Stock Code: 2705

Leofoo Development Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

2024 and 2023

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

<u>*Notice to Reader*</u>
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.

Consolidated financial statements
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Declaration

In 2024 (from January 1 to December 31, 2024), the companies that should be included in the preparation of consolidated financial statements of affiliated enterprises in accordance with the "Regulations Governing the Preparation of Consolidated Business Reports, Consolidated Financial Statements, and Reports on Affiliations" are the same as those that should be included in the preparation of consolidated financial statements of parent and subsidiary companies in accordance with International Financial Reporting Standard No. 10. Furthermore, the relevant information that should be disclosed in the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. Therefore, separate consolidated financial statements of affiliated enterprises will not be prepared.

Statement of Declaration

Company Name: Leofoo Development Co., Ltd.

Chairman: Feng-Ru Chuang

March 15, 2025

Auditor's Report

To Leofoo Development Co., Ltd.:

Opinions

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

In the opinion of the undersigned accountant, based on the audit results of the undersigned accountant and the audit reports of other accountants (please refer to the Other Matters section), the aforementioned consolidated financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations, and Interpretation Announcements endorsed and issued into effect by the Financial Supervisory Commission, and are sufficient to properly present the consolidated financial position of Leofoo Development Co., Ltd. and its subsidiaries as of December 31, 2024 and December 31, 2023, and their consolidated financial performance and consolidated cash flows for the periods from January 1 to December 31, 2024 and from January 1 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 Consolidated 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. and its subsidiaries 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 consolidated financial statements of Leofoo Development Co., Ltd. and its subsidiaries for the year 2024. These matters were addressed in the context of the audit of the consolidated financial statements as a whole and in forming the audit opinion, and the undersigned accountant does not provide a separate opinion on these matters.

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

As of December 31, 2024, the carrying amount of consolidated property, plant and equipment and right-of-use assets of Leofoo Development Co., Ltd. and its subsidiaries was NT$8,271,565 thousand, accounting for 53% of the total consolidated assets, which is significant to Leofoo Development Co., Ltd. and its subsidiaries. Since the actual operating performance of Leofoo Development Co., Ltd. and its subsidiaries 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 consolidated financial statements.

<u>Disclosure of Fair Value of Investment Property</u>

As of December 31, 2024, the net consolidated investment property of Leofoo Development Co., Ltd. and its subsidiaries was NT$6,397,904 thousand, accounting for 42% of the total consolidated assets, which is significant to the consolidated financial statements of Leofoo Development Co., Ltd. and its subsidiaries. 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 consolidated financial statements.

Other Matters - Reference to Other Auditors

The financial statements of Formosa Wonderworld Corporation, an investee company recognized under the equity method included in the consolidated financial statements of Leofoo Development Co., Ltd. and its subsidiaries, 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 consolidated 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 these investee companies accounted for under the equity method were NT$12,468 thousand and NT$14,145 thousand, respectively, representing 0.08% and 0.09% of the total consolidated assets, respectively. For the periods from January 1 to December 31, 2024, and January 1 to December 31, 2023, the share of profit (loss) of associates and joint ventures accounted for under the equity method was NT$(1,677) thousand and NT$(1,373) thousand, respectively, representing (1.89)% and 1.40% of the consolidated profit (loss) before tax, respectively.

Management and Governance Units' Responsibility for the Consolidated Financial Statements

Management's responsibility is to prepare consolidated financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, Interpretations, and Interpretation Bulletins that have been endorsed and issued into effect by the Financial Supervisory Commission, and to maintain necessary internal controls relevant to the preparation of consolidated financial statements to ensure that the consolidated financial statements are free from material misstatement, whether due to fraud or error.

When preparing the consolidated financial statements, management's responsibilities also include assessing the ability of Leofoo Development Co., Ltd. and its subsidiaries 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. and its subsidiaries 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. and its subsidiaries are responsible for overseeing the financial reporting process.

Accountant's Responsibility for the Audit of the Consolidated Financial Statements

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Leofoo Development Co., Ltd. and its subsidiaries' 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. and its subsidiaries' 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Leofoo Development Co., Ltd. and its subsidiaries to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit, 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 consolidated financial statements of Leofoo Development Co., Ltd. and its subsidiaries 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.

Others

Leofoo Development Co., Ltd. has prepared the parent company only financial statements for the years 2024 and 2023, and we have issued an unqualified audit report with an Other Matter paragraph thereon for reference.

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. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEET

December 31, 2024 and December 31, 2023

(All amounts are in thousands of New Taiwan Dollars)

			December 31, 2024		December 31, 2023	
Asset Code	**Accounting Items**	**Notes**	**Amount**	**%**	**Amount**	**%**
	Current assets					
1100	Cash and Cash Equivalents	4, 6(1)	$322,009	2	$350,212	2
1150	Notes Receivable, Net	4, 6(3)	1,753	-	1,895	-
1170	Accounts Receivable, Net	4, 6(4), 7	56,442	1	31,927	-
1200	Other Receivables	7	5,989	-	5,162	-
130x	Inventories	4, 6(5)	48,305	-	50,567	-
1410	Prepaid Expenses		51,798	-	58,876	1
1470	Other Current Assets	8	12,895	-	5,230	-
11xx	Total Current Assets		499,191	3	503,869	3
	Non-current Assets					
1517	Financial Assets at Fair Value through Other Comprehensive Income	4, 6(2)	-	-	77,059	1
1550	Investments Accounted for Using Equity Method	4, 6(6)	12,468	-	14,145	-
1600	Property, Plant, and Equipment	4. 6(7), 8	4,975,682	32	5,089,494	33
1755	Right-of-use Assets	4, 6(17)	3,295,883	21	3,625,899	23
1760	Investment Property	4. 6(8), 8	6,397,904	42	6,080,612	39
1780	Intangible assets		1,537	-	1,893	-
1840	Deferred income tax assets	4, 6(21)	12,569	-	11,775	-
1900	Other non-current assets	6(9), 7, 8	231,919	2	234,571	1
15xx	Total non-current assets		14,927,962	97	15,135,448	97
1xxx	Total assets		$15,427,153	100	$15,639,317	100

(Please refer to the notes to the consolidated financial statements)

