

Stock Code: 2705

Leofoo Development Co., Ltd.

Parent Company Only Financial Statements and Independent Auditors' Report

2024 and 2023

Company Address: No. 60, Gongzigou, Guanxi Township, Hsinchu County
Tel: (03)547-5665

Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Parent Company Only Financial Statements
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Auditor's Report

To Leofoo Development Co., Ltd.:

Opinions

The balance sheets of Leofoo Development Co., Ltd. as of December 31, 2024 and December 31, 2023, the statements of comprehensive income, statements of changes in equity, and statements of cash flows for the periods from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023, as well as the notes to the parent company only financial statements (including a summary of significant accounting policies), have been audited by the undersigned accountant.

In my opinion, based on my audit results and the audit reports of other accountants (please refer to the Other Matters section), the aforementioned parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material respects, and are sufficient to properly present the parent company only financial position of Leofoo Development Co., Ltd. as of December 31, 2024 and December 31, 2023, as well as its parent company only financial performance and parent company only cash flows for the periods from January 1, 2024 to December 31, 2024 and from January 1, 2023 to December 31, 2023.

Basis for Audit Opinion

The undersigned accountant has conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. The undersigned accountant's responsibilities under those standards will be further explained in the section on the Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements. The personnel of the firm to which the undersigned accountant belongs, who are subject to independence regulations, have maintained independence from Leofoo Development Co., Ltd. in accordance with the Code of Professional Ethics for Certified Public Accountants, and have fulfilled other responsibilities under those regulations. Based on the audit results of the undersigned accountant and the audit reports of other accountants, the undersigned accountant believes that sufficient and appropriate audit evidence has been obtained to serve as a basis for expressing an audit opinion.

Key Audit Matters

Key audit matters refer to those matters that, in the professional judgment of the undersigned accountant, were of most significance in the audit of the parent company only financial statements of Leofoo Development Co., Ltd. for the year 2024. These matters were addressed in the context of the

audit of the parent company only financial statements as a whole and in forming the audit opinion, and the undersigned accountant does not provide a separate opinion on these matters.

Impairment Assessment of Non-financial Assets

As of December 31, 2024, the carrying amount of consolidated property, plant and equipment and right-of-use assets of Leofoo Development Co., Ltd. was NT\$8,145,681 thousand, accounting for 53% of the total consolidated assets, which is significant to Leofoo Development Co., Ltd. Since the actual operating performance of Leofoo Development Co., Ltd. in 2024 did not meet expectations, the management conducted an impairment assessment of property, plant and equipment and right-of-use assets. As the assessment of the recoverable amount of assets involves subjective judgments by management regarding various assumptions and estimates, the undersigned accountant has determined this to be a key audit matter. The audit procedures of the undersigned accountant included (but were not limited to) evaluating the appropriateness of the accounting policy for asset impairment losses, obtaining appraisal reports from external experts performing impairment assessments of right-of-use assets, evaluating the professional competence, objectivity, and relevant valuation experience of the valuation experts, assessing the reasonableness of relevant assumptions used by the valuation experts (including valuation methods and related reference information), evaluating and testing the reasonableness of their recoverable amounts, examining the current physical state of assets, confirming the timing of completion of the experts' report conclusions, and considering whether there were subsequent significant changes that might affect their conclusions. The undersigned accountant also considered the appropriateness of asset impairment disclosures in Notes 4, 5, and 6 to the parent company only financial statements.

Disclosure of Fair Value of Investment Property

As of December 31, 2024, the net consolidated investment property of Leofoo Development Co., Ltd. was NT\$6,444,762 thousand, accounting for 42% of the total assets, which is significant to the parent company only financial statements of Leofoo Development Co., Ltd. Since the subsequent measurement of investment property adopts the fair value model, and the valuation methods and processes require significant professional judgments, estimates, and assumptions, any changes in these related judgments, estimates, and assumptions would significantly affect the assessment results of the fair value of investment property. Therefore, the undersigned accountant has determined this to be a key audit matter. The audit procedures of the undersigned accountant included (but were not limited to) evaluating the objectivity, professional qualifications, and experience and reputation in the professional field of external real estate appraisal institutions and appraisers to understand whether the appraiser's technical skills and abilities are reliable, while having our firm's internal real estate valuation experts assist in reviewing the fair value appraisal reports, understanding whether the valuation methods and assumptions comply with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the Real Estate Appraisal Technical Rules, and whether they are reasonable and consistent, as well as evaluating the relevance and reliability of data sources and key parameters (such as yield rates, discount rates, etc.) used in the appraisal reports, confirming the reasonableness of their valuation results, and inquiring and recalculating to confirm the accuracy of the accounting records. The undersigned accountant also considered the appropriateness of relevant

information disclosed regarding fair value measurement in Notes 4, 5, and 6 to the parent company only financial statements.

Other Matters - Reference to Other Auditors

The financial statements of Ambassador Film Inc., an investee company recognized under the equity method included in the parent company only financial statements of Leofoo Development Co., Ltd., were not audited by the undersigned accountant but were audited by other accountants. Therefore, in the opinion expressed by the undersigned accountant on the above-mentioned parent company only financial statements, the amounts listed in the financial statements of these investee companies are based on the audit reports of other accountants. As of December 31, 2024 and December 31, 2023, the investments in the investee company using the equity method were NT\$12,468 thousand and NT\$14,145 thousand, respectively, accounting for 0.08% and 0.09% of the total individual assets. From January 1 to December 31, 2024 and January 1 to December 31, 2023, the share of profit (loss) of subsidiaries, associates and joint ventures recognized using the equity method were NT\$(1,677) thousand and NT\$(1,373) thousand, respectively, accounting for (1.89)% and 1.40% of the pre-tax net profit (loss).

Management and Governance Units' Responsibility for the Parent Company Only Financial Statements.

Management's responsibility is to prepare parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers that give a true and fair view, and to maintain such necessary internal control relevant to the preparation of the parent company only financial statements to ensure that the parent company only financial statements are free from material misstatement, whether due to fraud or error.

When preparing the parent company only financial statements, management's responsibilities also include assessing the ability of Leofoo Development Co., Ltd. to continue as a going concern, disclosing relevant matters, and using the going concern basis of accounting, unless management either intends to liquidate Leofoo Development Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

The governance units (including the Audit Committee) of Leofoo Development Co., Ltd. are responsible for overseeing the financial reporting process.

Accountant's Responsibility for the Audit of the Parent Company Only Financial Statements

The purpose of our audit of the parent company only financial statements is to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. If the individual amounts or aggregate of misstatements can reasonably be expected to influence the economic decisions of users of the parent company only financial statements,

they are considered material.

When auditing in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism. We also perform the following work:

1. Identifying and assessing the risks of material misstatement in the parent company only financial statements, whether due to fraud or error; Designing and implementing appropriate responses to those assessed risks; and obtaining sufficient and appropriate audit evidence to serve as a basis for our audit 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 Leofoo Development Co., Ltd.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Leofoo Development Co., Ltd.'s ability to continue as a going concern. 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 parent company only 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. However, future events or conditions may cause Leofoo Development Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit, and are responsible for forming the group audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements of Leofoo Development Co., Ltd. for the year 2024. 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.

Ernst & Young Taiwan

The regulatory authority approves the processing of public company financial reports

Audit Certification Document Number: Financial Supervisory Commission Approval No. 1030025503 (2014)
Securities and Futures Commission Approval No. 10069 (2001)

Ching-Piao Cheng

CPA

Wen-Fang Fu

March 15, 2025

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LEOFOO DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2024 and December 31, 2023

(All amounts are in thousands of New Taiwan Dollars)

Assets			December 31, 2024		December 31, 2023	
Code	Accounting Items	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and Cash Equivalents	4, 6(1)	\$196,023	1	\$242,152	2
1150	Notes Receivable, Net	4, 6(3), 7	1,938	-	2,776	-
1170	Accounts Receivable, Net	4, 6(4), 7	55,959	1	31,446	-
1200	Other Receivables	7	6,065	-	6,268	-
130x	Inventories	4, 6(5)	40,918	-	43,057	-
1410	Prepaid Expenses		51,029	-	57,909	1
1470	Other Current Assets	8	12,316	-	4,991	-
11xx	Total Current Assets		364,248	2	388,599	3
	Non-current Assets					
1517	Financial Assets at Fair Value through Other Comprehensive	4, 6(2)	-	-	77,059	-
1550	Investments Accounted for Using Equity Method	4, 6(6)	105,584	1	107,910	1
1600	Property, Plant, and Equipment	4, 6(7), 8	4,944,902	32	5,060,145	33
1755	Right-of-use Assets	4, 6(17)	3,200,779	21	3,493,980	22
1760	Investment Property	4, 6(8), 8	6,444,672	42	6,123,906	39
1780	Intangible assets		1,397	-	1,659	-
1840	Deferred income tax assets	4, 6(21)	12,569	-	11,775	-
1900	Other non-current assets	6(9), 7, 8	238,600	2	239,389	2
15xx	Total non-current assets		14,948,503	98	15,115,823	97
1xxx	Total assets		\$15,312,751	100	\$15,504,422	100

(Please refer to the notes to the parent company only financial statements)

Chairman: Feng-Ru Chuang

Managerial Officers Cheng-Jung Lai

Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEET (CONTINUED)

December 31, 2024 and December 31, 2023

(All amounts are in thousands of New Taiwan Dollars)

Liabilities and Equity			December 31, 2024		December 31, 2023	
Code	Accounting Items	Notes	Amount	%	Amount	%
2100	Current liabilities					
2100	Short-term borrowings	6(10), 8	\$-	-	\$53,500	-
2150	Notes payable		82	-	125	-
2170	Accounts payable	7	68,383	-	93,697	1
2220	Other payables - related parties	7	16,345	-	50,897	-
2280	Lease Liabilities	4, 6(17)	277,803	2	271,872	2
2322	Current portion of long-term borrowings	6(11), 8	98,100	1	234,506	1
2399	Other current liabilities	7	441,942	3	447,079	3
21xx	Total current liabilities		902,655	6	1,151,676	7
	Non-current liabilities					
2540	Long-term borrowings	6(11), 8	5,080,052	33	4,769,815	31
2570	Deferred income tax liabilities	4, 6(21)	1,317,091	9	1,314,711	9
2580	Lease Liabilities	4, 6(17)	3,105,134	20	3,382,938	22
2640	Net Defined Benefit Liabilities	4, 6(13)	25,248	-	36,659	-
2670	Other non-current liabilities	6(12), 7	22,655	-	22,938	-
25xx	Total non-current liabilities		9,550,180	62	9,527,061	62
2xxx	Total liabilities		10,452,835	68	10,678,737	69
31xx	Equity Attributable to Owners of Parent					
3100	Share capital	6(14)				
3110	Ordinary share capital		1,913,128	13	1,913,128	13
3200	Capital surplus	6(14)	31,236	-	31,236	-
3300	Retained Earnings	6(14)				
3310	Legal Reserve		17,979	-	17,979	-
3320	Special Reserve		1,385,073	9	1,385,073	9
3350	Accumulated deficit		(1,876,380)	(12)	(1,968,911)	(13)
3400	Other Equity		3,388,880	22	3,447,180	22
3xxx	Total equity		4,859,916	32	4,825,685	31
3x2x	Total liabilities and equity		\$15,312,751	100	\$15,504,422	100

Chairman: Feng-Ru Chuang

(Please refer to the notes to the parent company only financial statements)
Managerial Officers Cheng-Jung Lai

Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

January 1 to December 31, 2024 and January 1 to December 31, 2023

(All amounts are expressed in thousands of New Taiwan Dollars, except for earnings per share)

Code	Accounting Items	Notes	2024		2023	
			Amount	%	Amount	%
4000	Operating revenue	4, 6(15), 7	\$2,309,069	100	\$2,210,076	100
5000	Operating costs	6(5), 7	(1,527,446)	(66)	(1,423,059)	(64)
5900	Gross Profit		781,623	34	787,017	36
6000	Operating Expenses	6(18), 7	(611,588)	(27)	(699,451)	(32)
6900	Operating profit		170,035	7	87,566	4
7000	Non-operating Income and Expenses					
7100	Interest income	6(19)	1,346	-	1,223	-
7010	Other income	6(19), 7	87,294	4	27,664	1
7020	Other gains and losses	6(19)	27,532	1	(1,321)	-
7050	Finance costs	6(19)	(192,949)	(8)	(197,239)	(9)
7060	Share of Profit (Loss) of Subsidiaries, Associates and Joint Ventures Accounted for Using Equity Method	6(6)	(4,436)	-	(15,637)	-
	Total non-operating income and expenses		(81,213)	(3)	(185,310)	(8)
7900	Earnings before tax (loss)		88,822	4	(97,744)	(4)
7950	Income tax benefit (expense)	4, 6(21)	-	-	-	-
8200	Net Income (Loss) for the Period		88,822	4	(97,744)	(4)
8300	Other comprehensive income	20(6)				
8310	Items Not to be Reclassified to Profit or Loss:					
8311	Remeasurement of defined benefit plans		3,709	-	(3,034)	-
8316	Equity instruments measured at fair value through other comprehensive income		(60,410)	(3)	11,943	-
	Unrealized valuation gain (loss) on equity instruments measured at fair value through other comprehensive income					
8360	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements		2,110	-	21	-
	Other Comprehensive Income for the Period (net of tax)		(54,591)	(3)	8,930	-
8500	Total Comprehensive Income for the Period		\$34,231	1	\$(88,814)	(4)
9750	Basic Earnings (Loss) Per Share (NTD)	6(22)	\$0.46		\$(0.51)	
9850	Diluted Earnings (Loss) Per Share (NT\$)	6(22)	\$0.46		\$(0.51)	

(Please refer to the notes to the parent company only financial statements)
Managerial Officers Cheng-Jung Lai

Chairman: Feng-Ru Chuang

Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

January 1 to December 31, 2024 and January 1 to December 31, 2023

(All amounts are in thousands of New Taiwan Dollars)

Code	Items			Retained Earnings			Other equity items			Total Equity
								Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Revaluation surplus of property	
		Share capital	Capital surplus	Legal Reserve	Special Reserve	Accumulated deficit	Exchange differences on translation of foreign financial statements			
		3100	3200	3310	3320	3350	3410	3420	3460	3XXX
A1	Balance as of January 1, 2023	\$1,913,128	\$31,236	\$17,979	\$1,385,073	\$(1,868,133)	\$447	\$(32,191)	\$3,466,960	\$4,914,499
D1	Net loss for the year 2023					(97,744)				(97,744)
D3	Other comprehensive income for the year 2023					(3,034)	21	11,943	-	8,930
D5	Total Comprehensive Income for the Period	-	-	-	-	(100,778)	21	11,943	-	(88,814)
Z1	Balance as of December 31, 2023	1,913,128	31,236	17,979	1,385,073	(1,968,911)	468	(20,248)	3,466,960	4,825,685
D1	Net income for the year 2024					88,822				88,822
D3	Other comprehensive income for the year 2024					3,709	2,110	(60,410)	-	(54,591)
D5	Total Comprehensive Income for the Period	-	-	-	-	92,531	2,110	(60,410)	-	34,231
Z1	Balance as of December 31, 2024	\$1,913,128	\$31,236	\$17,979	\$1,385,073	\$(1,876,380)	\$2,578	\$(80,658)	\$3,466,960	\$4,859,916

(Please refer to the notes to the parent company only financial statements)
Managerial Officers Cheng-Jung Lai

Chairman: Feng-Ru Chuang

Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOW

January 1 to December 31, 2024 and January 1 to December 31, 2023

(All amounts are in thousands of New Taiwan Dollars)

Code	Items	2024	2023	Code	Items	2024	2023
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Income (loss) before income tax for the period	\$88,822	\$(97,744)	B00030	Measured at fair value through other comprehensive income	16,649	-
A20000	Adjusting items:						
A20010	Income and expense items:			B02700	Acquisition of property, plant and equipment	(106,324)	(117,170)
A20100	Depreciation and depletion expenses	514,016	516,092	B02800	Disposal of property, plant and equipment	1,868	389
A20200	Amortization expenses	2,592	3,569	B03800	Refundable Deposits (Increase) Decrease	6,987	3,202
A20900	Interest expenses	192,949	197,239	B04500	Acquisition of intangible assets	(1,080)	(47)
A21200	Interest income	(1,346)	(1,223)	B05400	Acquisition of investment property	(272,596)	(300,346)
A22300	Share of loss (gain) of subsidiaries, associates, and joint ventures accounted for using equity method	4,436	15,637	BBBB	Net cash inflow (outflow) from investing activities	<u>(354,496)</u>	<u>(413,972)</u>
A22500	Loss (gain) on disposal of property, plant and equipment	(1,204)	157				
A24600	Loss (gain) on fair value adjustment of investment property	(30,935)	(7,133)	CCCC	Cash flows from investing activities:		
A29900	Gain on lease modifications	-	(23)	C00200	Increase (decrease) in short-term borrowings	(53,500)	(360,000)
A30000	Net changes in operating assets/liabilities			C01600	Proceeds from long-term borrowings	1,263,625	2,191,100
A31130	Decrease (increase) in notes receivable	838	(2,354)	C01700	Repayment of long-term borrowings	(1,089,794)	(1,581,929)
A31150	Decrease (increase) in accounts receivable	(24,513)	26,474	C04020	Repayment of lease liability principal	(271,873)	(266,628)
A31180	Decrease (increase) in other receivables	203	1,320	CCCC	Net cash inflow (outflow) from financing activities	<u>(151,542)</u>	<u>(17,457)</u>
A31200	Decrease (increase) in inventories	2,139	(3,246)				
A31230	Decrease (increase) in prepayments	6,952	(1,925)				
A31240	Decrease (increase) in other current assets	(7,325)	15,315	EEEE	Increase (decrease) in cash and cash equivalents for the period	(46,129)	36,770
A31990	Decrease (increase) in other non-current assets	(3,327)	(4,379)	E00100	Beginning balance of cash and cash equivalents	242,152	205,382
A32130	Increase (decrease) in notes payable	(43)	(1,090)	E00200	Ending balance of cash and cash equivalents	<u>\$196,023</u>	<u>\$242,152</u>
A32150	Increase (decrease) in accounts payable	(25,314)	8,399				
A32190	Increase (decrease) in other payables - related parties	(34,552)	11,569				
A32230	Increase (decrease) in other current liabilities	(9,505)	7,658				
A32240	Increase (decrease) in net defined benefit liability	(7,702)	(15,967)				
A32990	Increase (decrease) in other non-current liabilities	(283)	1,797				
A33000	Cash inflow (outflow) generated from operations	<u>666,898</u>	<u>670,142</u>				
A33100	Interest received	1,346	1,223				
A33300	Interest paid	(208,335)	(203,166)				
AAAA	Net cash inflow (outflow) from operating activities	<u>459,909</u>	<u>468,199</u>				

(Please refer to the notes to the parent company only financial statements)

Chairman: Feng-Ru Chuang

Managerial Officers Cheng-Jung Lai

Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

December 31, 2024 and December 31, 2023

(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

1. Company History

Leofoo Development Co., Ltd. (hereinafter referred to as the Corporation) was approved for establishment by the Ministry of Economic Affairs on January 27, 1968, with its registered address at No. 60, Gongzigou, Guanxi Township, Hsinchu County. The main business activities include tourist hotels (Leofoo Courtyard and Leofoo Resort Guanshi), restaurants, boutiques, department stores, cinemas, land development and leasing, zoo, and amusement equipment rental, etc.

