Stock Code：1432

TRK CORPORATION
2023 Annual Report

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One. Letter to Shareholders

Dear Shareholders,

Thank you for your ongoing support to TRK Corporation. Under the leadership of the Board of Directors and the management team, we continue to withstand and work tirelessly under the severe pandemic, bringing stable growth to the Company's operations.

I. Business Overview in 2023

Since 2021, the Company has completed a capital increase of NT$165 million in cash and introduced strategic partners. After restructuring and integration, the company has streamlined operating expenses, concentrated resources, and focused on the three major aspects respectively known as department store operations, sports and leisure, and construction and development, so as to improve various businesses development, firmly establish the leading brand of experience sports and leisure, and demonstrate overall operating efficiency.

The Group's Current Major Business:

(I) Department store business:

TRK Corporation - Shopping Mall Division

The "Shopping Mall Division" is mainly responsible for the development, planning, business recruitment and operation management of commercial real estate, as well as the operation of proprietary businesses; Taroko has for over a long period of time accumulated experiences in the sports and entertainment industry and crossed over to developing and operating department stores creating a sports and leisure-themed experiential shopping mall; at the same time, the Group also invests in proprietary (and franchised) businesses, including the world's most beautiful Tsutaya Bookstore from Japan, wired chaya, unique MR. curry, and chain coffee brand CAMA. Taroko aims to enrich the customers' shopping experience. Currently, the Company operates and manages two shopping malls respectively known as "Taroko Mall" in Taichung and "Taroko Square" in Hsinchu, and will continue to develop new potential properties aiming to become the leading brand of sports and leisure shopping malls in Taiwan. as well as the top developer and operator of commercial real estate.

TAROKO MALL Taichung

Since July 2015, Taroko and Fubon Life Insurance have rented the real estate of Taroko Mall with a total building area of 36,000 pings and a leased floor area of 21,000 pings. Under our team's years of hard work, we have successfully created a differentiated sports and leisure themed experience-oriented shopping mall. At present, the Mall has a complete lineup of catering and retail brands, and there is an abundance of healthy entertainment premises such as Taroko Bowling Alley, Taroko Sports, Indoor Basketball Court, Roller186, Yukids-Island, and VIE SHOW CINEMAS. In late June 2024, the Group's "Formosa Stone spa" will be introduced to the station. This will also be the second store of Formosa in the country, and it will be the first exclusive store in Taichung. In 2024, the brand lineup in the mall will continue to be strengthened. It is expected that the overall entertainment industry will account for 27% and the catering industry will increase to 27% by mid-year. The mall is moving towards an experience-oriented shopping center.

In 2023, Taichung's East District joined a new large Japanese shopping mall to drive the overall traffic and economy in the East District. New Era's performance grew explosively, and set the best annual performance since Taroko took over. In the future, we will continue to enhance the brand lineup in the Mall, improve the cozy environment for shopping, and provide more abundant marketing activities; with the convenient transportation and location close to Taichung Railway Station, the Mall will continue to generate better and more stable income and profit momentum to the Company.

Taroko Square (Hsinchu)

The Company rented Taroko Square, a 22 479.338 m2 business premise built by RT-Mart. Since its grand opening in May 2018 and the launch of the new brand "Formosa Stone Spa" in May 2021, the Company is repeatedly covered by several news media and Taiwan’s well-known travel platform KKday. The first "TSUTAYA BOOKSTORE" in Hsinchu was opened in April 2022, which is known as the world’s most beautiful bookstore, and has successfully attracted visitors from all over Taiwan and become an attraction for urban sightseeing.

In late May 2023, the Company successively opened stores including UNIQLO, ABC Mart, Marugame Taiwan, Sukiya, Naruto-licensed IP Ichiraku Ramen, and 2nd Street, the largest second-hand store in Japan, and thus achieved the best profit since its opening.

Proprietary Trading Business Department

With the aim to enrich the two shopping malls operated by the mall, the Group also established a proprietary business unit and invested in Tsutaya Bookstore, Wired Chaya Japanese Restaurant, CAMA Coffee, MR. Curry, and Naruto Licensed IP Ichiraku Ramen in Taroko Square Hsinchu; and, MR. Curry in TAROKO MALL Taichung, and Han Mu Hot Pot in the food court. In the future, the Company will continue to develop potential brands to enrich the shopping malls operated by the Group; it will even focus on research and development and creation of its own chain and franchise brands.

(II) Sports and Leisure Business:

TRK Corporation - Sports and Parenting Division

The Sports and Parenting Division of TRK Corporation mainly engages in sports, leisure and entertainment. There are 11 Taroko Sports, 4 bowling alleys, 1 kart circuit, and 4 "Roller 186" in Taiwan. , 1 "Formosa Stone Spa", 3 sports supplies counters and 10 branches of Yukids-Island.

By keeping the dream of development of Taiwan’s national ballgame in mind, the sports business departments are making efforts to achieve diversified services operating 24/7 in a fashionable, convenient and safe leisure and entertainment environment. We will also cooperate with the local professional baseball teams of the CPBL for the generation of well-known IP, as well as modifying and upgrading hardware equipment to create a new leisure and entertainment experience. Our goal is to introduce sports and leisure into the daily life of the general public, commit to provide the best experience service products, and continue to promote innovation in the industry, establishing differentiated products and services, and becoming the leader in experience entertainment.

The Sports and Parenting Division mainly operates facilities of "Yukids-Island", which is a parent-child amusement park introduced from Japan in 2006. The amusement facilities are designed by a professional Japanese R&D team and have passed a number of safety tests, which meets both Japanese and Taiwanese safety toys standards. Currently there are 10 branches of YU-Kids Island in Taiwan, and there are 8 additional "Yu Kids Art", making it the largest parent-child amusement park franchise in Taiwan. Yukids-Island not only aims at becoming the children’s favorite amusement park, but also hopes children growth is linked with the brand’s own growth. In the future, we will develop towards digitization of operation and diversification of services to provide a safe, educational and joyful playing environment for children.

The "Innovative Business Department" under the Sports and Parenting Division was established in 2021, and currently runs four roller skating rinks, "Roller 186", and one spa store, "Formosa Stone Spa". With innovation as its mission, we are committed to research and development of new types of products and new operation management and business model.

The first "Roller186" is located on the 6th floor of TAROKO MALL Taichung, which was opened in January 2020 and successfully attracted 160,000 visitors in the first year of operation. It is very popular and has started to trend on the internet and social media. In May 2021, the second skatepark was opened in T.S. Mall. Both branches adopt different design themes, and combine the current Internet KOLs, online communities and the highly social characteristics of roller skating sports to create a brand new leisure and entertainment experience and become the most popular social leisure and entertainment venue for younger generations.
Nanzi Kaohsiung and Taipei Arena's "Roller 186" were also successfully opened in April and July 2023, expanding into the two major cities, the north and the south, to expand our operating territory. The Nanzi Branch in Kaohsiung is a composite venue of roller coaster and baseball and softball arena, providing more diverse and rich consumer experiences, while the Taipei Arena has created a great boom, setting a record with more than 40,000 visitors in the month it opened.

The first store of "Formosa Stone Spa" is located at B1 of Taroko Square (Hsinchu), and is the only "large-scale Japanese-style stone spa and gym" in Taiwan. The "stone spa" which is popular in Japan and South Korea is a new beauty experience activity in response to the trend of health and wellness. The "Formosa Stone Spa" is designed by a Japanese professional stone spa designer. From the materials to construction, it complies with the Japanese method of high-quality design, which would provide customers with a Japanese-style leisure and health experience. In 2022, nearly 100,000 visitors were attracted to experience the activity, and it was certified by Taiwan's first in-depth tourism platform "KKday", and became one of the top 10 things 'to do' when traveling in Taiwan. With the 24/7 business operation model combined with the launch of a new type of domestic travel itinerary in conjunction with surrounding hotels and restaurants, the revenue contribution will be increased.

According to the analysis of the visitors to Hsinchu Formosa Stone Spa, 55% came from places outside the region of Hsinchu, in particular, the customers from Taipei City and New Taipei City reached 40%. In the future, Formosa Stone Spa will open new stores in priority locations, Taipei and New Taipei City, and Taichung metropolitan areas.

(III) Construction and Development Business:

TAROKO ARCHITECTURE CO., Ltd.

"TAROKO ARCHITECTURE" participates in government projects of urban renewal mainly in Taipei City and New Taipei City to form a diversified alliance among the industry, and introduces the architectural concept of humanities, leisure, and health, and combines with domestic and foreign partners to develop profitable niche innovative leisure real estate products.

American Village Co., Ltd.

American Village Co., Ltd. is a company reinvested by TAROKO ARCHITECTURE. The 5000-ping "Yangmingshan American Resort" operated by it was rebuilt from the dormitory of the US military stationed in Taiwan in the 1960s, and it is also known in Taiwan as the resort with the most authentic American style. At present, the American Village includes 7 villa-type hotels, Cary's Restaurant, 1956 wedding banquet hall, Attic 80 studio, and Club 63 social/banquet hall.

The Company’s consolidated financial statements prepared in accordance with the International Accounting Standards for the annual operating status of 2022 are as follows:

(I) Implementation of the Business Plan

Unit: NT$1,000

Items	2023	2022	Increased (Decreased) Amount	Ratio of Change
Operating Revenue	1,324,752	1,106,827	217,925	19.69%
Operating Costs	(750,531)	(686,247)	(64,284)	9.37%
Gross Profit	574,221	420,580	153,641	36.53%
Operating Expense	(493,779)	(427,141)	(66,638)	15.60%
Operating Loss	80,442	(6,561)	87,003	1326.06%
Non-operating Income and Expense	(27,047)	(28,772)	1,725	6.00%
Income Before Tax	53,395	(35,333)	88,728	251.12%
Income Tax Expense	1,585	(1,585)	3,170	200.00%
Profit and Loss After Tax	54,980	(36,918)	91,898	248.92%
Earnings (losses) Per Share	0.67	(0.35)	1.02	291.43%

(II) Budget Implementation

The Company has not published the financial forecast for 2023, hence it is not necessary to disclose the budget implementation.

(III) Analysis of Financial Income and Expense and Profitability

Analysis Items			Financial Analysis	
			2023	2022
Financial Structure (%)	Ratio of Liabilities to Assets		83.80%	85.08%
	Ratio of Long-term Funds to Fixed Assets		159.72%	166.13%
Profitability	Return on Assets (%)		2.19%	0.19%
	Return on Shareholders’ Equity (%)		7.24%	(4.93%)
	Ratio of Paid-in Capital	Operating Profit (%)	8.94%	(0.73%)
		Net Profit Before Tax(%)	5.93%	(3.93%)
	Net Profit Margin (%)		4.15%	(3.34%)
	Earnings Per Share		0.67	(0.35)

(IV) Research and Development

The Company is involved in the sports and leisure business, operating department stores and sports and leisure business. Since 2024, the Company has established the "Technological R&D Department". It is mainly responsible for the R&D of products and technologies of the sports department in accordance with internal control and capital management guidelines. Responsible for the maintenance and repair of all major electrical, mechanical equipment and self-operated equipment in the venues. Management of access engineering, computer room, inventory, equipment and work environment safety. And, we provide technical support for international market development.

II. Summary of Business Plan of 2023

The Company has always adhered to the highest management principles of "customer first, teamwork, innovation and challenge, and sustainable operation". Facing the rapidly changing environment, the gap between digital shopping and physical shopping is getting closer. The market is becoming more diversified, digitalized, and smarter. In addition to providing customers with a comfortable environment, physical channels need to strive to create innovative and different shopping malls to offer more consumer entertainment choices. We have been engaging in the parenting sports and leisure business for more than 20 years, and have always adhered to the above-mentioned core concept, and will continue to have it as our operating standard in the future. Since 2019, we have actively rectified our business units, carried out organizational reforms, and at the same time strengthened the financial structure by focusing on experience shopping malls and sports and leisure businesses. It is expected that in 2024, the development of various businesses will be improved, and the leading brand of sports and leisure experience business will be firmly established, and the overall operating efficiency will be achieved.

III. Future Corporate Development Strategy
After reorganization and integration, the Company has concentrated its resources on the three major aspects respectively known as shopping mall operation, sports and leisure, and construction and development. In response to the industrial features of the business we operate and changes in the overall market, and in addition to sticking to improvement of service quality and development and operation of the shopping mall business, the Company will continue to enhance the competitiveness of its sports and leisure business, for example, in 2020, a Taroko Sports was established in Chiayi City for the first time. The development of new experiences is also being conducted. For example, on the 6th floor of TAROKO MALL Taichung, Roller 186 which is a skatepark that was a very popular entertainment and leisure facility in Taiwan from 1970s and 80s, has been established. The innovative large-scale Japanese-style stone spa facility "Formosa Stone Spa" designed by Japanese designers was introduced from Japan. The truly original Japanese-style stone spa and relaxation space is an entirely new leisure experience.

Taroko will focus on the operation of experience-oriented shopping malls and the core sports and leisure business, give play to creativity and continue to innovate, improve future business development, and create more stable equity value for all shareholders.

IV. Impact from the external competition, regulatory and overall business environment
(I) The impact of the external competition
In response to the industrial characteristics of the business and the changes in the overall market, the Company and its subsidiaries will not only stick to quality improvement and strive to develop and operate the original sports and leisure industry that has been invested in for years, but will also actively engage in real estate development and experience sports and leisure to seek profit opportunities in the industry.

TAROKO MALL Taichung is located at the key location that can conveniently access Taiwan Railway, long-distance personnel transportation and other transportation hubs. Therefore, there are many visitors on weekdays and holidays, and Mall can cover a large scope of potential consumers, which will help attract long-distance business travelers or tourists. However, it is the general trend that online shopping will impact physical stores since consumers can select the products they want without personally going out from their homes. In addition, the successive opening of outlets has intensified the market competition among the department stores and retail industry. Therefore, diversifying operations, strengthening market segmentation and brand image, and providing products in line with market positioning will be the goal of the Company's ongoing efforts.

(II) Impact from regulatory environment

The Company keeps abreast of changes in important domestic and foreign policies and regulations, and immediately consults accounting firms, lawyers and other professionals to provide relevant information as a reference for decision-making at the management level, so as to respond to impact from changes in important policies and laws at home and abroad, and timely adjust the Company's operating strategies.

(III) Impact from the overall business environment

Looking back on the economic performance of 2023, with the increase of vaccination coverage in major countries, the recovery of the global economy is significant. Overall, Taiwan's economy expanded steadily throughout the year of 2023. In 2024, the global economy is expected to maintain the pace of recovery, and the domestic economic growth rate is projected to be 3.15%. The stabilization of the epidemic will help boosting domestic demands, which is expected to boost consumption. The Company will properly utilize its management experience accumulated during recent years and actively improve its digital application capabilities to provide customers with good experience, fully integrate department stores and sports and leisure, increase the added value of consumers, and work harder to achieve revenue goals.

We sincerely wish each and all shareholders the healthy life and good fortune!

Lin, Man-Li, Chairman

Wang Ying-Chih, General Manager

Two. Company Profile

I. Date of establishment: July 18, 1973

II. Company history:

1973	In order to cooperate with the government's development of the petrochemical downstream industry, and with the encouragement and support of Formosa’s affiliates, the Company was established by TAH HSIN INDUSTRIAL CORPORATION and some other related persons engaging in the industry to produce nylon polyfoam in Lunping Village, Guanyin Township, Taoyuan County.
July 1974	To meet the needs of factory construction, 300 sets of water-jet looms, 60 sets of shuttle looms, and waterproof processing plants and auxiliary equipment were installed.
1977	To meet the market demands, 286 sets of water-jet looms and related auxiliary equipment were installed, while 60 sets of shuttle looms were retired.
1979	Purchased an additional 408 sets of water-jet looms and ancillary equipment.
July 1982	**Became a listed company.**
1982	Purchased an additional 6 sets of water-jet looms and ancillary equipment.
1984	To prepare for the establishment of a dyeing and finishing printing factory, improve the processing level, increase the added value of products, and reduce production costs, a cash capital increase was carried out to build a factory in Neili Village, Xinpu Township, Hsinchu County.
1984	Purchased an additional 200 sets of water-jet looms and ancillary equipment.
1985	The dyeing and finishing plant was completed and put into production, and the second-phase processing equipment for dyeing and finishing was added to increase production capacity.
1987	Retired 304 sets of old looms and upgraded 300 sets of looms to increase production capacity, and purchases additional printing equipment to increase the added value of products.
1988	Retired 528 sets of old looms and upgraded 483 sets of looms.
January 1992	Carried out cash capital increase to replace 162 sets of looms and dyeing and finishing equipment of the Company, and invested in Indonesia to set up a weaving and dyeing and finishing factory with a monthly production of 3 million yards of long-staple fabrics. The Company then had 1,151 water-jet looms and ancillary equipment with a monthly production of 10 million yards of gray cloth and a complete set of dyeing and printing equipment, it could reach monthly dyeing of 9 million yards, water-repellent processing of 4 million yards, calendaring processing of 900,000 yards, and printing of 2 million yard, so as to complete the consistent operation of weaving dyeing, processing and finishing.
June 1994	Since the reorganization of the Company in June 1994, based on the solid management experience of the leader Mr. Hsieh, Hsiu-Ping in related companies, he has established a new management concept and new vitality for Company.
November 1996	Transferred 386 sets of looms to Jinan TRK, and set up a weaving and dyeing factory with a monthly output of 3 million yards of filament fabrics. Purchase additional dyeing and finishing equipment and transfer some

	dyeing and finishing equipment to Jinan TRK in order to enhance the added value of products.
October 1997	Officially passed the ISO 9002 international quality certification
December 1999	The Board of Directors elected Mr. Hsieh, Hsiu-Ping as the Chairman of the Company and concurrently serve as the President.
December 1999	The Chairman appointed Ms. Hsieh Lin Man-Li as the President of the Company, and Mr. Wang Jin-Hsiao as the Executive Vice President.
October 2002	The capital reduction amounted to NT$373,978 thousand was approved by the competent authority.
September 2004	The capital reduction amounted to NT$255,551 thousand was approved by the competent authority.
March 2005	The Board of Directors appointed Mr. Wang, Jin-Hsiao as the President of the Company, and Ms. Hsieh Lin Man-Li as the Executive Vice President.
June 2005	Shut down Zhongli Factory and Xinpu Dyeing and Finishing Factory, and laid off 281 employees. **Withdrew from Taiwan's textile industry.**
January 2006	The capital reduction amounted to NT$909,422 thousand was approved by the competent authority.
June 2006 and March 2007	In June 2006, the shareholders' meeting approved the cash capital increase proposal within one year through private placement. In March 2007, the private placement was implemented for cash capital increase, and 34,694,000 ordinary shares were issued, with a par value of NT$10 per share.
October 2008	TAROKO ARCHITECTURE CO., Ltd., a subsidiary of the company, was approved by the Investment Review Committee of the Ministry of Economic Affairs on October 17, 2008 to reinvest NT$50,742 thousand in Shandong TRK Textile and Dyeing Industry Co., Ltd. through the holding company named Happy Year Investment Co. Ltd., and such investment has been completed by the local competent authority.
November 2009	The Company's subsidiary TAROKO ARCHITECTURE CO., Ltd. on November 26, 2009 increased the investment in FORERUNNER ENERGY TECHNOLOGY CO., LTD., whose paid-in capital is NT$6,000 thousand, and 50% of the company's equity is held by the subsidiary above.
February and May, 2010	The Company's subsidiary TAROKO ARCHITECTURE CO., Ltd. on February 12 and May 28, 2010 increased the investment in FORERUNNER ENERGY TECHNOLOGY CO., LTD., whose paid-in capital is NT$20,000 thousand, and 75% of the company's equity is held by the subsidiary above.
July 2010	TAROKO ARCHITECTURE CO., Ltd., a subsidiary of the company, was approved by the Investment Review Committee of the Ministry of Economic Affairs on July 5, 2010 to reinvest NT$36,847 thousand (US$1,150 thousand) in Shandong TRK Textile and Dyeing Industry Co., Ltd. through the holding company named Happy Year Investment Co. Ltd., and such investment has been completed by the local competent authority.
September and December, 2010	TAROKO ARCHITECTURE CO., Ltd., a subsidiary of the company, was approved by the Investment Review Committee of the Ministry of Economic Affairs on September 21 and December 23, 2010 to purchase the equity of NT$68,108 thousand (US$2,201 thousand) from the holding company named Happy Year Investment Co. Ltd., and such investment has been completed by the local competent authority.
January 2011	The Board of Directors elected Mr. Hsieh, Hsiu-Ping as the Chairman of the

	Company.
January 2011	The Company's subsidiary TAROKO ARCHITECTURE CO., Ltd. on January 24, 2011 increased the investment in DK Media Group Corporation, whose paid-in capital is NT$10,000 thousand, and 40% of the company's equity is held by the subsidiary above.
May 2011	The Company's subsidiary TAROKO ARCHITECTURE CO., Ltd. on May 12, 2011 increased the investment in FORERUNNER ENERGY TECHNOLOGY CO., LTD., and 100% of the company's equity is held by the subsidiary above.
August 2011	TAROKO ARCHITECTURE CO., Ltd., a subsidiary of the company, was approved by the Investment Review Committee of the Ministry of Economic Affairs on August 5, 2011 to purchase the equity of NT$18,641 thousand (US$647,262) from the holding company named Happy Year Investment Co. Ltd., and such investment has been completed by the local competent authority. The Company's subsidiaries - GOWIN and TAROKO ARCHITECTURE CO., Ltd. jointly hold 100% of the shares of Happy Year Investment Co. Ltd.
October 2011	The Board of Directors elected Mr. Hsieh Lin, Man Li as the Chairman of the Company.
January 2012	The Company's subsidiary TAROKO ARCHITECTURE CO., Ltd. on January 9, 2012 established a sub-subsidiary TRK Company, whose paid-in capital is NT$10,000 thousand, and 100% of the company's equity is held by the subsidiary above.
March 2012	The company purchased 1.8 million shares of Chuangyue Co., Ltd. from G-RUN CORPORATION, with a shareholding ratio of 60%. The business activity of the reinvested company is operation of Yukids-Island, and it is engaging in the leisure and entertainment industry.
September 2012	The Company's investment in TRK Company has a total investment of NT$55,000 thousand. The invested company is a 100% subsidiary of the Company and its subsidiary - TAROKO ARCHITECTURE CO., Ltd.
December 2012	The Company invested NT$70,000 thousand in Taroko Co., Ltd. (renamed to Taroko Development Co., Ltd. in April 2013), with a shareholding ratio of 98.59%. In October 2012, the invested company signed a major development project of the "Kaohsiung MRT South Depot Land Lease and Development Contract" with the Kaohsiung City Government and the Kaohsiung MRT Bureau.
May 2013	The Company increased the equity of its investment subsidiary Taroko Development Co., Ltd. by 100 thousand shares. After the increase in investment, the shareholding ratio reached 100%. The paid-in capital of this subsidiary so far reached NT$71,000 thousand.
September 2013	The capitalization of earnings to increase the capital by an amount of NT$354,256.93 thousand was approved by the competent authority.
September 2013	The retroactive handling of public issuance was approved by the competent authority.
October 2013	The capital increase amounted to NT$400,000 thousand was approved by the competent authority.
October 2013	The Company increased the equity of its investment subsidiary Taroko Development Co., Ltd. by 80,000 thousand shares. After the increase in

	investment, the shareholding ratio reached 100%. The paid-in capital of this subsidiary so far reached NT$871,000 thousand.
December 2013	The Company intended to reinvest in the mainland China through the third region to establish a new company to operate sports, leisure and entertainment business.
March 2014	The Chairman appointed Mr. Hsieh Kuo-Tong as the President of the Company.
August 2014	The Board of Directors elected Mr. Tsai, Ming-Chang as the Vice Chairman of the Company.
November 2014	The Group Company signed a contract to dispose of the entire equity of Shandong TRK Fiber Dyeing Industry Co., Ltd. in mainland China. In April 2015, 60% of the equity was transferred, and the rest was transferred in April 2016.
January 2015	The first domestic issuance of secured convertible corporate bonds of NT$250 million and the second domestic issuance of unsecured convertible corporate bonds of NT$250 million were approved by the competent authority.
February 2015	The Company increased the equity of its investment subsidiary Taroko Development Co., Ltd. by 27,594 thousand shares. After the increase in investment, the shareholding ratio reached 81.20%. The paid-in capital of this subsidiary so far reached NT$1,412,500 thousand.
May 2015	Taroko Development Co., Ltd., a subsidiary of the Company, leased the Taroko Mall (Taichung) located at Fuxing Road, East District, Taichung City from Fubon Life Insurance Co., Ltd.
June 2015	The Company invested in Taroko Circuit International Co., Ltd. with an investment amount of NT$135,000 thousand holding 45% of the company’s shares.
June 2015	In the first quarter of 2015, the Company listed 522,384 shares for the second time by converting unsecured convertible corporate bonds into ordinary shares, making the paid-in capital reach NT$1,645,123,100.
August 2015	In the first quarter of 2015, the Company listed 1,771,133 shares for the second time by converting unsecured convertible corporate bonds into ordinary shares, making the paid-in capital reach NT$1,662,834,430.
October 2015	The Company invested in Taroko Wenyu Enterprise Co., Ltd. with an investment amount of NT$14,900 thousand, which is 100% invested by the Company.
February 2016	In the fourth quarter of 2015, the Company listed 243,777 shares for the second time by converting unsecured convertible corporate bonds into ordinary shares, making the paid-in capital reach NT$1,665,272,200.
March 2016	The subsidiary - Taroko Development Co., Ltd. signed a land lease contract with RT MART INTERNATIONAL LIMITED.
April 2016	The Board of Directors resolved to dissolve Taroko (Hong Kong) Co., Ltd. limited, which was completed in December 2016.
May 2016	SKM Park Outlets (located in Caoya Kaohsiung) of the subsidiary Taroko Development Co., Ltd the large shopping mall officially opened.
May 2016	In the first quarter of 2016, the Company listed 1,492,525 shares for by converting the convertible corporate bonds into ordinary shares, making the paid-in capital reach NT$1,680,197.45 thousand.

