: prepaid business facilities payable at the end of the period	(141)	(1,245)
Current cash payment	\$	1,428	\$ 8,603
2. Investment activities with only partial cash receipts			
		2023	2022
Proceeds from Disposal of Decorations	\$	7,222	\$ -
Add: other payables at the beginning of the period		-	3,686
Current cash receipt	\$	7,222	\$ 3,686

(XXXIII) Change on liabilities from financing activities

	2023			
	Lease liabilities	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 11,742,531	\$ 330,312	\$ 98,615	\$ 12,171,458
Change on cash flow from financing activities	(1,130,715)	(120,489)	(349)	(1,251,553)
Increase amount of right-of-use asset	15,316	-	-	15,316
Interest expenses of discounting amortization	192,822	-	-	192,822
Interest paid	(204,423)	-	-	(204,423)
Fixed rent payable at the beginning of the period	120,097	-	-	120,097
Notes payable at the beginning of the period	88,432	-	-	88,432
Fixed rent payable at the end of the period	(28,057)	-	-	(28,057)
December 31	<u>\$ 10,796,003</u>	<u>\$ 209,823</u>	<u>\$ 98,266</u>	<u>\$ 11,104,092</u>
	2022			
	Lease liabilities	Long-term borrowings	Guarantee deposits received	Total liabilities from financing activities
January 1	\$ 10,917,889	\$ 350,000	\$ 100,962	\$ 11,368,851
Change on cash flow from financing activities	(892,812)	(19,688)	(2,347)	(914,847)
Increase amount of right-of-use asset	1,728,428	-	-	1,728,428
Rent concession gains	(18,331)	-	-	(18,331)
Interest expenses of discounting amortization	205,421	-	-	205,421
Interest paid	(196,037)	-	-	(196,037)
Fixed rent payable at the beginning of the period	206,502	-	-	206,502
Fixed rent payable at the end of the period	(120,097)	-	-	(120,097)
Notes payable at the end of the period	(88,432)	-	-	(88,432)
December 31	<u>\$ 11,742,531</u>	<u>\$ 330,312</u>	<u>\$ 98,615</u>	<u>\$ 12,171,458</u>

VII. Related party transaction

(I) Related party name and relationship

Related Party Name	Relationship with the Company
Han Shi Investment Co., Ltd. (Han Shi Investment)	Subsidiary
Han She Recipe Co., Ltd. (Han She Recipe)	Subsidiary
Humble House Hotel Co., Ltd. (Humble House hotel)	Associate
Camellian Co., Ltd. (Camellian)	The corporate director of the Company and the entity controlled by the major management of the Company
Tung-Fang-Mei Enterprise Co., Ltd. (Tung-Fang-Mei)	The corporate director of the Company and the entity controlled by the major management of the Company
Grandwell Motors Co., Ltd. (Grandwell)	Substantive related party
Noiz Architects Co., Ltd (Noiz Architects)	Substantive related party
My Humble House Flower Spectrum Ltd. (My Humble House Flower Spectrum)	Substantive related party
My Humble House Co., Ltd. (My Humble House)	Substantive related party
Camellian Co., Ltd. (Camellian)	Substantive related party
Espace Beaut'e International Co. (space Beaut'e)	Substantive related party
Er Shan Arts Co., Ltd. (Er Shan Arts)	Substantive related party
Ellie Lai Ltd. (Ellie)	Substantive related party (Note)
Tsai Po-Han	Chairman of the Company

Note: Ellie has been suspended for one year since 1 April 2023.

(II) Significant related party transactions

1. Operating and other income

	2023	2022
Merchandise Sales:		
Associate	\$ 827	\$ 877
Rental Income:		

Subsidiary	344	343
Other related party	1,375	1,459
Service Sales:		
Subsidiary	204	546
Associate	13,832	28,013
Other related party	366	255
Total	<u>\$ 16,948</u>	<u>\$ 31,493</u>

For the related party transaction falling to the category of merchandise sales, the transaction price is determined by the general sales terms and relevant contracts. For rental income, the determination of rent takes into consideration rents of nearby offices and is agreed by both parties. The lease term is 1 year. The rent is collected on a monthly basis pursuant to the lease contract. For revenues from services, the transaction price takes into consideration of market price and is agreed by both parties. The terms for payment receipt does not have significant difference with the non-related party transaction. As of December 31 of 2023 and 2022, the deposits received from the related party of the lease contracts were NT\$290 and NT\$310, respectively.