The Corporation's stock has been listed on the Taiwan Stock Exchange since December 24, 1988.

2. Date and Procedure of Approval of Financial Statements

The parent company only financial statements of the Corporation for the years 2024 and 2023 were approved for issuance by the Board of Directors on March 15, 2025.

3. Application of New and Revised Standards and Interpretations

(1) First-time Application of International Financial Reporting Standards and Resulting Changes in Accounting Policies

The Corporation has adopted the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations, or Interpretations approved by the Financial Supervisory Commission (hereinafter referred to as the FSC) and applicable to accounting years beginning on or after January 1, 2024. The first-time application of these new standards and amendments has no significant impact on the Corporation.

(2) As of the date the financial statements were authorized for issue, the Corporation has not yet applied the following new, amended and revised standards and interpretations that have been issued by the International Accounting Standards Board (IASB) and endorsed by the Financial Supervisory Commission (FSC):

Item	New/Revised/Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
1	Lack of Exchangeability (Amendments to IAS 21)	January 01, 2025

1. Lack of Exchangeability (Amendments to IAS 21)

This amendment explains the exchangeability and lack of exchangeability between currencies, and how exchange rates are determined when there is lack of exchangeability, as well as adding additional disclosure requirements when currencies lack exchangeability.

The above amendments are applicable to accounting years starting from January 1, 2025. The Corporation has assessed that there is no significant impact.

- (3) As of the approval date for the issuance of the financial report, the Corporation has not adopted the following new, revised, and amended standards or interpretations that have been issued by the International Accounting Standards Board but not yet approved by the Financial Supervisory Commission:

Item	New/Revised/Amended Standards and Interpretations	Effective Date Issued by International Accounting Standards Board
1	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Pending decision by the International Accounting Standards Board
2	IFRS 17 "Insurance Contracts"	January 01, 2023
3	IFRS 18 "Presentation and Disclosure of Financial Statements"	January 01, 2027
4	Disclosure Initiative-Subsidiaries without Public Accountability: Disclosures (IFRS 19)	January 01, 2027
5	Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)	January 01, 2026
6	Annual Improvements to IFRS Standards - Cycle 11	January 01, 2026
7	Contracts Dependent on Natural Power (Amendments to IFRS 9 and IFRS 7)	January 01, 2026

1. Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

This project is to address the inconsistency between IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" regarding the loss of control when a subsidiary is contributed to an associate or joint venture. IAS 28 requires that when non-monetary assets are contributed in exchange for an equity interest in an associate or joint venture, the resulting gain or loss should be eliminated to the extent of the investor's share in accordance with downstream transaction treatment; IFRS 10 requires recognition of the full gain or loss when control of a

subsidiary is lost. This amendment limits the aforementioned requirements of IAS 28. When the assets sold or contributed constitute a business as defined in IFRS 3, the resulting gain or loss should be recognized in full.

This amendment also modifies IFRS 10 so that when an investor sells or contributes a subsidiary that does not constitute a business as defined in IFRS 3 to its associate or joint venture, the resulting gain or loss is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

2. IFRS 17 "Insurance Contracts"

This standard provides a comprehensive model for insurance contracts, covering all accounting related aspects (recognition, measurement, presentation and disclosure principles). The core of the standard is a general model, under which the initial recognition measures a group of insurance contracts as the total of fulfillment cash flows and contractual service margin; the carrying amount at the end of each reporting period is the sum of the liability for remaining coverage and the liability for incurred claims.

Besides the general model, the standard also provides a specific application method for contracts with direct participation features (the variable fee approach); and a simplified approach for short-term contracts (the premium allocation approach).

After the standard was issued in May 2017, amendments were subsequently issued in 2020 and 2021. These amendments, in addition to delaying the effective date by 2 years (i.e., from January 1, 2021 to January 1, 2023) and providing additional exemptions in the transition provisions, also reduced the cost of adopting this standard by simplifying some requirements and modified certain provisions to make some situations easier to interpret. The effective date of this standard will replace the transitional standard (i.e., IFRS 4 "Insurance Contracts")

3. IFRS 18 "Presentation and Disclosure of Financial Statements"

This standard will replace IAS 1 "Presentation of Financial Statements", with the following main changes:

(1) Enhancing the comparability of the income statement

In the income statement, revenues and expenses are classified into five categories: operating, investing, financing, income tax, or discontinued operations. The first three are new classifications to improve the structure of the income statement, and all entities are required to provide newly defined subtotals (including operating profit or loss). By enhancing the structure of the income statement and providing newly defined subtotals, investors will have a consistent

starting point when analyzing financial performance across companies, making it easier to compare entities.

(2) Enhancing the transparency of management performance measures

Requiring entities to disclose explanations of entity-specific metrics related to the income statement (referred to as management performance measures).

(3) Useful aggregation of financial statement information

Establishing application guidance to determine whether financial information should be presented in the primary financial statements or in the notes. This change is expected to provide more detailed and useful information. Requiring entities to provide more transparent information about operating expenses to help investors find and understand the information they use.

4. Disclosure Initiative-Subsidiaries without Public Accountability: Disclosures (IFRS 19)

Simplified disclosures for subsidiaries without public accountability, allowing subsidiaries that meet the definition to voluntarily apply this standard.

5. Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

These amendments include:

- (1) Clarifying that financial liabilities are derecognized on the settlement date, and explaining the accounting treatment for financial liabilities that are settled by electronic payment before the settlement date.
- (2) Clarifying how to assess the cash flow characteristics of financial assets with environmental, social and governance (ESG) related linkage features or other similar contingent features.
- (3) Clarifying the treatment of non-recourse assets and contractually linked instruments.
- (4) Additional disclosures required by IFRS 7 for financial assets or liabilities with terms related to contingent features (including ESG-linked features), and equity instruments classified as fair value through other comprehensive income.

6. Annual Improvements to IFRS Standards - Cycle 11

(1) Amendments to IFRS 1

The main amendment is to revise the explanation of hedge accounting applied by first-time adopters of this standard to be consistent with IFRS 9.

(2) Amendments to IFRS 7

This amendment updates outdated cross-references for derecognition gains or losses.

(3) Amendments to IFRS 7 Implementation Guidance

This amendment improves textual descriptions in some parts of the implementation guidance, including the introduction, disclosure of deferred fair value and transaction price differences, and credit risk disclosure.

(4) Amendments to IFRS 9

This amendment adds cross-references to address questions about the derecognition of lease liabilities by lessees, and clarifies the transaction price.

(5) Amendments to IFRS 10

This amendment eliminates the inconsistency between paragraphs B74 and B73 in the standard.

(6) Amendments to IAS 7

This amendment deletes the cost method mentioned in paragraph 37 of the standard.

7. Contracts Dependent on Natural Power (Amendments to IFRS 9 and IFRS 7)

These amendments include:

- (1) Clarify the application of "own use" requirements.
- (2) Allow the application of hedge accounting when contracts are used as hedging instruments.
- (3) Increase disclosure requirements in the notes to help investors understand the impact of such contracts on the company's financial performance and cash flows.

The above standards or interpretations issued by the International Accounting Standards Board but not yet endorsed by the Financial Supervisory Commission (FSC) will be

implemented at a date to be determined by the FSC. Apart from currently evaluating the potential impact of the newly announced or amended standard or interpretation in item (3), for which the Corporation is temporarily unable to reasonably estimate the impact, the remaining newly announced or amended standards or interpretations have no significant impact on the Corporation.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The Corporation's parent company-only financial statements for 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

The Corporation prepares its parent company-only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. According to Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the profit or loss and other comprehensive income in the parent company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to the owners of the parent company in the consolidated financial statements, and the equity in the parent company-only financial statements shall be the same as the equity attributable to the owners of the parent company in the consolidated financial statements. Therefore, investments in subsidiaries are presented as "Investments Accounted for Using Equity Method" in the parent company-only financial statements with necessary valuation adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments and investment properties that are measured at fair value. Unless otherwise noted, the parent company only financial statements are presented in thousands of New Taiwan dollars.

(3) Foreign Currency Transactions

The parent company only financial statements of the Corporation are presented in New Taiwan Dollar, which is the Corporation's functional currency.

Foreign currency transactions of entities within the Company are recorded in their functional currencies at the exchange rates prevailing on the transaction dates. At the end of each reporting period, foreign currency monetary items are translated using the closing exchange rate on that date; Foreign currency non-monetary items measured at fair value are translated using the exchange rate on the date when the fair value is determined; Foreign

currency non-monetary items measured at historical cost are translated using the exchange rate on the original transaction date.

Except for those described below, exchange differences arising from the settlement or translation of monetary items are recognized in profit or loss in the period in which they arise:

1. Exchange differences arising from foreign currency borrowings obtained to acquire qualifying assets are capitalized as part of the cost of those assets when such exchange differences are regarded as an adjustment to interest costs.
2. Foreign currency items subject to IFRS 9 "Financial Instruments" are treated according to the accounting policies for financial instruments.
3. Exchange differences arising from monetary items that form part of the reporting entity's net investment in a foreign operation are initially recognized in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When gains or losses on non-monetary items are recognized in other comprehensive income, any exchange component of those gains or losses is recognized in other comprehensive income. When gains or losses on non-monetary items are recognized in profit or loss, any exchange component of those gains or losses is recognized in profit or loss.

(4) Translation of Foreign Currency Financial Statements

Each foreign operation of the Corporation determines its own functional currency and measures its financial statements in that functional currency. When preparing parent company only financial statements, the assets and liabilities of foreign operations are translated into New Taiwan Dollars using the closing exchange rate at the balance sheet date, while income and expense items are translated at the average exchange rates for the period. Exchange differences arising from translation are recognized in other comprehensive income. Upon disposal of the foreign operation, the cumulative exchange differences previously recognized in other comprehensive income and accumulated in the separate component of equity will be reclassified from equity to profit or loss when the disposal gain or loss is recognized. Partial disposals resulting in loss of control over a subsidiary that includes a foreign operation, and partial disposals of interests in associates or joint arrangements that include a foreign operation where the retained interest becomes a financial asset that includes a foreign operation, are also accounted for as disposals.

In partial disposals of a subsidiary that includes a foreign operation without losing control, the cumulative exchange differences recognized in other comprehensive income are re-attributed proportionately to the non-controlling interest in that foreign operation rather

than being recognized in profit or loss; in partial disposals of associates or joint arrangements that include a foreign operation without losing significant influence or joint control, the cumulative exchange differences are reclassified to profit or loss proportionately.

Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising from the acquisition of foreign operations by the Corporation are treated as assets and liabilities of those foreign operations and reported in their functional currency.

(5) Classification Criteria for Current and Non-current Assets and Liabilities

An asset is classified as current when one of the following criteria is met; otherwise, it is classified as non-current:

1. Expected to be realized or intended to be sold or consumed within the normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be realized within twelve months after the reporting period.
4. Cash or cash equivalent, unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

Classified as a current liability when one of the following criteria is met; otherwise, it is classified as a non-current liability:

1. Expected to be settled within the normal operating cycle.
2. Held primarily for the purpose of trading.
3. Expected to be settled within twelve months after the reporting period.
4. Does not have the right to defer settlement of the liability for at least twelve months after the reporting period.

(6) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are measured initially at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities.

1. Recognition and measurement of financial assets

The Corporation accounts for all regular way purchases or sales of financial assets on a trade date basis.

The Corporation classifies financial assets as subsequently measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss on the basis of both:

- (1) The business model for managing the financial assets
- (2) The contractual cash flow characteristics of the financial asset

Financial assets measured at amortized cost

Financial assets that meet both of the following conditions are measured at amortized cost and presented as notes receivable, accounts receivable, financial assets measured at amortized cost, and other receivables on the balance sheet:

- (1) The business model for managing the financial assets Holding financial assets to collect contractual cash flows
- (2) The contractual cash flow characteristics of the financial asset: cash flows that are solely payments of principal and interest on the principal amount outstanding

These financial assets (excluding those involved in hedging relationships) are subsequently measured at amortized cost [the amount measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization (using the effective interest method) of any difference between that initial amount and the maturity amount, and adjusted for any loss allowance]. When derecognized, through the amortization process, or when recognizing impairment gains or losses, their gains or losses are recognized in profit or loss.

Interest calculated using the effective interest method (by multiplying the effective interest rate by the gross carrying amount of the financial asset) or in the following circumstances is recognized in profit or loss:

- (1) For purchased or originated credit-impaired financial assets, by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset

- (2) Not belonging to the former, but subsequently becoming credit-impaired, by multiplying the effective interest rate by the amortized cost of the financial asset

Financial Assets at Fair Value through Other Comprehensive Income

Financial assets that simultaneously meet the following two conditions are measured at fair value through other comprehensive income and reported as financial assets at fair value through other comprehensive income on the balance sheet:

- (1) Business model for managing financial assets: collecting contractual cash flows and selling financial assets
- (2) The contractual cash flow characteristics of the financial asset: cash flows that are solely payments of principal and interest on the principal amount outstanding

The recognition of related gains and losses for this type of financial assets is described as follows:

- (1) Before derecognition or reclassification, gains or losses are recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses which are recognized in profit or loss
- (2) Upon derecognition, the cumulative gains or losses previously recognized in other comprehensive income are reclassified from equity to profit or loss as a reclassification adjustment
- (3) Interest calculated using the effective interest method (by multiplying the effective interest rate by the gross carrying amount of the financial asset) or in the following circumstances is recognized in profit or loss:
 - A. For purchased or originated credit-impaired financial assets, by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset
 - B. For financial assets that are not purchased or originated credit-impaired but subsequently become credit-impaired, calculated by multiplying the effective interest rate by the amortized cost of the financial asset

Furthermore, for equity instruments within the scope of IFRS 9 that are neither held for trading nor contingent consideration recognized by an acquirer in a business combination under IFRS 3, the Company may make an irrevocable election at initial recognition to present subsequent changes in fair value in other comprehensive income. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposing of such equity instruments, the accumulated amounts included in other equity items are transferred directly to retained

earnings), and these financial assets are presented as financial assets at fair value through other comprehensive income in the balance sheet. Dividends from investments are recognized in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment.

Financial assets at fair value through profit or loss

Except for those financial assets that meet specific conditions to be measured at amortized cost or at fair value through other comprehensive income as mentioned above, all other financial assets are measured at fair value through profit or loss, and are presented as financial assets at fair value through profit or loss in the balance sheet.

These financial assets are measured at fair value, and gains or losses arising from their remeasurement are recognized in profit or loss. The gains or losses recognized in profit or loss include any dividends or interest received from these financial assets.

2. Impairment of financial assets

The Corporation recognizes and measures an allowance for expected credit losses on debt instrument investments at fair value through other comprehensive income. For debt instrument investments at fair value through other comprehensive income, the allowance for losses is recognized in other comprehensive income and does not reduce the carrying amount of the investment.

The Corporation measures expected credit losses in a way that reflects the following:

- (1) An unbiased and probability-weighted amount determined by evaluating a range of possible outcomes
- (2) Time value of money
- (3) Reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions (available at the balance sheet date without undue cost or effort)

The method of measuring the allowance for losses is explained as follows:

- (1) Measured at the amount of the 12-month expected credit losses: Includes financial assets whose credit risk has not significantly increased since initial recognition, or those determined to have low credit risk at the balance sheet date. In addition, this also includes those for which allowance for losses was measured at the amount of lifetime expected credit losses in the previous reporting period, but no longer meet the condition of a significant increase in credit risk since initial recognition at the current balance sheet date.

- (2) Measured at the amount of lifetime expected credit losses: Includes financial assets whose credit risk has significantly increased since initial recognition, or those that are purchased or originated credit-impaired financial assets.
- (3) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Corporation measures the allowance for losses at the amount of lifetime expected credit losses.
- (4) For lease receivables arising from transactions within the scope of IFRS 16, the Corporation measures the allowance for losses at the amount of lifetime expected credit losses.

The Corporation assesses whether the credit risk of financial instruments has significantly increased since initial recognition at each balance sheet date by comparing the change in default risk of financial instruments between the balance sheet date and the date of initial recognition. For other information related to credit risk, please refer to Note 12.