August 2016	In the second quarter of 2016, the Company listed 3,417,897 shares for by converting the convertible corporate bonds into ordinary shares, making the paid-in capital reach NT$1,714,376.42 thousand. The Company acquired about 4.10% of the equity of Taroko Development Co., Ltd. from Lion Power co., ltd.
July 2017	The industry category of the Company’s stock was officially changed from textile industry to trade and retail industry. The name of the Company was **changed from Taroko Fiber Co., Ltd. to "TRK Corporation".**
July 2017	The Company's Board of Directors approved and authorized the signing of a letter of intent for equity transfer cooperation with Shin Kong Mitsukoshi Department Store Co., Ltd.
October 2017	The subsidiary Taroko Development Co., Ltd.'s capital reduction and segment demerger base date was set as October 1, 2017, and the new Taroko Shopping Center Corporation was established.
November 2017	The Company officially signed an equity transfer contract with Shin Kong Mitsukoshi Department Store Co., Ltd.
November 2017	The Company's supervisor Wang Ying-Chih resigned and was appointed by the Board of Directors as the Company's President The then President Mr. Hsieh Kuo-Tong was appointed by the Board of Directors as the Company's CSO
December 2017	The Company's disposal of the equity of Taroko Development Co., Ltd. to Shin Kong Mitsukoshi Department Store Co., Ltd. completed the equity settlement on December 6, 2017.
January 2018	The Board of Directors of the Company approved the participation in the capital reduction and increase of Taroko Circuit International Co., Ltd., and the Company acquired a total of 71.44% of its equity.
January 2018	On December 25, 2017, the Company completed the cancellation of treasury shares (not transferred in three years), and decreased the capital by 3.5 million shares.
February 2018	The first conversion of secured convertible corporate bonds issued by the Company (TRK No. 1, 14321) was due to the expiry of the three-year period, and the principal and interest were repaid and the OTC trading was terminated. The second conversion of unsecured conversion corporate bonds issued by the Company (TRK No. 2, 14322) has been issued for three years, and the bondholders exercise the put right for a total of 1,139 bonds, as of February 13, 2018, and the number of outstanding bonds is 180.
April 2018	For the second conversion of unsecured conversion corporate bonds issued by the Company (TRK No. 2, 14322), since the number of outstanding bonds is less than 10% of the total number originally issued, the Company has repurchased them in full at par value, and the OTC trading was terminated on April 12, 2018.
May 2018	The office of the Group has been relocated to 2F, No. 21-2, Lane 168, Xingshan Road, Neihu District, Taipei City from May 2018.
June 2018	The Company's wholly-owned subsidiary TAROKO ARCHITECTURE CO., Ltd. merged its subsidiaries TRK Company and Taroko Wenyu Enterprise Co., Ltd.

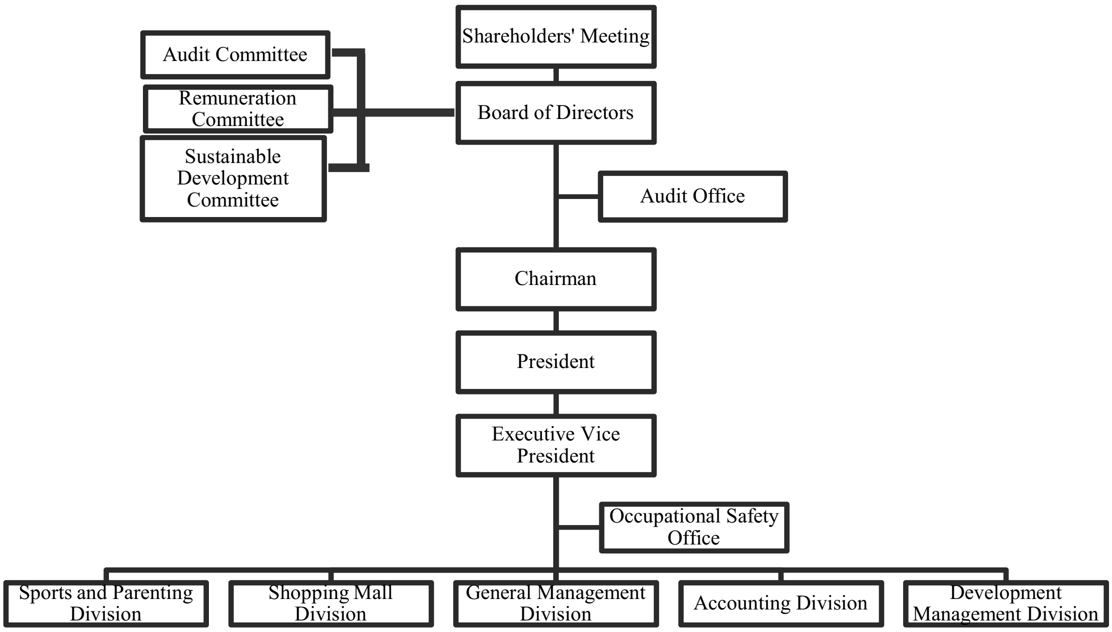
January 2019	The Company's wholly-owned subsidiary BLD Oriental Taiwan Co., Ltd. has transferred all the business of G-RUN CORPORATION.
January 2019	The Board of Directors of the subsidiary Shanghai G-RUN Sports Management Co., Ltd. appointed Ms. Wang Ying-Chih as the president.
May 2019	The Chairman appointed Mr. Hsieh Kuo-Tong as the President.
July 2019	The Board of Directors elected Lin Man-Li as the Chairman.
July 2019	The registered address of Taroko Shopping Center Corporation was changed to 5F, No. 285, Section 4, Zhongxiao East Road, Daan District, Taipei City.
July 2019	The Board of Directors of the subsidiary Taroko Shopping Center Corporation resolved to set September 1, 2019 as the base date for the merger of Taroko Shopping Center Corporation and BLD Oriental Taiwan Co., Ltd., with revenue consolidated from 2020.
August 2019	The Board of Directors of the subsidiary Taroko Shopping Center Corporation elected Wang Ying-Chih as the new Chairman.
October 2019	The subsidiary Shanghai G-RUN Sports Management Co., Ltd. reassigned Chairman Wang Ying-Chih and promoted Lin Yong-Chun as the President.
November 2019	The Company's Board of Directors resolved to merge with its subsidiary Taroko Shopping Center Corporation.
December 2019	The Board of Directors of the subsidiary Shanghai G-RUN Sports Management Co., Ltd. passed a resolution to list asset impairment.
December 2019	The Board of Directors of the subsidiary Taroko Circuit International Co., Ltd., passed a resolution to list asset impairment.
February 2020	The subsidiary Shanghai G-RUN Sports Management Co., Ltd., in response to the impact of the COVID-19 epidemic, cooperated with the epidemic prevention works of the local government where the subsidiary is located, and the actual resumption date will be adjusted appropriately in accordance with the local government's resumption policy.
March 2020	The registered address of the Company was changed to No. 186, Section 4, Fuxing Road, East District, Taichung City.
March 2020	The resolution of the Company's Board of Directors is to improve the financial structure and future operational development needs. We therefore plan to decrease the amount of capital to eliminate accumulated losses. The amount of capital reduction is NT$929,376,420, the number of eliminated shares is 92,937,642 shares, the capital reduction ratio is 55.340566%, and the share capital after such capital reduction is NT$750,000,000. It is scheduled to be submitted to the resolution of the shareholders meeting on June 5, 2020 and approved by the competent authority to authorize the Chairman to handle matters related to capital decrease.
March 2020	The Board of Directors of the subsidiary Shanghai G-RUN Sports Management Co., Ltd. passed a resolution of capital increase of US$300,000 in cash.
April 2020	The Board of Directors of the subsidiary TAROKO ARCHITECTURE CO., Ltd. has decided to decrease the capital, in which the amount of capital reduction is NT$100,000,000, the number of eliminated shares is 10,000,000 shares, the capital reduction ratio is 39.22%, and the share capital after such capital reduction is 15,500,000 shares.
June 2020	On June 5, 2020, the resolution of the shareholders' meeting of the Company approved the decrease of capital to cover losses, and the FSC approved the

	capital decrease and cancellation of shares on July 14, 2019 via the Official Letter of Jin-guan-zheng-fa-zi No. 1090348568.
August 2020	The Company and its subsidiaries signed a sales contract for the sale of shares of Taroko Development Co., Ltd. On behalf of its subsidiary TRM to announce the sale of the equity of the subsidiary Shanghai G-RUN Sports Investment Management Co., Ltd. The Company's Board of Directors resolved to issue cash dividends from capital reserves.
September 2020	The subsidiary Taroko Circuit International Co., Ltd. signed an asset transfer contract
October 2020	The English official name of the Company was changed from "Taroko Corporation" to "TRK Corporation"
December 2021	The capitalization of earnings to increase the capital by an amount of NT$165,000 thousand was approved by the competent authority.
April 2022	Tsutaya Bookstore opened at Hsinchu Taroko Square.
June 2023	The board of directors resolved to invest in the establishment of a subsidiary in the United States.
July 2023	The sector was formerly a trading and department store stock, but is now classified as a "sports and leisure" sector.

Three. Corporate Governance Report

I. Organizational System

(I) Organization



(II) Main Business of Each Segment

Segment	Business
Board of Directors	The Board of Directors shall be accountable to the shareholders' meeting for the various operations and arrangements of its corporate governance system to ensure that directors exercise their powers in accordance with laws, regulations of the Company's Articles of Incorporation, or resolutions of the shareholders' meeting.
Remuneration Committee	Evaluate the Company's policies and systems for the remuneration of directors, supervisors, and executive officers, and make recommendations to the Board of Directors for the Board's reference in decision making.
Audit Committee	Assist the Board of Directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting process and financial control.
Sustainable Development Committee	The main purpose is to guide the implementation of the following matters: implement corporate governance, develop a sustainable environment, maintain social welfare, and strengthen information disclosure for corporate sustainability.
Audit Office	Take charge of the audit of the company's internal control system, provide analysis, evaluation and other suggestions for improvement, and verify whether all operations are in compliance with laws and regulations and the Company's internal regulations, so as to improve management performance.
Chairman	Supervise the strategies of the overall business, formulate important investments and strategies, appoint key managerial officers to promote business, and handle and review legal affairs.
President	Formulate the Company's business objectives and strategies, coordinate all affairs and project promotion, evaluate and implement investment projects, fund management and risk control, maintain and implement corporate image and public affairs relations.
Executive Vice President	Assist the President formulate business strategies, plan market development and brand positioning strategies, implement and manage the evaluation and analysis of various business performances.
Occupational Safety Office	Based on the provisions of the "Occupational Safety and Health Act" to formulate, plan, promote and supervise occupational safety and health-related businesses, such as prevention of occupational disasters or accidents at the workplace, promotion plans for employees' physical and mental health, accident handling mechanisms, and employee education and training.
Digital Application Office	Integrate the planning, promotion, implementation and acceptance of the company's digital application system, promote digital innovative applications, and improve the efficiency of Group operations and management.
HR Department	Plan the Company's human resources policy, implement recruitment and appointment to find excellent talents for the company, conduct education and training to improve the growth of employees and realize their potential, and establish a fair and inspiring salary and welfare system.
Shopping Mall Division	Responsible for the analysis and evaluation of commercial real estate development projects, and the operation and management of theme amusement shopping centers.
Sports and Parenting Division	Responsible for the business management of sports and leisure venues, parenting entertainment venues and branded products, market information collection and development case analysis and evaluation, product sales, equipment and venue safety maintenance, customer service, new customer introduction and existing

Segment	Business
	customer maintenance.
General Management Division	The administrative management unit is responsible for the planning, construction, information security and equipment maintenance of the Company's management information system; the management business related to fixed assets and the execution of general affairs.
Accounting Division	Responsible for the Company's financial planning and control, accounting services and tax management, investment management and analysis, fund management and financing planning and scheduling, comprehensively manage various stock affairs related matters; provide timely management information as the basis for business decisions.
Development Management Division	Development of reinvested businesses at home and abroad, investigation and analysis of investment benefits, implementation and management of exhibition plans.

II. Information on directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

(I) Basic information and shareholding of directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments and branches

1. Directors Information

As of Apr. 2, 2024; Unit: Shares

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Corporate director	ROC	Sangong International Co., Ltd.	None	June 1, 2022	3 years	June 19, 2012	7,202,532	8.00%	7,278,532	8.09%	7,278,532	8.09%	0	0	None	None	None	None	None	
Chairman Corporate director Representative	ROC	Lin Man-Li	Female 76~80	June 1, 2022	3 years	June 8, 1994	8,611,313	9.57%	7,827,539	8.70%	7,827,539	8.70%	0	0	Shih Chien School of Home Economics Chairman of KYCC	Chairman of the Company Chairman of Lu Hsin Co., Ltd. Director of San-sheng Co., Ltd. Chairman of Sangong Lease Co., Ltd. Chairman of Sangong International Co., Ltd. Chairman of Sangong Co., Ltd. Chairman of Gongcheng Co., Ltd. Chairman of Hsiehlin Co., Ltd. Chairman of G-RUN CORPORATION Chairman of TAROKO ARCHITECTURE CO., Ltd. Chairman of Taroko Entertainment Co., Ltd. Chairman of Hualien Media International Co., Ltd Director of He Chen Development Co.,Ltd. Director of Ya Chen Development Co.,Ltd.	President Representative of the corporate director	Hsieh Kuo-Tong	Relative of first degree of kinship	Note 1
President Corporate director Representative	ROC	Hsieh Kuo-Tong	Male 51-55	June 1, 2022	3 years	June 19, 2012	1,769,521	1.97%	1,925,521	2.14%	0	0	0	0	Kyorin University of Japan	President of the Company Director of Lu Hsin Co., Ltd. Director of HANEGI CO.,	Chairman Representative of the corporate director	Lin Man-Li	Relative of first degree of kinship	Note 1

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
																LTD. Director of TAROKO ARCHITECTURE CO., Ltd. Director of American Village Co., Ltd. Supervisor of San-sheng Co., Ltd. Supervisor of Sangong International Co., Ltd. Supervisor of Sangong Co., Ltd. Supervisor of Sangong Lease Co., Ltd. Supervisor of Gongcheng Co., Ltd. Supervisor of Hsiehlin Co., Ltd. Supervisor of G-RUN CORPORATION Supervisor of He Chen Development Co.,Ltd. Supervisor of Ya Chen Development Co.,Ltd.				
President Corporate director Representative	ROC	Wang Ying-Chih	Female 51-55	June 1, 2022	3 years	February 23, 2018	465,878	0.52%	1,072,718	1.19%	0	0	0	0	Gakushuin University of Japan	President of the Company Representative of the corporate director of the Company Chairman of HANEGI CO., LTD. Chairman of LA TRINITE NATURELLE CORP. Supervisor of TAROKO ARCHITECTURE CO., Ltd.	None	None	None	
Executive Vice President Corporate director Representative	ROC	Li Yi-Chuan	Male 41-45	June 1, 2022	3 years	June 1, 2022	0	0	120,000	0.13%	40,000	0.04%	0	0	Bachelor, Department of International Business, Shih Chien University EMBA, National Taiwan University International Enterprise Unit of 109A	Executive Vice President of the Company Representative of the corporate director of the Company Representative of the corporate director of Lu Hsin Co., Ltd.	None	None	None	Note 2

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
Corporate director Representative	ROC	Ling-Yan Chen	Female 51-55		3 years				0	0	0	0	0	0	Aoyama Gakuin University, Japan Special Assistant, Chairman's Office, TSMC Chairman Office, TRK Corporation Special Assistant	Representative of the corporate director of the Company Special Assistant, Chairman's Office of the Company	None	None	None	
Corporate director	ROC	Tongqingxin Creative Investment Co., Ltd.	None	June 1, 2022	3 years	June 1, 2022	2,728,000	3.03%	2,728,000	3.03%	0	0	0	0	None	None	None	None	None	
Corporate director Representative	ROC	Hsu Yung-Chang	Male 41-45	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	National Chung Cheng University Vice President of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Vice President of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD.	Representative of the corporate director of the Company President of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD. Executive Director of CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD.	None	None	None	
Independent Director	ROC	Wen Yuan Lin	Male 71-75	June 1, 2022	3 years	June 14, 2016	0	0	0	0	0	0	0	0	Department of Water Resources and Environmental Engineering Tamkang University Master, Institute of Civil Engineering, Hawaii State University	Chairman of Overseas Investment & Development Corp. Chairman of EASTERN BROADCASTING CO., LTD. Chairman of Taiwan Styrene Monomer Corporation Chairman of Tian Lai Hotel Co., Ltd. Independent Director of Locus Cell Co., Ltd. Director of Nanhe Property Co., Ltd. Director of GLORIA MATERIAL TECHNOLOGY CORP. Director of United Renewable Energy Co., Ltd.	None	None	None	
Independent director	ROC	Huang Ming-You	Male 66~70	June 1, 2022	3 years	2016.06.14	0	0	0	0	0	0	0	0	Department of Accounting, College of Business Administration, Soochow University	CPA, Chi Cheng Accounting Firm Chairman of Chuan Cheng Investment Co., Ltd. Chairman of Chuan-Cheng Want-Want Investment Co.,	None	None	None	

Title	Nationality	Name	Gender and Age	Date elected	Term of Office (years)	Date first elected	Shareholding when elected		Number of shares currently held		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positions at the Company or other companies	Spouse or relatives within second degree of kinship who are other managers, directors, or supervisors of the Company			Remarks
							Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding			Title	Name	Relations	
																Ltd. Independent Director of Hotai Finance Co., Ltd. Independent Director of Zinwell Corporation Independent Director of Solomon Technology Corporation Director of Crazy Play Inc. Rubber Tire Corp. Ltd. Director of Bo Le Yi Entertainment Co., Ltd. Director of Xin Xi Venture Co., Ltd. Director of Xin Xi International Co., Ltd. Director of ASCENT DEVELOPMENT				
Independent Director	ROC	Chou Tsang-Hsien	Male 46-50	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	PhD of Jilin University Master of Laws (LL.M.) of National Taipei University Deputy Chairman of the Commercial Laws Committee of General Chamber of Commerce of the Republic of China	Associate of LCC Partners Law Office Director of Optivision Technology Inc.	None	None	None	
Independent Director	ROC	Chen Chun-Chi	Male 51-55	June 1, 2022	3 years	June 1, 2022	0	0	0	0	0	0	0	0	Master, College of Management, National Taiwan Sport University Secretary General of CPBL Director of Fubon Guardians	Secretary General of Taiwan Indigenous Baseball Development Association Chairman of SINO-RYUKYUAN Cultural Economic Association	None	None	None	

Note 1: If the chairman of the Company and the President or the staff of equivalent level (top manager) are the same person, spouses or relatives of first degree of kinship, please provide the relevant information including reasons, rationality, necessity and countermeasures (such as increasing the number of seats of independent directors, and there shall be more than half of the directors not serving as employees or managers concurrently):

The Chairman of the Company is Ms. Lin Man-Li, and the President of the Company is Ms. Wang Ying-Chih. In order to improve operating efficiency and decision-making; the Chairman usually fully communicates with the directors about the Company's operating conditions, and the President implements corporate governance according to the business plan. However, in order to strengthen the independence of the Board of Directors, the Company plans to increase the number of independent directors to enhance the functions of the Board of Directors and strengthen the supervision function.

At present, the Company has adopted the following specific measures:

1. The Company purchases directors and supervisors liability insurance and entrusts a large firm to audit the Company's financial reports to ensure the check and balance between power and authority, and prevent any specific person from monopolizing power and abusing it.
2. Every year, directors are arranged to attend professional director courses offered by external professional institutions to enhance the operational efficiency of the Board of Directors.
3. Independent directors can fully discuss and make suggestions in the functional committees for the reference of the Board of Directors to implement corporate governance.