Chairman: Feng-Ru Chuang　　Managerial Officers: Chen-Jung Lai　　Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED 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	%
	Current liabilities					
2100	Short-term borrowings	6(10), 8	$-	-	$53,500	-
2150	Notes payable		4,954	-	4,756	-
2170	Accounts payable		82,590	1	128,065	1
2220	Other payables - related parties	7	285	-	651	-
2280	Lease Liabilities	4, 6(17)	317,575	2	310,121	2
2322	Long-term borrowings due within one year or one operating cycle	6(11), 8	98,100	1	234,506	1
2399	Other current liabilities	7	449,201	2	450,932	3
21xx	Total current liabilities		952,705	6	1,182,531	7
	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	8	1,314,711	9
2580	Lease Liabilities	4, 6(17)	3,169,133	21	3,486,708	22
2640	Net Defined Benefit Liabilities	4, 6(13)	25,248	-	36,659	-
2670	Other non-current liabilities	6(12), 7	23,008	-	23,208	-
25xx	Total non-current liabilities		9,614,532	62	9,631,101	62
2xxx	Total liabilities		10,567,237	68	10,813,632	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		$15,427,153	100	$15,639,317	100

(Please refer to the notes to the consolidated financial statements)

Chairman: Feng-Ru Chuang   Managerial Officers: Chen-Jung Lai   Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT 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	Items	Notes	2024 Amount	2024 %	2023 Amount	2023 %
4000	Operating revenue	4, 6(15), 7	$2,324,483	100	$2,211,095	100
5000	Operating costs	6(5)	(1,523,734)	(66)	(1,458,294)	(66)
5900	Gross Profit		800,749	34	752,801	34
6000	Operating Expenses	6(18), 7	(632,095)	(27)	(676,859)	(31)
6900	Operating profit		168,654	7	75,942	3
7100	Interest income	6(19)	3,382	-	2,157	-
7010	Other income	6(19), 7	86,573	4	27,644	2
7020	Other gains and losses	6(19)	27,532	1	(1,374)	-
7050	Finance costs	6(19)	(195,642)	(8)	(200,740)	(9)
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method	6(6)	(1,677)	-	(1,373)	-
	Total non-operating income and expenses		(79,832)	(3)	(173,686)	(7)
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	6(20)				
8310	Items that will not 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	$(88,814)	(4)
9750	Basic earnings per share (NT$)	6(22)	$0.46		$(0.51)	
9850	Diluted earnings per share (NT$)	6(22)	$0.46		$(0.51)	

(Please refer to the notes to the consolidated financial statements)

Chairman: Feng-Ru Chuang Managerial Officers: Chen-Jung Lai Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT 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	Equity Attributable to Owners of Parent								Total equity
				Retained Earnings			Other equity items			
		Share capital	Capital surplus	Legal Reserve	Special Reserve	Accumulated deficit	Exchange differences on translation of foreign financial statements	Unrealized valuation gain (loss) on financial assets at fair value through other comprehensive income	Revaluation surplus of property	
		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 consolidated financial statements)

Chairman: Feng-Ru Chuang Managerial Officers: Chen-Jung Lai Accounting Supervisor: Ting-Wen Shih

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS

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
AAAA	Cash flows from operating activities:		
A10000	Income (loss) before income tax for the period	$88,822	$(97,744)
A20000	Adjusting items:		
A20010	Income and expense items:		
A20100	Depreciation and depletion expenses	549,795	550,584
A20200	Amortization expenses	2,754	3,743
A20900	Interest expenses	195,642	200,740
A21200	Interest income	(3,382)	(2,157)
A22300	Share of losses (gains) of associates and joint ventures accounted for using equity method	1,677	1,373
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)
A29900	Gain on lease modifications	-	(23)
A30000	Net changes in operating assets/liabilities		
A31130	Decrease (increase) in notes receivable	142	(1,886)
A31150	Decrease (increase) in accounts receivable	(24,515)	26,155
A31180	Decrease (increase) in other receivables	(825)	1,797
A31200	Decrease (increase) in inventories	2,262	(3,131)
A31230	Decrease (increase) in prepayments	7,201	(1,643)
A31240	Decrease (increase) in other current assets	(7,665)	18,645
A31990	Decrease (increase) in other non-current assets	(3,436)	(4,430)
A32130	Increase (decrease) in notes payable	198	(17,630)
A32150	Increase (decrease) in accounts payable	(45,475)	22,365
A32190	Increase (decrease) in other payables - related parties	(366)	331
A32230	Increase (decrease) in other current liabilities	(6,177)	7,835
A32240	Increase (decrease) in net defined benefit liability	(7,702)	(15,967)
A32990	Increase (decrease) in other non-current liabilities	(200)	1,679
A33000	Cash inflow (outflow) generated from operations	716,611	683,660
A33100	Interest received	3,382	2,123
A33300	Interest paid	(211,028)	(206,667)
AAAA	Net cash inflow (outflow) from operating activities	508,965	479,116

Code	Items	2024	2023
BBBB	Cash flows from investing activities:		
B00030	Return of capital from financial assets at fair value through other comprehensive income	16,649	-
B02700	Acquisition of property, plant and equipment	(104,788)	(116,332)
B02800	Disposal of property, plant and equipment	1,868	389
B03800	Decrease in refundable deposits	6,988	3,202
B04500	Acquisition of intangible assets	(1,081)	(323)
B05400	Acquisition of investment property	(269,122)	(286,169)
BBBB	Net cash inflow (outflow) from investing activities	(349,486)	(399,233)
CCCC	Cash flows from financing activities:		
C00200	Increase (decrease) in short-term borrowings	(53,500)	(360,000)
C01600	Proceeds from long-term borrowings	1,263,625	2,191,100
C01700	Repayment of long-term borrowings	(1,089,794)	(1,581,929)
C04020	Repayment of lease liability principal	(310,121)	(303,546)
CCCC	Net cash inflow (outflow) from financing activities	(189,790)	(54,375)
DDDD	Effects of exchange rate changes	2,108	21
EEEE	Increase (decrease) in cash and cash equivalents for the period	(28,203)	25,529
E00100	Beginning balance of cash and cash equivalents	350,212	324,683
E00200	Ending balance of cash and cash equivalents	$322,009	$350,212

(Please refer to the notes to the consolidated financial statements)

Chairman: Feng-Ru Chuang　　Managerial Officers: Chen-Jung Lai　　Accounting Supervisor: Ting-Wen Shih

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

1. Company History

Leofoo Development Co., Ltd. (the Company) was approved for establishment by the Ministry of Economic Affairs on January 27, 1968. The registered address is No. 60, Gongzigou, Ren'an Village, 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 Company's stock has been listed on the Taiwan Stock Exchange since December 24, 1988.