2. Operating costs and expenses

	2023	2022
Merchandise purchase:		
Subsidiary	\$ 10,239	\$ 10,272
Associate	-	3
Other related party	10,697	8,679
Service purchase:		
Subsidiary	1,140	914
Associate	-	118
Other related party	7,544	5,753
Total	<u>\$ 29,620</u>	<u>\$ 25,739</u>

The prices of the above purchases of goods from shareholders are determined based on market conditions; The purchase of services is determined by the negotiation between the buyer and the seller, and there is no difference in the transaction conditions between non-related parties.

3. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable		
Humble House Hotel	\$ -	\$ 134
Subsidiary	181	8,182
Subtotal	<u>181</u>	<u>8,316</u>
Other receivables		
Humble House Hotel	3,045	4,834

Other related party	16	2
Subtotal	3,061	4,836
Total	\$ 3,242	\$ 13,152

The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
Within 30 days	\$ 85	\$ 3,205
Between 31 and 90 days	96	5,111
Between 91 and 180 days	-	-
Over 181 Days	-	-
	\$ 181	\$ 8,316

The above aging analysis was based on account date.

4. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
Subsidiary	\$ 199	\$ 160
Associate	551	3,659
Other related party	3,653	2,849
Total	\$ 4,403	\$ 6,668

The other payables above are mainly incurred from services of the overall flower decoration and general supplies for the hotels of the Company provided by other related party.

5. Endorsement/guarantee for others

(1) Endorsement/guarantee for others by the Company

	December 31, 2023	December 31, 2022
Han Shi Investment	\$ 50,000	\$ 100,000

(2) Endorsement/guarantee for others by the related party

	December 31, 2023	December 31, 2022
Tsai Po-Han	\$ 209,823	\$ 530,312

(III) Remuneration of key management personnel

	2023	2022
Salary and other short-term employee benefits	\$ 32,743	\$ 25,325
Post-employment benefits	648	485
Total	\$ 33,391	\$ 25,810

VIII. Pledged assets

The statement of the Company's assets used as guarantee:

Asset item	Book value		Purpose of guarantee
	December 31, 2023	December 31, 2022	
Financial assets at amortized cost – current – cash in banks	\$ 156,205	\$ 202,417	Escrow trust account for standard form contract for gift certificates

IX. Significant Contingent Liabilities and Unrecognized Commitments

(I) Contingency

None.

(II) Commitment

- As of December 31, 2023, the significant lease contracts the Company entered into are as follows:

Lessor	Lease target	Period	Rent payment and calculation method
Shin Kong Life Insurance Co., Ltd.	Superficies on land No. 10 and 10-1, subsection 4, Xinyi Section, Xinyi District, Taipei City	October 1, 2010 to September 30, 2030 with a total of 20 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
Land Bank of Taiwan	Land No. 70 and 72, subsection 3, Chenggong Section, Zhongzheng District, Taipei City and superficies of No. 12, Section 1, Zhongxiao E. Road	June 1, 2017 to May 31, 2032 with a total of 15 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
TransGlobe Life Insurance Inc.	No. 1 and 2, Jiankang Rd., Jiaoxi Township, Yilan County	July 28, 2017 to July 27, 2037 with a total of 20 years	Monthly payment, include fixed rent and certain ratio of operating revenue.
Continental Engineering Corporation	Land No. 396 and 405-1, subsection 3, Zhongshan District, Taipei City and No. 116 (1F to 9F) and 118, Songjian Road	March 1, 2022 to February 28, 2042 with a total of 20 years	The monthly rent payment is determined by the registration area of the lease object and the agreed amount.

- Operating lease agreement

- Please refer to Note 6 (8) and 6 (9) for description.
- As of December 31, 2023, the Company provided letter of bank guarantee of lessor amounted NT\$353,623, irrevocable standby documentary credit amounted NT\$278,216, and promissory note amounted NT\$150,000, which are NT\$781,839 in total as guarantee.

X. Significant Loss from Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital management

The goal of the capital management of the Company is to ensure the Company can continue operating, maintain the best capital structure to reduce the capital cost, and provide remuneration to shareholders. To maintain or adjust the capital structure, the Company may adjust the dividend amount paid to shareholders, return the capital to shareholders, issue new shares, or sell assets for the optimum capital structure.