Note2: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

2. Major shareholders of institutional shareholders

April 2, 2024

Names of institutional shareholders	Major shareholders of institutional shareholders and shareholding	
Sangong International Co., Ltd.	San-sheng Co., Ltd.	99.99
	Hsieh Kuo-Tong	0.01
Tongqingxin Creative Investment Co., Ltd.	Hsu Yung-Chang	50.00
	Lan Shu-Chen	50.00

3. If the main shareholder is a legal person, the main shareholder:

April 2, 2024

Legal person name	Major shareholders of legal persons and shareholding (%)	
San-sheng Co., Ltd.	LION POWER LIMITED	75.25
	Lin Man-Li	24.74
	Wang Ying-Chih	0.01

4. Directors Information

I. Disclosure of information on directors’ professional qualifications and the independence of independent directors:

Name	Title	Professional qualifications and experience	Independence of independent directors	Number of other public companies where the individual serves as an independent director concurrently
Lin Man-Li	Chairman Representative of the corporate director	For directors' professional qualifications and experience, please refer to P.12~P.14 herein, None of the directors has any of the conditions specified in Article 30 of the Company Act. (Note 1)	N/A	0
Hsieh Kuo-Tong Note 3	Representative of the corporate director			0
Wang Ying-Chih	Representative of the corporate director			0
Li Yi-Chuan	Representative of the corporate director			0
Ling-Yan Chen Note 3	Representative of the corporate director			0
Hsu Yung-Chang	Representative of the corporate director			0
Wen Yuan Lin	Independent Director		All independent directors meet the following conditions: 1. Meet the provisions set forth in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" (Note 2) promulgated by the Financial Supervisory Commission and Article 14-2 of the Securities and Exchange Act. 2. The independent director (or using the name of others), the spouse and minor children do not hold shares in the Company. 3. No remuneration received for providing business, legal, financial, accounting and other services to the Company or its affiliates in the last two years.	2
Huang Min-You	Independent Director			3
Chou Tsang-Hsien	Independent Director			0
Chen Chun-Chi	Independent Director			0

Note 1: A person who is under any of the following circumstances shall not act as a managerial personnel of a company. If he has been appointed as such, he shall certainly be discharged:
1. Having committed an offence as specified in the Statute for Prevention of Organizational Crimes and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or five years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
2. Having committed the offense in terms of fraud, breach of trust or misappropriation and subsequently convicted with imprisonment for a term of more than one year, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
3. Having committed the offense as specified in the Anti-corruption Act and subsequently convicted of a crime, and has not started serving the sentence, has not completed serving the sentence, or two years have not elapsed since completion of serving the sentence, expiration of the probation, or pardon;
4. Having been adjudicated bankrupt or adjudicated of the commencement of liquidation process by a court, and having not been reinstated to his rights and privileges;
5. Having been dishonored for unlawful use of credit instruments, and the term of such sanction has not expired yet;
6. Having no or only limited disposing capacity.
7. Having been adjudicated of the commencement of assistantship and such assistantship having not been revoked yet.

Note 2:
1. Not the government, juridical person, or representative thereof elected as per Article 27 of the Companies Act.
2. No more than three public companies where the individual serves as an independent director concurrently.
3. There is no one of the following circumstances in the two years before the election and during the term of office:
  (1) An employee of the company or any of its affiliates.
  (2) A director or supervisor of the company or any of its affiliates.
  (3) Director, spouse, minor child thereof, or other natural person shareholders who hold more than 1% of the total issued shares of the Company by nominee arrangement or with top ten ownership.
  (4) The manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3).
  (5) A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director of the company under Article 27 of the Company Act.
  (6) A majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
  (7) The chairperson, president, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.
  (8) A director, supervisor, executive officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

(9) A professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. However, this does not apply to those who serve as members of the Company's Remuneration Committee.

Note3: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

II. Independence of the Board of Directors:

a. Board structure: The Company has established a director election system. The election process for all directors is open and fair. According to the provisions of the “Articles of Incorporation”, “Regulations Governing the Election of Directors and Independent Directors”, “Corporate Governance Best-Practice Principles”, “Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies” and “Article 14-2 of the Securities and Exchange Law” of the Company, the composition of the current Board of Directors accounts for 4 independent directors (44.44%) and 5 non-independent directors (55.55%).

b. The Board of Directors is independent: the Board of Directors of the company guides the company's strategy, supervises the management level, and is responsible to the Company and shareholders. In the various operations and arrangements of the corporate governance system, the Board of Directors follows the laws, the Company's Articles of Incorporation, or the resolutions of the shareholders' meeting to exercise powers. The Company's Board of Directors emphasizes the functions of independent operation and transparency. Directors and independent directors are independent individuals and independently exercise their powers and duties. The four independent directors also follow the relevant laws and regulations, cooperate with the powers of the Audit Committee, review the management and control of the company's existing or potential risks, etc., so as to effectively supervise the effective implementation of the Company's internal control, the selection (dismissal) of certified public accountants, and independence and proper preparation of financial statements. In addition, according to the Company's "Regulations Governing the Election of Directors and Independent Directors", the election of directors and independent directors adopts a cumulative voting system and a candidate nomination system to encourage shareholders to participate. Shareholders holding more than a certain number of shares may submit a list of candidates. The review of the qualifications of candidates and the confirmation of violations of the items listed in Article 30 of the Company Act, and the relevant acceptance operations are carried out and announced in accordance with the law to protect the rights and interests of shareholders, so as to avoid monopoly or excessive nomination to maintain the independence.

c. The Company has established a performance evaluation system for the Board of Directors, and conducts an internal self-evaluation of the Board of Directors and self-evaluation of directors once a year; Every three years, the external professional independent institutions or external teams of experts and scholars shall conduct the evaluation, and the annual performance evaluation shall be conducted at the end of each year. The results of the internal and external performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the following year. The relevant self-assessment results are disclosed in the Company's annual report and official website after being submitted to the Board of Directors.

In addition, in order to let the investing public fully understand the operation of the Company's Board of Directors, relevant information has also been disclosed in the company's annual report, official site or MOPS of TWSE.

1. Attendance of Board members at meetings;
2. Proposals and resolutions of the Board of Directors;
3. Directors' continuing education; and
4. Changes in shareholdings of directors (please refer to the Market Observation Post System of the TWSE for information on shareholding ratio, transfer of shares, and setting of pledge, etc.).

(3) The diversity of Board members and its achievement:

Since March 2022, the candidate's nomination system has been adopted for the election of all directors of the Company. According to the Company's "Corporate Governance Best-Practice Principles", the structure of the Board of Directors shall be based on the Company's business development scale and the shareholdings of major shareholders. After taking into account the operational needs, the appropriate number of directors is 9 or more. The composition of the Board of Directors should consider diversity. Except that the number of directors who concurrently hold the position of managers may not exceed one-third of the seats on the Board to formulate an appropriate diversity policy, appropriate diversity guidelines should be formulated in line with its own operations, business model and development needs. The members of the Board should have different professional knowledge and skills (business, finance, accounting, industry background, professional skills, and industry experience) or gender, age, etc. In order to achieve the ideal goal of corporate governance, the Board of Directors as a whole shall have the following competencies: I. Ability to make operational judgments.

II. Ability to perform accounting and financial analysis.

III. Ability to conduct management administration.

IV. Ability to conduct crisis management

V. Knowledge of the industry.

VI. An international market perspective.

VII. Ability to lead.

VIII. Ability to make decisions.

The nine current Directors of the Company are all native nationals. All of them have the knowledge, skills and education required to perform their duties (please refer to P.12 - P.14 of the annual report for major experience and academic backgrounds of directors). The directors have extensive professional backgrounds, professional skills and industrial experience in business, finance, accounting and industry respectively; among them, two are female directors (22.22%, Lin Man-Li and Wang Ying-Chih). Among the directors, two are aged 71-80 (22.22%, Lin Man-Li and Lin Wen-Yuan), one is aged 61-70 (11.11%, Huang Ming-You), two are aged 51-60 (22.22%, Wang Ying-Chih and Ling-Yan Chen), and four are aged 41-50 (44.44%, Li Yi-Chuan, Hsu Yung-Chang, Chou Tsang-Hsien, Chen Chun-Chih). The Company will consider the diversified composition of the Board of Directors and select those with the knowledge, skills and literacy necessary to perform their duties as directors. No more than 3 consecutive terms of office for independent directors with specific goals in the future.

Title	Chairman	Director	Director	Director	Director	Independent Director			
Name	Lin Man-Li	Wang Ying-Chih	Li Yi-Chuan	Ling-Yan Chen	Hsu Yung-Chang	Wen Yuan Lin	Huang Min-You	Chou Tsang-Hsien	Chen Chun-Chi
Gender	Female	Female	Male	Female	Male	Male	Male	Male	Male
Nationality	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC	ROC
Age	76~80	51~55	41~45	51~55	41~45	71~75	66~70	46~50	51~55
Concurrently an employee of the Company	V	V	V	V					
Expertise and competence									
Business	V	V	V	V	V	V	V	V	V
Finance/accounting							V		
Law								V	
Competence and experience required by the Company	V	V	V	V	V	V	V	V	V
Ability and experience									
Ability to make operational judgments	V	V	V	V	V	V	V	V	V
Ability to perform accounting and financial analysis	V	V	V	V	V	V	V	V	V
Ability to conduct management administration	V	V	V	V	V	V	V	V	V
Ability to conduct crisis management	V	V	V	V	V	V	V	V	V
Knowledge of the industry	V	V	V	V	V	V	V	V	V
An international market perspective	V	V	V	V	V	V	V	V	V
Ability to lead	V	V	V	V	V	V	V	V	V
Ability to make decisions	V	V	V	V	V	V	V	V	V

(II) Information on directors, supervisors, the President, Vice Presidents, Assistant Vice Presidents, and the heads of various departments

Title	Nationality	Name	Gender	Date elected	Shareholding		Current shareholding of spouse or minor children		Shareholding by nominee arrangement		Major education and experience	Concurrent positio other c
					Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding		
President	ROC	Hsieh Kuo-Tong	Male	May 7, 2019	1,925,521	2.14%	0	0	0	0	Kyorin University of Japan	President of the Co Director of HANE Director of Gongch Director of TAROK ARCHITECTURE Director of Taroko Ltd. Supervisor of San-s Supervisor of Sang Co., Ltd. Supervisor of Sang Supervisor of Hsiel Supervisor of G-RU Supervisor of Sang
President	ROC	Wang Ying-Chih	Female	March 12, 2024	1,072,718	1.19%	0	0	0	0	Gakushuin University of Japan	President of the Co Representative of t of the Company Chairman of HANI Chairman of LA TI NATURELLE COI Supervisor of TAR ARCHITECTURE
CHANG SHIN CONSTRUCTION & DEVELOPMENT CO., LTD.	ROC	Li Yi-Chuan	Male	March 1, 2020	120,000	0.13%	40,000	0.04%	0	0	Bachelor, Department of International Business, Shih Chien University EMBA, National Taiwan University International Enterprise Unit of 109A	Executive Vice Pre Company Representative of t of the Company Director of Lu Hsin Supervisor of Tarol Ltd.
Assistant Vice President	ROC	Liao Chih-Hsuan	Male	May 11 2023	60,000	0.06%	2,000	0.00%	0	0	Master of Recreational Sports Management, National Taiwan Institute of Physical Education	Assistant Vice Pres Store Manager, Tar Deputy Manager Taroko Avenue Sho Department Manag Malls
Chief Accounting Officer	ROC	Chen Pei-Ting	Female	January 27, 2022	30,000	0.03%	0	0	0	0	Associate, Deloitte Taiwan Associate, Hua Nan Securities Co., Ltd	Associate of Accou Company
Financial Officer	ROC	Lin Li-Ling	Female	January 27, 2022	20,000	0.02%	0	0	0	0	Section Chief, JLL Taiwan Assistant Manager, TRK Corporation	Finance Manager o

Note 1: If the chairman of the Company and the President or the staff of equivalent level (top manager) are the same person, spouses or relatives of first degree of kinship, please rationality, necessity and countermeasures (such as increasing the number of seats of independent directors, and there shall be more than half of the directors not serving as

The Company's Chairman is Ms. Lin Man-Li and the President is Mr. Hsieh Kuo Tong. For the purpose of improving operational efficiency and decision-making execution communication with the directors to ensure the operation status of the Company.

The President implements the business plan and guidelines for corporate governance, in order to strengthen the independence of the Board of Directors. Moreover, the Com directors to enhance the functions of the Board of Directors and strengthen the function of supervision.

At present, the Company has adopted the following specific measures:

1. The Company purchases directors and supervisors liability insurance and entrusts a large firm to audit the Company's financial reports to ensure the check and balance b person from monopolizing power and abusing it.
2. Every year, directors are arranged to attend professional director courses offered by external professional institutions to enhance the operational efficiency of the Board c
3. Independent directors can fully discuss and make suggestions in the functional committees for the reference of the Board of Directors to implement corporate governanc

Note 2: On March 12, 2024, President Hsieh, Kuo-Tong resigned, and Vice President Ms. Wang Ying-Zhi assumed the position of President of the Company.

III. Remuneration paid to directors, supervisors, the President, and Vice Presidents in the most recent year

(I) Remuneration to general and independent directors (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Remuneration to directors								Sum of A, B, C, and D as a % of the net income after tax		Remuneration received for serving as an employee concurrently								Sum of A, B, C, D, E, F, and G as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		Base remuneration (A)		Severance and pension (B)		Remuneration to directors (C)		Business execution expenses (D)				Remuneration, bonus, and allowance (E)		Severance and pension (F)		Employee remuneration (G) (Note 6)						
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
																Cash amount	Stock amount	Cash amount	Stock amount			
Corporate director	Sangong International Co., Ltd.	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Representative of the corporate director	Lin Man-Li Chairman	0	0	0	0	0	0	0	0	0	0	1,921	2,521	0	0	0	0	0	0	3.19	4.59	0
	Hsieh Kuo-Tong Note 1	0	0	0	0	0	0	0	0	0	0	3,056	3,056	0	0	0	0	0	0	5.08	5.56	0
	Wang Ying-Chih	0		0	0	0	0	0	0	0	0	1,467	2,176	73	73	0	0	0	0	2.56	4.09	0
	Li Yi-Chuan	0	0	0	0	0	0	0	0	0	0	2,859	2,859	108	108	0	0	0	0	4.93	5.40	0
	Ling-Yan Chen Note 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Hsu Yung-Chang	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Independent Director	Wen Yuan Lin	960	960	0	0	0	0	0	0	1.60	1.75	0	0	0	0	0	0	0	0	1.60	1.75	0
	Huang Min-You	960	960	0	0	0	0	0	0	1.60	1.75	0	0	0	0	0	0	0	0	1.60	1.75	0
	Chou Tsang-Hsien	544	544	0	0	0	0	0	0	0.90	0.99	0	0	0	0	0	0	0	0	0.90	0.99	0
	Chen Chun-Chi	544	544	0	0	0	0	0	0	0.90	0.99	0	0	0	0	0	0	0	0	0.90	0.99	0

1. Please provide in detail the policy, system, standards and structure of remuneration to independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: In addition to the results of performance evaluation of directors, the remuneration to the independent directors of the Company is also in accordance with Articles 24 and 28 of the Company's Articles of Incorporation. The Remuneration Committee reviews the degree of participation of each director in the Company's operations and contribution, linking to the reasonableness and fairness of the performance risk to the remuneration obtained, with reference to the salary level of industry peers, and propose reasonable remuneration suggestions and submit them to the Board of Directors.
2. In addition to the disclosure in the table above, in the most recent fiscal year, remuneration received by directors (e.g., serving as a consultant for a non-employee of the parent company/companies in the financial statements/investment businesses):None

Note 1: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

(II) Remuneration to supervisors (individual disclosure by name and amount) :Not applicable. The Company established an Audit Committee to replace supervisors since June 1, 2022.

(III) Remuneration to president and vice president (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Salary (A)		Severance and pension (B)		Remuneration, bonus, and allowance (C)		Employee remuneration (D) (Note 2)				Sum of A, B, C, and D as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
President	Hsieh Kuo-Tong Note 3	3,056	3,056	0	0	82	82	0	0	0	0	5.21	5.71	0
Executive Vice President	Li Yi-Chuan	2,859	2,859	108	108	105	105	0	0	0	0	5.10	5.59	0
Vice President	Wang Ying-Chih Note 3	1,467	2,176	73	73	105	105	0	0	0	0	2.73	4.28	0

Note 1: Remuneration to the president and vice presidents have been disclosed by name.
Note 2: No employee stock option was issued to any of the above managers and there was no issuance of shares for capital increase through transfer of employee remuneration in the current year.
Note 3: On March 12, 2024, President Hsieh, Kuo-Tong resigned, and Vice President Ms. Wang Ying-Zhi assumed the position of President of the Company.

(IV) Name of the manager who receives employee remuneration and distribution:

Title	Name	Stock amount (Note 1)	Cash amount (Note 2)	Total	Total as a percentage of net income after tax (%)
President	Hsieh Kuo-Tong	0	0	0	0
Vice President	Wang Ying-Chih Note 3	0	0	0	0
Executive Vice President	Li Yi-Chuan	0	0	0	0
Assistant Vice President	Liao Chih-Hsuan	0	0	0	0
Financial Officer	Lin Li-Ling	0	0	0	0
Chief Accounting Officer	Chen Pei-Ting	0	0	0	0

Note 1: The Company did not issue shares by transferring employee remuneration to capital.
Note 2: As of the end of 2022, as there were accumulated losses to be covered, no remuneration was distributed to employees.
Note 3:On March 12, 2024, President Hsieh Kuo-Tong resigned, and Vice President Ms. Wang Ying-Zhi assumed the position of President of the Company.

(V) Remuneration to the top 5 executives of the TWSE/TPEX listed company (individual disclosure by name and amount)

Unit: NT$ thousand/thousand shares

Title	Name	Salary (A)		Severance and pension (B)		Remuneration, bonus, and allowance (C)		Employee remuneration (D)				Sum of A, B, C, and D as a % of the net income after tax		Is there remuneration from investees other than subsidiaries
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Stock amount	Cash amount	Stock amount			
Chairman	Lin Man-Li	1,921	2,521	0	0	0	0	0	0	0	0	3.19	4.59	0
President	Hsieh Kuo-Tong Note 1	3,056	3,056	0	0	82	82	0	0	0	0	5.21	5.71	0
Executive Vice President	Li Yi-Chuan	2,859	2,859	108	108	105	105	0	0	0	0	5.10	5.59	0
General Consultant	Hsu Chun-Chi	1,811	1,811	103	103	105	105	0	0	0	0	3.36	3.67	0
President	Wang YingChih Note 1	1,467	2,176	73	73	105	105	0	0	0	0	3.73	4.28	0

Note 1: On March 12, 2024, President Hsieh Kuo-Tong resigned, and Vice President Ms. Wang Ying-Zhi assumed the position of President of the Company.

(VI) Total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, during the past 2 fiscal years to directors, supervisors, president, and vice president

Title	Total remuneration, as a percentage of net income, during the past 2 fiscal years to directors, supervisors, president, and vice president %			
	2023		2022	
	The Company	Companies included in the consolidated statements	The Company	Companies included in the consolidated statements
Director	21.23	25.65	(42.965)	(39.612)
Supervisor	0	0	0	0
President and Vice President	13.04	15.58	(18.418)	(15.545)

(VII) Remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure:

1. The remuneration to the Chairman, directors, and supervisors of the Company is determined in accordance with Articles 24 and 28 of the Articles of Incorporation: The Board of Directors is authorized to determine the remuneration to chairman, directors and supervisors based on the level of their participation in the Company’s operations and the value of their contributions, taking into account the usual standards in the industry. When independent directors carry out the Company's business, regardless of the company's operating profit or loss, they are paid a fixed monthly fee, which may be adjusted by the Remuneration Committee based on their participation in the Company's operations and contribution; if an independent director also serves as a member of functional committees, his/her fixed remuneration is still paid on a consolidated basis.
2. The appointment and remuneration to managers shall be resolved by the Board of Directors.
3. Evaluation of operating performance and future risk exposure: The Company has budgeted for maximum operational risk in its operating plan and the total amount of remuneration to the directors, supervisors, president, and vice presidents will not pose a material impact to the Company's financial position and shareholders' equity.

IV.Implementation of corporate governance

(I) The state of operation of the Board of Directors:

1. The Board held 12 meetings in the most recent fiscal year(A) (2023.01.01-2023.12.31: 7 meetings; 2024.01.01-2024.04.15: 5 meetings).

Attendance of directors:

Title	Name	Attendance in person B	Attendance by proxy	Attendance Rate [B/A]	Remarks
Chairman	Representative of San Gong International Co., Ltd.: Lin Man-Li	11	1	92%	
Director	Representative of San Gong International Co., Ltd.: Hsieh Kuo-Tong	9	2	82%	Note 1
Director	Representative of San Gong International Co., Ltd.: Wang Ying-Chih	9	3	75%	
Director	Representative of San Gong International Co., Ltd.: Li Yi-Chuan	12	0	100%	
Director	Representative of San Gong International Co., Ltd.: Ling-Yan Chen	1	0	100%	Note 1
Director	Tongqingxin Creative Investment Co., Ltd. Representative : Hsu Yung-Chang	10	2	83%	
Independent Director	Wen Yuan Lin	12	0	100%	
Independent Director	Huang Min-You	12	0	100%	
Independent Director	Chou Tsang-Hsien	9	1	75%	
Independent Director	Chen Chun-Chi	12	0	100%	
Average attendance rate				90%	

Note 1: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

Additional information:

I. If the operations of the Board of Directors is under any of the circumstances below, the date of the Board meeting, the session, the content of the proposal, all independent directors' opinions, and the Company's response to said opinions shall be specified:

(I) Matters specified in Article 14-3 of the Securities and Exchange Act: Please refer to "Important Resolutions of the Board of Directors" and the state of operation of the Audit Committee of this annual report. All independent directors unanimously agreed to the motions.

(II) Except for the above matters, other matters resolved by the Board of Directors with objection or reservation made by any independent directors, with records or a written statement: N/A.

II. In the event of directors' recusal from proposals, the name of director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified:

Date of meeting	Session of meeting	Contents of the motion	Name of recusing director	Reason for recusal	Participation in voting
2023/05/11	The 8th meeting of the 15th Board	Allocation of share subscription amounts for transfer to managers for the 2nd and 3rd round of treasury share buybacks in 2021.	Lin Man-Li, Hsieh Kuo-Tong (entrusted Director Lin Man-Li), Wang Ying-Chi, Li Yi-Chuan, and Manager Hsu Chun-Chi and Yeh Li-Hua.	Position of managerial officer	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2023/05/11	The 8th meeting of the 15th Board	Review of the remuneration of the current Chairman and managerial officers	Lin Man-Li, Hsieh Kuo-Tong (entrusted Director Lin Man-Li), Wang Ying-Chi, Li Yi-Chuan, and Manager Hsu Chun-Chi and Yeh Li-Hua.	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2023/11/09	The 11th meeting of the 15th Board	Formulation of the "Sustainability Committee Charter" of the Company.	Independent Directors Lin Wen-Yuan and Huang Ming-You; Director Li Yi-Chuan	Member of the Sustainable Development Committee	After the chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/01/15	The 12th meeting of the 15th Board	Proposal for year-end bonuses to the Chairman and managers	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/02/21	The 14th meeting of the 15th Board	Approval for authorizing the Chairman to purchase real estate and sign contracts.	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/03/12	The 15th meeting of the 15th	The President of the Company, Mr. Hsieh Kuo-Tong, resigned from the position of President	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was

	Board	and became a strategic consultant.			approved unanimously.
2024/03/12	The 15th meeting of the 15th Board	Appointment of the Company's President.	Lin Man-Li, Hsieh Kuo-Tong	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/03/12	The 15th meeting of the 15th Board	Lifting of non-compete restrictions on the managerial officer (president) of the Company.	Lin Man-Li, Hsieh Kuo-Tong, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/04/15	The 16th meeting of the 15th	The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.
2024/04/15	The 16th meeting of the 15th	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD 124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	Lin Man-Li, Wang Ying-Chih	Positions of Chairman and Manager	After the acting chair of the Board consulted the remaining directors, the proposal was approved unanimously.