2. Date and Procedure of Approval of Financial Statements

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as the Group) 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 Group 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 Group.

(2) As of the date of issuance of the financial statements, the Group has not yet adopted the following new standards, amendments and interpretations issued by the International Accounting Standards Board and approved by the 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

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

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 Group has assessed that there is no significant impact.

(3) As of the approval date for the issuance of the financial report, the Group 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 in 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 - Volume 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 Group is temporarily unable to reasonably estimate the impact, the remaining newly announced or amended standards or interpretations have no significant impact on the Group.

4. Summary of Significant Accounting Policies

(1) Statement of Compliance

The consolidated financial statements of the Group for the years 2024 and 2023 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, International Financial Reporting Interpretations, and Interpretation Announcements that have been endorsed and issued into effect by the Financial Supervisory Commission.

(2) Basis of Preparation

The consolidated 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 consolidated financial statements are presented in thousands of New Taiwan dollars.

(3) Consolidation Overview

Principles for Preparing Consolidated Financial Statements

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

1. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities)

2. exposure, or rights, to variable returns from its involvement with the investee, and

3. the ability to use its power over the investee to affect the amount of the investor's returns

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

1. the contractual arrangement with the other vote holders of the investee
2. rights arising from other contractual arrangements
3. voting rights and potential voting rights

When facts and circumstances indicate that there have been changes to one or more of the three elements of control, the Company reassesses whether it still controls the investee.

Subsidiaries are included in the consolidated financial statements from the acquisition date (i.e., the date when the Company obtains control) until the date when the Company loses control of the subsidiaries. The accounting period and accounting policies of the subsidiary's financial statements are consistent with those of the parent company. All intra-group account balances, transactions, unrealized internal gains and losses, and dividends resulting from intra-group transactions are eliminated in full.

Changes in the shareholding of a subsidiary, if control over the subsidiary is not lost, are treated as equity transactions.

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

If the Company loses control over a subsidiary, then

1. Derecognize the assets (including goodwill) and liabilities of the subsidiary;
2. Derecognize the carrying amount of any non-controlling interest;
3. Recognize the fair value of the consideration received;
4. Recognize the fair value of any investment retained;
5. Reclassify the amount of items previously recognized in other comprehensive income by the parent company to profit or loss for the current period, or directly transfer to retained earnings in accordance with the provisions of other International Financial Reporting Standards;
6. Recognize any resulting difference as profit or loss for the period.

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

The entities included in the consolidated financial statements are as follows:

			Percentage of Ownership Interest	
Name of the Investment Company	**Name of the Subsidiary**	**Principal Activities**	**2024.12.31**	**2023.12.31**
The Corporation	Leofoo Development & Construction Co., Ltd.	General Construction Industry	100.00%	100.00%
The Corporation	Elite Catering Company Limited	Baking and Steaming Food Manufacturing	100.00%	100.00%
The Corporation	Leofoo Investment Ltd.	Investment Business	100.00%	100.00%
The Corporation	Leofoo Agronomy Co., Ltd.	Agricultural Business	100.00%	100.00%
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	Property management	100.00%	100.00%
Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	Civil Engineering and Construction Contracting	100.00%	100.00%
Leofoo Investment Ltd.	Leofoo Development (Hong Kong) Ltd.	Investment Business	100.00%	100.00%

(4) Foreign Currency Transactions

The consolidated financial statements of the Group are presented in New Taiwan Dollar, which is the Company's functional currency. Each entity within the Group determines its own functional currency and measures its financial statements using that functional currency.

Foreign currency transactions of entities within the Group 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 at the closing exchange rate on that date; foreign currency non-monetary items measured at fair value are translated at the exchange rate on the date when the fair value was measured; foreign currency non-monetary items measured at historical cost are translated at 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.

(5) Translation of Foreign Currency Financial Statements

When preparing consolidated 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 Group are treated as assets and liabilities of those foreign operations and reported in their functional currency.

(6) 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.

(7) 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.

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 "Financial Instruments" are 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 Group accounts for all regular way purchases or sales of financial assets on a trade date basis.

The Group 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

<u>Financial assets measured at amortized cost</u>

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, calculated 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 and accounts receivable 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 Group recognizes and measures an allowance for expected credit losses on debt instrument investments at fair value through other comprehensive income and financial assets at amortized cost. 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 Group 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 Group 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 Group measures the allowance for losses at the amount of lifetime expected credit losses.

The Group 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 Group 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 Group 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 Group after deducting all of its liabilities. Equity instruments issued by the Group 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

(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 assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the portfolio is provided internally on that basis to the entity's key management personnel.

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 Group 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.

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

(10) Inventories

1. Trading business

Inventories are measured at the lower of cost and net realizable value. 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.

2. Construction business

Inventories are measured at the lower of cost and net realizable value. Construction business costs include necessary expenditures incurred in bringing them to their existing location and condition in a usable state and capitalized borrowing costs.

Net realizable value refers to the estimated selling price in the ordinary course of business less the estimated costs expected to be incurred for completion and the estimated costs necessary to complete the sale. The method for determining net realizable value is as follows:

(1) Construction land: Net realizable value is determined with reference to management's estimate based on current market conditions.

(2) Projects under construction: Net realizable value is calculated based on the estimated selling price (current market conditions) less the costs still to be incurred to complete the project and selling expenses.

(3) Properties for sale: Net realizable value is calculated as the estimated selling price (with reference to management's estimate based on current market conditions) less the estimated costs and selling expenses incurred when selling the properties.

(11) Investments Accounted for Using Equity Method

The Group'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 Group has significant influence. Joint ventures refer to arrangements (with joint control) in which the Group has rights to the net assets.

Under the equity method, investments in related enterprises or joint ventures are recorded on the balance sheet at cost plus the amount recognized by the Group according to its shareholding ratio for the changes in net assets of the related enterprise or joint venture after acquisition. After the carrying amount of investment in related enterprises or joint ventures 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 Group and related enterprises or joint ventures are eliminated to the extent of the Group's interest in the related enterprise or joint venture.

When changes in the equity of a related enterprise or joint venture occur not due to profit or loss and other comprehensive income items, and do not affect the Group's shareholding ratio, the Group 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 or joint venture is subsequently disposed of.