3. Derecognition of Financial Assets

The Corporation derecognizes financial assets when one of the following conditions is met:

- (1) The contractual rights to the cash flows from the financial asset expire.
- (2) The financial asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred to another party.
- (3) Neither transferred nor retained substantially all the risks and rewards of ownership of the asset, but has transferred control of the asset.

When a financial asset is derecognized in its entirety, the difference between its carrying amount and the sum of the consideration received or receivable plus any cumulative gain or loss recognized in other comprehensive income is recognized in profit or loss.

4. Financial Liabilities and Equity Instruments

Classification of Liabilities or Equity

The Corporation classifies the debt and equity instruments it issues as financial liabilities or equity according to the substance of the contractual arrangements and the definitions of financial liabilities and equity instruments.

Equity Instruments

Equity instruments are any contracts that evidence a residual interest in the assets of the Corporation after deducting all of its liabilities. Equity instruments issued by the Corporation are recognized at the proceeds received, net of direct issue costs.

Financial Liabilities

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

Financial Liabilities at Fair Value Through Profit or Loss

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

Financial liabilities are classified as held for trading if one of the following conditions is met:

- (1) The primary purpose of acquisition is for sale in the short term;
- (2) Upon initial recognition, it is part of an identifiable portfolio of financial instruments that is managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or C.
- (3) It is a derivative (except for derivatives that are financial guarantee contracts or designated and effective hedging instruments).

For contracts containing one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; when one of the following factors is met and can provide more relevant information, it may be designated as at fair value through profit or loss upon initial recognition:

- (1) Such designation can eliminate or significantly reduce a measurement or recognition inconsistency; or
- (2) A group of financial liabilities or a group of financial assets and financial liabilities, according to a documented risk management or investment strategy, is managed and evaluated for performance on a fair value basis, and information about the investment portfolio provided internally to management is also on a fair value basis.

Gains or losses arising from the remeasurement of such financial liabilities are recognized in profit or loss, and such gains or losses recognized in profit or loss include any interest paid on the financial liabilities.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include payables and borrowings, which are subsequently measured using the effective interest method after initial recognition. When a financial liability is derecognized and amortized through the effective interest method, the related gains and losses and amortization are recognized in profit or loss.

The calculation of amortized cost takes into account any discount or premium on acquisition and transaction costs.

Derecognition of financial liabilities

When the obligation of a financial liability is discharged, cancelled or expired, the financial liability is derecognized.

When the Corporation exchanges debt instruments with substantially different terms with creditors, or makes substantial modifications to all or part of the terms of an existing financial liability (whether due to financial difficulty or not), it treats such exchanges or modifications as the derecognition of the original liability and the recognition of a new liability. When a financial liability is derecognized, the difference between its carrying amount and the total consideration paid or payable (including non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and presented as a net amount in the balance sheet only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place in one of the following markets:

1. The principal market for the asset or liability, or
2. In the absence of a principal market, the most advantageous market for the asset or

liability

The principal or most advantageous market must be accessible to the Company for transaction.

The fair value measurement of an asset or liability uses the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

(9) Inventories

Inventories are valued at the lower of cost and net realizable value on an item-by-item comparison basis. Cost includes acquisition costs and other costs incurred in bringing them to their existing location and condition in a usable state, and is calculated using the weighted average method.

Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs necessary to make the inventory ready for sale and the estimated costs necessary to complete the sale.

(10) Investments Accounted for Using Equity Method

The Corporation's investments in subsidiaries are accounted for using the "investments accounted for using equity method" in accordance with Article 21 of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, with necessary valuation adjustments to ensure that the profit or loss and other comprehensive income in the parent company only financial statements are the same as the share of profit or loss and other comprehensive income attributable to owners of the parent in the consolidated financial statements, and that the owners' equity in the parent company only financial statements is the same as the equity attributable to owners of the parent in the consolidated financial statements. These adjustments mainly consider the treatment of investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 "Consolidated Financial Statements" and the differences in the application of IFRS at different reporting entity levels, and are recorded by debiting or crediting accounts such as "investments accounted for using equity method," "share of profit or loss of subsidiaries,

associates and joint ventures accounted for using equity method," or "share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method.

The Corporation's investments in related enterprises, except for those classified as assets held for sale, are accounted for using the equity method. Related enterprises refer to those over which the Corporation has significant influence.

Under the equity method, investments in related enterprises are recorded on the balance sheet at cost plus the amount recognized by the Corporation according to its shareholding ratio for the changes in net assets of the related enterprise after acquisition. After the carrying amount of investment in related enterprises and other relevant long-term interests have been reduced to zero under the equity method, additional losses and liabilities are recognized to the extent that legal obligations, constructive obligations have been incurred or payments have been made on behalf of the related enterprise. Unrealized gains and losses arising from transactions between the Corporation and related enterprises or are eliminated to the extent of the Corporation's interest in the related enterprise or joint venture.

When changes in the equity of a related enterprise or occur not due to profit or loss and other comprehensive income items, and do not affect the Corporation's shareholding ratio, the Corporation recognizes such ownership interest changes according to its shareholding ratio. The capital surplus recognized as a result will be reclassified to profit or loss in proportion to the disposal when the related enterprise is subsequently disposed of.

When a related enterprise issues new shares, and the Corporation does not subscribe to them according to its shareholding ratio, resulting in a change in investment ratio which causes an increase or decrease in the Corporation's share of net assets in that related enterprise or joint venture, the increase or decrease is adjusted through "Capital Surplus" and "Investments Accounted for Using Equity Method. When the investment ratio changes to a decrease, the relevant items previously recognized in other comprehensive income will be reclassified to profit or loss or other appropriate categories according to the decreased proportion. The capital surplus recognized as aforementioned will be reclassified to profit or loss in proportion to the disposal when the related enterprise is subsequently disposed of.

The financial statements of related enterprises are prepared for the same reporting period as the Corporation, and are adjusted to make their accounting policies consistent with the Corporation's accounting policies.

Output: At the end of each reporting period, the Corporation determines whether there is objective evidence that an investment in an associate is impaired in accordance with IAS 28 "Investments in Associates and Joint Ventures." If there is objective evidence of impairment, the Corporation calculates the impairment amount as the difference between the recoverable amount and the carrying amount of the associate in accordance with IAS

36 "Impairment of Assets," and recognizes this amount in the profit or loss related to the associate. If the aforementioned recoverable amount is based on the value in use of the investment, the Corporation determines the relevant value in use based on the following estimates:

1. The Corporation's share of the present value of the estimated future cash flows generated by the related enterprise, including cash flows from the operations of the related enterprise or joint venture and the proceeds from the final disposal of the investment; or
2. The present value of the estimated future cash flows expected to be received by the Corporation from dividends from the investment and from its ultimate disposal.

Since the goodwill component that constitutes the carrying amount of the investment in related enterprises is not separately recognized, it is not subject to the goodwill impairment testing requirements of International Accounting Standard 36 "Impairment of Assets".

When significant influence over a related enterprise is lost, the Corporation measures and recognizes the retained investment portion at fair value. When significant influence is lost, the difference between the carrying amount of the investment in the related enterprise and the fair value of the retained investment plus the proceeds from disposal is recognized in profit or loss. In addition, when an investment in a related enterprise becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in a related enterprise, the Corporation continues to apply the equity method without remeasuring the retained interest.

(11) Property, Plant, and Equipment

Property, plant and equipment are recognized at acquisition cost, and are presented after deducting accumulated depreciation and accumulated impairment. The aforementioned cost includes the costs of dismantling, removing, and restoring the site of property, plant and equipment and the necessary interest expenses incurred due to unfinished construction. If the components of property, plant and equipment are significant, depreciation is provided separately. When significant components of property, plant and equipment need to be regularly replaced, the Corporation treats these components as individual assets and recognizes them separately with specific useful lives and depreciation methods. The carrying amount of such replaced parts is derecognized in accordance with the derecognition provisions of International Accounting Standard No. 16 "Property, Plant and Equipment". If major inspection costs meet the recognition criteria, they are recognized as replacement costs and as part of the carrying amount of the plant and equipment. Other repair and maintenance expenses are recognized in profit or loss.

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

Buildings and structures:	2 to 50 years
Business equipment:	1 to 20 years
Amusement equipment:	2 to 20 years
Other equipment:	1 to 50 years

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

The residual values, useful lives, and depreciation methods of property, plant, and equipment are evaluated at the end of each financial year. If the expected values differ from previous estimates, the change is treated as a change in accounting estimate.

(12) Investment Property

Investment property is measured at original cost, which includes the transaction costs of acquiring the asset. The carrying amount of investment property includes costs incurred for repairs or additions to existing investment property when the conditions for cost recognition are met, but routine daily maintenance expenses are not considered part of the cost. Investment property is subsequently measured using the fair value model. Gains or losses arising from changes in fair value are recognized in profit or loss in the period in which they occur, and are treated in accordance with the requirements of IAS 40 "Investment Property" for this model; except for those that meet the conditions for classification as held for sale (or included in a disposal group classified as held for sale) in accordance with IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", and those that meet the situations described in paragraph 53 of IAS 40 "Investment Property".

Investment property is derecognized and gain or loss is recognized when it is disposed of, permanently withdrawn from use, or when no future economic benefits are expected from its disposal.

The Corporation determines transfers into or out of investment property based on the actual use of the asset.

When property meets or no longer meets the definition of investment property and there is evidence of a change in use, the Corporation transfers the property to or from investment property.

(13) Leases

The Corporation assesses whether a contract is (or contains) a lease at the inception date of the contract. If a contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, the contract is (or contains) a lease. To assess whether a contract conveys the right to control the use of an identified asset for a period of

time, the Corporation evaluates whether it has both of the following throughout the period of use:

1. the right to obtain substantially all of the economic benefits from use of the identified asset; and
2. The right to direct the use of the identified asset.

For contracts that are (or contain) a lease, the Corporation accounts for each lease component within the contract as a separate lease and separates it from non-lease components. For contracts that contain one lease component and one or more additional lease or non-lease components, the Corporation allocates the consideration in the contract to the lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone prices of lease and non-lease components are determined on the basis of the prices the lessor (or similar supplier) would charge separately for those components (or similar components). If the stand-alone price is not readily observable, the Corporation maximizes the use of observable information to estimate the stand-alone price.

The Comapny as a Lessee

Except for short-term leases or leases of low-value underlying assets that meet the criteria and for which the Corporation elects to apply the recognition exemption, the Corporation recognizes right-of-use assets and lease liabilities for all leases when the Corporation is the lessee of a lease contract.

The Corporation measures the lease liability at the commencement date at the present value of the lease payments that are not paid at that date. If the interest rate implicit in the lease is readily determinable, the lease payments are discounted using that rate. If that rate is not readily determinable, the lessee's incremental borrowing rate is used. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

1. Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
2. Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
3. Amounts expected to be payable by the lessee under residual value guarantees;
4. The exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and (5)

5. Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Corporation measures the lease liability on an amortized cost basis, increasing the carrying amount to reflect interest on the lease liability using the effective interest method and reducing the carrying amount to reflect the lease payments made.

At the commencement date, the Corporation measures the right-of-use asset at cost, where the cost comprises:

1. The initial measurement amount of the lease liability;
2. Any lease payments made at or before the commencement date, less any lease incentives received;
3. Any initial direct costs incurred by the lessee; and
4. An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and accumulated impairment losses, which means the cost model is applied to measure the right-of-use asset.

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

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

Except for leases that qualify as and are elected to be short-term leases or leases of low-value underlying assets, the Corporation presents right-of-use assets and lease liabilities on the balance sheet, and separately presents lease-related depreciation expenses and interest expenses in the consolidated statement of comprehensive income.

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

The Company as a Lessor

The Corporation classifies each of its leases as either an operating lease or a finance lease at the inception date of the contract. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset; if not, it is classified as an operating lease. At the commencement date, the Corporation recognizes assets held under a finance lease in the balance sheet and presents them as finance lease receivables at the amount of the net investment in the lease.

For contracts containing lease components and non-lease components, the Corporation allocates the consideration in the contract applying the requirements of IFRS 15.

The Corporation recognizes lease payments from operating leases as rental income on a straight-line basis or another systematic basis. For variable lease payments for operating leases that do not depend on an index or a rate, they are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. After initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses. Internally generated intangible assets that do not meet the recognition criteria are not capitalized and are recognized in profit or loss when incurred.

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

Intangible assets with finite useful lives are amortized over their useful lives and tested for impairment when there are indications of impairment. The amortization period and amortization method for intangible assets with finite useful lives are reviewed at least at the end of each financial year. If the estimated useful life of an asset differs from previous estimates or the expected pattern of consumption of future economic benefits has changed, the amortization method or amortization period will be adjusted and treated as a change in accounting estimate.

Intangible assets with indefinite useful lives are not amortized but are tested for impairment annually at the individual asset or cash-generating unit level. Intangible assets with indefinite useful lives are assessed each period to determine whether events and circumstances continue to support the indefinite useful life of the asset. If the useful life changes from indefinite to finite, it is applied prospectively.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

The accounting policies for intangible assets of the Corporation are summarized as follows:

	Computer software	Trademarks
Useful life	3 to 5 years	3 to 5 years
Amortization method used	Amortized on a straight-line basis over the estimated useful life	Amortized on a straight-line basis over the estimated useful life
Internally generated or externally acquired	Externally acquired	Externally acquired

(15) Impairment of non-financial assets

The Corporation assesses at the end of each reporting period whether there is any indication of impairment for all assets to which IAS 36 "Impairment of Assets" applies. If there is any indication of impairment or if an annual impairment test is required for a particular asset, the Corporation tests the individual asset or the cash-generating unit to which the asset belongs. If the result of the impairment test shows that the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognized. The recoverable amount is the higher of fair value less costs to sell or value in use.

At the end of each reporting period, the Corporation assesses whether there is any indication that previously recognized impairment losses for assets other than goodwill may no longer exist or may have decreased. If such indications exist, the Corporation estimates the recoverable amount of the asset or cash-generating unit. When the recoverable amount increases due to changes in the estimated service potential of an asset, the impairment is reversed. However, the reversed carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss been recognized for the asset.

Cash-generating units or groups to which goodwill belongs are regularly tested for impairment annually, regardless of whether there are indications of impairment. When the results of impairment testing indicate that an impairment loss needs to be recognized, goodwill is reduced first, and if the reduction is insufficient, the remaining amount is allocated to other assets excluding goodwill in proportion to their carrying amounts. Impairment of goodwill, once recognized, cannot be reversed for any reason thereafter.

Impairment losses and reversals for continuing operations are recognized in profit or loss.

(16) Provisions

The recognition criteria for provisions are present obligations (legal or constructive) arising from past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. When the Corporation expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. If the time value of money is material, provisions are

discounted using a current pre-tax rate that reflects the specific risks of the liability. When a liability is discounted, the increase in the amount of the liability due to the passage of time is recognized as borrowing costs.

If the obligating event occurs over a period of time, the levy payment liability is recognized gradually.

(17) Revenue Recognition

The Corporation's revenue from contracts with customers is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services. The Corporation recognizes revenue when it satisfies a performance obligation by transferring control of goods or services to a customer. The accounting treatment is explained separately as follows:

Sale of Goods

The Corporation recognizes revenue when control over the product is transferred, which means the product has been delivered to the customer. Delivery occurs when the product is shipped to a specific location. The Corporation recognizes accounts receivable upon delivery of goods, as the Corporation has an unconditional right to receive consideration at that point.

Room, Food & Beverage, and Amusement Park Services

The Corporation provides room, food & beverage, and amusement park services, and recognizes the related revenue in the financial reporting period when the services are provided.

Financial Components

The Corporation expects that the time between the transfer of goods or services to customers under all customer contracts and the time when customers pay for these goods or services will not exceed one year. Therefore, the Corporation does not adjust the transaction price for the time value of money.

(18) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are capitalized as part of the cost of those assets. All other borrowing costs are recognized as expenses in the period in which they are incurred. Borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

(19) Government Grants

The Corporation recognizes government grant income only when it can reasonably assure that it will meet the conditions attached to the government grants and that the economic benefits of the grants will flow to the Corporation. When grants are related to assets, the government grants are recognized as deferred income and recognized as revenue over the expected useful life of the related assets. When grants are related to expense items, the government grants are recognized as revenue over the periods necessary to match them with the related costs on a reasonable and systematic basis.

When the Corporation receives non-monetary government grants, the assets and grants received are recognized at nominal amounts, and revenue is recognized in equal amounts over the expected useful life of the related assets in the statement of comprehensive income, based on the pattern of consumption of the benefits of the underlying assets. Loans or similar assistance obtained from the government or related institutions at below-market interest rates are treated as additional government grants.

(20) Post-employment Benefit Plans

The retirement regulations of the Corporation apply to all formally employed employees. All employee retirement funds are entirely deposited with the Labor Pension Fund Supervisory Committee and stored in a designated pension fund account. Since the aforementioned pension funds are deposited under the name of the Labor Pension Fund Supervisory Committee and are completely separate from the Corporation and its domestic subsidiaries, they are not included in the above consolidated financial statements.

For post-employment benefit plans classified as defined contribution plans, the monthly pension contribution rate paid by the Corporation shall not be less than six percent of the employees' monthly salaries, and the contributed amount is recognized as an expense in the current period.

For post-employment benefit plans classified as defined benefit plans, provisions are made based on actuarial reports using the projected unit credit method at the end of the reporting period. Remeasurements of the net defined benefit liability (asset) include any changes in the return on plan assets and the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset), as well as actuarial gains and losses. Remeasurements of the net defined benefit liability (asset) are recognized in other comprehensive income when incurred and immediately recognized in retained earnings. Past service cost is the change in the present value of the defined benefit obligation resulting from a plan amendment or curtailment, and is recognized as an expense at the earlier of the following dates:

1. When the plan amendment or curtailment occurs; and

2. When the Corporation recognizes related restructuring costs or termination benefits.

Net interest on the net defined benefit liability (asset) is determined by multiplying the net defined benefit liability (asset) by the discount rate, both as determined at the beginning of the annual reporting period, then considering any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments.