III. Listed OTC companies should disclose the self-evaluation of the board of directors (or peers): please refer to P.27 of this Annual Report.

IV. Objectives (e.g., forming an audit committee, improving information transparency) to enhance Board functions during the most recent fiscal year and evaluation of the implementation:

(I) To fulfill the Company's corporate social responsibility and achieve the goal of sustainable development, the Company has adopted Article 9 of the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," Article 27 of the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Article 9 of the Company's "Sustainable Development Best Practice Principles," a Sustainable Development Committee was established on 2023/11/09, whose main purpose is to implement corporate governance, develop a sustainable environment, maintain social welfare, and enhance corporate sustainability information disclosure.

(II) Implementation status: To implement the sustainable development of the Company and improve the implementation of sustainable affairs, external consultants are appointed for guidance. There are plans to complete the 2024 greenhouse gas inventory in 2025, and to complete the 2024 sustainability report in 2025, and a third party shall be engaged to conduct verification on them. Proposals shall be submitted to the Sustainable Development Committee for regular review of the effectiveness of its operation. After approval, it shall be submitted to the Board of Directors for resolution.

Attendance at Board Meetings in 2023 and 2024

☆ Attended in person ◎ Attended by proxy *Did not attend

Date of Board Meeting	2023							2024					Remarks
	Jan. 16	Mar. 6	Mar. 23	May 11	Jun. 26	Aug. 10	Nov. 9	Jan. 15	Feb. 5	Feb. 21	Mar. 12	April. 15	
Wen Yuan Lin	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	
Huang Min-You	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	
Chou Tsang-Hsien	☆	*	☆	☆	☆	◎	☆	☆	☆	☆	☆	*	
Chen Chun-Chi	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	☆	

2. Date of Board Appraisal

Cycle	Period	Scope	Method	Content
Once a year on a regular basis (Internal evaluation)	Jan. 1, 2023 to Dec. 31, 2023	Board of Directors	Self-Evaluation of the Board	The Board performance evaluation includes five aspects: 1. Participation in the operation of the company 2. The quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuing education of the directors; and 5. Internal control
		Individual Board members	Self-evaluation of the Board members	The self-assessment of directors includes six aspects 1. Alignment of the goals and mission of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationship and communication 5. The director's professionalism and continuing education; and 6. Internal control
		Audit Committee	Self-evaluation of the Audit Committee	The performance evaluation items of the functional committees include five major aspects: 1. Participation in the Company's operations. 2. Awareness of the duties of the functional committee. 3. Improve the quality of decision making by the functional committee. 4. The composition of the functional committee and election of its members. 5. Internal control.
		Remuneration Committee	Self-evaluation of the Remuneration Committee	
Once every three years (External evaluation)	2022/12/01 to 2023/11/30	Board of Directors	Taiwan Corporate Governance Association	The evaluation content of external experts includes eight major aspects: 1. Composition of the Board of Directors 2. Guidance by the Board of Directors. 3. Authorization by the Board of Directors. 4. Supervision by the Board of Directors. 5. Communication of the board of directors. 6. Internal control and risk management. 7. Self-discipline of the board of directors. 8. Others (such as board meetings, support systems). Interview relevant members with on-site inspections with reference to the open-ended questionnaires, various data and public information provided by the Company, and then issue an evaluation report. External expert advice: 1. The Company has established a

				"Remuneration Committee" to assist the Board of Directors in the supervision of the functions of the remuneration and evaluation system, and to advise on the Company's remuneration policies, systems, standards and performance evaluation indicators, and incorporate ESG goals into the performance indicators for senior management in order to achieve the Company's goal of sustainable development? 2. The Company has disclosed the "Reporting and Complaint Box" in the ethical management section of the website, but the whistleblower mechanism emphasizes the direct communication with the Board of Directors (independent directors in particular). It is recommended that the Company establish a whistle-blowing channel that the independent directors (or the audit committee) can receive reports simultaneously to further strengthen the whistle-blower mechanism. 3. As the board of directors of the company has gradually attached importance to the evaluation of corporate governance, it is recommended to enhance the timeliness and accuracy of information disclosure on the company's official website and annual report, so as to improve the transparency of corporate governance, so that all stakeholders know, and to help improve the evaluation and ranking.

3. Succession planning and operation of Board members

(1) The Company adopts a candidate nomination system for election of directors in accordance with the "Articles of Incorporation". The "Corporate Governance Best-Practice Principles" and "Procedures for Election of Directors" set out that the composition of the Board of Directors should take diversity into consideration. The Company has established a diversified policy based on its current state and development needs, including but not limited to basic requirements and values, and professional knowledge and skills.

(2) The structure of the Company's Board of Directors shall be determined after considering the needs of practical operations and taking into consideration the Company's business scale and the shareholdings of major shareholders.

(3) For the succession planning of directors, the Company has established the database of director candidates according to the following criteria:

1. Integrity, responsibility, innovation and decision-making power, in line with the Company's core values, with professional knowledge and skills helpful to the Company's operation and management.
2. Possess experience in the industry relevant to the Company's business.
3. It is expected that the addition of this member will continuously provide the Company with an effective, coordinated and diversified board that meets the needs of the Company.
4. The expertise of the Board of Directors as a whole should include corporate strategy and management, accounting and taxation, finance, and law.
5. The Company establishes the selection process of director candidates in accordance with the qualifications and relevant regulations to ensure that suitable new directors can be effectively identified and elected when there is a vacancy in the number of directors or a plan to increase the number of directors.

(4) The Company has also adopted its "Evaluation of the Performance of the Board of Directors". The performance evaluation measures the following aspects: control over the Company's goals and tasks, recognition of responsibilities, participation in operations, internal relationship management and communication, professional functions and further education, and internal control, ensuring that the Board of Directors is functioning effectively, and to evaluate the performance of the directors as a reference for the selection of directors in the future.

4. Succession planning and operation of key management personnel

(1) Employees at the Assistant Vice President level (and above) are the key management personnel and are responsible for the management of the organization. The values and business philosophy of the key management personnel shall be in line with the Company's business philosophy, in addition to possessing the necessary professional skills and experience.

(2) In order to develop key management personnel and their representatives, the Company not only offers professional competency and corporate governance-related courses, but also arranges practical trainings such as attending board meetings and participating in regular internal key management meetings, with on-the-job training supported by project task management. The Company also arranges for managers to share and exchange ideas about management practices.

(3) The Company conducts employee performance appraisals on a yearly basis. Through daily observation and performance evaluation, employees are able to understand areas of improvement, personal development needs, and the Company's expectations. The results of the appraisals can be used as a reference for future succession planning.

(II) Audit Committee

The Company established the Audit Committee on June 1, 2022 in order to improve the supervisory responsibility and the management of the Board. The Audit Committee is composed of all Independent Directors, at least one of whom should have accounting or financial expertise. The term of office of Independent Directors of the Committee is three years, and may be eligible for re-election.

1. Audit Committee member

Title	Name	Status of Audit Committee	Professional qualifications and experience/major experience (academic) background
Independent Director	Wen Yuan Lin	Committee Member	Department of Water Resources and Environmental Engineering Tamkang University Master, Institute of Civil Engineering, Hawaii State University Director, Taipei Water Department Vice Chairman, State-owned Enterprise Commission, M.O.E.A Chairman, Taiwan Power Company Chairman, Taiwan Cogeneration Corporation Chairman, China Steel Corporation Chairman of Taiwan Styrene Monomer Corporation Chairman of EASTERN BROADCASTING CO., LTD. Chairman of Tian Lai Hotel Co., Ltd. Independent Director of Bank of Kaohsiung Co., Ltd. Independent Director of Locus Cell Co., Ltd. Director of Nanhe Property Co., Ltd. Director of GLORIA MATERIAL TECHNOLOGY CORP. Director of United Renewable Energy Co., Ltd.
Independent director	Huang Ming-You	Convener	Chairman of Chuan Cheng Investment Co., Ltd. Chairman, Chuan-Cheng Want-Want Investment Co., Ltd. Independent Director, Hotai Finance Co., Ltd. Independent Director, Zinwell Corporation Chairman, Ascent Development Co., Ltd. Director, Bo Le Yi Entertainment Co., Ltd. Director, Xin Xi Venture Co., Ltd. Director, Crazy Play Inc. Supervisor, Locus Cell Co., Ltd.
Independent Director	Chou Tsang-Hsien	Committee Member	PhD of Jilin University Master of Laws (LL.M.) of National Taipei University Deputy Chairman of the Commercial Laws Committee of General Chamber of Commerce of the Republic of China Associate of LCC Partners Law Office Associate of TransAsia Lawyers Chief Legal Officer of K LASER Group Director, Optivision Technology Inc.
Independent Director	Chen Chun-Chi	Committee Member	Master, College of Management, National Taiwan Sport University Secretary General of CPBL Director of Fubon Guardians Secretary General of Taiwan Indigenous Baseball Development Association Chairman of SINO-RYUKYUAN Cultural Economic Association

2. Duties of the Audit Committee

I. The establishment or amendment of internal control policies in accordance with Article 14-1 of the Securities and Exchange Act.

II. Assessment of the effectiveness of the internal control system.

III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, and endorsements or guarantees for others.

IV. A matter bearing on the personal interest of a director or supervisor.

V. A transaction involving material asset or derivatives trading.

VI. A material monetary loan, endorsement, or provision of guarantee.

VII. The offering, issuance, or private placement of any equity-type securities.

VIII. The hiring, dismissal or remuneration of an attesting certified public accountant.

IX. The appointment or dismissal of a financial, accounting, or internal auditing officer.

X. Annual financial reports, and second quarter financial reports that must be audited and attested by a certified public accountant, which are signed or sealed by the chairperson, executive officer, and accounting officer.

XI. Any other material matter so determined by the company or the competent authority.

With the exception of the abovementioned Subparagraph 10), any matter under the preceding paragraph that has not been approved by the consent of at least a majority of all the audit committee members may still be undertaken upon the consent by two-thirds or more of all members of the Board of Directors.

3. Work focus for the year

The Company's Audit Committee consists of four independent directors. The operation of the committee is mainly to supervise the following matters:

(I) Fair presentation of the Company's financial statements.

(II) The selection and dismissal of the CPAs and their independence and performance.

(III) The effective implementing of the Company's internal control.

(IV) Regulatory requirements and rules to be complied with by the Company.

(V) Control over the Company's existing or potential risks.

4. State of operation(112.01.01~112.12.31: held 7 times~113.01.01~113.04.15: held 5 times) 12 meetings were held【A】

Title	Name	Attendance in person[B]	Attendance by proxy	Attendance Rate [B/A]	Remarks
Committee Member	Wen Yuan Lin	12	0	100%	
Convener and Chair	Huang Min-You	12	0	100%	
Committee Member	Chou Tsang-Hsien	9	1	75%	
Committee Member	Chen Chun-Chi	12	0	100%	
Average attendance rate				94%	

Additional information:

I. If the operations of the Audit Committee fall under any of the circumstances below, the date of the Audit Committee meeting, the session, the content of the proposal, any objection, reservation, or major suggestion made by independent directors, the results of resolutions by the Audit Committee, and the Company's response to the committee's opinions shall be specified.

(I) The matters under Article 14-5 of the Securities and Exchange Act.

Date of Meeting of Audit Committee	Session	Contents of the motion	Resolution of the Audit Committee	Handling of the Audit Committee's opinions
Mar 6, 2023	First term in 2023 The 6th meeting	The Company intends to invest in and purchase the marketable securities of the listed company Power Wind (Code: 8462).	It was proposed by Independent Director Mr. Lin Wen Yuan to have Mr. Huang Ming-You serve as the chair of the meeting. Mr. Chen Chun-Chi seconded the motion and the motion was unanimously approved by all directors attending the meeting without objections.	-

2023/03/23	First term in 2023 The 7th meeting	The Company's 2022 Financial Statements and Business Report for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Adoption of the Proposal for 2022 Deficit Compensation	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		2022 Statement of the Internal Control System	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The reappointment of the attesting CPA of the Company's 2023 financial statements.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2023/05/11	First term in 2023 The 8th meeting	Presentation of the Company's consolidated financial statements for the Q1 2023.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Loaning of funds by the Company to Taroko Entertainment Co., Ltd..	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-

		Loaning of funds to sub-subsidiary, American Village Co., Ltd.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2023/06/26	First term in 2023 The 9th meeting	The Company to invest in and establish a subsidiary in the U.S..	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2023/08/10	First term in 2023 The 10th meeting	Presentation of the Company's consolidated financial statements for the Q2 2023.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$30 million .	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company's loaning of funds to affiliated enterprise, Ya Chen International Development Co., Ltd., for NT$15 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company intends to acquire the right-of-use assets for the establishment of Taichung Branch.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-

2023/11/09	First term in 2023 The 11th meeting	Presentation of the Company's consolidated financial statements for the Q3 2023.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Propose for the loaning of funds by the Company to its subsidiary/TAROKO ARCHITECTURE CO., Ltd. for NT$10 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$40 million .	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company's 2024 internal audit plan.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2024/01/15	First term in 2023 The 12th meeting	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NTD 35 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$20 million.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-

2024/02/21	First term in 2023 The 14th meeting	Approval for authorizing the Chairman to purchase real estate and sign contracts.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2024/03/12	First term in 2023 The 15th meeting	The Company's 2023 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Adoption of the Proposal for 2023 Deficit Compensation.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		2023 Statement of the Internal Control System.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Amendment to the Company's "Audit Committee Charter".	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Amendments to the Company's accounting system.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-

		Evaluation on the independence and competence of the CPAs of the Company.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		Replacing the Company's attesting CPA for financial statements starting from the first quarter of 2024.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
		The reappointment of the attesting CPA of the Company's 2024 financial statements.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	-
2024/04/15	First term in 2023 The 16th meeting	Loaning of funds to subsidiary, Lu Hsin Co., Ltd.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	
		The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	
		The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal	

		124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.	was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	
		Proposal of the Company to issue common shares for cash capital increase through private placement.	1. After the chair consulted with all Audit Committee members attending the meeting, the proposal was unanimously approved without objections. 2. This proposal will be submitted to the Board of Directors for discussion and resolution.	

(II) Other than those described above, any resolutions not approved by the Audit Committee but approved by more than two-thirds of all directors: N/A.

II. In the event of independent directors' recusal from proposals, the name of independent director, the content of proposal, the reasons for recusal, and the participation in voting shall be specified: N/A.

III. Communication between independent directors and the chief internal auditor/CPAs (including material financial and business matters communicated and communication methods and results).

(1) Summary of communication between the Chief Auditor, independent directors, the Audit Committee and CPAs in 2023:

1.The head of internal audit may contact the independent directors directly if necessary, and the communication progress is good.
2.The Company submits electronic spreadsheets on a monthly basis to independent directors for review on the audit status and improvement tracking status of the previous month.
3.The Company's internal audit officer reports the key audit tasks to the independent directors during the Audit Committee meeting held regularly, and has fully communicated the implementation and results of audit tasks.
The main communication matters are as follows:

Date	Form/target	Key points of reporting or communication	Result of communication
January 16, 2023	Audit Committee/ Independent director	Audit implementation report as of 2022/12.	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
March 23, 2023	Audit Committee/ Independent director	1. Audit implementation report as of 2023/2. 2. 2022 Statement of internal control system.	1. The independent directors of the Company have no opinion on the implementation and effectiveness of the audit. 2. The internal audit found no material issues affecting the effectiveness of the design and implementation of the internal control system. All independent directors attending the meeting passed the motion without opinions.
May 11, 2023	Audit Committee/ Independent director	Audit implementation report as of 2023/4.	The independent directors of the Company have no opinion on the implementation and effectiveness of the audit.
August 10, 2023	Audit Committee/ Independent director	Audit implementation report as of 2023/6.	1. The independent directors of the Company have no opinion on the implementation and effectiveness of the audit. 2. Passed as proposed by all attending independent directors.
November 9, 2023	Audit Committee/ Independent director	1. Audit implementation report as of 2023/9. 2. The Company's 2024 internal audit plan.	1. The independent directors of the Company have no opinion on the implementation and effectiveness of the audit. 2. Passed as proposed by all attending

			independent directors.

(2)Communication between the CPA and the Audit Committee:

Regular - the CPAs will review the semi-annual reports and audit the annual reports, and communicate with the Audit Committee about the review and audit results.

Non-regular - If there are other cases related to operation or internal control that require immediate communication and discussion, meetings will be arranged as appropriate.

The main communication matters are as follows:

Date	Items	Content of communication	Response from the Company and results of communication
March 23, 2023	2022 Financial Statements	2022 Financial Statements	Audit results of the 2022 consolidated financial statements
	Audit Findings	No abnormality was found for any item	Discuss and communicate with the Company in line with the content of the project
	Significant transaction	Effect of individual material transactions in 2022 on the consolidated financial statements	No such matter after communication
	2022 Financial Statements	2022 Financial Statements	Audit results of the 2022 consolidated financial statements
August 10, 2023	2023 Q2 financial statements	Review result of the 2023 second quarter consolidated financial statements	Acknowledged and understood the adjusted items for Q2 2023, and discussed and communicated with regard to the application of some accounting policies
	Audit Findings	No abnormality was found for any item	Discuss and communicate with the Company in line with the content of the project
	Important regulatory updates	Introduction to International Sustainable Disclosure Standards	Discuss and communicate with the Company in line with the content of the project
	Key audit matters	Description of key audit matters	Discuss and communicate with the Company in line with the content of the project

(III) Supervisors' participation in the operations of the Board of Directors:

The attendance status in recent years is as follows:

Title	Name	Attendance in person (B)	Attendance (%) (B/A)	Remarks

Additional information:

I. The composition and responsibilities of supervisors:

1. Communication between supervisors and the Company's employees and shareholders (e.g. channels and methods of communication): If there is a need to communicate with or seek professional advice from the supervisors, it will be don so on a face-to-face basis. : Not applicable, see Note 1.

2. Communication between supervisors and the chief internal auditor/CPAs (e.g., financial and business matters communicated and communication methods and results): Not applicable, see Note 1.

II. If supervisors present at the Board meeting express their opinions, the date of meeting, session, topic discussed, and the resolution of the Board meeting and handling of the company of such opinions shall be specified: Not applicable, see Note 1.

Note 1: The Company established an Audit Committee to replace supervisors since June 1, 2022.

(IV) The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

1. The operations of corporate governance and the deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Has the Company formulated and disclosed the Corporate Governance Best Practice Principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company has defined and disclosed its corporate governance principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and is disclosed on the Market Observation Post System.	No material difference.
II. The Company's shareholding structure and shareholders' equity				
(I) Has the Company formulated internal operating procedures for handling shareholders' suggestions or questions or disputes and litigation with them and complied with the procedures?	✓		(I) The Company has appointed a spokesperson, an acting spokesperson, and a shareholder service department to respond to and handle shareholders' suggestions, questions, and disputes.	No material difference.
(II) Does the Company have a list of the major shareholders with ultimate control over the Company and a list of the ultimate controllers of the major shareholders?	✓		(II) Pursuant to Article 25 of the Securities and Exchange Act, the Company reports changes in the equity of insiders (including directors, supervisors, managers, and shareholders with more than 10% ownership) on the Market Observation Post System on a monthly basis.	No material difference.
(III) Has the Company established and implemented a risk control and a firewall mechanism between itself and affiliates?	✓		(III) The financial affairs of the Company and each affiliate are operated independently. The Company has formulated its "Procedures for Group Companies, Specified Companies and Related Parties" and "Procedures for the Finance and Business of Affiliates" to define and implement the risk control and firewall mechanism over the affiliates.	No material difference.
(IV) Has the Company formulated internal regulations to prohibit insiders from using information undisclosed in the market to buy and sell securities?	✓		(IV) The Company's Procedures for Ethical Management and Guidelines for Conduct, the Code of Conduct, and the Procedures for Handling Material Inside Information set forth that insiders are prohibited from utilizing the undisclosed information to engage in insider trading, and shall not divulge the information to others. We also convey these rules to insiders from time to time to prevent violations.	No material difference.
III. Composition and responsibilities of the Board of Directors	✓			