When a related enterprise or joint venture issues new shares, and the Group 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 Group'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 or joint venture is subsequently disposed of.

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

At the end of each reporting period, the Group applies the requirements of International Accounting Standard 28 "Investments in Associates and Joint Ventures" to determine whether there is objective evidence that the investment in a related enterprise or joint venture is impaired. If there is objective evidence of impairment, the Group calculates the impairment amount in accordance with International Accounting Standard 36 "Impairment of Assets" as the difference between the recoverable amount and the carrying amount of the related enterprise or joint venture, and recognizes that amount in the profit or loss related to the associate or joint venture. If the aforementioned recoverable amount is based on the value in use of the investment, the Group determines the relevant value in use based on the following estimates:

1. The Group's share of the present value of the estimated future cash flows generated by the related enterprise or joint venture, 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 Group 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 or joint ventures 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 or joint control over a joint venture is lost, the Group measures and recognizes the retained investment portion at fair value. When significant influence or joint control is lost, the difference between the carrying amount of the investment in the related enterprise or joint venture 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 Group continues to apply the equity method without remeasuring the retained interest.

(12) 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 Group 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.

(13) Investment Property

The Group's own 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 Group 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 Group transfers the property to or from investment property.

(14) Leases

The Group 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 Group 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 Group 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 Group 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 Group maximizes the use of observable information to estimate the stand-alone price.

<u>The Group as a Lessee</u>

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

The Group 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 Group is reasonably certain to exercise that option; and

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

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

(15) Intangible assets

Intangible assets acquired separately are measured at cost upon initial recognition. The cost of intangible assets acquired in a business combination is the fair value as of the acquisition date. 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 Group 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

(16) Impairment of non-financial assets

The Group 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 Group 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 Group 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 Group 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.

(17) 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 Group 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.

(18) Revenue Recognition

The Group'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 Group 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 Group 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 Group recognizes accounts receivable upon delivery of goods, as the Group has an unconditional right to receive consideration at that point.

Room, Food & Beverage, and Amusement Park Services

The Group 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 Group 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 Group does not adjust the transaction price for the time value of money.

(19) 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.

(20) Government Grants

The Group 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 Group. 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 Group 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.

(21) Post-employment Benefit Plans

The retirement regulations of the Company and its domestic subsidiaries 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 Company 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 Company and its domestic subsidiaries 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 annual 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 Company 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.

(22) 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 consolidated financial statements, the Group'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 Group 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.

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

(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

	2024.12.31	2023.12.31
Cash on hand	$5,458	$8,475
Petty cash	3,031	3,381
Bank deposits (Note)	313,520	338,356
Total	$322,009	$350,212

Note: Includes time deposits with maturities of three months or less from the contract date, and those that can be readily converted to a known amount of cash and are subject to an insignificant risk of changes in value.

As of December 31, 2024 and 2023, the Group 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 Group'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

	2024.12.31	2023.12.31
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	$-	$77,059

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

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

(3) Notes receivable

	2024.12.31	2023.12.31
Notes receivable - arising from operations	$1,753	$1,895
Less: Allowance for losses	-	-
Total	$1,753	$1,895

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

Due to the major debtor of the Group's notes receivable from the sale of Kenting Leofoo Resort experiencing a bounced check on January 30, 2018, the Group recognized an allowance for losses of NT$269,928 thousand for the related notes receivable. To protect the Group'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 Group. The Group has applied to the Taipei District Court for compulsory execution of the promissory notes and has received a repayment of NT$365 thousand.

The Group 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	$56,627	$32,112
Less: Allowance for losses	(185)	(185)
Total	$56,442	$31,927

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

The Group's sales collections are primarily in cash, bank transfers, and credit cards. The Group'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$56,627 thousand and NT$32,112 thousand, respectively. For information related to allowance for 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.

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

(5) Inventories

	2024.12.31	2023.12.31
Feed	$649	$596
Food products	13,716	10,681
Beverages	1,931	2,044
Merchandise	31,188	36,436
Others	821	810
Total	$48,305	$50,567

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

	2024	2023
Inventory costs	$1,523,734	$1,458,294

2. For the years 2024 and 2023, the Group 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 Group's inventories were pledged as collateral.

(6) Investments Accounted for Using Equity Method

The details of the Group'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 associated companies:				
Ambassador Film Inc.	$12,468	40%	$14,145	40%

1. The Group's aggregated carrying amounts of investment in Kuo Yuan Film Co., Ltd. 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)

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

2. The aforementioned investment in associated companies had no contingent liabilities or capital commitments as of December 31, 2024 and 2023, and did not provide any guarantees.

(7) Property, Plant, and Equipment

1. 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	$3,327,917	$3,750,046	$609,538	$2,193,170	$1,359,272	$11,239,943
Additions	-	25,028	20,554	16,822	43,973	106,377
Disposals	-	(45,126)	(1,792)	(3,213)	(4,271)	(54,402)
Reclassification	-	7,738	1,409	6,555	(15,702)	-
2024.12.31	$3,327,917	$3,737,686	$629,709	$2,213,334	$1,383,272	$11,291,918
2023.01.01	$3,327,917	$3,703,085	$581,462	$2,129,193	$1,398,834	$11,140,491
Additions	-	18,040	23,630	9,518	54,649	105,837
Disposals	-	-	(342)	(581)	(5,462)	(6,385)
Reclassification	-	28,921	4,788	55,040	(88,749)	-
2023.12.31	$3,327,917	$3,750,046	$609,538	$2,193,170	$1,359,272	$11,239,943
Depreciation and impairment:						
2024.01.01	$510,331	$2,195,908	$472,174	$2,099,798	$872,238	$6,150,449
Depreciation	-	97,424	41,682	24,770	55,649	219,525
Disposals	-	(45,070)	(1,678)	(3,213)	(3,777)	(53,738)
Reclassification	-	834	(140)	-	(694)	-
2024.12.31	$510,331	$2,249,096	$512,038	$2,121,355	$923,416	$6,316,236
2023.01.01	$510,331	$2,093,825	$430,267	$2,080,159	$821,981	$5,936,563
Depreciation	-	102,083	42,243	20,220	55,179	219,725
Disposals	-	-	(336)	(581)	(4,922)	(5,839)
Reclassification	-	-	-	-	-	-
2023.12.31	$510,331	$2,195,908	$472,174	$2,099,798	$872,238	$6,150,449
Net carrying amount:						
2024.12.31	$2,817,586	$1,488,590	$117,671	$91,979	$459,856	$4,975,682
2023.12.31	$2,817,586	$1,554,138	$137,364	$93,372	$487,034	$5,089,494

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

3. The Group has multiple parcels of land in the Gongzigou section of Guanxi Township, Hsinchu County. Due to unresolved inheritance issues with the original landowners

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

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 Group, and these are listed under other non-current assets.