(II) Financial instruments

1. Categories of financial instruments

	December 31, 2023	December 31, 2022
<u>Financial asset</u>		
Financial assets measured at amortized cost		
Cash and cash equivalents	\$ 351,053	\$ 201,238
Financial assets measured at amortized cost	156,205	202,417
Notes receivable	209	216
Accounts receivable	130,864	70,149
Accounts receivable – Related parties	181	8,316
Other receivables	2,746	725
Other receivables – Related parties	3,061	4,836
Refundable deposits	6,947	5,701
	\$ 651,266	\$ 493,598
<u>Financial liability</u>		
Financial liabilities measured at amortized cost		
Notes payable	\$ 3,691	\$ 102,784
Accounts payable	206,222	202,625
Other payables	554,519	557,528
Other payables – Related parties	4,403	6,668
Long-term borrowings (including the current portion)	209,823	330,312

Guarantee deposits received	98,266	98,615
	\$ 1,076,924	\$ 1,298,532
Lease liabilities – current	\$ 996,418	\$ 959,858
Lease liabilities – non-current	\$ 9,799,585	\$ 10,782,673

2. Risk Management Policy

- (1) The daily operation of the Company is under the impact of multiple financial risks, including market risks (including exchange risks, interest rate risks, and price risks), credit risks, and liquidity risks. The overall risk management policy of the Company focuses on the unpredictable events in the financial market and discover the possibility of minimizing the potential adverse impact on the financial position and performance of the Company.
- (2) The risk management is implemented by the Finance Department of the Company in accordance with the policy approved by the Board of Directors. The Finance Department of the Company works closely with other operating units in the Company to identify, assess, and avoid financial risks. The Board of Directors stipulates principles for the overall risk management in writing and provides written policy for specific scope and matters, such as foreign exchange rate risk, interest rate risk, credit risk, use of derivatives and non-derivatives financial instruments, and the investment of residual liquidity.

3. The nature and level of significant financial risks

(1) Market risk

Price risk

- A. The equity instrument of the Company exposed in the price risk is the recognized financial assets at FVTPL. To manage the price risk of equity instrument investment, the Company disperses the portfolio within the quota set up by the Company.
- B. The Company mainly invests in the equity instruments and open-end funds issued by domestic companies. The price of such equity instruments will be affected by the uncertainty of the future value of the investment target. Where all other

variables remain unchanged, if the price of the equity instrument increases or decreases by 1%, the net profit of gains or losses through the equity instrument at FVTPL in 2023 and 2022 increases and decreases by NT\$0 and NT\$0, respectively.

(2) Credit risk

- A. The Company's credit risk is the risk of financial loss if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the failure of a counterparty to settle a receivable due to collection conditions and classified as financial assets at amortized cost.
- B. The Company establishes the management on credit risks from the Company's perspective. The Company only accepts the corresponding banks and financial institutions rated at least "Class A" by the independent credit rating institutions as the counterparty. According to the Company's internal credit policy, the operating units of the Company are responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers by taking into account their financial position, past experience and other factors. The limit amount for individual risk is stipulated by the Board of Directors in accordance with the internal or external rating, and the usage of credit limit is monitored on a regular basis.
- C. The Company adopts the following assumption under IFRS 9. If the contract payments were overdue for more than 30 days based on the terms of the contract, it is considered a breach of contract
- D. The Company adopts the assumption under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were overdue for more than 30 days based on the terms of the contract, there has been a

significant increase in credit risk on that instrument since initial recognition.

- E. The Company uses the following indicators to determine whether the credit impairment of debt instruments has occurred:
 - (A) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;
 - (B) The active market of the financial asset no longer exists due to the financial difficulties of the issuer;
 - (C) Default or delinquency in interest or principal repayments by the issuer;
 - (D) Adverse changes in national or regional economic conditions that are expected to cause a default of issuer.
- F. The Company classifies the accounts receivable of customers based on the customer rating and the nature of customer types. The expected credit loss is estimated using simplified practice based on loss rate method.
- G. The Company will write off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure the rights.
- H. The Company takes into consideration of the future prospective indicated in the economic forecast released by Taiwan Institute of Economic Research to adjust historical and timely information within specific period to assess the default possibility of accounts receivable. As of December 31 of 2023 and 2022, the expected loss rate for not past due and overdue accounts receivable are not significant.
- I. The allowance for loss of accounts receivable using simplified practice is not significant. As a result, it was not recognized in 2023 and 2022.
- J. The financial assets measured at amortized cost recognized by the Company are trust cash in banks. Since the credit quality of corresponding financial institutions is excellent, the possibility of breach of contract is low.