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(I) Has the Board of Directors formulated a diversity policy, specified management goals, and implemented them with respect to the composition of the Board of Directors	✓ ✓		(I) The Company's Corporate Governance Best-Practice Principles and the Procedures for the Election of Directors and Supervisors set forth that: (extracted below) The composition of the Board of Directors shall be determined by taking diversity into consideration and formulating an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs. The policy shall include the following two general standards: 1. Basic conditions and values 2. Expertise and competence They shall also possess: Ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; ability to make decisions.	No material difference.
(II) Has the Company voluntarily established other functional committees in addition to the remuneration and the audit committees established in accordance with the law?			(II) The Company has established the Remuneration Committee and the Audit Committee in accordance with the law, and established the Sustainable Development Committee in November 9, 2023 to improve the supervision function and strengthen the management function.	No material difference.
(III) Has the company formulated a board of directors performance evaluation method and its evaluation method, conducts performance evaluations every year and regularly, and reports the results of the performance evaluation to the board of directors, and uses them as a reference for individual directors' remuneration and nomination for renewal?	✓		(III) The Company's Board of Directors passed the Regulations Governing the Performance Evaluation of the Board of Directors on November 13, 2016. The evaluation covers the entire Board of Directors and individual board members. The evaluation indicators include the following aspects: The Board of Directors as a whole: Covering the degree of involvement in the Company's operations, the quality of the Board of Directors' decision-making, the composition and structure of the Board of Directors, the election of directors and their continuing education, and internal control. Individual board members: Covering alignment with the Company's goals and mission, awareness of responsibilities as a director, directors' awareness of responsibilities, degree of	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(IV) Does the Company regularly assess the independence of the CPAs?			involvement in the Company's operations, internal relationship management and communication, management and communication of internal relations, and internal control. In accordance with the measures referred to above, the Company conducts an internal evaluation once a year. The official evaluation year began in the next year after these Procedures took effect. Through evaluation and promotion, we hope that the independence of the performance evaluation of the Board of Directors will improve in the future. The Company will continue to advocate for the active participation of directors in the Board of Directors meeting, further enhancing corporate governance performance. Evaluation results: The object of the current evaluation for 2023 was the Board of Directors as a whole. After evaluation by the governing body and the Chairman, the results were reported to the Board of Directors on January 15, 2024. Please refer to P.33 Evaluation of the Board of Directors and functional committees of this annual report. (IV) The Company's Board of Directors approves the evaluation of CPAs each year. In order to comply with the corporate governance, the Company has specified the Procedures for Evaluation and Performance Appraisal of CPAs on November 13, 2016., To ensure the evaluation standards, the accounting unit conducts the evaluation within one month after the completion of the annual financial statements and reports the results to the Board of Directors. Evaluation results: The 2023 financial report was completed on March 12, 2024. Results of evaluation conducted by the Company in accordance with the above Procedures: CPAs Hsiao Chun-Yuan and Liu Mei-Lan are independent of the Company and provided timely and appropriate financial and tax advice and certification to the Company. This was approved by the Board of Directors on March 12, 2024.	
IV. Does the TWSE/TPEx listed company have an adequate	✓		The Shareholder Service Unit is responsible for corporate governance-	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
number of corporate governance personnel with appropriate qualifications, and appoint a chief corporate governance officer responsible for corporate governance-related matters (including but not limited to providing Directors and supervisors with required information to carry out their business, assisting Directors and supervisors with legal compliance, handling corporate registration and change of corporate registration-related matters, and preparing board and shareholders' meeting minutes)?			related affairs. Providing directors and supervisors with information required for business activities from time to time, organizing the meeting of the Board of Directors at least once every quarter and organizing the regular shareholders' meeting and extraordinary shareholders' meeting when necessary, registering company changes, preparing meeting minutes for the meeting of the Board of Directors and shareholders' meetings, announcement and filing required by the competent authority, advocacy of ethical corporate management of the Company, insider shareholding related laws, regulations and precautions, as well as evaluation of the performance of the Board of Directors every year (completed on 2024.1.15).	
V. Has the Company has established communication channels with stakeholders (including but not limited to shareholders, employees, clients, and suppliers) and set up a section dedicated to stakeholders on the Company's website to properly respond to stakeholders' major CSR issues of concern?	✓		(I) The Company has set up a stakeholder section on the Company's website, and set up communication channels and contact means to take in the needs of stakeholders. The information collected will be replied to and followed up on a case-by-case basis.	No material difference.
VI. Does the Company appoint a professional stock affairs agency to handle the affairs related to shareholders' meetings?	✓		The Company has hereby commissioned the stock agent of Hua Nan Securities Co., Ltd. to assist its shareholder affairs and shareholders' meeting affairs.	No material difference.
VII. Information disclosures (I) Has the Company set up a website to disclose information on financial business and corporate governance?	✓		(I) The Company has set up a corporate website: http://www.taroko.com.tw to provide financial and business-related information. The website is maintained by dedicated personnel.	No material difference.
(II) Does the Company adopt other methods to disclose information (such as setting up an English website, designating personnel to collect and disclose company information, implementing a spokesperson system, or placing the proceeding of investor conferences on the Company website)?	✓		(II) The Company assigns specific personnel to be responsible for information collection and disclosure as required by law, in order to disclose information that affects the decision-making of shareholders and stakeholders. The Company also appoints a spokesperson and an acting spokesperson to speak to the public.	No material difference.
(III) Does the Company announce and submit an annual financial report to the competent authority within two months after the end of each fiscal year		✓	(III) The Company has announced and reported matters on the Market Observation Post System as required.	The Company filed its 2023 financial statements on March 12, 2024 in accordance with Subparagraph 1,

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
and announce and submit the financial reports for the first, second, and third quarters and the operations of each month to the competent authority before a specified deadline?				Paragraph 1, Article 1 of the Securities and Exchange Act.
VIII. Does the Company have other important information that facilitates the understanding of the operations of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, directors' and supervisors' continuing education, the implementation of risk management policies and risk measurement standards, the implementation of client policies, and the Company's purchase of directors and supervisors liability insurance)?	✓		(I) Employee rights and care: Employees are the Company's most important human assets. The Company is committed to providing a quality and dynamic work environment and building positive employee relations. The Company also strives to provide a smooth communication channel between supervisors and colleagues, and between employees and their peers. We value human rights and gender equality, and a non-discriminatory workplace. We enhance promotions and trainings for all employees on maintaining safety at the workplace in ensuring employee rights. The Company provides a hiring and promotion mechanism that values employees' performance regardless of gender, age, religion, or race. Employees are treated with respect and fairness. Complaints from employees are treated confidentially. (II) Investor relations: The Company has an investor relations unit that is responsible for handling shareholders' suggestions. The unit acts as a communication channel between the Company and investors, enabling them to understand the Company's operating results and long-term direction. Shareholders may present suggestions or business directions to the management team/Board of Directors in the following ways: • Investor conference (from time to time) • Shareholders' Meeting (each year) • Investor Relations website/email/telephone The investor relations unit compiles the specific suggestions put forward by the shareholders and convey them to the Company's management team and the Board of Directors for reference in the business direction. Meanwhile, the Company will	No material difference.

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			continue to evaluate the its operating performance thoroughly and effectively together with the stakeholders in a timely manner, and maintain the completeness, timeliness, accuracy, and transparency of information disclosure. (III) Supplier relationship: Suppliers are important partners of the Company for its sustainability. Through close cooperation, both parties jointly pursue corporate growth and social value. The Company believes that maintaining smooth communication with suppliers will ensure mutual communication efficiency and information transparency, creating a win-win situation. Based on this, the Company follows the highest standard of business ethics in its procurement transactions. The Company does not allow any illegal act in supply chain management. If any illegal act is discovered, please report it to the Company directly. Any illegal acts proven to be true will be punished accordingly.. (IV) The rights of the stakeholders: A. Responsibility to customers: The Company provides safe and high-quality products, values customers' opinions, and takes immediate measures to deal with customer complaints to meet their needs. B. Responsibility to shareholders: The Company's goal is to protect the rights and interests of shareholders. C. The Company has set up its website to provide communication channels for both parties. (IV) Continuing education of directors and supervisors: The directors of the Company have professional knowledge and continue to take related courses in accordance with the Corporate Governance Best-Practice Principles. (VI) The implementation of risk management policies and risk measurement standards: The Company has a comprehensive internal control system and various management regulations in place which are duly implemented. The control function is sound. (VII) Implementation of customer policy: Taroko Group has developed into a sports and leisure business. The Company is committed to providing customers with safe, high-quality	

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			leisure and entertainment and services. Moreover, the Company values the needs and opinions of customers, and continues to improve its service quality and competitiveness by understanding their valuable opinions prior to proposing improvement plans which are continuously tracked. Our ultimate goal is to achieve the best customer satisfaction. (VIII) Liability insurance coverage by directors and supervisors: The Company has taken out liability insurance for directors as a means to support corporate governance and strengthen the protection of the rights and interests of shareholders.	

IX. Please specify any improvements made as per the results of the corporate governance evaluation announced by the Corporate Governance Center, Taiwan Stock Exchange Corporation, in the most recent year and put forth prioritized measures to improve those that have not yet improved: (companies not being evaluated do not need to fill in this section)

Improvements in the results of the 9th (2022) Corporate Governance Evaluation of the Company

Question number	Indicator	Improvement status	Points scored or deducted by the Company as a whole %
1.1	Does the Company report the remuneration paid to directors at the shareholders' meeting, including the remuneration policy, details and amounts of individual remunerations?	Expected improvements in 2024	5%
1.3	Do more than half of the Company's directors (including at least one independent director) and the Audit Committee convener (or at least one supervisor) attend the general shareholders' meeting in person, and disclose the attendance list in the meeting minutes?	Expected improvements in 2024	73%
1.6	Did the Company convene a general meeting before the end of May?	Improved in 2023	24%
1.7	Did the company upload the shareholders' meeting handbook and supplementary materials 30 days before a regular session?	Improved in 2023	92%
1.8	Does the company upload its annual report 18 days before its scheduled date for a general meeting?	Improved in 2023	86%
1.9	Did the company upload the English version of its shareholders' meeting notice 30 days before its scheduled date for a general meeting?	Improved in 2023	70%
1.10	Did the company upload the English version of the meeting handbook and supplementary materials 21 days before a regular session?	Improved in 2023	52%
1.11	Did the company upload the English version of its annual report 7 days before its scheduled date for a general meeting?	Improved in 2023	51%
1.14	Does the Company's annual report disclose the status of implementation of the resolutions of the previous year's general shareholders' meeting?	Improved in 2023	92%
1.15	Whether the Company has established and disclosed on the Company's website internal regulations prohibiting insiders such as directors or employees from trading securities using unpublished market information, including (but not limited to) directors shall not trade shares during the closing period of 30 days and 15 days prior to the announcement of the Company's annual and quarterly financial statements respectively, and the status of implementation?	Improved in 2023	36%
1.16	Was the average pledge ratio of shareholdings of directors, supervisors and major shareholders being evaluated for the year not exceeding 50%?	Expected improvements in 2024	97%
1.17	Does the company have government agency or single legal entity or its subsidiaries	Not yet planned	82%

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

	that account for more than one-third of the board of directors?		
2.2	Has the Company established a policy for the diversity of board members, and disclosed the specific management objectives and implementation of the diversity policy on the Company's website and annual report?	Improved in 2023	59%
2.3	Are the Company's Chairperson and the president or other person of equivalent rank (the highest level manager) neither the same person nor are spouses or relatives within the first degree of kinship?	Not yet planned	54%
2.14	Has the Company established any non-statutory functional committees such as the Nomination Committee, Risk Management Committee or Sustainability Committee? The committee members shall consist of at least three members, at least half of whom are independent directors, and at least one member has the required professional skills , and disclose its composition, responsibilities and operation?	Improved in 2023	17%
2.15	Does the Company disclose on the Company's website the status of individual communication (e.g. the methods, matters and results of the communication on the Company's financial statements and financial operations) between independent directors and internal audit supervisors and CPAs?	Improved in 2023	73%
2.18	Does the Company conduct annual internal performance evaluations on functional committees (should include at least the Audit Committee and the Remuneration Committee), and disclose the implementation status and evaluation results on the Company's website or annual report?	Expected improvements in 2024	67%
2.22	Has the Company established risk management policies and procedures approved by the Board of Directors, to disclose the scope of risk management, organizational structure and operation status, and reported to the Board of Directors at least once a year?	Expected improvements in 2024	29%
2.23	Did the Company implement external evaluations at least once every three years, and conduct external evaluations within the deadlines, with the implementation status and results disclosed on the Company's website or in the annual report?	Improved in 2023	22%
2.25	Did the Company's independent directors complete the required length of continuing educations in accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies"?	Improved in 2023	81%
2.27	Has the Company formulated an intellectual property management plan that is linked to operational objectives, and disclosed the implementation status on the Company's website or annual report, and reported to the board of directors at least once a year?	Improved in 2023	34%
2.30	Did at least one of the company's internal auditors have a license such as an international internal auditor, an international computer auditor or a certificate of passing an accounting examination?	Not yet planned	31%
3.2	Did the company simultaneously publish its material information in English?	Improved in 2024	51%
3.4	Did the company announce the annual financial report within 2 months after the end of the fiscal year?	Expected improvements in 2024	15%
3.5	Has the Company uploaded the annual financial statements disclosed in English language seven days prior to the regular shareholders' meeting?	Expected improvements in 2024	53%
3.6	Did the Company disclose the interim financial report in English within 2 months after the due date for reporting the Chinese version of the interim financial report?	Expected improvements in 2024	28%
3.8	Did the company voluntarily publish the financial forecast for the four quarters and related operations without any deficiencies corrected by the competent authorities or noted by the TWSE and TPEx?	Not yet planned	1%
3.12	Did the Company have a clear dividend policy disclosed in the annual report?	Improved in 2023	70%
3.13	Does the Company's annual report voluntarily disclose the remuneration paid to directors and supervisors?	Improved in 2023	18%
3.14	Does the Company's annual report disclose the link between the performance evaluation and remuneration of directors and managers?	Expected improvements in 2024	39%
3.17	Does the Company's website disclose financial, business, and corporate governance-related information?	112 年度已改善	76%
3.18	Has the company established an English version of its website that includes financial, business and corporate governance information?	Improved in 2023	45%

Item	Operations			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

3.20	Was the company invited to, or did the company voluntarily hold at least two investor conferences, and was the interval between the first and last investor conferences more than 3 months?	Expected improvements in 2024	36%
3.21	Does the Company's annual report voluntarily disclose the remuneration paid to the President and Vice Presidents?	Improved in 2023	16%
4.1	Has the company set up a dedicated (part-time) unit to promote corporate social responsibility, conduct risk assessment on environmental, social or corporate governance issues related to the company's operations in accordance with the principle of materiality, and did the company formulate relevant risk management policies or strategies, and disclose them on the company's website and annual report?	Improved in 2023	25%
4.2	Has the company set up a dedicated (part-time) unit for the promotion of ethical corporate management, which is responsible for the formulation and supervision of the implementation of the ethical corporate management policy and prevention plan, and is operation and implementation of the unit disclosed on the company's website and annual report, and reported to the Board of Directors at least once a year?	Expected improvements in 2024	49%
4.3	Does the Company regularly disclose the concrete promotion plans and implementation results of corporate sustainable development (ESG) on the Company's website, annual report or sustainability report?	Expected improvements in 2024	60%
4.4	Has the Company compiled and uploaded its sustainability report to the Market Observation Post System (MOPS) and the Company's website by the end of September in accordance with the GRI Guidelines issued by the Global Reporting Initiative (GRI)? (If the sustainability report discloses relevant ESG information with reference to SASB, one point will be added to the total score.)	Expected improvements in 2024	39%
4.5	Has the Sustainability Report prepared by the Company been verified by a third party?	Expected planned improvements in 2025	26%
4.6	Does the Company refer to the International Bill of Human Rights in formulating policies to protect human rights and concrete management plans, and disclose them on the Company's website or annual report?	Expected improvements in 2024	50%
4.7	Does the Company upload the English version of the sustainability report to the Market Observation Post System and the Company's website?	Not yet planned	22%
4.10	Did the Company's website and annual report disclose the protection measures for the personal safety and working environment of the employees and the implementation status?	Expected improvements in 2024	76%
4.11	Has the Company disclosed the annual greenhouse gas emission, water consumption and total weight of waste in the past two years?	Expected planned improvements in 2025	43%
4.12	Has the Company established policies for greenhouse gas reduction, water use or other waste management, including reduction targets, promotion measures and the status of achievement?	Expected planned improvements in 2025	49%
4.13	Did the company obtain ISO 14001, ISO50001 or similar verification for its environmental or energy management systems?	Not yet planned	52%
4.14	Did the company disclose the status of the identified stakeholders, issues of concern, communication channels, and response methods on its website or in the annual report?	Improved in 2023	75%
4.15	Did the company disclose the ethical corporate management policy approved by the Board of Directors, the specific methods and plans to prevent unethical conducts, and explain the status of implementation on its website or in the annual report?	Expected improvements in 2024	62%
4.17	Does the Company's website, annual report or sustainability report disclose its supplier management policies, requiring suppliers to comply with relevant regulations on environmental protection, occupational safety and health, or labor rights issues, and describe the implementation status?	Expected improvements in 2024	43%
4.18	Does the Company follow the framework of the Climate-related Financial Disclosures (TCFD) to disclose information about corporate governance, strategies, risk management, indicators and goals for climate-related risks and opportunities?	Expected improvements in 2024	22%

2. Continuing education of directors and independent directors' in 2023:
Term of office of the directors and supervisors:2022/06/01-2025/05/31

Title	Name	Date of continuing education		Organizer	Course title	Hours of continuing education	Is the continuing education in compliance with the regulations
		Start	End				
Chairman Representative of the corporate director	Lin Man-Li	2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓
		2023/11/22	2023/11/22	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Equity Transactions	3	✓
Representative of the corporate director	Hsieh Kuo-Tong	2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/15	2023/11/15	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Equity Transactions	3	✓
Representative of the corporate director	Li Yi-Chuan	2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓
Representative of the corporate director	Wang Ying-Chih	2023/07/18	2023/07/18	Accounting Research and Development Foundation	2023 Financial Transformation and Sustainability Disclosure Seminar	3	✓
		2023/11/22	2023/11/22	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Equity Transactions	3	✓
Representative of the corporate director	Hsu Yung-Chang	2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓
		2023/11/15	2023/11/15	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Equity Transactions	3	✓
Independent Director	Wen Yuan Lin	2023/06/21	2023/06/21	Taiwan Corporate Governance Association	Corporate Governance and Securities Laws and Regulations	3	✓
		2023/08/09	2023/08/09	Securities and Futures Institute	Advanced Seminar for Directors, Supervisors (including Independent Directors) and Corporate Governance Officers - Ethical Corporate Management Best Practice Principles	3	✓
		2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓
Independent Director	Huang Min-You	2023/02/21	2023/02/21	Taiwan Corporate Governance Association	Disclosure of material information of the Company and responsibilities of directors and supervisors	3	✓
		2023/05/31	2023/05/31	Taiwan Independent Directors Association	Latest development and practices of money laundering prevention and counter terrorism	3	✓
		2023/07/04	2023/07/04	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Climate Change Summit	6	✓
		2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓

Title	Name	Date of continuing education		Organizer	Course title	Hours of continuing education	Is the continuing education in compliance with the regulations
		Start	End				
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓
		2023/11/22	2023/11/22	Securities and Futures Institute	2023 Legal Compliance Briefing for Insider Equity Transactions	3	✓
		2023/12/13	2023/12/13	National Federation of CPA Associations of the R.O.C.	Money Laundering Prevention Practices and Development Trends - A Case Study of the Financial Industry	3	✓
		2023/12/21	2023/12/21	National Federation of CPA Associations of the R.O.C.	Accountants' responsibilities in the face of shareholder disputes and the response	3	✓
Independent Director	Chou Tsang-Hsien	2023/09/06	2023/09/06	Taiwan Independent Directors Association	2023 Independent Director Academy - Advanced Refining Course - Financial Statement Interpretation Skills Required for Board of Directors and Case Studies	3	✓
		2023/11/14	2023/11/14	Taiwan Independent Directors Association	2023 Independent Director Academy - Advanced Refining Course - Group's M&A Strategy and Post-investment Management	3	✓
Independent Director	Chen Chun-Chi	2023/08/10	2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3	✓
		2023/11/09	2023/11/09	Taiwan Investor Relations Association	Corporate Governance 3.0 - Practical Analysis of Sustainability Report	3	✓

3. Corporate Governance Officer

On August 8, 2022, the Company's Board of Directors approved the appointment of Chen Wei-Hung, Head of Legal Affairs, as the Corporate Governance Officer, responsible for corporate governance-related affairs. The officer served as an officer of the legal affairs department of a listed company for more than three years, and meets the qualifications of Corporate Governance Officer defined in Article 23 of "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers".

Scope of powers:

According to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers", a Corporate Governance Officer is responsible for the corporate governance-related affairs, including the following:

1. Handling of matters relating to Board of Directors meetings and shareholders meetings in compliance with law.
2. Preparation of minutes of the Board of Directors meetings and shareholders meetings.
3. Assistance in appointment and continuing education of directors.
4. Provision of information required for performance of duties by the directors.
5. Assistance in directors' compliance with laws and regulations.
6. Report to the board of directors the results of the review of whether the nomination, term of office and information during the term of office of independent directors comply with relevant laws and regulations.
7. Handle matters related to the change of directors.
8. Assistance in matters described or established in the articles of incorporation or under contract.

The continuing education of the first-time Corporate Governance Officer is as follows:

Date of continuing education	Organizer	Course title	Hours of continuing education
Aug. 30, 2022 to Aug. 31, 2022	Securities and Futures Institute	Practical Workshop for Directors and Supervisors (including Independent Directors) and Corporate Governance Officers - Taipei	12
November 10, 2022	Accounting Research and Development Foundation	Professional Course for Analysis of Financial Misrepresentation Cases and How to Analyze the Key Information in Financial Reports	3
2023/07/26	Taiwan Corporate Governance Association	Seminar for Sharing the Best Practice of Board Performance Evaluation	3
2023/08/10	Taiwan Investor Relations Association	Opportunities and challenges of ESG	3

(V) Composition and operation of the Remuneration Committee

1. Information on members of the Remuneration Committee

Information on members of the Remuneration Committee

April 2, 2024

<table>
<tr><th>Name</th><th>Title</th><th>Status of the Remuneration Committee</th><th>Professional qualifications and experience</th><th>Status of independence</th><th>Number of other public companies where the individual serves as a member of the remuneration committee concurrently</th></tr>
<tr><td>Lin Wen-Yuan</td><td>Independent director</td><td>Committee member</td><td rowspan="3">For professional qualifications and experience, please refer to P.12~P.14 of this Annual Report. The members of the Remuneration Committee have all obtained the professional qualifications specified in Article 5 of the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange" and possess at least 5 years work experience. (Note 1)</td><td rowspan="3">All Remuneration Committee members meet the requirements of Article 14-6 of the Securities and Exchange Act and the Regulations Governing the Establishment of the Remuneration Committee and the Exercise of Powers by Financial Supervisory Commission Companies Whose Stock is Listed on the Stock Exchange or Traded Over the Counter (Note 2).</td><td>2</td></tr>
<tr><td>Huang Ming-You</td><td>Independent director</td><td>Convener</td><td>3</td></tr>
<tr><td>Chen Chun-Chih</td><td>Independent director</td><td>Committee member</td><td>0</td></tr>
</table>

Note 1: Members of the Remuneration Committee should have obtained one of the following professional qualifications and have at least 5 years of work experience:

1. An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, or university.
2. A judge, public prosecutor, attorney, certified public accountant, or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business.
3. Having work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.

Note 2:

The member of the Remuneration Committee is free of any of the following during the two years prior to appointment and during his/her term of office:

1. An employee of the company or any of its affiliates.
2. A director or supervisor of the company or any of its affiliates.
3. A natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.
4. The manager listed in (1) or the spouse, relatives within the second degree of kinship or direct blood relative within the third degree of kinship of the person listed in (2) and (3).
5. A director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Paragraph 1 or 2, Article 27 of the Company Act.
6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: a director, supervisor, or employee of that other company.
7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: a director (or governor), supervisor, or employee of that other company or institution.

8 director, supervisor, executive officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company.

9. professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal,

financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof. This restriction does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

2. Information on the operation of the Remuneration Committee
The Company's Board of Directors has approved the establishment of the Remuneration Committee. The members of the Committee are appointed by a resolution of the Board of Directors. The main duties of the Remuneration Committee are to regularly review the performance evaluation of directors, supervisors, and managers, as well as the compensation and remuneration policies, systems, standards, and structure, and submit recommendations to the Board of Directors for discussion.

(1) There are three members in the Remuneration Committee.
(2) The term of office of the current committee members:
From June 1, 2022 to May 31, 2025 (the 6th term).
The Remuneration Committee held 3meetings (A) in the most recent year (June 1, 2023~ to Apr. 2, 2024). The qualifications and attendance of members are as follows:

Title	Name	Attendance in person B	Attendance by proxy	Attendance Rate [B/A]	Remarks
Committee member	Lin Wen-Yuan	3	0	100%	
Convener and Chair	Huang Ming-You	3	0	100%	
Committee member	Chen Chun-Chih	3	0	100%	

Additional information:
I. If the Board of Directors did not adopt or amend the Remuneration Committee's suggestions, the date of the board meeting, the session, the content of the proposal, the results of the resolutions by the Board of Directors, and the Company's response to said opinions shall be specified (if the remuneration approved by the Board of Directors is better than the Remuneration Committee's suggestions, the difference and the reasons therefor shall be specified): None.
II. For proposals resolved by the Remuneration Committee, if any members expressed objection or reservation with a record or written statement, the date of the Remuneration Committee meeting, the session, the content of the proposal, all members' opinions, and the response to the members' opinions shall be specified: None.