(8) Investment Property

The Group 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	$5,612,979	$70,940	$5,683,919
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	$5,583,237	$68,161	$5,651,398

(1) The Group'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	$5,683,919	$5,651,398

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 Group is conducted by the aforementioned professional appraisal firms based on the current condition of the Group'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.

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

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 Group 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	$10,793,242	$10,742,733
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	$1,623,730	$1,590,368
Estimated future cash outflows	(67,599)	(60,374)
Estimated future net cash inflows	$1,556,131	$1,529,994

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

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

	2024.12.31	2023.12.31
Assessed market rental	\$1,647～\$3,583	\$1,495～\$3,120

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%

	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	\$16,196	\$20,495

(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	\$429,214
Increase during the period	284,771
Transfer from property, plant and equipment	-
2024.12.31	\$713,985
2023.01.01	\$136,505
Increase during the period	292,709
Transfer from property, plant and equipment	-
2023.12.31	\$429,214

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

The Group'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	$90,279	$97,267
Prepayments for equipment	29,774	27,303
Restricted bank deposits	29,626	29,598
Restricted land	75,700	75,700
Others	6,540	4,703
Total	$231,919	$234,571

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	$-	$53,500
Interest rate range	-	2.75%~2.97%

2. For the Group'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 Group'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.

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

(11) Long-term borrowings

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	$5,080,052	$4,769,815
Interest rate range	2.47%~3.20%	2.35%~3.07%

1. 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	$4,944	$5,744
Employee benefit liability provisions	6,919	6,319
Decommissioning liability provisions	11,078	11,078
Other non-current liabilities	67	67
Total	$23,008	$23,208

(13) Post-employment Benefit Plans

Defined contribution plans

The retirement plan established by the Company and its domestic subsidiaries 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 Company and its domestic subsidiaries cannot be less than six percent of the employees' monthly salary. The Company and its domestic subsidiaries have 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 Group 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 Company 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 Company 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 Company 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 Company 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 Company does not have the right to participate in the operation and management of the fund, it is unable to disclose the classification of the fair value of plan assets in accordance with paragraph 142 of International Accounting Standard No. 19. As of December 31, 2024, the Group 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 Company's defined benefit plans are both expected to mature in 2031.

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

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	$1,337	$1,677

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 - net defined benefit liability	$25,248	$36,659	$49,592

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	-	-	-

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability (asset)
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

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

	2024.12.31	2023.12.31
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.

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

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 Company'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.

2. 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.

3. Profit distribution and dividend policy

(1) Profit distribution

According to the Articles of Incorporation, if the Company's annual final accounts show a profit, the Company shall first pay taxes, make up accumulated losses, and then set aside 10% as legal reserve, unless the legal reserve has already reached the amount of the Company's paid-in capital. The Company shall also set aside or reverse special reserve according to operational needs and legal requirements. If there is still profit remaining, it shall be combined with the unappropriated retained earnings at the beginning of the period. The Board of Directors shall prepare a profit distribution proposal and submit it to the shareholders' meeting for resolution.

(2) Dividend policy

The Company'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 Company 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 Company 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 Company 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 Company upon first-time adoption amounted to NT$1,323,921 thousand for both years. The Company 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 Company proposed and resolved, respectively, that due to accumulated deficits for the years 2024 and 2023, no earnings would be distributed.

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

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

	2024	2023
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	274,691	289,524
Total	$2,324,483	$2,211,095
Timing of Revenue Recognition:		
At a point in time	$2,324,483	$2,211,095

2. Contract Balances

(1) 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 Group 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 Group 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

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

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:

2024.12.31

Low Risk	**Not Past Due (Note)**	**Days Past Due**				
		Within 30 days	**31-60 days**	**61-90 days**	**91 days or more**	**Total**
Total Carrying Amount	$53,353	$3,632	$131	$191	$888	$58,195
Loss Rate	-%	-%	-%	-%	-%	
Lifetime Expected Credit Loss	-	-	-	-	-	-
Subtotal	53,353	3,632	131	191	888	58,195

Those in Financial Difficulty	**Not Past Due (Note)**	**Days Past Due**				
		Within 30 days	**31-60 days**	**61-90 days**	**91 days or more**	**Total**
Total Carrying Amount	$-	$-	$-	$-	$185	$185
Loss Rate	-%	-%	-%	-%	100%	
Lifetime Expected Credit Loss	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying Amount						$58,195

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

2023.12.31

Low Risk	Not Past Due (Note)	Days Past Due Within 30 days	31-60 days	61-90 days	91 days or more	Total
Total Carrying Amount	$27,144	$3,327	$697	$2,620	$34	$33,822
Loss Rate	-%	-%	-%	-%	-%	
Lifetime Expected Credit Loss	-	-	-	-	-	-
Subtotal	27,144	3,327	697	2,620	34	33,822

Those in Financial Difficulty	Not Past Due (Note)	Days Past Due Within 30 days	31-60 days	61-90 days	91 days or more	Total
Total Carrying Amount	$-	$-	$-	$-	$185	$185
Loss Rate	-%	-%	-%	-%	100%	
Lifetime Expected Credit Loss	-	-	-	-	(185)	(185)
Subtotal	-	-	-	-	-	-
Carrying Amount						$33,822

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

2. The changes in the allowance for losses on bills receivable and accounts receivable of the Group 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	$-	$185	$185
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	$-	$185	$185

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

(17) Leases

1. The Group as Lessee

The Group 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 Group'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	$3,295,883	$3,625,899

B. Lease Liabilities

	2024.12.31	**2023.12.31**
Buildings and structures	$3,486,708	$3,796,829
Current	$317,575	$310,121
Non-current	3,169,133	3,486,708
Total	$3,486,708	$3,796,829

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	$330,016	$330,015
Transportation Equipment	-	578
Total	$330,016	$330,593

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

(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)	4,120	4,654
Expenses for Variable Lease Payments Not Included in the Measurement of Lease Liabilities	-	18

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

The Group'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.