(21) Income Tax

Income tax expense (benefit) refers to the aggregate amount related to current income tax and deferred income tax that is included in the determination of profit or loss for the period.

Current Income Tax

Current income tax liabilities (assets) related to the current and prior periods are measured at the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax related to items recognized in other comprehensive income or directly in equity is recognized respectively in other comprehensive income or equity, not in profit or loss.

The additional income tax on undistributed earnings is recognized as income tax expense on the date when the shareholders resolve to distribute the earnings.

Deferred Income Tax

Deferred income tax is calculated on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet as of the end of the reporting period.

Except for the following two cases, all taxable temporary differences are recognized as deferred income tax liabilities:

1. The initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, neither affects accounting profit nor taxable income (loss), and does not generate equal taxable and deductible temporary differences at the time of the transaction.
2. Taxable temporary differences arising from investments in subsidiaries, associates, and interests in joint arrangements, where the timing of reversal can be controlled and is unlikely to be reversed in the foreseeable future.

Except for the following two cases, deferred income tax assets arising from deductible temporary differences, unused tax losses, and unused tax credits are recognized to the extent that it is probable that future taxable income will be available:

1. Deductible temporary differences arising from the initial recognition of assets or liabilities in transactions that are not business combinations, which, at the time of the transaction, neither affect accounting profit nor taxable income (loss), and do not generate equal taxable and deductible temporary differences at the time of the transaction.
2. Deductible temporary differences arising from investments in subsidiaries, associates, and interests in joint arrangements are recognized only to the extent that they are likely to be reversed in the foreseeable future and, at the time of reversal, there is sufficient taxable income to utilize those temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred income tax assets and liabilities reflects the tax consequences that would follow from the manner in which the entity expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred income tax related to items that are not recognized in profit or loss is not recognized in profit or loss either, but is recognized in other comprehensive income or directly in equity according to the related transaction. Deferred income tax assets are reviewed and recognized at the end of each reporting period.

Deferred income tax assets and liabilities can be offset only when there is a legally enforceable right to offset current income tax assets against current income tax liabilities, and when the deferred income tax relates to the same taxable entity and is levied by the same taxation authority.

Under the temporary exception provisions of "International Tax Reform - Pillar Two Model Rules (Amendment to IAS 12)," deferred income tax assets and liabilities related to Pillar Two income taxes shall not be recognized, and related information shall not be disclosed.

5. Critical Accounting Judgments, Estimates and Key Sources of Assumption Uncertainty

When preparing the parent company only financial statements, the Corporation's management is required to make judgments, estimates, and assumptions at the end of the reporting period, which will affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. However, the uncertainties in these significant assumptions and estimates may result in adjustments to the carrying amounts of assets or liabilities that require material adjustments in future periods.

Estimates and Assumptions

Information at the end of the reporting period about the main sources of uncertainty in estimates and assumptions about the future has a significant risk of causing material adjustments to the carrying amounts of assets and liabilities in the next financial year. These are explained as follows:

(1) Impairment Assessment of Property, Plant and Equipment and Right-of-use Assets

In the process of asset impairment assessment, the Corporation must rely on subjective judgments and, based on asset usage patterns and industry characteristics, determine the independent cash flows of specific asset groups, asset useful lives, and potential future revenues and expenses. Any changes in estimates resulting from economic condition changes or company strategy may cause significant impairment or reversal of previously recognized impairment losses in the future.

(2) Fair Value of Investment Property

The fair value of investment property is determined using valuation models. Changes in the assumptions and judgments used in these valuation models will affect the fair value of investment property.

6. Description of Significant Accounting Items

(1) Cash and Cash Equivalents

	<u>2024.12.31</u>	<u>2023.12.31</u>
Cash on hand	\$5,447	\$8,474
Petty cash	2,987	3,339
Bank deposits	187,589	230,339
Total	<u>\$196,023</u>	<u>\$242,152</u>

As of December 31, 2024 and 2023, the Corporation had NT\$15,619 thousand and NT\$18,664 thousand, respectively, which were restricted in use as trust funds for gift certificates issuance. These amounts have been reclassified as other non-current assets according to their nature. Please refer to Note 8.

As of December 31, 2024 and 2023, among the Corporation's bank deposits, NT\$29,631 thousand and NT\$29,598 thousand, respectively, were restricted in use as performance bonds. These amounts have been reclassified as other current assets and other non-current assets according to their nature. Please refer to Note 8.

(2) Financial Assets at Fair Value through Other Comprehensive Income

	<u>2024.12.31</u>	<u>2023.12.31</u>
Equity instrument investments at fair value through other comprehensive income - non-current:		
Unlisted company stocks	\$48,467	\$65,116
Valuation adjustment	(48,467)	11,943
Total	<u>\$-</u>	<u>\$77,059</u>

The Corporation's financial assets at fair value through other comprehensive income have not been provided as collateral.

(3) Notes receivable

	2024.12.31	2023.12.31
Notes receivable - arising from operations	\$1,938	\$2,776
Less: Allowance for losses	-	-
Total	<u>\$1,938</u>	<u>\$2,776</u>

The Corporation's notes receivable have not been provided as collateral.

Due to the major debtor of the Corporation's notes receivable from the sale of Kenting Leofoo Resort experiencing a bounced check on January 30, 2018, the Corporation recognized an allowance for losses of NT\$269,928 thousand for the related notes receivable. To protect the Corporation's creditor rights, as of December 31, 2024, lawyers have been appointed to initiate legal proceedings against the debtors, demanding debt repayment, and the notes receivable amount of NT\$269,928 thousand has been reclassified to "Overdue receivables" under non-current assets. As of December 31, 2024, the legal case regarding the notes receivable has received a ruling from the Taipei District Court that the debtors shall jointly repay the debt to the Corporation. The Corporation has applied to the Taipei District Court for compulsory execution of the promissory notes and has received a repayment of NT\$365 thousand.

The Corporation adopts the impairment assessment requirements of IFRS 9. For accumulated impairment-related information, please refer to Note 6.16, and for credit risk-related information, please refer to Note 12.

(4) Accounts receivable

	2024.12.31	2023.12.31
Accounts receivable	\$56,144	\$31,631
Less: Allowance for losses	(185)	(185)
Total	<u>\$55,959</u>	<u>\$31,446</u>

The Corporation's accounts receivable have not been provided as collateral.

The Corporation's sales collections are primarily in cash, bank transfers, and credit cards. The Corporation's sales targets are primarily direct-to-consumer end customers (i.e., general consumers), who make payments directly by credit card or T/T wire transfer after placing orders. The credit period granted to general corporate customers is typically 30 to 60 days. As of December 31, 2024 and 2023, the total carrying amounts were NT\$56,144 thousand and NT\$31,631 thousand, respectively. For information related to allowance for

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

losses from January 1 to December 31, 2024 and 2023, please refer to Note 6.16, and for credit risk-related information, please refer to Note 12.

(5) Inventories

	2024.12.31	2023.12.31
Feed	\$649	\$596
Food products	13,716	10,681
Beverages	1,931	2,044
Merchandise	23,801	28,926
Others	821	810
Total	<u>\$40,918</u>	<u>\$43,057</u>

1. The Corporation's inventory costs recognized as expenses for 2024 and 2023 are as follows:

	2024	2023
Inventory costs	<u>\$1,527,446</u>	<u>\$1,423,059</u>

2. For the years 2024 and 2023, the Corporation recognized additional operating costs of NT\$625 thousand and NT\$655 thousand, respectively, due to inventory write-downs to net realizable value and recognition of inventory obsolescence losses.
3. As of December 31, 2024 and 2023, none of the Corporation's inventories were pledged as collateral.

(6) Investments Accounted for Using Equity Method

The details of the Corporation's investments accounted for using the equity method are as follows:

	2024.12.31		2023.12.31	
Investee Company Name	Amount	Shareholdings	Amount	Shareholdings
Investment in subsidiaries:				
Leofoo Agronomy Co., Ltd.	\$9,778	100%	\$14,454	100%
Leofoo Development & Construction Co., Ltd.	36,949	100%	36,526	100%
Leofoo Investment Ltd. (Samoa)	34,823	100%	31,237	100%
Elite Catering Company Limited	11,566	100%	11,548	100%
Subtotal	93,116		93,765	
Investment in associated companies:				
Ambassador Film Inc.	12,468	40%	14,145	40%
Subtotal	12,468		14,145	
Total	<u>\$105,584</u>		<u>\$107,910</u>	

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

- Investment in subsidiaries is presented as "investments accounted for using the equity method" in the parent company only financial statements, with necessary valuation adjustments.
- Investment in associated companies:

Information about associated companies that are not material to the Corporation is as follows:

The Corporation's investment in Kuo Yuan Films Enterprise Co., Ltd. is not material to the Corporation. The Corporation's aggregated carrying amounts of investment in Ambassador Film Inc. as of December 31, 2024 and 2023 were NT\$12,468 thousand and NT\$14,145 thousand, respectively. The summarized financial information of the investment based on the Group's share is presented below:

	2024	2023
Net income (loss) from continuing operations for the period	\$(1,677)	\$(1,373)
Other Comprehensive Income for the Period (net of tax)	-	-
Total Comprehensive Income for the Period	\$(1,677)	\$(1,373)

- The aforementioned investments accounted for using the equity method did not have any contingent liabilities or capital commitments as of December 31, 2024 and 2023, nor were they provided as guarantees.

(7) Property, Plant, and Equipment

- Property, plant and equipment for own use

	Land	Buildings and structures	Business equipment	Amusement equipment	Other equipment and construction in progress	Total
Cost:						
2024.01.01	\$2,763,667	\$3,779,998	\$625,424	\$2,192,950	\$1,375,099	\$10,737,138
Additions	-	25,028	20,554	16,822	43,578	105,982
Disposals	-	(45,126)	(1,792)	(3,213)	(4,271)	(54,402)
Reclassification	-	7,738	1,410	6,555	(15,703)	-
2024.12.31	<u>\$2,763,667</u>	<u>\$3,767,638</u>	<u>\$645,596</u>	<u>\$2,213,114</u>	<u>\$1,398,703</u>	<u>\$10,788,718</u>
2023.01.01	\$2,763,667	\$3,733,037	\$597,349	\$2,128,972	\$1,415,016	\$10,638,041
Additions	-	18,040	23,630	9,518	54,294	105,482
Disposals	-	-	(343)	(580)	(5,462)	(6,385)
Reclassification	-	28,921	4,788	55,040	(88,749)	-
2023.12.31	<u>\$2,763,667</u>	<u>\$3,779,998</u>	<u>\$625,424</u>	<u>\$2,192,950</u>	<u>\$1,375,099</u>	<u>\$10,737,138</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)

(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

	Land	Buildings and structures	Business equipment	Amusement equipment	Other equipment and construction in progress	Total
Depreciation and impairment:						
2024.01.01	\$-	\$2,224,944	\$487,179	\$2,099,675	\$865,195	\$5,676,993
Depreciation	-	98,526	42,905	24,770	54,360	220,561
Disposals	-	(45,070)	(1,678)	(3,213)	(3,777)	(53,738)
Reclassification	-	834	(140)	-	(694)	-
2024.12.31	<u>\$-</u>	<u>\$2,279,234</u>	<u>\$528,266</u>	<u>\$2,121,232</u>	<u>\$915,084</u>	<u>\$5,843,816</u>
2023.01.01	\$-	\$2,120,816	\$443,802	\$2,080,036	\$816,131	\$5,460,785
Depreciation	-	104,128	43,714	20,220	53,985	222,047
Disposals	-	-	(337)	(581)	(4,921)	(5,839)
Reclassification	-	-	-	-	-	-
2023.12.31	<u>\$-</u>	<u>\$2,224,944</u>	<u>\$487,179</u>	<u>\$2,099,675</u>	<u>\$865,195</u>	<u>\$5,676,993</u>
Net carrying amount:						
2024.12.31	<u>\$2,763,667</u>	<u>\$1,488,404</u>	<u>\$117,330</u>	<u>\$91,882</u>	<u>\$483,619</u>	<u>\$4,944,902</u>
2023.12.31	<u>\$2,763,667</u>	<u>\$1,555,054</u>	<u>\$138,245</u>	<u>\$93,275</u>	<u>\$509,904</u>	<u>\$5,060,145</u>

2. Property, plant and equipment pledged as collateral, please refer to Note 8.

3. The Corporation has multiple parcels of land in the Gongzigou section of Guanxi Township, Hsinchu County. Due to unresolved inheritance issues with the original landowners and problems with land use designation changes, as of December 31, 2024 and 2023, ownership transfer registration procedures could not be completed. The amount for both years is NT\$75,700 thousand. However, pledge rights have been properly established in favor of the Corporation, and these are listed under other non-current assets.

(8) Investment Property

The Corporation has signed commercial property lease contracts for its own investment properties, with lease periods ranging from 2 to 11 years. The lease contracts include terms for adjusting the rent based on annual market conditions.

1. Investment properties measured at fair value

	Land	Buildings and structures	Total
Cost:			
2024.01.01	\$5,583,237	\$68,161	\$5,651,398
Gains (losses) from fair value adjustments	29,742	2,779	32,521
2024.12.31	<u>\$5,612,979</u>	<u>\$70,940</u>	<u>\$5,683,919</u>

	Land	Buildings and structures	Total
2023.01.01	\$5,549,887	\$72,113	\$5,622,000
Gains (losses) from fair value adjustments	33,350	(3,952)	29,398
2023.12.31	<u>\$5,583,237</u>	<u>\$68,161</u>	<u>\$5,651,398</u>

- (1) The Corporation's investment properties are handled in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. As of December 31, 2024 and 2023, the fair values of investment properties recorded are as follows:

	2024.12.31	2023.12.31
External valuation	<u>\$5,683,919</u>	<u>\$5,651,398</u>

The fair values of the above investment properties were determined through valuations conducted by appraisers from the following professional appraisal firms. These appraisers performed fair value assessments in accordance with the "Regulations on Real Estate Appraisal." The appraisal dates were December 31, 2024 and December 31, 2023, respectively.

Name of appraisal firm	2024.12.31	2023.12.31
Euro-Asia Real Estate Appraisers Joint Firm	Hsieh Tsung-Ting, Lai Yi-Ting	Hsieh Tsung-Ting, Chou Shih-Yuan

The determination of the fair value of investment properties recorded by the Corporation is conducted by the aforementioned professional appraisal firms based on the current condition of the Corporation's assets and supported by market evidence. The valuation methods employed include the discounted cash flow analysis method under the income approach and the land development analysis method. Fair value assessment primarily uses the income approach, however, for undeveloped land that cannot be evaluated using the income approach, the land development analysis method is applied.

If the asset status primarily involves holding commercial office buildings for rental income, the valuation will reference the content of current lease agreements and obtain market rental rates of similar properties in neighboring areas, using the direct capitalization method or discounted cash flow method under the income approach for assessment. In addition, if the assets are expected to be held for future appreciation (for example, possibly through development), then the land development analysis method is used to assess their fair value. Furthermore, professional appraisal firms collect transaction cases similar to the nature of the valuation subject, and consider the subject's development timeline, liquidity, and future disposal risk premium to determine its income capitalization

rate and discount rate.

For the land owned by the Corporation at Lot numbers 286, 286-1, and 286-3 of Subsection 3, Changchun Section, Zhongshan District, Taipei City, since the new building on this land has not yet been completed, it is classified as undeveloped land, therefore its overall fair value is assessed using the land development analysis method. When the total estimated sales amount increases, the profit margin increases, or the comprehensive interest rate of capital decreases, the fair value will increase. The important assumptions are as follows:

	2024.12.31	2023.12.31
Estimated total sales amount	<u>\$10,793,242</u>	<u>\$10,742,733</u>
Profit margin	24%	25%
Comprehensive interest rate of capital	8.89%	8.56%

Except for the undeveloped land mentioned above, the fair value of the remaining investment properties is assessed using the income approach. When the estimated future net cash inflows increase or the discount rate decreases, the fair value will increase. The important assumptions are as follows:

The estimated future net cash inflow information is as follows:

	2024.12.31	2023.12.31
Estimated future cash inflows	<u>\$1,623,730</u>	<u>\$1,590,368</u>
Estimated future cash outflows	<u>(67,599)</u>	<u>(60,374)</u>
Estimated future net cash inflows	<u>\$1,556,131</u>	<u>\$1,529,994</u>

Market rental assessment based on similar comparison targets: (Unit: ping/month/TWD)

	2024.12.31	2023.12.31
Assessed market rental	<u>\$1,647~\$3,583</u>	<u>\$1,495~\$3,120</u>

The main parameters used:

	2024.12.31	2023.12.31
Capitalization rate	2.15%	2.07%
Discount rate for analysis period	2.85%~3.72%	2.72%~3.60%

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(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

	2024	2023
Rental income from investment property	\$16,196	\$20,495
Less: Direct operating expenses incurred for investment property that generates rental income during the period	-	-
Direct operating expenses incurred for investment property that does not generate rental income during the period	-	-
Total	<u>\$16,196</u>	<u>\$20,495</u>

(2) For details on the collateral status of the Group's investment property, please refer to Note 8.

2. Investment property measured at cost

	Construction engineering
Cost:	
2024.01.01	\$472,508
Increase during the period	288,245
Transfer from property, plant and equipment	-
2024.12.31	<u>\$760,753</u>
2023.01.01	\$165,622
Increase during the period	306,886
Transfer from property, plant and equipment	-
2023.12.31	<u>\$472,508</u>

The Corporation's investment property measured at cost is under construction and has not reached a usable state, therefore its fair value cannot be reliably determined. Investment property measured at cost will be subsequently measured at fair value when the fair value can be reliably determined or when construction is completed (whichever occurs first).