- K. The refundable deposits recognized by the Company are mainly the performance deposits. Since the credit quality of the counterparty is excellent, the possibility of breach of contract is low.

(3) Liquidity risk

- A. Cash flow forecasting is performed by the operating units of the Company and aggregated by the Finance Department of the Company. The Finance Department of the Company monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs and maintains sufficient unused loan commitment so that the Company will not breach loan quota or terms. This forecast takes consideration of the Company's debt financing plan, compliance of debt terms, meeting the goal of financial goal of internal balance sheet, and the requirement of competent laws and regulations.
- B. The operating entities of the Company invest surplus cash in interest bearing demand deposits, time deposits, money market deposits, and securities choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient head-room as determined by the above-mentioned forecasts. As of December 31, 2023 and 2022, the Company held the money market positions of \$339,778 and \$191,223, respectively. It is expected to generate cash flow promptly and manage the liquidity risk.
- C. The unused loan amount of the Company is as follows:

	December 31, 2023	December 31, 2022
Falling due in one year	\$ 1,198,161	\$ 1,096,872
Falling due above one year	-	200,000
Total	<u>\$ 1,198,161</u>	<u>\$ 1,296,872</u>

- D. The table below is the analysis of the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	1–2 years	Over 2 years
Notes payable	\$ 3,691	\$ -	\$ -
Accounts payable	206,222	-	-
Other payables (including related parties)	558,922	-	-
Long-term borrowings (including the current portion)	93,302	81,329	40,223
Lease liabilities (current and non-current)	1,172,312	1,188,261	9,448,508

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	1–2 years	Over 2 years
Notes payable	\$ 102,784	\$ -	\$ -
Accounts payable	202,625	-	-
Other payables (including related parties)	564,196	-	-
Long-term borrowings (including the current portion)	101,368	106,363	132,291
Lease liabilities (current and non-current)	1,152,582	1,167,140	10,628,269

The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(III) Information on fair value

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

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The beneficiary certificates at fair value invested by the Company are at this level.
- Level 2 Inputs other than quoted prices included within Level 1 that are directly or indirectly observable for the asset or liability.

Level 3 Unobservable inputs for the asset or liability. The fair value of the Company's investment property is included in Level 3.

2. Please refer to Note 6 (10) for the information on the fair value of investment property measured at costs.
3. The book value of the financial instruments of the Company (including cash and cash equivalents, financial assets at amortized costs, notes receivable (including related parties), other receivables (including related parties), refundable deposits, notes payable, accounts payable, other payables (including related parties), lease liabilities, long-term borrowings, and guarantee deposits received) not at fair value is the reasonable approximation of the fair value.
4. The Company did not hold any financial or non-financial instruments at fair value as of December 31 of 2023 and 2022.

XIII. Other Disclosures in Notes

(I) Information on Significant Transactions

1. Financing provided to others: None.
2. Endorsements/guarantees provided: Please refer to Table 1.
3. Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): Please refer to Table 2.
4. Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None.
8. Receivables from related parties amounting to at least nt\$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Significant transactions between the parent company and subsidiaries and among subsidiaries during the reporting periods and amount: The

transaction amount between the Company and subsidiaries in 2023 was not significant (the transaction amount did not reach 1% of the consolidated total assets or total revenue), so it is not required to be disclosed.

(II) Information on Investees

Information of the invested company, such as name, location, and etc. (not including the invested companies in Mainland China): Please refer to Table 3.

(III) Information on Investment in Mainland China

1. Basic information: None.
2. Significant transactions, either directly or indirectly through a third area, with invested companies in the Mainland Area: None.

(IV) Information on Major Shareholders

Information on major shareholders: Please refer to Table 4

XIV. Segment information

Not applicable.