(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	$377,893	$212,274	$590,167	$372,486	$206,189	$578,675
Labor and Health Insurance Expenses	37,414	24,165	61,579	39,454	19,873	59,327
Pension Expenses	17,602	12,042	29,644	18,945	9,529	28,474
Remuneration Paid to Directors	-	2,042	2,042	-	2,040	2,040
Other Employee Benefits Expenses	20,886	7,282	28,168	21,384	6,316	27,700
Depreciation Expenses	422,777	126,829	549,606	428,928	121,449	550,377
Depletion Expenses	189	-	189	207	-	207
Amortization expenses	1,208	1,546	2,754	19	3,724	3,743

According to the Company'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 Company 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.

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

Due to accumulated losses, the Company 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	$3,382	$2,157

2. Other income

	2024	2023
Government Grant Income	$1,779	$3,097
Rental Income	7,848	5,730
Other Income - Others	76,946	18,817
Total	$86,573	$27,644

3. Other gains and losses

	2024	2023
Gain (Loss) on Disposal of Property, Plant and Equipment	$1,204	$(157)
Net Foreign Currency Exchange Gain (Loss)	(11)	224
Gain on lease modifications	-	23
Fair Value Adjustment Gain (Loss) - Investment Property	30,935	7,133
Compensation Loss	-	(5,268)
Other Losses	(4,596)	(3,329)
Total	$27,532	$(1,374)

4. Finance costs

	2024	2023
Interest on Bank Borrowings	$132,335	$121,672
Interest on Lease Liabilities	78,956	85,608
Less: Included in Qualifying Capitalization Requirements Amount Included in Asset Cost	(15,649)	(6,540)
Total	$195,642	$200,740

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

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)

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	$8,930	$-	$8,930	$-	$8,930

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

(21) Income Tax

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

Income Tax Recognized in Profit or Loss

	2024	**2023**
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)	$-	$-

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

	2024	**2023**
Income (loss) before income tax for the period	$88,822	$(97,744)
Tax Amount Calculated at the Domestic Rates Applicable to Incomes in the Respective Countries	$17,765	$(19,549)
Tax Effect of Exempt Income	(5,314)	(8,158)
Tax Effect of Non-Deductible Expenses for Tax Purposes	4	8,678
Tax Effect of Deferred Income Tax Assets/Liabilities	(17,923)	(30,227)
Adjustment of Deferred Income Tax from Previous Years in the Current Year	5,468	49,256
Total Income Tax Expense (Benefit) Recognized in Profit or Loss	$-	$-

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

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

2024

	Beginning Balance	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)

2023

	Beginning Balance	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)

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

4. Unrecognized Deferred Income Tax Assets

As of December 31, 2024 and 2023, the Group's unrecognized deferred income tax assets amounted to NT$1,003,882 thousand and NT$1,022,416 thousand, respectively.

5. The information of unused tax losses for entities within the Group is summarized as follows:

(1) Leofoo Development Co., Ltd.:

Year of Occurrence	Loss Amount	Unused Balance 2024.12.31	Unused Balance 2023.12.31	Last Deductible Year
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	$3,606,719	$3,539,043	$3,606,719	

6. Status of Income Tax Return Assessment

As of December 31, 2024, the status of the profit-seeking enterprise income tax returns of the Company and its domestic subsidiaries as assessed by the tax authorities is as follows:

	Status of Income Tax Return Assessment
The Corporation	Assessed up to 2022
Leofoo Development & Construction Co., Ltd.	Assessed up to 2022
Izzy Construction Co., Ltd.	Assessed up to 2022
Leofoo Property Management Co., Ltd.	Assessed up to 2022
Leofoo Agronomy Co., Ltd.	Assessed up to 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 period.

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

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 period 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)	$88,822	$(97,744)
Weighted Average Number of Ordinary Shares for Basic Earnings Per Share (thousand shares)	191,313	191,313
Basic Earnings (Loss) Per Share (NTD)	$0.46	$(0.51)

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 Group during the financial reporting period are as follows:

Related Party Names and Relationships

Related Party Names	Relationship with the Group
Ambassador Film Inc.	An investee company accounted for under the equity method by the Company
Centennial International Tech. Ltd.	The Company is the corporate director of that company
Si Mian Fo Management Consultant Ltd.	The Chairman of the Company is the Chairman of that company
Chuang Foo Foundation	Other related parties

(2) Significant transactions with related parties

1. Sales revenue

	2024	2023
Chuang Foo Foundation	$6	$-

The pricing method of the above related party transactions is not significantly different from that of general customers. The collection terms for related parties are approximately 30 days after the end of the month, which is not significantly different from the collection terms for general customers.

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

2. Rental income

	2024	2023
Ambassador Film Inc.	$5,440	$5,440

3. Accounts receivable

	2024.12.31	2023.12.31
Chuang Foo Foundation	$33	$54

4. Other receivables

	2024.12.31	2023.12.31
Ambassador Film Inc.	$15	$-
Chuang Foo Foundation	59	8
Total	$74	$8

5. Other payables - related parties

	2024.12.31	2023.12.31
Centennial International Tech. Ltd.	$214	$432
Chuang Foo Foundation	71	219
Total	$285	$651

6. Refundable deposits

	2024.12.31	2023.12.31
Centennial International Tech. Ltd.	$295	$295

7. Guarantee deposits received

	2024.12.31	2023.12.31
Ambassador Film Inc.	$1,350	$1,350

8. Other advance receipts

	2024.12.31	2023.12.31
Si Mian Fo Management Consultant Ltd.	$17,671	$17,671

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

9. In 2024 and 2023, the Group 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.

(3) Compensation of key management personnel

	2024	2023
Short-term employee benefits	$30,996	$14,188
Post-employment benefits	986	446
Total	$31,982	$14,634

8. Pledged assets

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

	Carrying Amount		
	2024.12.31	2023.12.31	Content of secured liabilities
Property, Plant, and Equipment	$4,253,656	$4,322,688	Long-term and short-term borrowings
Investment Property	6,397,904	6,080,612	Long-term and short-term borrowings
Other current and non-current assets	86,263	86,230	Performance guarantee
Total	$10,737,823	$10,489,530	

1. As of December 31, 2024 and 2023, the Group 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 Group'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 Group'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

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

recorded under other non-current assets.