3. Important decisions reached by the Remuneration Committee are as follows

Date of Remuneration Committee Meeting	Session of meeting	Contents of the motion	Resolution of the Remuneration Committee	Response to the Remuneration Committee's opinions
2023/05/11	1st meeting of the 6th Committee in 2023	Review of the remuneration of the current Chairman and managerial officers.	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Allocation of share subscription amounts for transfer to managers for the 2nd and 3rd round of treasury share buybacks in 2021.	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
2023/11/09	2nd meeting of the 6th Committee in 2023	Matters only for reporting, no matters for discussion.	None	None
2024/01/15	1st meeting of the 6th Committee in 2024	Proposal for year-end bonuses to the Chairman and managers.	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.
		Directors' and Managerial Officers' Remuneration and Performance Evaluation Management Regulations	Passed by all committee members	The proposal was submitted to the board of directors for discussion and recognition, and it was passed as proposed.

4. Information on the Nomination Committee members and their state of operations: Not applicable

(VI)The promotion of sustainable development and the deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor:

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td>I. Has the Company established a governance structure to promote sustainable development and set up a dedicated (concurrent) unit to promote sustainable development, governed by the senior management as authorized by the Board of Directors, which supervises the implementation? (For TWSE/TPEx listed companies, the status of implementation should be reported; not compliance or interpretation.).</td><td>✓</td><td></td><td>I. The Company established the Sustainable Development Committee on November 9, 2023 and formulated the Sustainable Development Best Practice Principles. The Board of Directors authorizes the Sustainability Committee to handle economic, environmental and social issues arising from operating activities, and reports to the Board of Directors.
The main purpose of the operation of the Committee is to guide the implementation of the following matters:
(I) Implement corporate governance.
(II) Develop a sustainable environment.
(III) Protection of social welfare.
(IV) Strengthening of information disclosure for corporate sustainability.

The Sustainable Development Committee has established four sub-groups: corporate governance, environmental protection, social responsibility, and risk management. They are responsible for making proposals, implementation, and reporting on corporate sustainability.
Responsibilities of each working group:
(1) Corporate Governance Team: Corporate sustainability strategies, operations and corporate governance, ethical corporate management, procurement and supply chain management, information security.
(2) Environmental Protection Team: Climate change response, energy saving and carbon reduction, environmental safety.
(3) Social Responsibility Team: Labor rights and human rights, social participation and feedback, safe and healthy work environment, stakeholder communication.
(4) Risk Management Team: Integration of assessment and management processes and overall risk systems.

◆Execution plan
The Company plans the company's sustainable development blueprint in accordance with the existing laws and regulations. On November 9, 2023, the Sustainable Development Committee was established to organize the blueprint of planning into the goals and concrete proposals of each group.
To implement the sustainable development of the Company and improve the implementation of sustainable affairs, external consultants are appointed for guidance. There are plans to complete the 2024 greenhouse gas inventory in 2025, and to complete the 2024 sustainability report in 2025, and a third party shall be engaged to conduct verification on them. Proposals shall be submitted to the Sustainable Development Committee for regular review of the effectiveness of its operation. After approval, it shall be submitted to the Board of Directors for resolution.
◆ Composition and execution of promotion activities
<table>
<tr><th>Working Group</th><th>Executing Unit</th><th>Implementation Goals</th><th>Implementation</th></tr>
<tr><td>Risk Management</td><td>Legal Affairs Unit</td><td>1. Evaluation and management process</td><td>On November 9, 2023, the Company established the</td></tr>
</table>
</td><td>No material difference</td></tr>
</table>

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	

		2. Overall risk system integration	Sustainable Development Committee under the Board of Directors, and formed a risk management team under it.
Environmental Protection	Each business unit	1. Response to climate change 2. Energy conservation and carbon reduction 3. Environmental safety	On November 9, 2023, the Company established the Sustainable Development Committee under the Board of Directors, and formed an environmental protection team under it.
Social Responsibility	HR Department Occupational Safety Office General Management Division	1. Labor rights and human rights 2. Social participation and feedback 3. Safe and healthy work environment 4. Stakeholder communication	On November 9, 2023, the Company established the Sustainable Development Committee under the Board of Directors, and formed a social responsibility team under it.
Corporate Governance	General Management Division Share Affairs Department	1. Corporate sustainability strategy 2. Operation and corporate governance 3. Integrity management 4. Procurement and supply chain management 5. Information security	On November 9, 2023, the Company established the Sustainable Development Committee under the Board of Directors, and formed a corporate governance team under it.

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>

◆ Operational status in 2023 (from November 9, 2023 to December 31, 2023, a total of 1 meeting "A" was convened)

Title	Name	Attendance in person [B]	Attendance by proxy [A]	Attendance Rate [B/A]	Remarks
Convener and Chair	Huang Ming-You	1	0	100%	
Committee member	Lin Wen-Yuan	1	0	100%	
Committee member	Hsieh Kuo-Tong	1	0	100%	
Committee member	Li Yi-Chuan	1	0	100%	
Average attendance rate				100%	

◆Meeting information

Meeting Date	Session of meeting	Contents of the motion	Resolution results	Handling of Opinions
2023/11/09	1st Round of the 1st Term	Election of the Chairman of the Sustainable Development Committee.	Proposal by independent director, Lin Wen-Yuan, for the motion to be chaired by independent director, Huang Ming-You, and seconded by director, Li Yi-Chuan, and approved by attending directors without objection.	Not applicable.

</td><td></td></tr>
<tr><td>II. Does the Company conduct risk assessments of environmental, social, and corporate governance issues related to company operations as per the principle of materiality?</td><td>✓</td><td></td><td>On November 9, 2023, the Company has established the Sustainable Development Committee to carry out related tasks, but has not yet completed the risk assessment. In 2025, the Sustainable Development Committee will disclose the sustainable development performance from January to December 2024.</td><td>No material difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status of implementation (Note 1)</th><th rowspan="2">Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td>Has the Company formulated relevant risk management policies or strategies? Note 2</td><td></td><td></td><td></td><td></td></tr>
<tr><td>III. Environmental issues
(I) Has the Company set up an appropriate environmental management system as per its industrial characteristics?</td><td>✓</td><td></td><td>The Company has established an appropriate environmental management system based on the characteristics of its industry to comply with the requirements of environmental protection laws and regulations.
1. Waste removal: 60 tons of garbage every month. (2 tons per day, 30 vehicle trips per month).
2. 50 tons of water and fertilizer cleaning (10 vehicle trips per month, 5 tons of waste clearance per vehicle).
3. Food waste removal and transportation of 1.5 tons/day, 30 vehicle trips/month.
In addition, since 2024, the greenhouse gas inventory has been conducted annually. The relevant data will be publicly disclosed in the sustainability report and the Company's official website in 2025. At the same time, the ISO 14064-1 greenhouse gas inventory and certification will also be introduced in 2025.</td><td>No material difference</td></tr>
<tr><td>(II) Is the Company committed to improving energy efficiency and adopting recycled materials with low environmental impact?</td><td>✓</td><td></td><td>In response to the 2050 net zero transformation, the Company responds to the corporate net zero goal, focuses on the promotion of power conservation and the improvement of environmental energy efficiency, and replaces old equipment year by year. In the third quarter of 2024, the Company will implement a power monitoring plan to reduce power waste by 5% to 15%, and use technology to reduce the cost of electricity consumption to reduce the load on the environment.
The following are the energy-saving plans that have been implemented:
<table>
<tr><th>Year</th><th>Implementation of power-saving plan</th></tr>
<tr><td>2019</td><td>Replacement of 800 tons of inverter chiller unit
Replacement of LED fixtures</td></tr>
<tr><td>2021</td><td>Replacement of 1800-ton cooling water tower.
Replacement of LED fixtures</td></tr>
<tr><td>2022</td><td>Replacement of LED fixtures</td></tr>
<tr><td>2023</td><td>Replacement of 750-ton cooling water towers.
Replacement of LED light fixtures.</td></tr>
<tr><td>2024</td><td>Replacement of the 800-ton chiller.
Replacement of LED light fixtures.
Electricity monitoring plan to be implemented in the third quarter of 2024</td></tr>
</table></td><td>No material difference</td></tr>
<tr><td>(III) Has the Company assessed its current and future potential risks and opportunities of climate change and taken countermeasures against climate-related issues?</td><td>✓</td><td></td><td>The Company has established the Sustainable Development Committee on November 9, 2023, and the related evaluation work is in progress.</td><td>No material difference</td></tr>
<tr><td>(IV) Has the Company counted the greenhouse gas emissions, water</td><td>✓</td><td></td><td>The Company will start annual greenhouse gas inventory in 2024, and the relevant data will be publicly disclosed in the sustainability report and on the Company's official website in 2025. At the same time, the ISO 14064-1</td><td>No material difference</td></tr>
</table>

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
consumption, and total weight of waste over the past two years and formulated policies on greenhouse gas reduction, water consumption reduction, or other waste management?			greenhouse gas inventory and certification will be introduced in 2025.	
IV. Social issues (I) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	✓		(I) To protect basic human rights, the Company recognizes and supports the spirit of human rights protection and the basic principles disclosed in the International Covenants on Human Rights, implements the responsibility to respect and protect human rights, formulates human rights policies and abides by the relevant labor laws and regulations, in order to fully protect the legal rights of employees. The Company's personnel policies comply with the Labor Standards Act, and the "Work Rules" are implemented and protected. Multiple communication channels are established to communicate with employees to pay attention to the physical and mental balance, health and well-being of employees and related work.	No material difference
(II) Has the Company formulated and implemented reasonable employee benefit measures (including remuneration, leave, and other benefits) and reflected business performance or achievements in employee remuneration appropriately?	✓		(II) For employee welfare measures, in addition to complying with labor-related laws and regulations, the Company has established the Employee Welfare Committee to coordinate the planning and operation of various welfare measures and operations for employees to improve employee welfare. In addition, reasonable employee welfare measures, including salary, leave and other benefits, are formulated and implemented in accordance with the Labor Standards Act and related laws and regulations, and business performance is appropriately reflected in employee remuneration: (1)The Board of Directors has established the Remuneration Committee, which is responsible for the policies,systems,standards and structures of remuneration. (2)Bonus:It is combined with the Company's operating performance,annual net profit and employee evaluation.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
(III) Does the Company provide employees with a safe and healthy work environment and offer safety and health education to employees regularly?	✓		(III) 1. Describe the safety and health measures for employees, the employee education policy and implementation. Personal safety and work environmental protection measures: Implementation description: I. Occupational safety and health unit: In order to maintain the safety and health of employees, and implement occupational safety and health management, the Company has formulated an "Occupational Safety and Health Management Plan" and "Safety and Health Work Principles," and submitted them to the competent authority for approval. An "Occupational Safety and Health Committee" has been established to pay attention to issues such as employee health and work environment safety. New recruits and current employees are arranged to participate in safety and health training to enhance employees' awareness of occupational safety and health, enhance workplace safety, and maintain employees' physical and mental health. II. Risk assessment and safety audit: The Company assigns designated personnel to inspect the workplace regularly for hazard risks, pays attention to workplace public safety and health at all times, promotes the concept of	There is no significant difference; future amendments will be made in accordance with the laws and regulations.

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			risk prevention, and provides immediate counseling for employees to help them identify issues that may be a problem with the system or the environment in the workplace, operation and system hazards, formulate improvement measures, and introduce them into training courses. III. Implementation of occupational safety and health education and training: 1. In accordance with Articles 16 and 17 of the Occupational Safety and Health Education and Training Regulations. (1) Implement 3 hours of general safety and health education for new recruits. (2) Implement safety and health education and training for in-service personnel for 3 hours every three years. (3) Implementing various safety trainings (for emergency personnel, crane operators, stacker operators, etc.) for 3 hours every three years. 2. Regularly conduct firefighting, emergency response and first aid drills and trainings to improve personnel's disaster prevention alertness and prevent disasters. 3. Regularly announce a special issue on health education, and hold physical and mental health promotion seminars to enhance employees' awareness of health education. IV. Promoting employee health check: 1. Conduct annual health checkups for in-service employees and health checkups for special personnel. 2. Health management and health promotion. Graded management is implemented in accordance with Article 15 of the Labor Health Protection Rules to protect the health of employees. V. Promotion of Friendly Workplace and Employee Physical and Mental Health Protection: 1. On-site service: Occupational medical physicians and nurses are regularly arranged to provide consultation services. 2. Implement the four major plans for labor health protection according to the Occupational Safety and Health Law. The plans are “prevention of human-induced hazards; maternal health protection of female labors; prevention of workplace violence and overwork.” Surveys are conducted and statistics are compiled, and high-risk employees are listed for individual care and counseling. 3. Set up the President's mailbox and the employee's opinion mailbox to provide employees with the opportunity to express their opinions. 4. Establish a hotline and a dedicated email address for unlawful violations to provide complaint channels for incidents of unlawful violations (including sexual harassment) in the workplace. VI. 1.Describe measures for a safe and healthy working environment for employees, employee education policies and their implementation. Workplace emergency rescue: To protect the life and safety of colleagues and customers, automated external defibrillators (AED) are installed according to the scale and number of employees, and the Company has obtained the "AED Safe Place Certification" from the Ministry of Health and Welfare. 2. Please specify the relevant certifications obtained (valid as of the publication date of this Annual Report) and the scope thereof. The Company was awarded the "Happy Workplace" Three Stars in 2023. We have established a fair and reasonable system in terms of compensation, rewards, and promotions. In addition to the visible hardware and salary benefits, we pay more attention to the development of "people," aiming to	

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			create the maximum value for the enterprise and happiness of employees. 3. State the number of employee accidents, the number of employees and the percentage of the total number of employees in the year, and the related improvement measures. There were only two employees involved in 2 occupational accidents in the year, which accounted for 0.002% of the total employees. After review, the Company has since escalated its efforts to improve employees' familiarity with equipment operation and promote occupational safety concepts. 4. Describe the number of fire incidents in the year, the number of casualties, and the ratio of the number of casualties to the total number of employees, and the related improvement measures in response to the fire. There were no fire incidents in the Company in 2023. Disaster prevention awareness, fire drills, and fire safety inspections are conducted for employees every six months, and each venue is required to have a fire prevention manager in place to ensure safety.	
(IV) Has the Company established an effective career development training program for employees?	✓		(IV) The Company maintains the competitiveness and advantages of the enterprise, and the development of sound organizational management, improves the quality, knowledge and professional ability of employees, stimulates employees' potential, improves work quality and performance, and implements various trainings. The Company has established the "Education and Training Management Regulations," and conducted internal training and external professional training for employees from time to time, in order to cultivate outstanding professionals, improve operational performance, and achieve the Company's operational goals.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	✓		The Company follows the relevant laws and regulations regarding customer health and safety, customer privacy, marketing, and labeling of products and services, and has not deceived, misled, or concealed any behavior that damages consumers' rights. In addition, the Company attaches great importance to the opinions of customers and other stakeholders, and has set up a stakeholder section on the Company's website to provide contact windows and methods for questions, complaints or suggestions, and to protect their rights.	There is no significant difference; future amendments will be made in accordance with the laws and regulations.
(VI) Has the Company formulated a supplier management policy, required suppliers to follow applicable regulations on issues, such as environmental protection, occupational safety and health, or labor rights? The implementation thereof?	✓		The Company's main trading vendors are contractors and counter vendors. Contractors are in the engineering category while counter vendors are the operators in the Company's shopping malls. The Company's management rules have been established according to the CSR issues. The rules specified in the contract for the vendors to comply with depending on the nature are as follows: 1.Counter vendors must comply with environmental policies by restricting the use of disposable plastic straws in food courts. When preparing meals for customers eating in, counter vendors are not allowed to provide disposable tableware. The garbage bins must	There is no significant difference; future amendments will be made in accordance with the laws and regulations.

Item	Status of implementation (Note 1)			Deviation from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
			have lids and all food waste must be properly classified and disposed of on a daily basis. 2.For the food and beverage business, the counter vendors shall strictly abide by the "Act Governing Food Safety and Sanitation" and "Regulations Governing the Registration of Food Businesses" and complete registration before the start of the business period in accordance with law. Where there are subsequent changes, they must also take the initiative to provide updated information. 3.The contractors must not engage child labor in hazardous work or illegally hire workers. 4. The personnel employed by the contractors/counter vendors shall be insured with labor insurance.	
V. Has the Company referred to the internationally accepted reporting standards or guidelines to prepare reports, such as ESG reports that discloses the Company's non-financial information? Has a third-party verification entity provided assurance or assurance opinion for said report?	✓		At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory and sustainability report. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected to issue the 2024 Sustainability Report and complete the third-party verification in 2025.	Currently under development
VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the differences between the implementation and the principles: There is no significant difference; future amendments will be made in accordance with the laws and regulations.				
1. Taroko has been awarded the "Happy Workplace" Star Award by the city government for two consecutive years. 2. Hsinchu Taroko Square has participated in the City's Underprivileged Children's Dreams Wish Card Program for 6 consecutive years, hoping to help children from disadvantaged families and let them feel the warmth of society. A Christmas gift collection is held at Taroko Mal every year, donating gifts to kindergartens and social welfare organizations. 3. Yukids-Island of the sports and leisure industry provides a half-price discount on tickets for disabled children. 4. Used balls from Taroko Sports in the leisure industry are regularly donated to local third-tier baseball teams. 5. Provide venues, equipment and resources for physical education in schools. 6. Cooperate with the Chinese Taipei Baseball Association to become a professional venue for Level-4 baseball training, providing training for national teams of all levels. 7. Donation of a batch of desks and chairs to the Taiwan Fund for Children and Families Taichung City North Branch Office to actively care for disadvantaged children and children in Taichung City. 8. Donation of a batch of tables and chairs to the Taiwan World Vision Foundation to support the community and benefit disadvantaged children.				

Note 1: If "Yes" is selected for the implementation, please explain the key policies, strategies and measures taken and their implementation; if "No" is selected for the implementation, please provide the difference and reason for "difference from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and reasons thereof" column, and explain any policy, strategy and measure planned for the future. However, for Items 1 and 2, listed companies shall describe the Board of Directors' supervision on sustainable development, including but not limited to: management policy, strategy and objective setting, review measures, etc. The Company's risk management policies or strategies for environmental, social, and corporate governance issues related to its operations, and its evaluation shall also be described.

Note 2: Materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Climate-related information of TPEx-listed companies

Climate-related Implementation

Items	Implementation
1. Describe the monitoring and governance of climate-related risks and opportunities between the Board and management. 2. Describe how the identified climate risks and opportunities affect the Company's business operations, strategies, and finance (short-, medium-, and long-term). 3. Describe financial impacts of extreme climate events and transformational actions. 4. Describe how climate risk identification, assessment, and management procedures are integrated into the overall risk management system. 5. If the scenario analysis is used to assess the resilience to climate change risks, the used scenarios, parameters, assumptions, analysis factors, and main financial impacts shall be described. 6. If transition plans exist to manage climate-related risks, specify the contents of the plans, as well as the indicators and targets used to identify and manage physical risks and transition risks. 7. If using internal carbon pricing as a planning tool, specify the basis for setting the pricing. 8. If climate-related goals have been set, specify the activities covered, the scope of greenhouse gas emissions, the planned schedule, and the progress made in each year. If carbon credits or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) shall be specified. 9. Greenhouse gas inventory and assurance (completed in 1-1and 1-2).	Currently under development

1-1 GHG inventory and assurance in the last 2 years

1-1-1 Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million), and data coverage for the most recent two years.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected that the greenhouse gas inventory data for 2024 will be released in 2025 and a third-party verification will be completed too.

Note 1: Direct emissions (scope 1, i.e. directly from emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from imported electricity, heat or steam) and other indirect emissions (scope 3: emissions generated from corporate activities that are not indirect emissions from energy sources but come from sources owned or controlled by other companies).

Note 2: The data coverage of direct emissions and indirect energy emissions shall be handled in accordance with the schedule specified in Article 10, Paragraph 2 of the guidelines. Other indirect emissions information may be disclosed voluntarily.

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

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or sales volume; however, at least the data in terms of sales (NT$ million) shall be stated.

1-1-2 Greenhouse Gas Assurance Information

Describe the status of assurance in the last two years up to the date of publication of the annual report, including the scope of assurance, assurance institutions, criteria and opinions of assurance.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. It is expected that the greenhouse gas inventory data for 2024 will be released in 2025 and a third-party verification will be completed too.

Note 1: The process shall be conducted in accordance with the schedule specified in Article 10, paragraph 2 of the guidelines. If the company has not obtained the full assurance of greenhouse gas opinion by the date of publication of the annual report, it is necessary to indicate "complete assurance information will be disclosed in the sustainability report." If the Company does not prepare a sustainability report, it should be noted that "complete assurance information will be disclosed on the Market Observation Post System" and disclose the complete assurance information in the next annual report.

Note 2: The assurance institutions shall meet the sustainability report assurance institutions requirements issued by Taiwan Stock Exchange Corporation and Taipei Exchange.

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

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.
At the end of 2023, an external consultant was commissioned to guide the greenhouse gas inventory. The boundary of the inventory is the scope of the Company, excluding reinvested subsidiaries. The plan is to release greenhouse gas inventory data for 2024 in 2025 and complete a third-party verification. In 2026, the reduction target for 2027 is set. The data is lower than that of the previous year. The specific reduction target and strategy will be determined after the data from the 2024 and 2025 greenhouse gas inventory is issued. Further research is required.

Note 1: It shall be processed in accordance with the schedule prescribed in Article 10, paragraph 2 of the guidelines.

Note 2: The base year should be the year that the inventory is completed based on the boundaries of the consolidated financial statements. For example, pursuant to Article 10, Paragraph 2 of the Guidelines, companies with capital over NTD 10 billion should have completed the inventory for the 2024 consolidated financial statements by 2025. Therefore, the base year is 2024. If the Company has completed the inventory of the consolidated financial statements ahead of schedule, the earlier year can be used as the base year, and the data of the base year can be calculated by a single year or the average of several years.