(9) Other non-current assets

	2024.12.31	2023.12.31
Guarantee deposits paid	\$90,269	\$97,256
Prepayments for equipment	36,249	31,874
Restricted bank deposits	29,626	29,598
Restricted land	75,700	75,700
Others	6,756	4,961
Total	<u>\$238,600</u>	<u>\$239,389</u>

For details on other non-current assets pledged as collateral, please refer to Note 8.

(10) Short-term borrowings

1. Details of short-term borrowings are as follows:

	2024.12.31	2023.12.31
Unsecured bank borrowings	\$-	\$-
Secured bank borrowings	-	53,500
Total	<u>\$-</u>	<u>\$53,500</u>
Interest rate range	<u>-</u>	<u>2.75%~2.97%</u>

2. For the Corporation's short-term borrowings, in 2024, new borrowings amounted to NT\$50,000 thousand and repayments amounted to NT\$103,500 thousand; in 2023, new borrowings amounted to NT\$334,000 thousand and repayments amounted to NT\$694,000 thousand.
3. As of December 31, 2024 and 2023, the Corporation's unused short-term borrowing facilities were NT\$50,000 thousand and NT\$50,000 thousand, respectively.
4. For information on assets pledged as collateral for borrowings, please refer to Note 8.

(11) Long-term borrowings

1. As of December 31, 113 and 112, the details of long-term borrowings are as follows:

	2024.12.31	2023.12.31
Unsecured bank borrowings	\$348,979	\$197,920
Secured bank borrowings	4,829,173	4,806,401
Total	5,178,152	5,004,321
Less: Current portion of long-term borrowings	(98,100)	(234,506)
Long-term borrowings due after one year	<u>\$5,080,052</u>	<u>\$4,769,815</u>
Interest rate range	<u>2.47%~3.20%</u>	<u>2.35%~3.07%</u>

For the Group's long-term borrowings, in 2024, new borrowings amounted to NT\$1,263,625 thousand with interest rates ranging from 2.47% to 3.20%, maturing in April, June, July, October of 2026, and April of 2029, and repayments amounted to NT\$1,089,794 thousand; in 2023, new borrowings amounted to NT\$2,191,100 thousand with interest rates ranging from 2.35% to 3.07%, maturing in December of 2025 and August of 2026, and repayments amounted to NT\$1,581,929 thousand.

2. For information on assets pledged as collateral for borrowings, please refer to Note 8.

(12) Other non-current liabilities

	2024.12.31	2023.12.31
Guarantee deposits received	\$4,904	\$5,764
Employee benefit liability provisions	6,606	6,029
Decommissioning liability provisions	11,078	11,078
Other non-current liabilities	67	67
Total	<u>\$22,655</u>	<u>\$22,938</u>

(13) Post-employment Benefit Plans

Defined contribution plans

The retirement plan established by the Corporation in accordance with the "Labor Pension Act" is a defined contribution plan. According to the provisions of the Act, the monthly labor pension contribution rate for the Corporation cannot be less than six percent of the employees' monthly salary. The Corporation has established an employee retirement plan in accordance with the Act, and make monthly contributions of six percent of employees' salaries to individual retirement accounts at the Bureau of Labor Insurance.

The Corporation recognized expenses for defined contribution plans amounting to NT\$28,307 thousand and NT\$26,796 thousand in 2024 and 2023, respectively.

Defined benefit plans

The employee retirement plan established by the Corporation and its domestic subsidiaries in accordance with the "Labor Standards Act" is a defined benefit plan. The payment of employee pensions is based on the number of years of service and the average monthly wage approved at the time of retirement. For service years within fifteen years (inclusive), two basis points are given for each completed year of service. For service years exceeding fifteen years, one basis point is given for each completed year of service, with a maximum accumulation limit of 45 basis points. The Corporation and its domestic subsidiaries make monthly contributions of 2% of the total salary to the retirement fund in accordance with the Labor Standards Act, which is deposited in a special account at the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Additionally, at the end of each fiscal year, the Corporation estimates the balance of the aforementioned Labor Retirement Reserve account. If the balance is insufficient to pay the retirement benefits calculated according to the aforementioned method for employees expected to meet retirement conditions in the following year, the Corporation will make a lump-sum contribution for the difference by the end of March of the following year.

Asset allocation is conducted by the Ministry of Labor in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The fund's investments are managed through self-operation and commissioned operation approaches, adopting both active and passive medium to long-term investment strategies. Considering market, credit, liquidity, and other risks, the Ministry of Labor establishes fund risk limits and control plans to achieve target returns with sufficient flexibility without taking excessive risks. The utilization of the fund and its minimum annual allocated returns shall not be lower than the returns calculated based on the local banks' two-year fixed deposit rate. If there is any shortfall, it will be supplemented by the national treasury after approval from the competent authority. As the Corporation does not have the right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standard No. 19. As of December 31, 2024, the Corporation expects to contribute NT\$9,040 thousand to its defined benefit plans in the following year.

As of December 31, 2024 and December 31, 2023, the Corporation's defined benefit plans are both expected to mature in 2031.

The following table summarizes the costs of defined benefit plans recognized in profit or loss:

	2024	2023
Current service cost	\$989	\$1,091
Net interest on the net defined benefit liability (asset)	348	586
Total	<u>\$1,337</u>	<u>\$1,677</u>

The reconciliation of the present value of defined benefit obligations and the fair value of plan assets is as follows:

	2024.12.31	2023.12.31	2023.01.01
Present value of defined benefit obligations	\$70,717	\$77,784	\$77,670
Fair value of plan assets	(45,469)	(41,125)	(28,078)
Carrying amount of other non-current liabilities (asset) - net defined benefit liability	<u>\$25,248</u>	<u>\$36,659</u>	<u>\$49,592</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

Reconciliation of net defined benefit liability (asset):

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (asset)
2023.01.01	\$77,670	\$(28,078)	\$49,592
Current service cost	1,091	-	1,091
Interest expense (income)	971	(385)	586
Past service cost and settlement gain or loss	-	-	-
Subtotal	2,062	(385)	1,677
Remeasurements of defined benefit liability/asset:			
Actuarial gain or loss arising from changes in demographic assumptions	-	-	-
Actuarial gain or loss arising from changes in financial assumptions	-	-	-
Experience adjustments	3,321	-	3,321
Remeasurements of defined benefit assets	-	(287)	(287)
Subtotal	3,321	(287)	3,034
Benefits paid	(5,269)	5,269	-
Employer contributions	-	(17,644)	(17,644)
Effect of exchange rate changes	-	-	-
2023.12.31	77,784	(41,125)	36,659
Current service cost	989	-	989
Interest expense (income)	972	(624)	348
Past service cost and settlement gain or loss	-	-	-
Subtotal	1,961	(624)	1,337
Remeasurements of defined benefit liability/asset:			
Actuarial gain or loss arising from changes in demographic assumptions	-	-	-
Actuarial gain or loss arising from changes in financial assumptions	(749)	-	(749)
Experience adjustments	36	-	36
Remeasurements of defined benefit assets	-	(2,996)	(2,996)
Subtotal	(713)	(2,996)	(3,709)
Benefits paid	(8,315)	8,315	-
Employer contributions	-	(9,039)	(9,039)
Effect of exchange rate changes	-	-	-
2024.12.31	\$70,717	\$(45,469)	\$25,248

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

The following key assumptions are used to determine the Corporation's defined benefit plans:

	2024	2023
Discount rate	1.40%	1.25%
Expected rate of salary increase	2.00%	2.00%

Sensitivity analysis for each significant actuarial assumption:

	2024		2023	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increased by 0.25%	\$-	\$(30)	\$-	\$(16)
Discount rate decreased by 0.25%	32	-	16	-
Expected salary increase of 1.00%	-	-	67	-
Expected salary decrease of 1.00%	-	-	-	(62)
Expected salary increase of 0.25%	29	-	-	-
Expected salary decrease of 0.25%	-	(28)	-	-

When conducting the aforementioned sensitivity analysis, it is assumed that under the condition that other assumptions remain unchanged, an analysis is performed on the possible impact on the defined benefit obligation when a single actuarial assumption (e.g., discount rate or expected salary) undergoes a reasonably possible change. Since some actuarial assumptions are interrelated, in practice it is rare that only a single actuarial assumption changes, so this analysis has its limitations.

The methods and assumptions used in the sensitivity analysis for the current period are consistent with those of the previous period.

(14) Equity

1. Common stock

As of December 31, 2024 and 2023, the Corporation's authorized capital was NT\$3,800,000 thousand, and the issued capital was NT\$1,913,128 thousand, with a par value of NT\$10 per share, for a total of 191,313 thousand shares. Each share entitles the holder to one voting right and the right to receive dividends.

Capital surplus

	2024.12.31	2023.12.31
Premium on issuance	\$31,236	\$31,236

According to legal regulations, capital surplus can only be used to offset company losses and cannot be used for other purposes. When the company has no losses, the premium derived from issuing shares above par value and the capital surplus from donations received may be transferred to capital at a certain percentage of paid-in capital each year. The aforementioned capital surplus may also be distributed in cash in proportion to shareholders' existing shareholding.

2. Profit distribution and dividend policy

(1) Profit distribution

In the Corporation's annual general financial statements, any surplus shall be allocated in a specific order. Firstly, taxes must be paid, and any accumulated losses must be made up for. Secondly, 10% of the surplus must be set aside as a legal reserve, unless the legal reserve has already reached the Corporation's paid-in capital. Additionally, special reserves shall be set aside or reversed according to operational needs and legal requirements. If there is still surplus profit, it shall be combined with the unappropriated retained earnings at the beginning of the period, and the Board of Directors shall prepare an earnings distribution proposal to be submitted to the shareholders' meeting for resolution on distribution.

(2) Dividend policy

The Corporation's dividend policy is to align with current and future development plans, take into consideration the investment environment, capital requirements, domestic and international competition, and shareholders' interests, among other factors. Each year, a portion of the distributable earnings is allocated for shareholder dividends, of which cash dividends shall not be less than ten percent of the total dividends. However, the types and ratios of profit distribution may be adjusted by resolution of the shareholders' meeting based on the actual profitability and capital conditions of the current year.

(3) Legal Reserve

According to the Company Act, legal reserve shall be set aside until the total amount has reached the total paid-in capital. Legal reserve may be used to offset losses. When the Company has no losses, it may distribute new shares or cash from the portion of legal reserve that exceeds 25% of the paid-in capital to shareholders in proportion to their original shareholding.

(4) Special Reserve

When distributing distributable earnings, in accordance with regulations, the Corporation shall additionally set aside a special reserve for the difference

between the balance of the special reserve already allocated upon first-time adoption of International Financial Reporting Standards and the net amount of other equity deductions. Subsequently, when there is a reversal of the net amount of other equity deductions, the Company may reverse the special reserve for the net amount of other equity items that have been reversed and distribute earnings.

According to the Financial Supervisory Commission's Order No. 1090150022 issued on March 31, 2021, the Corporation shall set aside a special reserve for the unrealized revaluation increment and accumulated translation adjustments (gain) that were transferred to retained earnings due to the exemptions elected under IFRS 1 "First-time Adoption of International Financial Reporting Standards" upon the first-time adoption of IFRSs. Subsequently, when the Corporation uses, disposes of, or reclassifies the related assets, it may reverse the special reserve initially allocated in proportion to the amount used, disposed of, or reclassified, and distribute the earnings.

As of January 1, 2024 and 2023, the special reserve set aside by the Corporation upon first-time adoption amounted to NT\$1,323,921 thousand for both years. The Corporation did not reverse any special reserve due to the use, disposal, or reclassification of related assets during the periods from January 1 to December 31, 2024 and 2023. As of December 31, 2024 and 2023, the special reserve set aside upon first-time adoption amounted to NT\$1,323,921 thousand for both years.

- (5) At the Board of Directors' meeting on March 15, 2025 and the Annual Shareholders' Meeting on May 27, 2024, the Corporation proposed and resolved, respectively, that due to accumulated deficits for the years 2024 and 2023, no earnings would be distributed.

For information regarding the basis for estimating and recognizing employee compensation and directors' remuneration, please refer to Note 6.18.

(15) Operating revenue

1. Revenue Disaggregation

	<u>2024</u>	<u>2023</u>
Revenue from Contracts with Customers		
Hotel Room Revenue	\$910,317	\$752,526
Food and Beverage Revenue	568,944	587,309
Theme Park Revenue	570,531	581,736
Others	259,277	288,505
Total	<u>\$2,309,069</u>	<u>\$2,210,076</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

	2024	2023
Timing of Revenue Recognition:		
At a point in time	\$2,309,069	\$2,210,076

2. Contract Balances

The disclosure of notes and accounts receivable, please refer to Note 6.3 and 6.4.

3. Transaction Price Allocated to Remaining Performance Obligations

As of December 31, 2024 and 2023, since all contracts of the Corporation are less than one year, there is no need to provide information regarding unfulfilled performance obligations.

4. Assets Recognized from Costs to Obtain or Fulfill a Contract with a Customer

None.

(16) Expected Credit Impairment Loss (Gain)

	2024	2023
Operating Expenses - Expected Credit Impairment Loss (Reversal Gain)		
Notes receivable	\$-	\$-
Accounts receivable	-	-
Total	\$-	\$-

For information related to credit risk, please refer to Note 12.

The Corporation adopts the simplified approach for estimating expected credit losses for receivables (including notes receivable and accounts receivable), which means using lifetime expected credit loss amounts to measure the allowance for losses. As of December 31, 2024 and 2023, the explanations related to the assessment of allowance for losses are as follows:

1. Receivables are grouped according to common credit risk characteristics representing customers' ability to pay all due amounts in accordance with contract terms, and with forward-looking considerations based on loss rates established from specific historical and current information over particular periods. The relevant information is as follows:

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
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2024.12.31

	Not Past Due (Note)	Days Past Due				Total
		Within 30 days	31-60 days	61-90 days	91 days or more	
Low Risk						
Total Carrying Amount	\$53,055	\$3,632	\$131	\$191	\$888	\$57,897
Loss Rate	-%	-%	-%	-%	-%	
Lifetime Expected Credit Loss	-	-	-	-	-	-
Subtotal	53,055	3,632	131	191	888	57,897
	Not Past Due (Note)	Days Past Due				Total
		Within 30 days	31-60 days	61-90 days	91 days or more	
Those in Financial Difficulty						
Total Carrying Amount	\$-	\$-	\$-	\$-	\$185	\$185
Loss Rate	-%	-%	-%	-%	100%	
Lifetime Expected Credit Loss	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying Amount						<u>\$57,897</u>

2023.12.31

	Not Past Due (Note)	Days Past Due				Total
		Within 30 days	31-60 days	61-90 days	91 days or more	
Low Risk						
Total Carrying Amount	\$27,544	\$3,327	\$697	\$2,620	\$34	\$34,222
Loss Rate	-%	-%	-%	-%	-%	
Lifetime Expected Credit Loss	-	-	-	-	-	-
Subtotal	27,544	3,327	697	2,620	34	34,222
	Not Past Due (Note)	Days Past Due				Total
		Within 30 days	31-60 days	61-90 days	91 days or more	
Those in Financial Difficulty						
Total Carrying Amount	\$-	\$-	\$-	\$-	\$185	\$185
Loss Rate	-%	-%	-%	-%	100%	
Lifetime Expected Credit Loss	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying Amount						<u>\$34,222</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

Note: All bills receivable listed above by the Corporation are not overdue.

2. The changes in the allowance for losses on bills receivable and accounts receivable of the Corporation from January 1 to December 31, 2024 and 2023 are as follows:

	Notes receivable	Accounts receivable	Total
Balance as of 01/01/2024	\$-	\$185	\$185
Amount Increased (Reversed) in the Current Period	-	-	-
Write-off Due to Uncollectible Amounts	-	-	-
Balance as of 12/31/2024	<u>\$-</u>	<u>\$185</u>	<u>\$185</u>
Balance as of 01/01/2023	\$-	\$185	\$185
Amount Increased (Reversed) in the Current Period	-	-	-
Write-off Due to Uncollectible Amounts	-	-	-
Balance as of 12/31/2023	<u>\$-</u>	<u>\$185</u>	<u>\$185</u>

(17) Leases

1. The Corporation as a Lessee

The Corporation leases buildings and structures to operate tourist hotels. The lease periods of the various contracts range from 8 to 16 years, with some contracts containing an option to extend for the same period as the original contract upon expiration of the lease term.

The impact of leases on the Corporation's financial position, financial performance, and cash flows is explained as follows:

- (1) Amounts Recognized in the Balance Sheet

A. Right-of-use Assets

Carrying Amount of Right-of-use Assets

	2024.12.31	2023.12.31
Buildings and structures	<u>\$3,200,779</u>	<u>\$3,493,980</u>

B. Lease Liabilities

	2024.12.31	2023.12.31
Buildings and structures	<u>\$3,382,937</u>	<u>\$3,654,810</u>
Current	\$277,803	\$271,872
Non-current	<u>3,105,134</u>	<u>3,382,938</u>
Total	<u>\$3,382,937</u>	<u>\$3,654,810</u>

Please refer to Note 6.19(4) Finance Costs for the interest expense on lease liabilities of the Group from January 1 to December 31, 2024 and 2023; refer to Note 12.5 Liquidity Risk Management for the maturity analysis of lease liabilities.