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

Nature of contract	Contract amount (excluding tax)	Amount paid	Amount unpaid
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

	2024.12.31	2023.12.31
Financial assets measured at amortized cost:		
Cash and Cash Equivalents	$313,520	$338,356
Notes receivable	1,753	1,895
Accounts receivable	56,442	31,927
Other Receivables	5,989	5,162
Guarantee deposits paid	90,279	97,267
Total	$467,983	$474,607

Financial Liabilities

	2024.12.31	2023.12.31
Financial liabilities measured at amortized cost:		
Short-term borrowings	$-	$53,500
Accounts payable	87,829	133,472
Long-term borrowings (including portions due within one year)	5,178,152	5,004,321
Lease Liabilities	3,486,708	3,796,829
Total	$8,752,689	$8,988,122

(2) Financial Risk Management Objectives and Policies

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

The Group 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 Group must strictly comply with the relevant provisions of financial risk management that have been established.

(3) Market risk

The Group'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.

<u>Interest rate risk</u>

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 Group'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 Group'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 Group'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 Group 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 Group's internal rating standards. Since the Group 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 Group also regularly evaluates customers' financial conditions, but typically does not require customers to provide collateral.

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

The Group's finance department manages credit risk related to bank deposits and other financial instruments in accordance with group policies. Since the Group'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 Group 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 Group 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 Group 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 Group maintains financial flexibility through contracts such as cash and cash equivalents and bank loans. The following table summarizes the maturity profile of the Group'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**
2024.12.31					
Borrowings	$230,121	$4,121,037	$1,101,715	$-	$5,452,873
Accounts payable	87,829	-	-	-	87,829
Lease liabilities (Note)	389,756	389,756	1,067,930	2,059,800	3,907,242

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

	Less than one year	One to two years	Two to five years	More than five years	Total
2023.12.31					
Borrowings	$408,869	$599,517	$4,550,864	$4,108	$5,563,358
Accounts payable	133,472	-	-	-	133,472
Lease liabilities (Note)	389,077	389,756	1,109,551	2,407,935	4,296,319

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

	Maturity period					
	Less than one year	One to five years	Six to ten years	Ten to fifteen years	More than fifteen years	Total
2024.12.31	$389,756	$1,457,686	$1,740,676	$319,124	$-	$3,907,242
2023.12.31	$389,077	$1,499,307	$1,740,676	$667,259	$-	$4,296,319

(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	$3,796,829	$8,854,650
Cash Flows	(53,500)	173,831	(310,121)	(189,790)
Non-cash changes	-	-	-	-
2024.12.31	$-	$5,178,152	$3,486,708	$8,664,860

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	$4,104,875	$8,913,525
Cash Flows	(360,000)	609,171	(303,546)	(54,375)
Non-cash changes	-	-	(4,500)	(4,500)
2023.12.31	$53,500	$5,004,321	$3,796,829	$8,854,650

(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 Group 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 Group'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.excluded.
- 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.

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

2. Fair Value Measurement Hierarchy Information

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

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 Group'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 Subtotal
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	$-

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

	Assets
	Financial Assets at Fair Value through Other Comprehensive Income Subtotal
2023.01.01	$65,116
Total gains (losses) recognized from January 1 to December 31, 2023:	
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 Group'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 Group's equity will decrease/increase by NT$2,667 thousand

(9) Capital management

The Group'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 Group 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. Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): See Table 1.

4. Cumulative purchases or sales of the same 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.

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 the paid-in capital or more: None.

8. Receivables from related parties amounting to NT$100 million or 20% of the paid-in capital or more: None.

9. Derivative financial instrument transactions: None.

10. Relationships and significant intercompany transactions between the parent company and its subsidiaries and between subsidiaries: See Table 3.

(2) Information on Investee Companies:

1. The name, location, etc. of invested companies: See Table 2.

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) Securities held at the end of the period (excluding investments in subsidiaries, associates, and joint ventures): None.

   (4) Accumulative purchases or sales of the same security reaching NT$300 million or 20% of 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.

(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.

(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 company's direct or indirect investment shareholding ratio	Investment gains or losses recognized for the 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	$-	Note1(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:

Shares / **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

For management purposes, the Group is divided into three reportable segments: Leofoo Village, Leofoo Hotel, and Leofoo Courtyard by Marriott. Leofoo Village is primarily engaged in amusement park services, Leofoo Hotel is primarily engaged in leasing services, and Leofoo Courtyard by Marriott is primarily engaged in hotel services.

The Group's reportable segments are strategic business units that provide different products. Since each strategic business unit requires different technologies and marketing strategies, they must be managed separately. The accounting policies of the reportable segments are all the same as those described in the summary of the Group's significant accounting policies. However, income tax in the consolidated financial statements is managed on a group basis and is not allocated to operating segments.

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

(1) Segment Information

2024.01.01~2024.12.31

	Leofoo Village	Leofoo Hotel	Leofoo Courtyard Marriott	Others	Reconciliation and Elimination	Total
Revenue						
Revenue from External Customers	$1,222,026	$14,696	$981,274	$106,487	$-	$2,324,483
Inter-segment Revenue	-	-	-	117,027	(117,027)	-
Total Revenue	$1,222,026	$14,696	$981,274	$223,514	$(117,027)	$2,324,483
Segment Profit (Loss) before Tax	$148,696	$44,738	$(107,624)	$5,418	$(2,406)	$88,822

2023.01.01~2023.12.31

	Leofoo Village	Leofoo Hotel	Leofoo Courtyard Marriott	Others	Reconciliation and Elimination	Total
Revenue						
Revenue from External Customers	$1,231,297	$14,495	$864,428	$100,875	$-	$2,211,095
Inter-segment Revenue	-	-	-	138,183	(138,183)	-
Total Revenue	$1,231,297	$14,495	$864,428	$239,058	$(138,183)	$2,211,095
Segment Profit (Loss) before Tax	$108,212	$22,397	$(210,817)	$(6,818)	$(10,718)	$(97,744)

Reportable Segment Assets

	Leofoo Village	Leofoo Hotel	Leofoo Courtyard Marriott	Others	Reconciliation and Elimination	Total
2024.12.31	$6,078,374	$5,345,760	$3,838,811	$434,171	$(269,963)	$15,427,153
2023.12.31	$5,952,093	$5,316,157	$4,183,173	$470,026	$(282,132)	$15,639,317

(2) Geographic Information

1. Geographic Revenue from External Customers (Note):

	2024	2023
Taiwan	$2,324,483	$2,211,095

Note: Revenue is classified based on the country where the customer is located.