My Humble House Hospitality Management Consulting Co., Ltd.
Endorsements/guarantees provided
For the year ended December 31, 2023

Table 1

Unit: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

No.	Endorsed by	Endorsed party		Maximum endorsement amount to single entity	Maximum Balance of Endorsements	Balance of endorsement by the end of the period	Actually Amount	Amount Endorsed with property	endorsement amount to the net value of the most recent financial statements	Maximum Endorsements	Endorsement from the parent company to the subsidiary	Endorsement from the subsidiary to the parent company	Endorsement in Mainland China	
		Company Name	Name											
(Note 1)			(Note 2)	(Note 3)	(Note 4)	(Note 5)	(Note 6)			(Note 3)	Guarantee (Note 7)	Guarantee (Note 7)	(Note 7)	Note
0	My Humble House Hospitality		2	\$ 237,190	\$ 100,000	\$ 50,000	\$ 50,000	\$ -	4.22	\$ 592,975	Y	N	N	

Note 1: The description of the number columns is as follows:

(1) Fill out 0 for issuer.

(2) Sequentially number the invested companies starting from 1 based on the company classification.

Note 2: There are 7 relationships between the company making endorsements/guarantees and companies receiving endorsements/guarantees, only mark the type:

(1) Company with business relation.

(2) Subsidiaries which the Company directly or indirectly holds more than 50% of shares with voting rights.

(3) Subsidiaries directly or indirectly hold more than 50% of shares with voting rights of the Company.

(4) Among subsidiaries which the Company directly or indirectly holds more than 90% of shares with voting rights.

(5) Mutual guaranteed companies in accordance with the contract between the companies in the same industry or the joint applicants based on the requirement of contracting construction projects.

(6) Subsidiaries Endorsed by all shareholders based on the percentage of ownership due to joint investment relationship.

(7) Performance joint guarantee among companies in the same industry for the presale house selling contract regulated by the Consumer Protection Act.

Note 3: The endorsements/guarantees amount to single entity by the Company shall not exceed 20% of the net value of the most recent financial statements; the total endorsements/guarantees amount by the Company shall not exceed 50% of the net value of the most recent financial statements.

Note 4: The maximum balance of endorsements/guarantees provided in the current year.

Note 5: The amount approved by the Board of Directors shall be filled in. Where the Board of Directors authorizes the Chairman to determine the endorsements/guarantees in accordance with subparagraph 8, Article 12 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, it refers to the amount determined by the Chairman.

Note 6: The amount actually drawn by the company that is Endorsed within the scope of the Endorsed balance shall be filled in.

Note 7: Please fill in Y if it is the endorsement by the publicly listed parent company to the subsidiary, endorsement by the subsidiary to the publicly listed parent company, or endorsement in Mainland China.

My Humble House Hospitality Management Consulting Co., Ltd.
Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities)
December 31, 2023

Table 2

Init: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

Holding company name	Marketable securities types and name	Relationship with the issuers	Financial statement account	As of December 31				Note
				Carrying amount				
				Shares/Units	(Note 3)	Shareholding Ratio	Fair value	
(Note 1)	(Note 2)	(Note 4)						
My Humble House Restaurant	Capital Money Market Funds	-	Financial assets at fair value through profit or loss Assets-current	108,828	\$ 1,805	-	\$ 1,805	-
Han Shi Investment	Capital Money Market Funds	-	Financial assets at fair value through profit or loss Assets-current	2,836,187	47,043	-	47,043	-
Han Shi Investment	Stock of JSL Construction & Development Co., Ltd.	-	Financial assets at fair value through profit or loss Assets-current	4,057,345	350,149	1.036%	350,149	-
Han Shi Investment	Stock of Taiwan Semiconductor Manufacturing Company Limited	-	Financial assets at fair value through profit or loss Assets-current	5,000	2,965	0.000%	2,965	-
Han Shi Investment	Stock of Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss Assets-current	800,000	36,600	0.005%	36,600	-
Han Shi Investment	Stock of Silitech Technology Corporation	-	Financial assets at fair value through profit or loss Assets-current	10,000	1,312	0.017%	1,312	-

Note 1: Marketable securities were shares, bonds, beneficiary certificates, and others within the scope of IFRS 9 "Financial Instruments."

Note 2: This column may be blank if the issuer of the securities is not a related party.

Note 3: For items measured at fair value, please fill in the carrying amount balance after the adjustment on the valuation at the fair value and deducting the accumulative impairment in the column of carrying amount; for items not measured at fair value, please fill in the carrying amount balance of the initial acquisition costs or the amortized costs deducting the accumulative impairment in the column of carrying amount.