(2) Amounts Recognized in the Statement of Comprehensive Income

Depreciation of Right-of-use Assets

	2024	2023
Buildings and structures	<u>\$293,201</u>	<u>\$293,201</u>
Transportation Equipment	<u>-</u>	<u>578</u>
Total	<u>\$293,201</u>	<u>\$293,779</u>

(3) Income and Expenses Related to Lessee's Leasing Activities

	2024	2023
Expenses for Short-term Leases	\$440	\$1,209
Expenses for Leases of Low-value Assets (excluding expenses for short-term leases of low-value assets)	4,108	4,637
Expenses for Variable Lease Payments Not Included in the Measurement of Lease Liabilities	-	18

(4) Cash Outflow Related to Lessee's Leasing Activities

The Corporation's total cash outflow for leases for the periods from January 1 to December 31, 2024 and 2023 were NT\$393,637 thousand and NT\$395,035 thousand, respectively.

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(18) Summary of Employee Benefits, Depreciation and Amortization Expenses by Function is as follows:

By Function By Nature	2024			2023		
	Attributable to Operating Costs	Attributable to Operating Expenses	Total	Attributable to Operating Costs	Attributable to Operating Expenses	Total
Employee Benefits Expenses						
Salary Expenses	\$368,313	\$194,588	\$562,901	\$368,177	\$190,179	\$558,356
Labor and Health Insurance Expenses	36,760	22,498	59,258	39,159	18,532	57,691
Pension Expenses	17,250	11,262	28,512	18,697	8,928	27,625
Remuneration Paid to Directors	-	2,042	2,042	-	2,040	2,040
Other Employee Benefits Expenses	20,611	6,373	26,984	21,235	5,708	26,943
Depreciation Expenses	388,357	125,470	513,827	395,700	120,185	515,885
Depletion Expenses	189	-	189	207	-	207
Amortization expenses	1,208	1,384	2,592	19	3,550	3,569

Note 1: The average number of employees of the Corporation was 1,045 and 1,140 for the years 2024 and 2023, respectively, of which the number of directors who were not also employees was 5 for both years.

Note 2: Companies whose stocks are listed on the Securities Exchange or traded on the over-the-counter market at the Securities Counter Trading Center should disclose the following additional information:

- (1) The average employee benefit expenses for the current year and the previous year were NT\$648 thousand and NT\$591 thousand, respectively.
- (2) The average employee salary expenses for the current year and the previous year were NT\$541 thousand and NT\$492 thousand, respectively.
- (3) The adjustment change in average employee salary expenses was 9.96%.
- (4) The Corporation has established an Audit Committee in accordance with regulations to replace supervisors, so no remuneration for supervisors has been recognized.
- (5) The Corporation's compensation policy: The Corporation's employee compensation (including managerial officers) consists of monthly salary, various business incentive bonuses and project bonuses, year-end bonuses distributed based on annual operating performance, and performance bonuses allocated according to individual performance evaluation results, taking into consideration personal abilities, contributions to the company, and performance in alignment with operational results. Various business incentive bonuses, project bonuses, year-end bonuses, and performance bonuses are considered as rewards and feedback for employees' contributions, and to motivate staff to continue their efforts; Regarding welfare design, it is premised on compliance with legal requirements, while also taking into account employees' needs, to design welfare measures that can be shared by all employees. To link employee interests with shareholder interests, creating a win-win-win situation for the company, shareholders, and employees.

The remuneration of the Corporation's directors and managerial officers is in accordance with the provisions of the Company's "Management Measures for Director

and Managerial Officer Compensation. Independent directors receive a fixed monthly remuneration and do not receive director compensation; if they attend board meetings, transportation allowances are provided; Non-independent directors receive a fixed monthly remuneration, and are allocated director compensation based on a percentage of the current year's profit. The director compensation is proposed by the Remuneration Committee and then submitted to the Board of Directors for resolution. Transportation allowances are provided if they attend board meetings.

The Corporation's managerial officers include the President, Vice Presidents, General Managers at level 19 and above, and the Finance and Accounting Supervisor and Accounting Supervisor. Based on the managerial officers' operational management responsibilities, while also considering factors to attract and retain professional management talent, reasonable compensation is provided for the position. Based on a percentage of the current year's profit, employee compensation is allocated. The employee compensation is proposed by the Remuneration Committee and then submitted to the Board of Directors for resolution.

According to the Corporation's Articles of Incorporation, if there are profits for the year, 3% shall be allocated as employee compensation and no more than 3% as director compensation. However, when there are accumulated losses, an amount should be reserved in advance to offset the losses. The aforementioned employee compensation is distributed in shares or cash as resolved by the Board of Directors, and is limited to employees who are hired or employed by the Corporation to perform work, have been formally appointed, and are entitled to labor insurance benefits. For information on employee compensation and director compensation approved by the Annual Shareholders' Meeting, please refer to the "Market Observation Post System" of the Taiwan Stock Exchange.

Due to accumulated losses, the Corporation did not estimate employee compensation and director compensation for the periods from January 1 to December 31, 2024 and 2023.

(19) Non-operating Income and Expenses

1. Interest income

	2024	2023
Interest on Bank Deposits	\$1,346	\$1,223

2. Other income

	2024	2023
Government Grant Income	\$1,779	\$3,097
Rental Income	8,728	6,610
Other Income - Others	76,787	17,957
Total	\$87,294	\$27,664

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

3. Other gains and losses

	2024	2023
Gain (Loss) on Disposal of Property, Plant and Equipment	\$1,204	\$(157)
Gain on lease modifications	-	23
Net Foreign Currency Exchange Gain (Loss)	(11)	224
Fair Value Adjustment Gain (Loss) - Investment Property	30,935	7,133
Compensation Loss	-	(5,268)
Other Losses	(4,596)	(3,276)
Total	\$27,532	\$(1,321)

4. Finance costs

	2024	2023
Interest on Bank Borrowings	\$132,335	\$121,672
Interest on Lease Liabilities	76,263	82,107
Less: Amount included in the cost of qualifying assets	(15,649)	(6,540)
Total	\$192,949	\$197,239

Information on Interest Capitalization is as Follows:

	2024	2023
Capitalized Interest Amount	\$15,649	\$6,540
Annual Average Interest Rate for Interest Capitalization	2.35%~2.47%	2.14%~2.27%

(20) Components of Other Comprehensive Income

Components of Other Comprehensive Income for the Year 2024 are as Follows:

	Incurred in the Current Period	Reclassification Adjustments in the Current Period	Other comprehensive income	Income tax benefit (expense)	After-tax Amount
Items Not to be Reclassified to Profit or Loss:					
Remeasurement of defined benefit plans	\$3,709	\$-	\$3,709	\$-	\$3,709
Unrealized Valuation Gains and Losses on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	(60,410)	-	(60,410)	-	(60,410)
Items that May Subsequently be Reclassified to Profit or Loss:					
Exchange differences on translation of foreign financial statements	2,110	-	2,110	-	2,110
Total	\$(54,591)	\$-	\$(54,591)	\$-	\$(54,591)

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

Components of Other Comprehensive Income for the Year 2023 are as follows:

	Incurred in the Current Period	Reclassification Adjustments in the Current Period	Other comprehensive income	Income tax benefit (expense)	After-tax Amount
Items Not to be Reclassified to Profit or Loss:					
Remeasurement of defined benefit plans	\$(3,034)	\$-	\$(3,034)	\$-	\$(3,034)
Unrealized Valuation Gains and Losses on Investments in Equity Instruments at Fair Value through Other Comprehensive Income	11,943	-	11,943	-	11,943
Items that May Subsequently be Reclassified to Profit or Loss:					
Exchange differences on translation of foreign financial statements	21	-	21	-	21
Total	<u>\$8,930</u>	<u>\$-</u>	<u>\$8,930</u>	<u>\$-</u>	<u>\$8,930</u>

(21) Income Tax

- Components of Income Tax Expense (Benefit) for the Years 2024 and 2023 are as follows:

Income Tax Recognized in Profit or Loss

	<u>2024</u>	<u>2023</u>
Current Income Tax Expense (Benefit):		
Current Income Tax Payable	\$-	\$-
Deferred Income Tax Expense (Benefit):		
Deferred Income Tax Expense (Benefit) Related to the Origination and Reversal of Temporary Differences	-	-
Income tax expense (Benefit)	<u>\$-</u>	<u>\$-</u>

- Reconciliation Between Income Tax Expense and the Product of Accounting Profit Multiplied by the Applicable Tax Rate is as Follows:

	<u>2024</u>	<u>2023</u>
Income (loss) before income tax for the period	<u>\$88,822</u>	<u>\$(97,744)</u>
Tax Amount Calculated at the Domestic Rates		
Applicable to Incomes in the Respective Countries	\$17,765	\$(19,549)
Tax Effect of Exempt Income	(4,707)	(8,158)
Tax Effect of Non-Deductible Expenses for Tax Purposes	258	9,158
Tax Effect of Deferred Income Tax Assets/Liabilities	(14,931)	(30,648)
Adjustment of Deferred Income Tax from Previous Years in the Current Year	<u>1,615</u>	<u>49,197</u>
Total Income Tax Expense (Benefit) Recognized in Profit or Loss	<u>\$-</u>	<u>\$-</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

3. Deferred Income Tax Assets (Liabilities) Balance Related to the Following Items:

Beginning balance in 2024

		Recognized in Profit or Loss	Recognized in Others	Ending Balance
Temporary Differences				
Loss Carryforwards	\$11,775	\$794	\$-	\$12,569
Investment Property	(11,775)	(794)	-	(12,569)
Revaluation Increment	(872,369)	-	-	(872,369)
Land Value Increment Tax	(430,567)	-	(1,586)	(432,153)
Deferred Income Tax (Expense)/Benefit		\$-	\$(1,586)	
Net Deferred Income Tax Assets/(Liabilities)	\$(1,302,936)			\$(1,304,522)
Information Presented on the Balance Sheet is as follows:				
Deferred income tax assets	\$11,775			\$12,569
Deferred income tax liabilities	\$(1,314,711)			\$(1,317,091)

Beginning balance of 2023

		Recognized in Profit or Loss	Recognized in Others	Ending Balance
Temporary Differences				
Loss Carryforwards	\$12,360	\$(585)	\$-	\$11,775
Investment Property	(12,360)	585	-	(11,775)
Revaluation Increment	(872,369)	-	-	(872,369)
Land Value Increment Tax	(408,302)	-	(22,265)	(430,567)
Deferred Income Tax (Expense)/Benefit		\$-	\$(22,265)	
Net Deferred Income Tax Assets/(Liabilities)	\$(1,280,671)			\$(1,302,936)
Information Presented on the Balance Sheet is as follows:				
Deferred income tax assets	\$12,360			\$11,775
Deferred income tax liabilities	\$(1,293,031)			\$(1,314,711)

4. Unrecognized Deferred Income Tax Assets

As of December 31, 2024 and 2023, due to the expectation of insufficient future taxable income, the unrecognized deferred income tax assets from unused tax losses and deductible temporary differences amounted to NT\$873,063 thousand and NT\$887,994 thousand, respectively.

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

5. As of December 31, 2024, the Corporation's unused tax losses and their expiry dates are as follows:

Year of Occurrence	Loss Amount	Unused Balance		Last Deductible Year
		2024.12.31	2023.12.31	
2014	\$67,676	\$-	\$67,676	2024
2016	319,220	319,220	319,220	2026
2017	370,713	370,713	370,713	2027
2018	758,774	758,774	758,774	2028
2019	665,359	665,359	665,359	2029
2020	441,587	441,587	441,587	2030
2021	576,068	576,068	576,068	2031
2022	319,721	319,721	319,721	2032
2023	87,601	87,601	87,601	2033
Total	<u>\$3,606,719</u>	<u>\$3,539,043</u>	<u>\$3,606,719</u>	

6. Status of Income Tax Return Assessment

As of December 31, 2024, the Corporation's corporate income tax returns have been assessed by the tax authorities through the year 2022.

(22) Earnings per Share

The calculation of basic earnings per share is determined by dividing the net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is determined by dividing the net profit attributable to ordinary shareholders of the parent company (after adjusting for dilutive effects) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued upon conversion of all dilutive potential ordinary shares into ordinary shares.

	2024	2023
(1) Basic Earnings Per Share		
Net Profit (Loss) Attributable to Ordinary Shareholders of the Parent Company (thousand NTD)	<u>\$88,822</u>	<u>\$(97,744)</u>
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	<u>191,313</u>	<u>191,313</u>
Basic Earnings (Loss) Per Share (NTD)	<u>\$0.46</u>	<u>\$(0.51)</u>

There were no other transactions that significantly changed the number of outstanding ordinary shares or potential ordinary shares at the end of the period between the reporting date and the date the financial statements were authorized for issuance.

7. Related Party Transactions

- (1) The related parties that had transactions with the Corporation during the financial reporting period are as follows:

Related Party Names and Relationships

Related Party Names	Relationship with the Corporation
Leofoo Development & Construction Co., Ltd.	The subsidiary of the Corporation
Leofoo Agronomy Co., Ltd.	The subsidiary of the Corporation
Elite Catering Company Limited	The subsidiary of the Corporation
Izzy Construction Co., Ltd.	sub-subsidiary of the Corporation
Leofoo Property Management Co., Ltd.	sub-subsidiary of the Corporation
Ambassador Film Inc.	An investee company accounted for under the equity method by the Corporation
Centennial International Tech. Ltd.	The Corporation is the corporate director of that company
Si Mian Fo Management Consultant Ltd.	The Chairman of the Corporation is the Chairman of that company
Chuang Foo Foundation	Other related parties

- (2) Significant transactions with related parties

1. Purchases

	2024	2023
Leofoo Agronomy Co., Ltd.	\$127	\$170

The purchase price of products between the Corporation and related parties in 2024 and 2023 has no significant difference from that of other manufacturers; The payment terms for related parties are approximately 30 days after monthly closing, which do not differ significantly from the payment terms for general suppliers.

2. Service Expenses

	2024	2023
Leofoo Agronomy Co., Ltd.	\$6,035	\$2,374

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

3. In 2024 and 2023, the Corporation entrusted Leofoo Development & Construction Co., Ltd. to execute the new construction project for the urban renewal and reconstruction plan of Leofoo Hotel building. The construction expenses incurred were NT\$17,369 thousand and NT\$14,176 thousand respectively, which were recorded under investment property.

4. Notes receivable and Accounts receivable

	2024.12.31	2023.12.31
Leofoo Development & Construction Co., Ltd.	\$48	\$89
Izzy Construction Co., Ltd.	85	808
Leofoo Property Management Co., Ltd.	52	104
Chuang Foo Foundation	33	54
Total	<u>\$218</u>	<u>\$1,055</u>

5. Other Receivables

	2024.12.31	2023.12.31
Leofoo Development & Construction Co., Ltd.	\$15	\$13
Izzy Construction Co., Ltd.	74	17
Leofoo Agronomy Co., Ltd.	24	1,066
Chuang Foo Foundation	59	8
Ambassador Film Inc.	15	-
Total	<u>\$187</u>	<u>\$1,104</u>

6. Accounts payable

	2024.12.31	2023.12.31
Izzy Construction Co., Ltd.	<u>\$192</u>	<u>\$662</u>

7. Other payables - related parties

	2024.12.31	2023.12.31
Leofoo Development & Construction Co., Ltd.	\$6,231	\$20,839
Izzy Construction Co., Ltd.	2,586	9,470
Leofoo Agronomy Co., Ltd.	699	2,478
Leofoo Property Management Co., Ltd.	30	10,945
Elite Catering Company Limited	6,514	6,514
Chuang Foo Foundation	71	219
Centennial International Tech. Ltd.	214	432
Total	<u>\$16,345</u>	<u>\$50,897</u>

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

8. The details of property transactions between the Corporation and related parties are as follows:

<u>Asset Type</u>	<u>Relationship</u>	<u>Transaction Amount</u>	<u>Basis for Price Determination</u>
<u>2024</u>			
Construction Contracting	Izzy Construction Co., Ltd.	<u>\$53,892</u>	According to the construction contract
<u>2023</u>			
Construction Contracting	Izzy Construction Co., Ltd.	<u>\$70,526</u>	According to the construction contract

9. Rental Income

	<u>2024</u>	<u>2023</u>
Leofoo Development & Construction Co., Ltd.	\$343	\$343
Izzy Construction Co., Ltd.	343	343
Leofoo Property Management Co., Ltd.	594	594
Ambassador Film Inc.	5,440	5,440
Total	<u>\$6,720</u>	<u>\$6,720</u>

10. Guarantee deposits paid

	<u>2024.12.31</u>	<u>2023.12.31</u>
Centennial International Tech. Ltd.	<u>\$295</u>	<u>\$295</u>

11. Guarantee deposits received

	<u>2024.12.31</u>	<u>2023.12.31</u>
Leofoo Property Management Co., Ltd.	\$80	\$80
Ambassador Film Inc.	1,350	1,350
Total	<u>\$1,430</u>	<u>\$1,430</u>

12. Other advance receipts

	<u>2024.12.31</u>	<u>2023.12.31</u>
Si Mian Fo Management Consultant Ltd.	<u>\$17,671</u>	<u>\$17,671</u>

13. In 2024 and 2023, the Corporation incurred expenses of NT\$42,319 thousand and NT\$41,694 thousand, respectively, for management consulting services obtained from Leofoo Property Management Co., Ltd.; (9) In 2024 and 2023, the Corporation

incurred expenses of NT\$2,481 thousand and NT\$2,490 thousand, respectively, for television channel broadcasting and signal provision services from Centennial International Tech. Ltd.