(VII) Corporate ethical management practices and measures adopted:

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
I. Formulation of ethical management policies and plans (I) Has the Company disclosed its ethical corporate management policies and procedures in its internal regulations and documents to external parties, and are the Board of Directors and the senior management committed to actively implementing the policy? (II) Has the Company established an assessment mechanism for the risk of unethical conduct to regularly analyze and evaluate the business activities with a higher risk of unethical conduct within the business scope and formulated a prevention plan accordingly, at least covering the prevention measures for the acts under each subparagraph under Article 7, paragraph 2 of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies? (III) Has the Company clearly specified operating procedures, guidelines for conduct, and a violation punishment and complaint system in the unethical conduct prevention plan and duly implemented them? Does the Company regularly review and revise said plan?	✓ ✓ ✓		(I) The Company adheres to the philosophy of sustainable management and has established the "Procedures for Ethical Management and Guidelines for Conduct", which has been made known within the Company, and which the Board of Directors and management are committed to proactively implementing. (II) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" in accordance with the relevant laws and regulations to encourage internal and external personnel to report unethical or improper conducts, which will be punished accordingly. We have set up a reporting mailbox on the Company's website for internal or external complaints. We have adopted prevention measures for business activities with high risk of unethical conducts within the business scope, such as offering or accepting bribes, illegal political donation, improper charity donation, offering or acceptance of unjustifiable benefits, infringement of business secrets, trademarks, patents. (III) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Code of Conduct", which outline the prohibition on the offering or acceptance of improper benefits, the prohibition on the handling of facilitation payments, political contributions and charitable donations, and the prevention of conflicts of interest for personal gain or violation of fair trade, with related matters regularly reviewed and amended.	No material difference
II. Implementation of ethical management				

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
(I) Does the company evaluate each counterparty's records for ethics? Has the Company specified the terms of ethical conduct in each contract signed with each counterparty? (II) Has the company set up a special unit responsible for the promotion of corporate integrity management under the board of directors, and regularly (at least once a year) report to the board of directors its integrity management policies, prevention and prevention of dishonest behavior plans, and supervision and implementation? (III) Has the Company formulated policies to prevent conflicts of interest, provided appropriate methods for stating one's conflicts of interest, and implemented them appropriately? (IV) Has the company established an effective accounting system and internal control system for the implementation of integrity management, and has the internal audit	✓ ✓ ✓ ✓ ✓		(I) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct", which clearly stipulate that business transactions with dishonest agents, suppliers, customers or other business partners should be avoided, and that any business partner or partner found to have engaged in an unethical conduct should immediately terminate business dealings with them and be listed as a rejected partner in order to implement the Company's ethical management policy. (II) The stock registration unit of the Company works part-time in promoting ethical corporate management and works with the management to disseminate information to the Board of Directors and internal staff from time to time, and report the implementation status to the Board of Directors once a year. The latest report was made to the Board of Directors on January 15, 2024. (III) The "Procedures for Ethical Management and Guidelines for Conduct" of the Company expressly stipulates the recusal of discussion of directors due to conflicts of interest. Those who have an interest in the motion at the meeting of the Board of Directors shall recuse themselves and may not participate in discussion or voting and shall not exercise their voting rights on behalf of other directors. (IV) The Company has established an Audit Office that is under the authority of the Board of Directors. The Office performs audits	No material difference

Item	State of operation			Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor
	Yes	No	Brief description	
unit formulated relevant audit plans based on the risk assessment results of dishonesty behaviors, and checked its compliance with the dishonesty prevention plan, or entrusted accountants to conduct audits? (V) Does the Company regularly hold internal and external education and training on ethical management?			according to the annual audit plan and keeps track of improvements of deficiencies. In addition, the Audit Office reports the results to the Board of Directors on a regular basis so that management can understand the implementation of the internal control system and achieve the purpose of management. (V) The importance of ethical corporate management is conveyed to the employees through orientation training and group meetings from time to time, and shall be included as one of the performance evaluation indicators for employees.	
III. Implementation of the Company’s whistleblowing system (I) Has the Company formulated a specific whistleblowing and reward system, established a convenient whistleblowing method, and assigned appropriate personnel to handle the party accused? (II) Has the Company formulated standard operating procedures for investigation of reported cases, and a confidentiality mechanism? (III) Does the Company take measures to protect whistleblowers from being mistreated due to their whistleblowing behavior?	✓ ✓ ✓		(I) Employees may report related incidents through the Company's website, telephone, or e-mail. The Company's management unit, human resource officer, or department head is responsible for the reporting and acceptance of complaints. (II) The Company has established the whistle-blowing procedure and keeps confidentiality of the identity of the whistleblower and the content of the report. (III) The Company has established the whistle-blowing procedure, and shall maintain confidentiality of the identity of the whistleblower and the content of the report, in order to properly protect the whistleblower from any undue treatment or retaliation for making a whistleblower report.	No material difference
IV. Enhanced information disclosure Has the Company disclosed the content of its Corporate Governance Best Practice Principles and the effectiveness of the implementation of the principles on its website and the MOPS?	✓		The Company discloses relevant information such as the Procedures for Ethical Management and Guidelines for Conduct in the annual report, on the Company's website, and in the prospectus. Information is collected and disclosed on the Company's website by dedicated personnel.	No material difference
V. If the Company has formulated its own Corporate Governance Best Practice Principles as per the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, please specify the difference between its operation and the				

<table>
<tr><th rowspan="2">Item</th><th colspan="3">State of operation</th><th rowspan="2">Deviation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and the reasons therefor</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td colspan="5">principles: None.</td></tr>
<tr><td colspan="5">VI. Other important information that facilitates the understanding of the Company's ethical management (e.g., reviewing and amending the Company's corporate governance best practice principles): None.
(I)The Company complies with the Company Act, Securities and Exchange Act, Business Entity Accounting Act, Political Donations Act, Anti-Corruption Act, Government Procurement Act, Act on Recusal of Public Servants Due to Conflicts of Interest, applicable regulations governing TWSE and TPEx listed companies, and other applicable laws and regulations governing business activities, , as a basic premise for conducting business with integrity.
(II) The Company's "Rules and Procedures for Board of Directors Meetings" provide for rules of the recusal of directors. If a director or his/her representative has a conflict of interest in a motion, he or she shall state the conflict of interest at the Board meeting, including any content detrimental to the interest of the Company. The director shall recuse himself or herself from the discussion or vote and shall not exercise his or her voting rights on behalf of other directors.</td></tr>
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(VIII) If the company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched:

1. The Company has established the "Code of Conduct", "Procedures for Ethical Management and Guidelines for Conduct", "Corporate Social Responsibility Principles", and "Corporate Governance Best-Practice Principles".
2. The Company's Corporate Governance Best Practice Principles and related regulations are available at the following website:
   The Company's website (http://www.taroko.com.tw/c/csr_other.php)
   Market Observation Post System (http://mops.twse.com.tw/mops/web/t100sb04_1 for corporate governance-related rules and regulations)
3. The Company establishes the "Procedures for Handling Material Inside Information" as the code of conduct for directors, supervisors, managers, and employees. These Procedures also specify that directors, supervisors, managers, and employees of the Company shall abide by the laws and regulations including insider trading. Please refer to the Company's website (http://www.taroko.com.tw/c/csr_other.php)

(IX) Other significant information that will provide a better understanding of the state of the company's implementation of corporate governance may also be disclosed:

1. Advocacy letters on relevant laws and regulations to insiders from time to time to strengthen the legal compliance of insiders (including directors and managers) to avoid penalties, and provide directors with continuing education courses or relevant laws and regulations awareness seminars every year to assist directors in complying with laws and regulations .
2. The Company has established a corporate governance section attached to the Articles of Incorporation on the Company's website for stakeholders to refer to the implementation of corporate governance.
3. The Company has established the "Procedures for Handling Material Inside Information" in accordance with Article 10 of the "Corporate Governance Best-Practice Principles", which strictly prohibits insiders from profiting from insider trading or asymmetric market information.

(X) The following information shall be disclosed regarding the implementation of internal control policies:

1. Statement of the Internal Control System

TRK Corporation

Statement of the Internal Control System

Date: March 12, 2024

The Company's internal control system for 2022 as per the results of our self-assessment is hereby declared as follows:

I. The Company is clearly aware that the establishment, implementation, and maintenance of an internal control system are the responsibility of the Company's Board of Directors and managers, and the Company has established such a system. It aims to provide reasonable assurance for the achievement of the objectives, namely the effectiveness and efficiency of operations (including profitability, performance, and asset security protection), the reliability, timeliness, and transparency of financial reporting, and compliance with applicable laws and regulations.

II. Some limitations are inherent in all internal control systems. No matter how perfect the design is, an effective internal control system can only provide a reasonable assurance regarding the achievement of the above three intended objectives; moreover, due to changes in the environment and circumstances, the effectiveness of the internal control system may change accordingly. However, the Company's internal control system is equipped with a self-monitoring mechanism. Once a defect is identified, the Company will take action to rectify it.

III. The Company judges whether the design and implementation of the internal control system is effective based on the criteria for judging the effectiveness of the internal control system set out in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). Said criteria under the Regulations are divided into five constituent elements as per the management and control process: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communication, and 5. monitoring activities. Each constituent element includes several items. For said items, please refer to the Regulations.

IV. The Company has adopted the aforesaid judgment criteria for the internal control system to determine whether the design and implementation of the internal control system are effective.

V. Based on the results of the assessment in the preceding paragraph, the Company is of the opinion that, as of December 31, 2022, the internal control system (including the supervision and management of its subsidiaries), including the understanding the effectiveness of operations and the extent to which efficiency targets are achieved, reliable, timely, and transparent reporting, and compliance with applicable rules and applicable laws and regulations, is effective and can reasonably assure the achievement of the foregoing objectives.

VI. This statement will form the main content of the Company's annual report and prospectus and will be made public. If the disclosed content above is false or there is material information concealed deliberately or otherwise, the Company will be legally liable pursuant to Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement has been approved by the Company's meeting of the Board of Directors held on March 12, 2024, attended by nine directors. The statement is hereby declared.

TRK Corporation

Chairman: Lin, Man-Li

President: Hsieh, Kuo-Tong

(XI) Penalties imposed on the Company and its insiders according to law, or penalties against insiders for violation of internal control system in the most recent year and up to the publication date of the annual report, major defects and improvements: In the most recent year and up to the publication date of the annual report, the Company has no significant violations of corporate governance that are disciplined by law.

(XII) Important resolutions by the shareholders' meeting and the Board of Directors in the most recent year and up to the publication date of the annual report:

1. Important resolutions reached in the shareholders' meeting are as follows:

Date of meeting	Summary of important proposal	Resolution results	Implementation
May 31, 2023	Adoption of the 2023 Business Report and Financial Statements	The motion was passed as proposed.	Relevant financial statements have been filed with the competent authority and announced in accordance with the Company Act and other relevant laws and regulations.
	The Company's 2023 loss recovery	The motion was passed as proposed.	No dividends will be distributed.
	Lifting the non-competition restrictions on the directors of the Company.	The motion was passed as proposed.	Relevant financial statements have been filed with the competent authority and announced in accordance with the Company Act and other relevant laws and regulations.

2. Important resolutions reached in the meeting of the Board of Directors are as follows:

Date of meeting	Cause	Summary of motion
Jan. 16, 2023	1	Loaning of funds to sub-subsidiary, American Village Co., Ltd.
	2	Applying for increase in financing and loans from Taishin International Bank.
	3	The Company's 2023 business plan and budget.
	4	Capital increase in cash by the Company by investing in He Chen International Development Co., Ltd. for ratification.
	5	To evaluate whether the equipment receivables from Jinan Mao-Ji and Shanghai Aoyuan were still not recovered for more than three months after the normal credit period which was over NT$1 million is of a capital loan nature.
	6	Determine the time, venue, and agenda of the 2023 annual general shareholders' meeting.
Mar. 6, 2023	1	The Company intends to invest in and purchase the marketable securities of the listed company Power Wind (Code: 8462).
	2	Loaning of funds to subsidiary, Taroko Architecture Co., Ltd.
	3	Loaning of funds to subsidiary, Lu Hsin Co., Ltd.
Mar. 23, 2023	1	The Company's consolidated financial statements and business report for 2022 are proposed for review.
	2	Adoption of the Proposal for 2022 Deficit Compensation
	3	2022 Statement of the Internal Control System.
	4	Amendments to the Company’s "Rules of Procedure for Board of Directors Meetings ".
	5	Amendments to the Company's "Cyber Security Management Regulations."
	6	Evaluation on the independence and competence of the CPAs of the Company.
	7	The reappointment of the attesting CPA of the Company's 2023 financial statements.
	8	Pre-approval for the attesting CPA firm and the intended provision of non-assurance services by the CPAs and affiliates of the CPA firm to the Alliance to provide non-assurance services to the Company and its subsidiaries.
	9	The Company and Sunny Bank/Shuang Ho Branch renewed the contract for the NT$140 million short-term loan.
	10	Applying a financing credit facility from Huakai Leasing Co., Ltd. for a capital increase of NT$50 million.
	11	The Company and Taiwan Cooperative Bank/Songxing Branch renewed the contract for the NT$50 million short-term loan.
	12	Renewal of performance bond with Taiwan Cooperative Bank/Songxing Branch for NT$22.5 million.
	13	Lifting the non-competition restrictions on the directors of the Company.

Date of meeting	Cause	Summary of motion
	14	Determine the time, venue, and agenda of the 2023 annual general shareholders' meeting.
Mar. 11, 2023	1	Presentation of the Company's consolidated financial statements for the Q1 2023.
	2	Appointment of the Company's managers.
	3	Loaning of funds by the Company to Taroko Entertainment Co., Ltd..
	4	Loaning of funds to sub-subsidiary, American Village Co., Ltd.
	5	Amendments to the Company's "Regulations Governing the Transfer of Repurchased Shares to Employees."
	6	Establishment of matters related to the 2nd and 3rd repurchase of treasury shares to employees in 2021.
	7	Allocation of share subscription amounts for transfer to managers for the 2nd and 3rd round of treasury share buybacks in 2021.
	8	Review of the salary range adjustment between the Company's managers (chairman and managerial officers)
Jun. 26, 2023	1	Applying for financing and loans from Bank of Panhsin and Entie Commercial Bank.
	2	The Company to invest in and establish a subsidiary in the U.S..
Aug. 10, 2023	1	Presentation of the Company's consolidated financial statements for the Q2 2023.
	2	Amendment to the Company's "Corporate Governance Best-Practice Principles".
	3	Amendments to the Company's "Procedures for Handling Material Inside Information".
	4	The Company and Sunny Bank/Shuang Ho Branch renewed the contract for the NT$29 million short-term loan.
	5	The Company and Chang Hwa Bank/Jian Cheng Branch renewed the contract for the NT$30 million short-term loan.
	6	The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$30 million .
	7	The Company’s loaning of funds to affiliated enterprise, Ya Chen International Development Co., Ltd., for NT$15 million.
	8	The Company intends to acquire the right-of-use assets for the establishment of Taichung Branch.
Nov. 9, 2023	1	Presentation of the Company's consolidated financial statements for the Q3 2023.
	2	Ratification of the Company's application for renewal of a short-term credit line at Shin Kong Bank/Neihu Branch: NT$50 million.
	3	Propose for the loaning of funds by the Company to its subsidiary/TAROKO ARCHITECTURE CO., Ltd. for NT$10 million.
	4	The Company intends to make endorsement and guarantee for subsidiary Taroko Entertainment Co., Ltd. for NT$40 million .
	5	Establishment of the Company’s "Rules Governing Operations in relation to Finance and Business between Related Parties."
	6	Establishment of the Company’s "Risk Management Policies and Procedures."
	7	Establishment of the Company's "Intellectual Property Management Plan."
	8	Establishment of the Company’s "Sustainable Development Best Practice Principles."
	9	Establishment of the “Sustainability Committee Charter” of the Company.
	10	The Company's 2024 internal audit plan.
	11	Commissioning of the CPA firm, PwC Taiwan, its CPAs and affiliates of the CPA firm to the Alliance to provide non-assurance services to the Company.
Jan. 15, 2024	1	The application to Taishin International Bank for the renewal of a short-term credit line of NT$50 million.
	2	The Company intends to apply for mid-term and long-term loans with Bank SinoPac for a sum of NT$30 million.
	3	The Company intends to apply mid-term and long-term loans of NT$75 million from ORIX Taiwan Corporation.
	4	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NTD 35 million.
	5	The Company's endorsement and guarantee for subsidiary Lu-Hsin Co., Ltd. for NT$20 million.
	6	The Company's 2024 business plan and budget.
	7	Determine the time, venue, and agenda of the 2024 annual general shareholders' meeting.

Date of meeting	Cause	Summary of motion
	8	Proposal for year-end bonuses to the Chairman and managers.
	9	Directors' and Managerial Officers' Remuneration and Performance Evaluation Management Regulations.
Feb. 5, 2024	1	The Company's 2024 business plan and budget.
Feb. 21, 2024	1	Approval for authorizing the Chairman to purchase real estate and sign contracts.
Mar. 12, 2024	1	The Company's 2023 Financial Statements, Consolidated Financial Statements and Business Report, are submitted for review.
	2	Adoption of the Proposal for 2023 Deficit Compensation.
	3	2023 Statement of the Internal Control System.
	4	Amendments to the Company’s "Rules of Procedure for Board of Directors Meetings ".
	5	Amendments to the Company's "Audit Committee Charter."
	6	Amendments to the Company's "Accounting System."
	7	Evaluation on the independence and competence of the CPAs of the Company.
	8	Replacing the Company's attesting CPA for financial statements starting from the first quarter of 2024.
	9	The reappointment of the attesting CPA of the Company's 2024 financial statements.
	10	The Company and Sunny Bank/Shuang Ho Branch’s renewal of contract for the NT$140 million short-term loan.
	11	The Company and Taiwan Cooperative Bank/Songxing Branch renewed the contract for the NT$100 million short-term loan.
	12	The President of the Company, Mr. Hsieh Kuo-Tong, resigned from the position of President and became a strategic consultant.
	13	Appointment of the Company's President.
	14	Lifting of non-compete restrictions on the managerial officer (president) of the Company.
Apr. 15, 2024	1	Loaning of funds to subsidiary, Lu Hsin Co., Ltd.
	2	The Company signed a joint investment and construction contract with Sangong Leasing Co., Ltd., Xunying Investment Co., Ltd., and Mr. Li Ji-Lin.
	3	Proposal to provide land and apply for land financing from Chinatrust Commercial Bank.
	4	The Company intended to make an endorsement/guarantee for the co-investor and builder for an amount of NTD 124,800 thousand as agreed upon for the urban renewal project at Land Nos. 538, 540 and 541, Subsection 1, Zhongshan Section, Zhongshan District, Taipei City, Taiwan.
	5	Proposal of the Company to issue common shares for cash capital increase through private placement.
	6	Determine the time, venue, and agenda of the 2024 annual general shareholders' meeting.

(XIII) During the most recent year and up to the date publication of this annual report, if the directors or supervisors had different opinions on important resolutions approved by the Board of Directors with records or written statements: None.

(XIV) During the most recent year and up to the date publication of this annual report, a summary of the resignation and dismissal of the Company’s Chairman, President, chief accounting officer, chief financial officer, chief internal auditor, and R&D officer:

Title	Name	Date elected	Date dismissed	Reasons for resignation or dismissal
Assistant Vice President	Liao Chih-Hsuan	Mar. 11, 2023		Newly appointed
President	Hsieh Kuo-Tong		2024/03/12	Resigned
President	Wang Ying-Chih	2024/03/12		Newly appointed
Chief Auditor	Chen Cheng-Yi		2024/04/14	Resigned

V. Information on the Company's audit fees:

Unit: NTD thousands

Name of accounting firm	Name of CPA	Audit period	Audit fees	Non-audit fees	Total	Remarks
PwC Taiwan	Hsiao Chun-Yuan	2023/01/01~2023/12/31	2,530	650	3,180	Tax certification and English translation service
	Liu Mei-Lan					

(I) If the CPA firm is replaced and the audit fees paid during the year in which the replacement occurs are less than those paid in the prior year, the amount of the decrease in the audit fees and the reason thereof shall be disclosed: None.

(II) When the audit fees paid for the current year are lower than those paid for the prior year by 10% or more, the amount and percentage of the decrease and thereof shall be disclosed: None.

VI. Information on Replacement of CPAs:

(I) Regarding former CPAs:

<table>
<tr><td>Date of replacement</td><td colspan="4">Resolution of the Board of Directors</td></tr>
<tr><td>Reason for replacement and description</td><td colspan="4">Due to the need for CPA rotation as required by relevant laws and regulations, the Company's CPAs Wang Fang-Yu and Liu Mei-Lan have been replaced by Hsiao Chun-Yuan and Liu Mei-Lan from 2021.</td></tr>
<tr><td rowspan="3">Has the company or the CPA terminated or discontinued the appointment</td><td colspan="2">Parties involved
Situation</td><td>Certified Public Accountant</td><td>The Company</td></tr>
<tr><td colspan="2">Voluntarily terminated the appointment</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td colspan="2">Declined (continued) to be appointed</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td>An audit report issued during the most recent 2 years containing an opinion other than an unqualified opinion, state the opinion and reason</td><td colspan="4">None</td></tr>
<tr><td rowspan="6">Any disagreement with the issuer</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principle or practice</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial report</td></tr>
<tr><td></td><td colspan="2">Audit scope or steps</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Description: None.</td></tr>
<tr><td>Other matters for disclosure</td><td colspan="4">None</td></tr>
</table>

(II) Regarding successor CPAs:

Accounting firm	PwC Taiwan
Name of CPA	CPA Wang Fang-Yu and CPA Lin Kuan-Hung
Date of appointment	From the Q1 financial report of 2024
If prior to the formal appointment of the succeeding CPA, the company consulted the new CPA regarding the accounting treatment of or application of accounting principles to a specific transaction, or the type of audit opinion that might be rendered on the company's financial report	Not applicable.
Written opinions of the former CPA on which the succeeding CPAs disagreed with the former CPAs	None

(III) Reply letter from the former CPA regarding matters covered in items 1 and 2-3, subparagraph 6, Article 10 of these Regulations: Not applicable due to internal adjustment: None.

VII. Where the company's chairman, president, or any manager in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliate of such accounting firm: None.