2. Non-current Assets:

	2024.12.31	2023.12.31
Taiwan	$14,902,925	$15,032,469

(3) Significant Customer Information

The Group's sales revenue to a single customer did not exceed 10% of the consolidated net operating revenue in 2024 and 2023.

Table 1

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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 Company is the Corporate Director of the Company	Financial Assets at Fair Value through Other Comprehensive Income	1,642	$7,737	5.26%	$-	
			Add: Equity Measured at Fair Value through Other Comprehensive Income Instrument Investment Valuation Adjustment		(7,737)			
			Subtotal		-			
Leofoo Development Co., Ltd.	Rich Forest Leisure Development Co., Ltd.	None	Financial Assets at Fair Value through Other Comprehensive Income	7,335	40,266	11.04%	-	
			Add: Equity Measured at Fair Value through Other Comprehensive Income Instrument Investment Valuation Adjustment		(40,266)			
			Subtotal		-			
Leofoo Development Co., Ltd.	Centennial International Tech. Ltd.	The Company is the Corporate Director of the Company	Financial Assets at Fair Value through Other Comprehensive Income	2	464	14.93%	-	
			Add: Equity Measured at Fair Value through Other Comprehensive Income Instrument Investment Valuation Adjustment		(464)			
			Subtotal		-			
					$-		$-	

Table 2

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

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 (Note1)	Note 2
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	Note 2
Leofoo Development Co., Ltd.	Leofoo Investment Ltd.	Samoa	Investment Business	30,264	30,264	-	100.00%	$34,823	$1,476	$1,476	Note 2
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)	Note 2
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	Note 2
Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	Taiwan	Property management	17,200	17,200	1,720	100.00%	$7,069	$1,984	$1,984	Note 2
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 2

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: These have been eliminated during the preparation of the consolidated financial statements.

Table 3

LEOFOO DEVELOPMENT CO., LTD. AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT TRANSACTIONS BETWEEN PARENT AND SUBSIDIARIES

Unit: NT$ thousands

Number (Note 1)	Transaction Party Name	Counterparty	Relationship with Transaction Party (Note 2)	Transaction Details: Account	Amount	Transaction Terms	Percentage of Consolidated Total Revenue or Assets (Note 3)
	2024.01.01~2024.12.31						
0	Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Rental Income	$343	Same as General Terms	0.01%
0	Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Notes receivable	48	Same as General Terms	-%
0	Leofoo Development Co., Ltd.	Leofoo Development & Construction Co., Ltd.	1	Other Receivables	15	Same as General Terms	-%
0	Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Rental Income	343	Same as General Terms	0.01%
0	Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Notes receivable	85	Same as General Terms	-%
0	Leofoo Development Co., Ltd.	Izzy Construction Co., Ltd.	1	Other Receivables	74	Same as General Terms	-%
0	Leofoo Development Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Rental Income	594	Same as General Terms	0.03%
0	Leofoo Development Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Notes receivable	52	Same as General Terms	-%
0	Leofoo Development Co., Ltd.	Leofoo Agronomy Co., Ltd.	1	Other Receivables	24	Same as General Terms	-%
1	Leofoo Development & Construction Co., Ltd.	Leofoo Development Co., Ltd.	2	Other Operating Revenue	19,272	Same as General Terms	0.83%
1	Leofoo Development & Construction Co., Ltd.	Leofoo Development Co., Ltd.	2	Accounts receivable	5,957	Same as General Terms	0.04%
1	Leofoo Development & Construction Co., Ltd.	Izzy Construction Co., Ltd.	1	Other Receivables	17	Same as General Terms	-%
1	Leofoo Development & Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	1	Other Receivables	105	Same as General Terms	-%
2	Izzy Construction Co., Ltd.	Leofoo Development Co., Ltd.	2	Operating revenue	53,892	Same as General Terms	2.32%
2	Izzy Construction Co., Ltd.	Leofoo Development Co., Ltd.	2	Other Operating Revenue	3,000	Same as General Terms	0.13%
2	Izzy Construction Co., Ltd.	Leofoo Development Co., Ltd.	2	Accounts receivable	1,615	Same as General Terms	0.01%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Other Operating Revenue	5,725	Same as General Terms	0.25%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Accounts receivable	1,785	Same as General Terms	0.01%
2	Izzy Construction Co., Ltd.	Leofoo Development & Construction Co., Ltd.	2	Other Receivables	14	Same as General Terms	-%
2	Izzy Construction Co., Ltd.	Leofoo Property Management Co., Ltd.	3	Other Receivables	6	Same as General Terms	-%
3	Leofoo Property Management Co., Ltd.	Leofoo Development Co., Ltd.	2	Other Operating Revenue	42,821	Same as General Terms	1.84%
3	Leofoo Property Management Co., Ltd.	Leofoo Development Co., Ltd.	2	Accounts receivable	71	Same as General Terms	-%
3	Leofoo Property Management Co., Ltd.	Leofoo Development Co., Ltd.	2	Guarantee deposits paid	80	Same as General Terms	-%
3	Leofoo Property Management Co., Ltd.	Izzy Construction Co., Ltd.	3	Operating revenue	51	Same as General Terms	-%
4	Leofoo Agronomy Co., Ltd.	Leofoo Development Co., Ltd.	2	Operating revenue	127	Same as General Terms	0.01%
4	Leofoo Agronomy Co., Ltd.	Leofoo Development Co., Ltd.	2	Service Revenue	6,035	Same as General Terms	0.26%
4	Leofoo Agronomy Co., Ltd.	Leofoo Development Co., Ltd.	2	Accounts receivable	699	Same as General Terms	-%
5	Elite Catering Company Limited	Leofoo Development Co., Ltd.	2	Accounts receivable	6,507	Same as General Terms	0.04%

Note 1: Business transactions between the parent company and subsidiaries should be indicated separately in the serial number column. The method for filling in the serial number is as follows:
1. Parent company fill in 0.
2. Subsidiaries are numbered sequentially starting from Arabic numeral 1 according to company.

Note 2: There are three types of relationships with transaction parties, just indicate the type:
1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: For the calculation of transaction amounts as a percentage of consolidated total revenue or assets, if the item belongs to the balance sheet, calculate as the ending balance divided by consolidated total assets; if the item belongs to the income statement, calculate as the cumulative amount during the period divided by consolidated total revenue.

Note 4: Foreign currency amounts are converted to NTD based on the exchange rate on the balance sheet date.