14. Compensation of key management personnel

	2024	2023
Short-term employee benefits	\$24,630	\$8,341
Post-employment benefits	986	446
Total	\$25,616	\$8,787

8. Pledged assets

(1) The Corporation has the following assets pledged as collateral:

Items	Carrying Amount		Content of secured liabilities
	2024.12.31	2023.12.31	
Property, Plant, and Equipment	\$4,253,656	\$4,322,688	Long-term and short-term borrowings
Investment Property	6,444,672	6,123,906	Long-term and short-term borrowings
Other current and non-current assets	86,263	86,230	Performance guarantee
Total	\$10,784,591	\$10,532,824	

(2) As of December 31, 2024 and 2023, the Corporation has entrusted financial institutions with amounts of NT\$15,619 thousand and NT\$18,664 thousand, respectively, to fulfill its obligations to the holders of gift certificates for products (services) issued by Leofoo Development Management Office, Leofoo Palace, Leofoo Hotel, Leofoo Village, Leofoo Courtyard by Marriott, and related group units. These amounts are recorded under other non-current assets.

9. Significant Contingent Liabilities and Unrecognized Contractual Commitments

(1) The Corporation's Leofoo Courtyard by Marriott signed a "Nangang Station Building Hotel Operating Lease Agreement" with Ruentex Xu-Zhan Development Co., Ltd. (hereinafter referred to as Ruentex Xu-Zhan) on April 5, 2012. Under this agreement, Ruentex Xu-Zhan would invest in and construct the building, and upon completion, the Group's Leofoo Courtyard by Marriott would lease the hotel from Ruentex Xu-Zhan at an annual rent of NT\$333,927 thousand (excluding adjustments every three years) for a lease term of twenty years. As of December 31, 2024, the Corporation's Leofoo Courtyard by Marriott has paid a performance guarantee deposit of NT\$56,632 thousand to Ruentex Xu-Zhan in accordance with the agreement, and has pledged time deposits of NT\$27,556 thousand to Hua Nan Bank for the issuance of bank guarantee letters, totaling NT\$84,188 thousand,

which is recorded under other non-current assets.

- (2) As of December 31, 2024, the details of the Corporation's uncompleted major contracts for property, plant and equipment are as follows:

<u>Nature of contract</u>	<u>Contract amount (excluding tax)</u>	<u>Amount paid</u>	<u>Amount unpaid</u>
Commercial building construction project	\$1,832,381	\$611,994	\$1,220,387

10. Significant Disaster Losses

No such matter.

11. Significant Subsequent Events

No such matter.

12. Others

- (1) Categories of Financial Instruments

Financial assets

	<u>2024.12.31</u>	<u>2023.12.31</u>
Financial assets measured at amortized cost:		
Cash and Cash Equivalents	\$187,589	\$230,339
Notes receivable	1,938	2,776
Accounts receivable	55,959	31,446
Other Receivables	6,065	6,268
Guarantee deposits paid	90,269	97,256
Total	<u>\$341,820</u>	<u>\$368,085</u>

Financial Liabilities

	<u>2024.12.31</u>	<u>2023.12.31</u>
Financial liabilities measured at amortized cost:		
Short-term borrowings	\$-	\$53,500
Accounts payable	84,810	144,719
Long-term borrowings (including portions due within one year)	5,178,152	5,004,321
Lease Liabilities	3,382,937	3,654,810
Total	<u>\$8,645,899</u>	<u>\$8,857,350</u>

(2) Financial Risk Management Objectives and Policies

The Corporation's financial risk management objectives mainly focus on managing market risk, credit risk, and liquidity risk related to operating activities. The Corporation identifies, measures, and manages these risks in accordance with its policies and risk preferences.

The Corporation has established appropriate policies, procedures, and internal controls for the aforementioned financial risk management in accordance with relevant regulations. Significant financial activities must be reviewed by the Board of Directors and the Audit Committee in accordance with relevant regulations and internal control systems. During the execution of financial management activities, the Corporation must strictly comply with the relevant provisions of financial risk management that have been established.

(3) Market risk

The Corporation's market risk refers to the risk of fluctuations in the fair value or cash flows of financial instruments due to changes in market prices. Market risk primarily includes exchange rate risk, interest rate risk, and other price risks (such as equity instruments).

In practice, it is rare for a single risk variable to change independently, and changes in risk variables are usually correlated. However, the sensitivity analysis for each of the following risks does not consider the interaction between related risk variables.

Interest rate risk

Interest rate risk is the risk of fluctuations in the fair value or future cash flows of financial instruments due to changes in market interest rates. The Corporation's interest rate risk mainly comes from floating-rate debt instrument investments, fixed-rate borrowings, and floating-rate borrowings.

The sensitivity analysis regarding interest rate risk mainly focuses on interest rate exposure items at the end of the financial reporting period, including floating-rate investments and floating-rate borrowings, and assumes they are held for one accounting year. When interest rates rise/fall by 1%, the Corporation's profit and loss for the years 2024 and 2023 will decrease/increase by NT\$48,974 thousand and NT\$43,112 thousand, respectively.

(4) Credit risk management

Credit risk refers to the risk of financial loss resulting from a counterparty's inability to fulfill obligations specified in a contract. The Corporation's credit risk is due to operating activities (mainly accounts receivable and notes) and financial activities (mainly bank deposits and various financial instruments).

Each unit of the Corporation manages credit risk by following credit risk policies, procedures, and controls. The credit risk assessment of all counterparties comprehensively

considers factors such as the counterparty's financial condition, ratings from credit rating agencies, historical transaction experience, current economic environment, and the Corporation's internal rating standards. Since the Corporation has a broad customer base and does not significantly concentrate on transactions with a single customer, there is no significant concentration risk in accounts receivable. To reduce credit risk, the Corporation also regularly evaluates customers' financial conditions, but typically does not require customers to provide collateral.

The Corporation's finance department manages credit risk related to bank deposits and other financial instruments in accordance with group policies. Since the Corporation's counterparties are determined by internal control procedures and are creditworthy banks, financial institutions with investment grades, corporate organizations, and government agencies, there is no significant credit risk.

The Corporation adopts the requirements of IFRS 9 to assess expected credit losses. Except for accounts receivable, the remaining debt instrument investments not measured at fair value through profit or loss were originally acquired under the premise of low credit risk. At each balance sheet date, the Corporation assesses whether the credit risk has significantly increased since initial recognition to determine the method of measuring allowance for losses and the loss rate.

In addition, when the Corporation assesses that it cannot reasonably expect to recover a financial asset (for example, when the issuer or debtor experiences significant financial difficulties or has gone bankrupt), it is written off.

(5) Liquidity Risk Management

The Corporation maintains financial flexibility through contracts such as cash and cash equivalents and bank loans. The following table summarizes the maturity profile of the Corporation's financial liabilities based on contractual payments, compiled according to the earliest possible date on which repayment may be required and using undiscounted cash flows. The amounts listed also include agreed interest. For interest cash flows with floating rates, the undiscounted interest amounts are derived based on the yield curve at the end of the reporting period.

Non-derivative Financial Liabilities

	Less than one year	One to two years	Two to five years	More than five years	Total
<u>2024.12.31</u>					
Borrowings	\$230,121	\$4,121,037	\$1,101,715	\$-	\$5,452,873
Accounts payable	84,810	-	-	-	84,810
Lease liabilities (Note)	348,135	348,135	1,044,405	2,059,800	3,800,475
<u>2023.12.31</u>					
Borrowings	\$408,869	\$599,517	\$4,550,864	\$4,108	\$5,563,358

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)

(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

Accounts payable	144,719	-	-	-	144,719
Lease liabilities (Note)	348,135	348,135	1,044,405	2,407,935	4,148,610

Note: The following table provides further information on the maturity analysis of lease liabilities:

	Maturity period					Total
	Less than one year	One to five years	Six to ten years	Ten to fifteen years	More than fifteen years	
2024.12.31	\$348,135	\$1,392,540	\$1,740,676	\$319,124	\$-	\$3,800,475
2023.12.31	\$348,135	\$1,392,540	\$1,740,676	\$667,259	\$-	\$4,148,610

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities information for the year 2024:

	Short-term borrowings	Long-term borrowings	Lease Liabilities	Total liabilities from financing activities
2024.01.01	\$53,500	\$5,004,321	\$3,654,810	\$8,712,631
Cash Flows	(53,500)	173,831	(271,873)	(151,542)
Non-cash changes	-	-	-	-
2024.12.31	\$-	\$5,178,152	\$3,382,937	\$8,561,089

Reconciliation of liabilities information for the year 2023:

	Short-term borrowings	Long-term borrowings	Lease Liabilities	Total liabilities from financing activities
2023.01.01	\$413,500	\$4,395,150	\$3,925,938	\$8,734,588
Cash Flows	(360,000)	609,171	(266,628)	(17,457)
Non-cash changes	-	-	(4,500)	(4,500)
2023.12.31	\$53,500	\$5,004,321	\$3,654,810	\$8,712,631

(7) Fair value of financial instruments

1. Valuation techniques and assumptions used for fair value

Fair value refers to the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The methods and assumptions used by the Corporation for measuring or disclosing the fair values of financial assets and financial liabilities are as follows:

- (1) The carrying amounts of cash and cash equivalents, receivables, payables, and other current liabilities are reasonable approximations of fair value, primarily due to the short maturity periods of these instruments.

- (2) For financial assets and financial liabilities traded in active markets with standard terms and conditions, their fair values are determined by reference to market quotes (for example, listed stocks, beneficiary certificates, bonds, and futures).
- (3) Equity instruments not traded in an active market (for example, private placement of listed stocks, publicly traded stocks without an active market, and non-publicly issued stocks) are estimated using market approach, based on prices generated from market transactions of identical or comparable equity instruments and other relevant information (such as inputs like liquidity discount factors, price-earnings ratios of similar stocks, price-to-book ratios of similar stocks, etc.) to estimate fair value.

2. Fair value of financial instruments measured at amortized cost

The carrying amounts of the Corporation's financial assets and financial liabilities measured at amortized cost approximate their fair values.

(8) Fair value hierarchy

1. Definition of fair value hierarchy

All assets and liabilities measured or disclosed at fair value are classified within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole. The levels of input are as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date.
- Level 2: Observable inputs for the asset or liability, direct or indirect, other than quoted prices included in Level 1.
- Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, at the end of each reporting period, the Company reassesses their classification to determine whether transfers have occurred between levels in the fair value hierarchy.

2. Fair Value Measurement Hierarchy Information

The Corporation does not have non-recurring assets measured at fair value. The fair value hierarchy information for recurring assets and liabilities is listed as follows:

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Measured at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	\$-	\$-	\$-	\$-

December 31, 2023

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Measured at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	\$-	\$-	\$77,059	\$77,059

Details of changes in Level 3 recurring fair value hierarchy

The Corporation's assets with recurring fair value measurements classified as Level 3 fair value hierarchy, the reconciliation from beginning to ending balances is shown below:

	Assets
	Financial Assets at Fair Value through Other Comprehensive Income
	Stocks
2024.01.01	\$77,059
Total gains (losses) recognized from January 1 to December 31, 2024:	
Recognized in other comprehensive income (reported in "Unrealized valuation gain or loss on investments in equity instruments measured at fair value through other comprehensive income")	(60,410)
Disposal/Settlement	(16,649)
2024.12.31	\$-

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

		Assets
		Financial Assets at Fair Value through Other Comprehensive Income
		Stocks
2023.01.01		\$65,116
Total gains (losses) recognized from January 1 to December 31, 2024:		
Recognized in other comprehensive income (reported in "Unrealized valuation gain or loss on investments in equity instruments measured at fair value through other comprehensive income")		11,943
2023.12.31		\$77,059

Information about significant unobservable inputs for Level 3 fair value hierarchy

The Corporation's recurring fair value measurements of assets classified as Level 3 in the fair value hierarchy use significant unobservable inputs as shown in the following table:

December 31, 2023:

	Valuation technique	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the relationship between inputs and fair value
Financial Assets at Fair Value through Other Comprehensive Income					
Stocks	Market approach	Lack of liquidity discount	10%	The higher the degree of lack of liquidity, the lower the fair value estimate	When the percentage of lack of liquidity increases (decreases) by 5%, the Corporation's equity will decrease/increase by NT\$2,667 thousand

(9) Capital management

The Corporation's primary objective of capital management is to ensure the maintenance of a sound credit rating and good capital ratio to support business operations and maximize shareholder value. The Corporation manages and adjusts its capital structure according to economic conditions, possibly by adjusting dividend payments, returning capital, or issuing new shares to achieve the goal of maintaining and adjusting its capital structure.

13. Notes and Disclosures

(1) Information on Significant Transactions:

1. Providing financial assistance to others: None.
2. Providing endorsements or guarantees for others: None.
3. Status of securities held at the end of the period (excluding investments in subsidiaries, associated companies, and joint venture interests): See Table 1 for details
4. The Corporation's accumulated purchase or sale of a single security amounting to NT\$300 million or 20% of the paid-in capital or more: None.
5. Acquisition of real estate amounting to NT\$300 million or 20% of the paid-in capital or more: None. None.
6. Disposal of real estate amounting to NT\$300 million or 20% of the paid-in capital or more: None. None.
7. Purchases from or sales to related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
8. Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
9. Derivative financial instrument transactions: None.

(2) Information on Investee Companies:

1. Names of investee companies, their locations, and other relevant information (excluding investee companies in Mainland China): See Table 2 for details
2. When having control over an invested company, the information specified in Note 13(1) of the invested company should be disclosed:
 - (1) Providing financial assistance to others: None.
 - (2) Providing endorsements or guarantees for others: None.
 - (3) Status of securities held at the end of the period (excluding investments in subsidiaries, associated companies, and joint venture interests): None.
 - (4) Accumulated purchases or sales of a single security reaching NT\$300 million or 20% of the paid-in capital or more during the current period: None.

- (5) Acquisition of real estate amounting to NT\$300 million or 20% of the paid-in capital or more: None.
- (6) Disposal of real estate amounting to NT\$300 million or 20% of the paid-in capital or more: None.
- (7) Purchases from or sales to related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
- (8) Receivables from related parties amounting to NT\$100 million or 20% of paid-in capital or more: None.
- (9) Derivative financial instrument transactions: None.

Leofoo Development Co., Ltd. Notes to Parent Company Only Financial Statements (Cont.)
(Unless otherwise noted, all amounts are in thousands of New Taiwan Dollars)

(3) Information on investments in Mainland China:

1. Name of the invested company in Mainland China, main business activities, paid-in capital, investment method, fund inflow and outflow, shareholding ratio, investment profit or loss, ending investment book value, profit or loss remitted back, and investment limits in Mainland China:

Name of the invested company in Mainland China	Main Business Activities	Paid-in Capital	Investment Method (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Investment amount remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee company's profit or loss for the period	The Corporation's direct or indirect investment shareholding ratio	Investment gain or loss recognized for current period (Note 2)	Carrying amount of investment at the end of the period	Investment income remitted as of the end of the period
					Remitted	Recovered						
Weihai Chaung Foo Hotel Management Ltd.	Hotel management	\$-	Note 1(2)	\$28,841	\$-	\$-	\$28,841	\$- (Note 5)	100%	\$- (Note 5)	\$- (Note 5)	\$-

Accumulated investment in Mainland China remitted from Taiwan as of the end of the current period	Investment amount approved by Investment Commission, MOEA	Investment limit in Mainland China as regulated by the Investment Commission, MOEA
\$28,841	\$29,430 (USD 1,000 thousand) (Note 4)	\$2,915,950

Note 1: Investment methods are classified into the following three types, please indicate the category:

- (1) Directly investing in Mainland China.
- (2) Investing in Mainland China through companies in a third region (please specify the investment company in the third region).
- (3) Other methods.

Note 2: The recognition basis for investment gains and losses is the financial statements audited by the Taiwan parent company's accountants.

Note 3: The relevant figures in this table should be presented in New Taiwan Dollars.

Note 4: According to the investment amount of US\$1,000 thousand approved by the Investment Commission of the Ministry of Economic Affairs, converted to New Taiwan Dollars at an exchange rate of US\$:NT\$ = 1:29.43.

Note 5: Weihai Chaung Foo Hotel Management Ltd. completed its liquidation in June 2022, and completed the cancellation procedures on August 24, 2022. On June 5, 2023, the Investment Commission of the Ministry of Economic Affairs issued a notification letter acknowledging the cancellation.

2. Purchase amount and percentage, and the balance of related accounts payable at the end of the period: None.
3. Sales amount and percentage, and the balance of related accounts receivable at the end of the period: None.
4. Property transaction amount and resulting profit or loss: None.
5. Balance and purpose of endorsements, guarantees, or collateral provided at the end of the period: None.
6. Maximum balance, ending balance, interest rate range, and total interest for the current period of financing: None.
7. Other transaction items that have a significant impact on the current profit and loss or financial position, such as providing or receiving services: None.

(4) Information on Major Shareholders:

Major Shareholder Name	Number of Shares Held (shares)	Shareholdings
Jiu Yung Investment Ltd.	16,486,222	8.61%
Jung Feng Investment Ltd.	12,814,695	6.69%
Chuang Foo Foundation	12,079,888	6.31%

14. Segment Information

The Corporation has disclosed operational department information in the consolidated financial statements.

Table 1

LEOFOO DEVELOPMENT CO., LTD.
**SECURITIES HELD AT THE END OF THE PERIOD (EXCLUDING INVESTMENTS IN SUBSIDIARIES,
ASSOCIATES, AND JOINT VENTURES)**

December 31, 2024

Unit: NT\$ thousands

Holding Company	Types and Names of Securities	Relationship with the Securities Issuer	Account Title	End of the Period				Notes
				Number of Shares (Thousands)	Carrying Amount	Shareholding ratio %	Fair Value	
Leofoo Development Co., Ltd.	Ambassador Theaters Co., Ltd.	The Corporation is the Corporate Director of the Company	Financial Assets at Fair Value through Other Comprehensive Income Add: Valuation adjustment for equity instrument investments measured at fair value through other comprehensive income Subtotal	1,642	\$7,737 (7,737) — -	5.26%	\$-	
Leofoo Development Co., Ltd.	Rich Forest Leisure Development Co., Ltd.	None	Financial Assets at Fair Value through Other Comprehensive Income Add: Valuation adjustment for equity instrument investments measured at fair value through other comprehensive income Subtotal	7,335	40,266 (40,266) — -	11.04%	-	
Leofoo Development Co., Ltd.	Centennial International Tech. Ltd.	The Corporation is the Corporate Director of the Company	Financial Assets at Fair Value through Other Comprehensive Income Add: Valuation adjustment for equity instrument investments measured at fair value through other comprehensive income Subtotal	2	464 (464) — -	14.93%	-	
	Total				\$- — —		\$- — —	

Table 2

LEOFOO DEVELOPMENT CO., LTD.