Note 4: If the securities are restricted due to being provided as guarantee, pledged for loans or other agreement, the number of shares used for guarantee or pledged, the amount of guarantee or pledge, and restrictions shall be specified in the Note column.

My Humble House Hospitality Management Consulting Co., Ltd.
Information of the invested company, such as name and location (not including the invested companies in Mainland China)
For the year ended December 31, 2023

Table 3

:: Amounts expressed in thousands of New Taiwan dollars
(Unless otherwise provided)

Investor	Investee (Note 1 and 2)	Location	Main business	Initial investment amount		As of December 31			Gain or loss of the Investee (Note 2 (2))	investment recognized in the current period	Note
				the current period	End of last year	Number of shares	Ratio	Carrying amount			
My Humble House Hospitality	Han Shi Investment Co., Ltd.	Taiwan	General investments	\$ 50,000	\$ 50,000	26,100,000	100.00%	\$ 469,795	\$ 164,391	\$ 164,391	Subsidiary
"	Han She Recipe Co., Ltd.	Taiwan	Food service	879	879	100,000	100.00%	2,593	488	488	Subsidiary
"	Humble House Hotel Co., Ltd.	Taiwan	Hotel and food service	50,000	50,000	5,000,000	25.00%	112,909	65,127	16,314	Affiliate
Han Shi Investment	Humble House Hotel Co., Ltd.	Taiwan	Hotel and food service	14,400	14,400	960,000	4.80%	20,733	65,127	3,126	Affiliate

Note 1: Where a public company establishes an overseas holding company, which uses the consolidated financial report as the main financial report pursuant to the local regulations and applicable laws, the information of the overseas investee may be disclosed to that holding company.

Note 2: If the provision in Note 1 does not apply, please fill in the information in accordance with the following rules:

(1) The columns of "Investee," "Location," "Main business," "Initial investment amount," and "Shareholding at the end of the period" shall be filled in with the information of the investment of the (public) Company and the investment of each directly or indirectly owned investee. It should be filled out in order and the relationship between the investee and the (public) Company (subsidiary or a subsidiary of a subsidiary) shall be specified in the Note column.

(2) The current gain or loss amount of the investee shall be filled out in the column of "Current gain or loss of the investee."

(3) For the column of "Gain (loss) on investments in the current period," only need to fill in the gain or loss amount of the subsidiaries and the investees accounted for using equity method. Other information is not required. When filling in the "Current recognized gain or loss of directly owned subsidiaries," please confirm the investment gain or loss of the investee that shall be recognized in accordance with the regulations is included in the current gain or loss amount of the subsidiary.

My Humble House Hospitality Management Consulting Co., Ltd.

Information on Major Shareholders

December 31, 2023

Table 4

Name of major shareholder	Shares	
	No. of shares held	Shareholding Ratio
Tung-Fang-Mei Enterprise Co., Ltd.	15,474,546	15.24
Xuan Wei Investment Co., Ltd.	14,080,228	13.87
Humble House Hotel Co., Ltd.	10,000,000	9.85
Kan Shi Shan Fang Co., Ltd.	7,223,562	7.11
Camellian Co., Ltd.	7,112,743	7.01
Humble House International Investment Co., Ltd.	6,409,655	6.31
Da Mo Enterprise Co., Ltd.	6,015,101	5.92

Description: If the company acquires the information in this form from Taiwan Depository & Clearing Corporation (TDCC), it may describe the following matters in the Note of this form:

(1) This table is based on the information provided by the TDCC for shareholders holding greater than five percent of the shares completed the process of registration and book-entry delivery in dematerialized form, including treasury stocks, at the last business date of every quarter. There may be a discrepancy in the number of shares recorded on the financial statements of a company and its dematerialized securities arising from the difference in basis of preparation.

(2) As table above, the shareholder who delivers the shares to the trust is disclosed by the individual trustee who opened the trust account. In accordance with the Security Exchange Act, the shareholders have to disclose the insider equity more than ten percent of the shares, including their own shares and their delivery to the trust, and have the right to make decisions on the trust property. Information on insider equity is available on the Market Observation Post System (MOPS) website.

**My Humble House Hospitality
Management Consulting Co.,
Ltd.**



**Chairperson:
Tsai, Po-Han**