WHEN HAVING SIGNIFICANT INFLUENCE OR CONTROL OVER INVESTEE COMPANIES, THE RELATED INFORMATION OF INVESTEE COMPANIES SHOULD BE DISCLOSED (EXCLUDING INVESTEE COMPANIES IN MAINLAND CHINA)

December 31, 2024

Unit: NT\$ thousands

Name of the Investment Company	Investee Company Name	Region	Main Business Activities	Original Investment Amount		End of Period Holdings			Current Period (Loss) Profit of Investee Company	Investment (Loss) Profit Recognized in Current Period	Notes
				End of Current Period	End of Last Year	Number of Shares (Thousands)	Ratio %	Carrying Amount			
Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	Taiwan	General Construction Industry	\$733,000	\$733,000	73,300	100.00%	\$36,949	\$3,390	\$423	Note 1
Leofoo Development Co., Ltd.	Ambassador Film Inc.	Taiwan	Film Screening Industry	17,600	17,600	1,760	40.00%	\$12,468	\$(4,191)	\$(1,677)	
Leofoo Development Co., Ltd.	Elite Catering Company Limited	Taiwan	Food Manufacturing Industry	10,000	10,000	1,000	100.00%	\$11,566	\$18	\$18	
Leofoo Development Co., Ltd.	Leofoo Investment Ltd.	Samoa	Investment Business	30,264	30,264	-	100.00%	\$34,823	\$1,476	\$1,476	
Leofoo Development Co., Ltd.	Leofoo Agronomy Co., Ltd.	Taiwan	Horticultural Service Industry	30,000	30,000	3,000	100.00%	\$9,778	\$(4,676)	\$(4,676)	
Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	Taiwan	General Construction Industry	65,266	65,266	6,398	100.00%	\$49,308	\$1,051	\$1,051	
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.		Property management	17,200	17,200	1,720	100.00%	\$7,069	\$1,984	\$1,984	
Leofoo Investment Ltd.	Leofoo Development (Hong Kong) Ltd.	Hong Kong	Investment Business	30,113	30,113	-	100.00%	\$34,649	\$1,474	\$1,474	

Note 1: This includes investment income of NT\$3,390 thousand recognized using the equity method, offsetting related party lease transactions of NT\$15 thousand, realized upstream transaction profit of NT\$76,968 thousand from the previous period, and unrealized upstream transaction profit of (NT\$79,950) thousand for the current period.

LEOFOO DEVELOPMENT CO., LTD.

1. CASH AND CASH EQUIVALENTS STATEMENT

December 31, 2024

Unit: NT\$ thousands

Items	Summary	Amount	Notes
Cash on Hand and Petty Cash:		\$8,434	December 31, 2024
			Foreign Currency Exchange Rates:
			USD : NT=32.781 : 1
			JPY : NT=0.212 : 1
Checking and Demand Deposits:			
First Commercial Bank - Guanxi Branch	Demand Deposits	9,496	
First Commercial Bank - Nanjing East Road Branch	Demand Deposits	42,699	USD 8
Cathay United Bank - Nanking E. Road Branch	Demand Deposits	3,592	
Welcome To Sunny Bank - Fuxing Branch	Demand Deposits	1,980	
Yuanta Commercial Bank - Shilin Branch	Demand Deposits	1,868	
Taishin International Bank - Chien Kao N. Branch	Demand Deposits	49,299	USD 5
Land Bank of Taiwan - Changchun Branch	Demand Deposits	13,330	
Hua Nan Commercial Bank - Zhong Hua Road Branch	Demand Deposits	51,832	
Shanghai Commercial & Savings Bank - East Taipei Branch	Demand Deposits	5,401	
Hua Nan Commercial Bank - Zhong Hua Road Branch	Checking Account	5,336	
Mega International Commercial Bank - Tun Nan Branch	Demand Deposits	1,940	
Others (Demand/Checking Deposits less than NT\$1,000 thousand)		816	
Subtotal		187,589	
Total		\$196,023	

LEOFOO DEVELOPMENT CO., LTD.

2. STATEMENT OF NOTES RECEIVABLE, NET

December 31, 2024

Unit: NT\$ thousands

Customer Name	Amount	Notes
Customer A	\$1,753	1. The notes receivable listed on the left were generated from business operations.
Leofoo Development & Construction Co., Ltd.	48	2. The balance of each of the other accounts does not exceed 5% of the total balance in this account.
Izzy Construction Co., Ltd.	85	3. There are no cases of being provided as collateral.
Leofoo Property Management Co., Ltd.	52	
Total	1,938	
Less: Allowance for losses	-	
Net Amount	<u>\$1,938</u>	

LEOFOO DEVELOPMENT CO., LTD.

3. STATEMENT OF ACCOUNTS RECEIVABLE, NET

December 31, 2024

Unit: NT\$ thousands

Customer Name	Amount	Notes
Customer B	\$6,897	1. The accounts receivable listed on the left were generated from business operations. 2. The balance of each of the other accounts does not exceed 5% of the total balance in this account. 3. There are no cases of being provided as collateral.
Customer C	5,054	
Customer D	3,945	
Customer E	2,728	
Customer F	2,641	
Chuang Foo Foundation	33	
Others	34,846	
Total	56,144	
Less: Allowance for losses	(185)	
Net Amount	<u>\$55,959</u>	

LEOFOO DEVELOPMENT CO., LTD.

4. STATEMENT OF OTHER RECEIVABLES

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Other Receivables	\$5,878	
Other Receivables - Related Parties	<u>187</u>	
Total	<u><u>\$6,065</u></u>	

LEOFOO DEVELOPMENT CO., LTD.

5. STATEMENT OF NET INVENTORY

December 31, 2024

Unit: NT\$ thousands

Items	Amount		Notes
	Cost:	Net Realizable Value	
Feed	\$649	\$649	1. The lower of cost and net realizable value is determined by item-by-item comparison.
Food products	13,716	13,716	
Beverages	1,931	1,931	2. Inventories have not been provided as security or pledged.
Merchandise	25,081	23,801	
Others	821	821	
Total	42,198	\$40,918	
Less: Allowance for Inventory Valuation and Obsolescence Losses	(1,280)		
Net Amount	\$40,918		

LEOFOO DEVELOPMENT CO., LTD.

6. STATEMENT OF PREPAYMENTS

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Prepaid Insurance	\$4,810	
Supplies Inventory	34,097	
Other Prepaid Expenses	7,535	
Advance Payments to Suppliers	4,444	
Other Prepayments	143	
Total	<u>\$51,029</u>	

LEOFOO DEVELOPMENT CO., LTD.

7. STATEMENT OF OTHER CURRENT ASSETS

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Temporary Payments	\$12,099	The balance of each of the other accounts does not exceed 5% of the total balance in this account.
Others	217	
Total	<u>\$12,316</u>	

LEOFOO DEVELOPMENT CO., LTD.

8. STATEMENT OF CHANGES IN INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

January 1 to December 31, 2024

Unit: NT\$ thousands

Name	Beginning Balance		Increase during the period		Decrease in Current Period		Ending Balance		Provision of Guarantees or Pledges	Notes
	Number of Shares or Units	Fair Value	Number of Shares or Units	Amount	Number of Shares or Units	Amount	Number of Shares or Units	Fair Value		
Ambassador Theaters Co., Ltd.	1,642,105	\$7,737	-	\$-	-	\$-	1,642,105	\$7,737	None	
Rich Forest Leisure Development Co., Ltd.	9,000,000	90,000	-	-	(1,665,000)	(16,649)	7,335,000	73,351	None	
Centennial International Tech. Ltd.	-	464	-	-	-	-	-	464	None	
Total		98,201		-		(16,649)		81,552		
Add: Fair Value through Other Comprehensive Income Adjustment - Equity Instruments - Non-current		(21,142)				(60,410)		(81,552)		
Net Amount		<u>\$77,059</u>		<u>\$-</u>		<u>\$(77,059)</u>		<u>\$-</u>		

LEOFOO DEVELOPMENT CO., LTD.

9. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

January 1 to December 31, 2024

Unit: NT\$ thousands/Thousand Shares

Name	Beginning Balance		Increase during the period		Decrease in Current Period		Ending Balance			Net Equity Value		Provision of Guarantees or Pledges
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Shareholdings	Amount	Unit Price (NT\$)	Total Price	
Leofoo Development & Construction Co., Ltd.	73,300	\$36,526	-	\$423 (Note1)	-	\$-	73,300	100.00%	\$36,949	\$1.59	\$116,858	None
Leofoo Investment Ltd.	-	31,237	-	3,586 (Note 2)	-	-	-	100.00%	34,823	-	34,823	None
Leofoo Agronomy Co., Ltd.	3,000	14,454	-	- (Note3)	-	(4,676)	3,000	100.00%	9,778	3.26	9,778	None
Elite Catering Company Limited	1,000	11,548	-	18 (Note4)	-	-	1,000	100.00%	11,566	11.57	11,566	None
Ambassador Film Inc.	1,760	14,145	-	- (Note 5)	-	(1,677)	1,760	40.00%	12,468	7.08	12,468	None
Total		<u>\$107,910</u>		<u>\$4,027</u>		<u>\$(6,353)</u>			<u>\$105,584</u>			

Note 1: This includes investment income of NT\$3,390 thousand recognized using the equity method, offsetting related party lease transactions of NT\$15 thousand, realized upstream transaction profit of NT\$76,968 thousand from the previous period, and unrealized upstream transaction profit of (NT\$79,950) thousand for the current period.

Note 2: Represents the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method of NT\$1,476 thousand and increase in exchange differences on translation of foreign operations of NT\$2,110 thousand.

Note 3: Represents the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method of NT\$(4,676) thousand.

Note 4: Represents the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method of NT\$18 thousand.

Note 5: Represents the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using equity method of NT\$18 thousand.

LEOFOO DEVELOPMENT CO., LTD.

10. STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS

January 1 to December 31, 2024

Unit: NT\$ thousands

Items	Beginning Balance	Increase during the period	Decrease in Current Period	Ending Balance	Notes
Acquisition Cost Buildings and structures	\$4,937,372	\$-	\$-	\$4,937,372	
Accumulated Depreciation Buildings and structures	1,443,392	293,201	-	1,736,593	
Net Right-of-use Assets	<u>\$3,493,980</u>			<u>\$3,200,779</u>	

LEOFOO DEVELOPMENT CO., LTD.

11. STATEMENT OF OTHER NON-CURRENT ASSETS

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Guarantee deposits paid	\$90,269	The balance of each of the other accounts does not exceed 5% of the total balance in this account.
Restricted land	75,700	
Restricted bank deposits	29,626	
Prepayments for equipment	36,249	
Others	6,756	
Subtotal	238,600	
Collection Items	269,928	
Allowance for losses	(269,928)	
Subtotal	-	
Total	\$238,600	

LEOFOO DEVELOPMENT CO., LTD.

13. STATEMENT OF NOTES PAYABLE

December 31, 2024

Unit: NT\$ thousands

Vendor Name	Amount	Notes
Vendor A	\$82	

LEOFOO DEVELOPMENT CO., LTD.

14. STATEMENT OF ACCOUNTS PAYABLE

December 31, 2024

Unit: NT\$ thousands

Vendor Name	Amount	Notes
Vendor B	\$5,637	The balance of each of the other accounts does not exceed 5% of the total balance in this account.
Vendor C	3,940	
Izzy Construction Co., Ltd.	192	
Others	58,614	
Total	<u>\$68,383</u>	

LEOFOO DEVELOPMENT CO., LTD.

15. STATEMENT OF OTHER ACCOUNTS PAYABLE - RELATED PARTIES

December 31, 2024

Unit: NT\$ thousands

Related Party Names	Amount	Notes
Leofoo Development & Construction Co., Ltd.	\$6,231	
Izzy Construction Co., Ltd.	2,586	
Leofoo Property Management Co., Ltd.	30	
Leofoo Agronomy Co., Ltd.	700	
Elite Catering Company Limited	6,514	
Centennial International Tech. Ltd.	214	
Chuang Foo Foundation	70	
Total	<u>\$16,345</u>	

LEOFOO DEVELOPMENT CO., LTD.

16. STATEMENT OF OTHER CURRENT LIABILITIES

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Accrued Payroll	\$29,607	The balance of each of the other accounts does not exceed 5% of the total balance in this account.
Accrued Interest	5,390	
Payables for Equipment	8,882	
Accrued Expenses	171,494	
Other advance receipts	174,026	
Temporary Receipts	25,086	
Others	27,457	
Total	<u>\$441,942</u>	

LEOFOO DEVELOPMENT CO., LTD.
17. STATEMENT OF LONG-TERM BORROWINGS

December 31, 2024

Unit: NT\$ thousands

Creditor	Summary	Loan Amount	Contract Duration	Interest	Collateral or Guarantee	Notes
Hua Nan Commercial Bank	Secured loan	\$469,139	2024/04/02~2029/04/02	Note1 Note1	For information regarding assets provided as guarantees or pledges, please refer to Note 8.	
Hua Nan Commercial Bank	Secured loan	80,861	2024/04/29~2029/04/29			
Hua Nan Commercial Bank	Unsecured loan	180,379	2024/04/02~2026/04/02	Note1		
Hua Nan Commercial Bank	Unsecured loan	30,000	2024/07/15~2026/07/15	Note1		
First Commercial Bank	Secured loan	360,000	2024/06/28~2026/06/28	Note1		
First Commercial Bank	Unsecured loan	36,750	2020/06/01~2028/06/01	Note1		
First Commercial Bank	Unsecured loan	68,250	2020/09/07~2028/06/01	Note1		
First Commercial Bank	Secured loan	2,250	2022/03/24~2027/03/24	Note1		
First Commercial Bank	Secured loan	9,000	2022/03/24~2027/03/24	Note1		
First Commercial Bank	Secured loan	28,466	2022/04/20~2027/04/20	Note1		
First Commercial Bank	Secured loan	7,116	2022/04/20~2027/04/20	Note1		
First Commercial Bank	Secured loan	27,792	2022/05/30~2027/05/30	Note1		
First Commercial Bank	Secured loan	6,948	2022/05/30~2027/05/30	Note1		
First Commercial Bank	Secured loan	12,950	2022/06/30~2027/06/30	Note1		
First Commercial Bank	Secured loan	3,238	2022/06/30~2027/06/30	Note1		
Yuanta Commercial Bank	Secured loan	2,850,000	2022/04/14~2026/08/15	Note1		
Yuanta Commercial Bank	Secured loan	350,000	2022/04/14~2026/08/15	Note1		
Yuanta Commercial Bank	Secured loan	323,246	2022/04/14~2026/08/15	Note1		
Welcome To Sunny Bank	Secured loan	240,400	2021/03/12~2028/04/16	Note1		
Welcome To Sunny Bank	Unsecured loan	33,600	2021/03/12~2028/04/16	Note1		
Mega International Commercial Bank	Secured loan	57,767	2021/06/30~2028/06/30	Note1		
Total		5,178,152				
Less: Current portion of long-term borrowings		(98,100)				
Long-term borrowings due after one year		<u>\$5,080,052</u>				

Note 1: The interest rate range for long-term borrowings is 2.47% to 3.20%.

LEOFOO DEVELOPMENT CO., LTD.

18. STATEMENT OF LEASE LIABILITIES

December 31, 2024

Unit: NT\$ thousands

Items	Lease Term	Discount rate	Ending Balance	Notes
Buildings and structures	2015/11/20~2035/11/14	2.170%	\$3,382,937	
Less: Lease liabilities due within one year			(277,803)	
Lease liabilities due after one year			<u>\$3,105,134</u>	

LEOFOO DEVELOPMENT CO., LTD.

19. STATEMENT OF OTHER NON-CURRENT LIABILITIES

December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Guarantee deposits received	\$4,904	
Employee benefit liability provisions	6,606	
Decommissioning liability provisions	11,078	
Others	67	
Total	<u>\$22,655</u>	

LEOFOO DEVELOPMENT CO., LTD.

20. STATEMENT OF NET OPERATING REVENUE

January 1 to December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Hotel Room Revenue	\$910,317	
Food and Beverage Revenue	568,944	
Amusement Revenue	570,531	
Other Operating Revenue	259,277	
Total	<u>\$2,309,069</u>	

LEOFOO DEVELOPMENT CO., LTD.

21. STATEMENT OF OPERATING COSTS

January 1 to December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Trading business		
Beginning Inventory	\$43,712	
Add: Purchases for the Period	255,682	
Others	7,256	
Less: Ending Inventory	(42,198)	
Cost of Goods Sold	264,452	
Other Operating Costs	1,262,994	
Operating costs	<u>\$1,527,446</u>	

LEOFOO DEVELOPMENT CO., LTD.

22. STATEMENT OF OPERATING EXPENSES

January 1 to December 31, 2024

Unit: NT\$ thousands

Items	Amount	Notes
Salary Expenses	\$196,630	
Pension	11,262	
Rent Expenses	1,890	
Advertising Expenses	57,887	
Insurance Expenses	28,048	
Depreciation	125,470	
Amortization Expenses	1,384	
Meal Expenses	6,373	
Royalties	48,079	
Other Expenses	134,565	
Total	<u>\$611,588</u>	