VIII. The changes in the transfer or pledge of equity shares by directors, supervisors, managers, or shareholders holding more than 10% of the shares issued by the Company in the most recent year and up to the publication date of this annual report:

1. Movements in shareholdings of directors, supervisors, managers, and major shareholders:

Title	Name	2022		Up to March 31, 2023	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Corporate director	San Gong International Co., Ltd.	76,000	(15,000)	0	(335,000)
Corporate director Representative Chairman	Lin Man-Li	0	(3,539,578)	0	(163,000)
Corporate director Representative President	Hsieh Kuo-Tong	72,000	(1,100,000)	0	1,224,000
Corporate director Representative Vice President	Wang Ying-Zhi	550,000	0	(46,000)	0
Corporate director Representative Executive Vice President	Li Yi-Chuan	120,000	0	0	0
Corporate director Representative	Ling-Yan Chen	0	0	0	0
Corporate director	Tongqingxin Creative Investment Co., Ltd.	0	0	0	0
Corporate director Representative	Hsu Yung-Chang	0	0	0	0
Independent director	Lin Wen-Yuan	0	0	0	0
Independent director	Huang Min-You	0	0	0	0
Independent director	Chen Chun-Chi	0	0	0	0
Independent director	Chou Tsang-Hsien	0	0	0	0
Assistant Vice President	Liao Chih-Hsuan	60,000	0	0	0
Financial Officer	Lin Li-Ling	10,000	0	0	0
Chief Accounting Officer	Chen Pei-Ting	30,000	0	0	0

2. Counter-parties of the equity transfer or equity pledge are related parties: None.

3. Counter-parties of the equity pledge are related parties: None.

IX. Information about the top ten shareholders with shareholding ratio, and their relationship with each other or their spouses or relatives within the second degree of kinship:

(I) Relationships Among the Top 10 Shareholders

April 2, 2023

Name	Shareholding of the individual		Shareholding of spouse or minor children		Total shareholding by nominee arrangement		Information on the relations among the top 10 shareholders if anyone is a related party, a spouse, or a relative within second degree of kinship of another and their names		Remarks
	Number of shares	Shareholding	Number of shares	Shareholding	Number of shares	Shareholding	Name	Relations	
Gong Cheng Industrial Co., Ltd. Person in charge: Lin Man-Li	8,628,430	9.59	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Lin Man-Li	7,827,539	8.70	0	0	0	0	Hsieh Kuo-Tong	First-degree relative	Chairman of the Company
San Gong International Co., Ltd. Person in charge: Lin Man-Li	7,278,532	8.09	0	0	0	0		The person in charge of the company is the Chairman of the Company	
San Gong Industrial Co., Ltd. Person in charge: Lin Man-Li	4,343,000	4.83	0	0	0	0		The person in charge of the company is the Chairman of the Company	
G-RUN CORPORATION Person in charge: Lin Man-Li	4,247,380	4.72	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Xie Lin Industrial Co., Ltd. Person in charge: Lin Man-Li	3,174,426	3.53	0	0	0	0		The person in charge of the company is the Chairman of the Company	
Tongqingxin Creative Investment Limited liability company Person in charge: Hsu Yung-Chang	2,728,000	3.03	0	0	0	0		The person in charge of the company is the legal person director representative of the company	
Hsieh Kuo-Tong	1,925,521	2.14	0	0	0	0	Lin Man-Li	First-degree relative	Note 1 Note 2
Hsieh Hsiu-Ping	1,742,584	1.94	0	0	0	0	Hsieh Kuo-Tong	First-degree relative	
HANEGI CO., LTD.Person in charge: Wang Ying-Chih	1,448,000	1.61	0	0	0	0		The person in charge of the company is the legal person director representative and general manager of the company.	Note 2

Note 1: On March 12, 2024, the former representative of corporate director, Mr. Hsieh, Kuo-Tong, was reappointed by Sangong International Co., Ltd. for Ms. Ling-Yen Chen.

Note 2: On March 12, 2024, President Hsieh, Kuo-Tong resigned, and Vice President Ms. Wang Ying-Zhi assumed the position of President of the Company.

X. The total number of shares held and the consolidated shareholdings in any single investee by the Company, its directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company:

December 31, 2023; unit share; %

Investee (Note 1)	Investment by the Company		Investment by directors, supervisors, managers, or any companies controlled either directly or indirectly by the Company		General investment	
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio
Gowin Development Ltd.	6,375,000	100.00	-	-	6,375,000	100.00
Taroko Recreation Management Co., Ltd.	11,910,000	100.00	-	-	11,910,000	100.00
Taroko US Corporation	30,000	100.00	-	-	30,000	100.00
Taroko Entertainment Co., Ltd.	7,001,000	100.00	-	-	7,001,000	100.00
TAROKO ARCHITECTURE CO.,Ltd.	15,500,000	100.00	-	-	15,500,000	100.00
American Village Co., Ltd.	1,680,000	60.00	-	-	1,680,000	60.00
Shanghai G-RUN Sports Management Co., Ltd.	3,600,000	30.00	-	-	3,600,000	30.00
Taroko US CA Corporation	3,000	100.00	-	-	3,000	100.00
Lu Hsin Co., Ltd.	3,147,500	69.94	1,350,000	30.00	4,497,500	99.94
Shi-Niang Food & Drink Co., Ltd.	490,000	49.00	-	-	490,000	49.00
GJI Ron Company Limited	325,550	32.55	-	-	325,550	32.55
He Chen International Development Co., Ltd.	14,255,000	18.75	-	-	14,255,000	18.75
YA CHEN Development Co.,Ltd.	969,000	19.00	-	-	969,000	19.00
BORUEM Real Estate Development CO., LTD.	2,750,000	25.00	-	-	2,750,000	25.00

Note: Investment accounted for using the equity method by the Company.

Four. Fundraising Status

I. Capital and shares

(I) Source of share capital

1. The total number of shares issued;

Unit: Shares

Type of shares	Authorized share capital			Remarks
	Number of shares issued	Shares yet to be issued	Total (Note 1)	
Ordinary share	90,000,000	210,000,000	300,000,000	Outstanding shares are shares of listed companies

Note: It was resolved at the extraordinary shareholders' meeting on April 12, 2016 to increase the approved capital from NT$2.15 billion to NT$3 billion. However, this was not registered with the Ministry of Economic Affairs according to Article 278 of the Company Act.

2. Formation of share capital

April 2, 2024; Unit: thousand shares; NT$ thousand

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
1999.11	10	300,000	3,000,000	207,765.350	2,077,653.56	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	531,577.00 1,114,373.89 431,702.67	None	Tai-Cai-Zheng (I) Letter No. 67906 dated 1999.07.23
2002.12	10	290,000	2,900,000	170,367.592	1,703,675.92	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	435,893.14 913,786.59 353,996.19	None	Tai-Tsai-Shang Letter No. 032251 dated 2002.12.24 (reduction of capital by NT$373,977,640)
2004.12	10	290,000	2,900,000	144,812.453	1,448,124.53	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	370,509.17 776,718.60 300,896.76	None	JIn-Guan-Zhen Letter No. 0930132036 dated 2004.9.3 (reduction of capital by NT$255,551,390)
2005.12	10	215,000	2,150,000	53,870.233	538,702.33	Cash capital increase Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 288,939.32 111,933.60	None	JIn-Guan-Zhen (I) Letter No. 0940148548 dated 2006.1.2 (reduction of capital by NT$909,422,200)
2007.03	10	215,000	2,150,000	88,564.233	885,642.33	Cash capital increase Cash capital increase by private placement (Note 1) Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 346,940.00 288,939.32 111,933.60	None	Jing-Shou-Shang-Zi No. 09601078480 dated 2007.04.16 (private placement by NT$346,940,000)
2013.09	10	215,000	2,150,000	123,989.926	1,239,899.26	Cash capital increase Cash capital increase by private placement (Note 2) Capitalization of earnings to increase the capital Capital increase by capital reserves	137,829.41 346,940.00 643,196.25 111,933.60	None	Jing-Shen-Shang-Zi No. 10201198650 dated 2013.09.24 (allotment of 400 shares for every 1,000 shares of capital surplus)

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
2013.10	10	215,000	2,150,000	163,989.926	1,639,899.26	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves	537,829.41 346,940.00 643,196.25 111,933.60	None	Jin-Guan-Zheng-Fa-Zi No. 1020027799 dated 2013.8.8 and Jing-Shou-Shang-Zi No. 10201217870 dated 2013.10.28 (capital increase by cash for 258 shares per thousand shares)
2015.01	10	215,000	2,150,000	163,989.926	1,639,899.26	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4)	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00	None	Jin-Guan-Zheng-Fa-Zi No. 1030053299 dated 2015.1.26 (3.5 million treasury shares)
2015.06	10	215,000	2,150,000	164,512.310	1,645,123.10	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 5,223.84	None	Jing-Shou-Shang-Zi No. 10401106740 dated 2015.6.3 (converted 522,384 shares from corporate bonds)
2015.08	10	215,000	2,150,000	166,283.443	1,662,834.43	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 17,711.33	None	Jing-Shou-Shang-Zi No. 10401178050 dated 2015.8.26 (converted 1,771,133 shares from corporate bonds)
2016.03	10	215,000	2,150,000	166,527.220	1,665,272.20	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 2,437.77	None	Jing-Shou-Shang-Zi No. 10501042730 dated 2016.03.15 (converted 243,777 shares from corporate bonds)
2016.05	10	215,000	2,150,000	168,019.745	1,680,197.45	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 14,925.25	None	Jing-Shou-Shang-Zi No. 10501208210 dated 2016.08.22 (converted 1,492,525 shares from corporate bonds)

Year/ Month	Issue price	Authorized capital		Paid-in capital		Remarks			
		Number of shares	Amount	Number of shares	Amount	Source of share capital (NT$ thousand)		Capital increased by assets other than cash	Other
2016.08	10	215,000	2,150,000	171,437.642	1,714,376.42	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 35,000.00 34,178.97	None	Jing-Shou-Shang-Zi No. 10501208210 dated 2016.08.22 (converted 3,417,897 shares from corporate bonds)
2017.12	10	215,000	2,150,000	167,937,642	1,679,376.42	Cash capital increase by cash (Note 3) Cash capital increase by private placement (Note 1.2) Capitalization of earnings to increase the capital Capital increase by capital reserves Treasury shares (Note 4) Conversion of corporate bonds to common stock	537,829.41 346,940.00 643,196.25 111,933.60 - 34,178.97	None	Jing-Shang-Shang-Zi No. 10601173430 dated 2017.12.25 (cancellation of treasury stock and capital reduction by 3.5 million shares)
2020.07	10	215,000	2,150,000	75,000,000	750,000,000	Decrease of capital to make up losses	929,376,420	None	Jin-Guan-Zheng-Fa-Zi No. 1090348568 dated 2020.07.14 to cancel 92,937,642 common shares
2021.11	10	16,500	165,000	90,000,000	900,000,000	Cash capital increase by (Note 5)		None	Jin-Guan-Zheng-Fa-Zi No. 1100370444 dated 2021.11.4

Note 1: Capital increased by 34,694 shares through private placement in 2007.03, at NT$4.9 per share.
Note 2: The public issuance through private placement was approved by Tai-Zheng-Shang-Zi No. 102001639 on 2013.09.03.
Note 3: Cash capital increase by NT$537,829.41 thousand, including the issuance of 40,000 additional common shares approved by Jin-Guan-Zheng-Fa-Zi No. 1020027799 dated 2013.8.8.
Note 4: The Company exercised treasury stock in the amount of NT$35,000 thousand from October 28, 2014 to December 27, 2014. On December 25, 2017, the Company canceled the treasury stock, reduced capital by 3.50 million shares, and changed the registration for the new shares.
Note 5: Cash capital increase by NT$165,500 thousand from issuance of 16,500 additional common shares approved by Jin-Guan-Zheng-Fa-Zi No. 1100370444 dated 2021.11.4.

Information on shelf registration: None.

(II) Shareholder Composition

April 2, 2024; Unit Persons; Shares

	Treasury shares	Government agencies	Financial institutions	Other juridical persons	Natural persons	Foreign institutions and natural persons	Total
Number of people	0	4	15	198	193,749	147	194,113
Number of shares held	0	113	40,723	36,591,487	51,508,512	1,859,165	90,000,000
Shareholding ratio	0.00	0.00	0.05	40.66	57.23	2.06	100.00

Note: including 2276 shares for 1 person within 183 days

(III) Shareholding dispersion (Par value of NT$10 per share)

April 2, 2024; Unit Persons; Shares

Classification of shareholding	Number of shareholders	Number of shares held	Shareholding ratio (%)
1--------999	181,245	2,590,410	2.88
1,000------5,000	11,838	17,119,155	19.02
5,001-----10,000	547	4,179,059	4.64
10,001-----15,000	154	1,930,725	2.15
15,001-----20,000	97	1,795,996	2.00
20,001-----30,000	89	2,207,431	2.45
30,001-----40,000	33	1,148,663	1.28
40,001-----50,000	27	1,234,451	1.37
50,001----100,000	39	2,856,716	3.17
100,001----200,000	19	2,801,029	3.11
200,001----400,000	7	1,864,830	2.07
400,001----600,000	1	465,000	0.52
600,001----800,000	2	1,347,092	1.50
800,001--1,000,000	2	1,772,566	1.97
1,000,001 以上	13	46,686,877	51.87
合計	194,113	90,000,000	100.00

Note: The Company did not issue preferred shares

(IV) List of Major Shareholders

April 2, 2024; Unit: Shares

Name of major shareholder	Number of shares held	Shareholding ratio (%)
Gongcheng Co., Ltd.	8,628,430	9.5871
Hsieh Lin Man-Li	7,827,539	8.6973
Sangong International Co., Ltd.	7,278,532	8.0873
Sangong Industrial Co., Ltd.	4,343,000	4.8256
G-RUN CORPORATION	4,247,380	4.7193
Xie Lin Industrial Co., Ltd.	3,174,426	3.5271
Tongqingxin Creative Investment Co., Ltd.	2,728,000	3.0311
Hsieh Kuo-Tong	1,925,521	2.1395
Hsieh Hsiu-Ping	1,742,584	1.9362
HANEGI CO., LTD.	1,448,000	1.6089

(V) Market price and net asset value per share, earnings, dividends in the most recent two years

Unit: NT$/thousand shares

Item \ Year			2022	2023	2024 up March 31, 2024
Market price per share	Max.		21.4	22.60	25.00
	Min.		10.00	12.00	18.70
	Avg.		12.20	16.83	20.85
Book value per share	Before distribution		7.95	8.65	-
	After distribution		7.95	Note 1	-
Earnings Per Share	Weighted average number of shares		88,239	89,366	90,000
	Earnings Per Share		(0.35)	0.67	-
Dividend per share	Cash dividends		-	Note 1	-
	Stock dividend	Stock dividend from retained earnings	-	-	
		Stock dividend from capital reserve	-	-	
	Cumulative unpaid dividends		-	-	-
Return on investment	Price-to-earnings ratio		(34.86)	25.12	-
	Price-to-dividend ratio		-	-	-
	Cash dividend yield		-	-	-

Note 1: Not yet resolved in the general shareholders' meeting in 2023

Note 2:The Company's financial information for Q1 2024 has not been reviewed by CPAs and is not disclosed.

(VI) Dividend policy and implementation

1. The dividend policy stipulated in the Articles of Incorporation

   The Company's dividends are distributed in accordance with the earnings of the current year based on the principle of stabilizing dividends and budget plan to measure the capital requirements for future years. After the necessary funds have been financed from retained earnings, the remaining earnings are then distributed in the form of cash dividends The percentage of cash dividends shall not be less than 2% of the total dividends. The steps are as follows:
   I. Determine the optimal capital budget.
   II. Determine the financing needed to meet the capital budget.
   III. Determine how much the financing needs to be financed from the retained earnings (the remaining amount can be paid from capital increase in cash or in the form of corporate bonds).
   IV. The remaining earnings shall be distributed to the shareholders in the form of cash dividends.

2. Distribution of dividends proposed in the shareholders' meeting: There are no earnings available for distribution this year.

3. Expected material changes in dividend policy: None.

(VII) The influence of the stock dividend proposed at the shareholders' meeting on the Company's operating performance and earnings per share:

Not applicable, as the Company's 2023 financial forecast does not need to be made public as of the date of the shareholders' meeting.

(VIII) Employee remuneration and directors' and supervisors' remuneration

1. The percentage of the profit for or scope of employee remuneration and directors' remuneration as stated in the Company's Articles of Incorporation:

   According to Article 28 of the Company's Articles of Incorporation, if the Company has a profit at the end of the year, it shall contribute up to 0.5%~1% of the profit as remuneration to employees and 2% of the profit as remuneration to directors and supervisors, provided the amount for covering losses must be first allocated. Employee remuneration and directors' and supervisors' remuneration distribution proposals shall be reported to the shareholders' meeting.

   If the Company has earnings at the end of the year, except for the payment of tax and making up losses of previous years, 10% of the legal reserve shall be set aside in advance. However, when the legal reserve has reached the Company's paid-in capital, no legal reserve shall be set aside. The remaining earnings may be set aside or reversed to special reserve as required by business needs or laws and regulations. For any remaining earnings, the Board of Directors shall prepare a proposal for distribution and submit it to the shareholders for resolution.

2. Basis for estimation of employee remuneration and directors' and supervisors' remuneration in this period, basis for the calculation of the number of shares for stock dividends to employees, and accounting treatment if the amount paid out is different from the estimated amount: None.

3. Distribution of remuneration approved by the meeting of the Board of Directors: There are no earnings available for distribution this year.

   (1) Amount of employee remuneration and directors' and supervisors' remuneration distributed in cash or stock. Where there is a difference with the estimated amount for the year, in which the expenses are recognized, the amount of difference, reason, and accounting treatment shall be disclosed: None, as no distribution or estimation (recognized) was made.

   (2) The amount of employee remuneration in stock and the amount as a percentage of the sum of net income after tax as in the parent company only financial statements or individual financial report for this period and the total employee dividends for this period: The Company did not distribute employee remuneration.

4. Where there is a difference between the employee remuneration and directors' and supervisors' remuneration paid out and the estimated amounts for the prior year (including the number of shares distributed, amount, and stock price), the amount of the difference, reason, and accounting treatment shall also be specified: None.

(IX) The repurchase of the Company's shares:

Execution of the repurchase of the Company's shares pursuant to Article 28-2 of the Securities and Exchange Act is as follows:

Session of repurchase	First time	Second time	Third time
Purpose of repurchase	To be transferred to employees	To be transferred to employees	To be transferred to employees
Repurchase period	Estimated 2014.10.28 to 2013.12.27 Actual repurchase period 2014.10.28~2014.12.15	Estimated 2021.1.18 to 2021.3.14 Actual repurchase 2021.01.25~2021.03.12	Estimated 2021.05.20~2021.07.19 Actual repurchase period 2021.06.24~2021.07.19
Range of repurchase price	NT$15.00 - NT$25.00	NT$9.00 - NT$21.70	NT$9.00 - NT$18.00
Type and quantity of shares repurchased	Common stock 3,500,000 shares	Common stock 1,600,000 shares	Common stock 161,000 shares
Amount of shares repurchased	NT$70,180,721	NT$22,765,220	NT$2,209,330
Average repurchase per share (NT$)	NT$20.04	NT$14.23	NT$13.72
Number of shares cancelled and transferred	3,500,000 shares (Registration for the cancellation of treasury shares for capital reduction was completed on 2017/12.25, and the cancellation was completed on 2018/1/10)	1,600,000 shares (Transfer of treasury shares to employees completed on June 28, 2023)	1,600,000 shares (Transfer of treasury shares to employees completed on June 28, 2023)
Accumulated number of shares held by the Company	3,500,000 shares	1,600,000 shares	161,000 shares
Cumulative number of the Company’s shares held as a percentage of the Company’s total issued shares (%)	2.13%	2.13%	2.35%

II. Issuance of corporate bonds

(I) Corporate bonds outstanding by the Company as of the date the annual report was printed:

<table>
<tr><td colspan="2">Type of corporate bond</td><td>1st domestic secured convertible corporate bond
(principal and interest fully repaid at maturity)</td><td>2nd domestic unsecured convertible corporate bond
(remaining corporate bonds fully redeemed at the face value)</td></tr>
<tr><td colspan="2">Date of issue</td><td>February 12, 2015</td><td>February 13, 2015</td></tr>
<tr><td colspan="2">Face value</td><td>NT$100,000</td><td>NT$100,000</td></tr>
<tr><td colspan="2">Issuance and transaction location</td><td>Taiwan</td><td>Taiwan</td></tr>
<tr><td colspan="2">Issue price</td><td>Issued in full at face value</td><td>Issued in full at face value</td></tr>
<tr><td colspan="2">Total amount</td><td>NT$250 million</td><td>NT$250 million</td></tr>
<tr><td colspan="2">Interest rate</td><td>Coupon rate: 0%</td><td>Coupon rate: 0%</td></tr>
<tr><td colspan="2">Duration</td><td>3 years
Maturity date: 2018/02/12</td><td>5 years
Maturity date: 2020/02/13</td></tr>
<tr><td colspan="2">Guarantor Institution</td><td>Chang Hwa Commercial Bank Co., Ltd. Jiancheng Branch</td><td>None</td></tr>
<tr><td colspan="2">Trustee</td><td>Trust Division, Jih Sun International Commercial Bank</td><td>Trust Division, Jih Sun International Commercial Bank</td></tr>
<tr><td colspan="2">Underwriting institution</td><td>Yuanta Securities Co., Ltd.</td><td>Yuanta Securities Co., Ltd.</td></tr>
<tr><td colspan="2">Attorney-at-Law</td><td>Chiu Ya-Wen, Lawyer of Handsome Attorneys-at-Law</td><td>Chiu Ya-Wen, Lawyer of Handsome Attorneys-at-Law</td></tr>
<tr><td colspan="2">Certified Public Accountant</td><td>PwC Taiwan
CPA Yeh Tsui-Miao and Wang Fang-Yu</td><td>PwC Taiwan
CPA Yeh Tsui-Miao and Wang Fang-Yu</td></tr>
<tr><td colspan="2">Repayment method</td><td>The Company shall repay the bonds in cash in a lump sum at face value plus interest compensation upon maturity, except for the conversion of the bonds into common shares of the Company under Article 10 of these Procedures, or exercising of the repurchase option under Article 19 of these Procedures, or early redemption by the Company under Article 18 of these Procedures, or the repurchase and cancellation by the securities dealer's office.</td><td>The Company shall repay the bonds in cash in a lump sum at face value upon maturity, except for the conversion of the bonds into common shares of the Company under Article 10 of these Procedures, or exercising of the repurchase option under Article 19 of these Procedures, or early redemption by the Company under Article 18 of these Procedures, or the repurchase and cancellation by the securities dealer's office.</td></tr>
<tr><td colspan="2">Outstanding principal</td><td>None</td><td>None</td></tr>
<tr><td colspan="2">Terms for redemption or early repayment</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">Restrictive covenants</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">Name of credit rating institution, the date of the rating, and the credit rating results</td><td>N/A</td><td>N/A</td></tr>
<tr><td rowspan="2">Other rights attached</td><td>Amount of common shares, overseas depositary receipts or other marketable securities converted (exchanged or subscribed) up to the publication date of the annual report</td><td>None</td><td>None</td></tr>
<tr><td>Regulations Governing the Issuance and Conversion (Swap or Subscription)</td><td>Please refer to the Procedures for Issuance and Conversion</td><td>Please refer to the Procedures for Issuance and Conversion</td></tr>
<tr><td colspan="2">The issuance and conversion, exchange, or subscription rules, possibility of dilution of equity under the terms and conditions of issuance, and effect on shareholder equity</td><td>The bonds issued on February 12, 2018 expired. The remaining NT$218,400,000 was recovered in full. The principal and interest were repaid on March 8, 2018.
No significant impact on shareholders' equity.</td><td>According to the Conversion Procedures, the bondholders may apply for sell-back of the bonds upon the expiration of three years. As of February 13, 2018, 1,139 bonds had been sold back.
The remaining 180 outstanding shares that were less than 10% of the total issue amount were redeemed at face value in</td></tr>
</table>

		accordance with Article 18 of these Procedures for Issuance and Conversion on April 11. The listing was terminated on April 12. No significant impact on shareholders' equity.
Name of the custodian for the exchange of the subject	None	None

(II) Information of conversion of corporate bonds

Type of corporate bond		1st domestic secured convertible corporate bond (principal and interest fully repaid at maturity)		2nd domestic unsecured convertible corporate bond (remaining corporate bonds fully redeemed at the face value)	
Item \ Year		2017	Current year up to 2018.02.12	2017	Current year up to 2018.04.11
Market value of convertible corporate bond	Max.	109.00	103.70	103.05	103.30
	Min.	103.30	103.70	100.00	99.90
	Avg.	104.89	103.70	101.56	101.64
Conversion price		NT$20.10	NT$20.10	NT$20.10	NT$20.10
Issuance date and conversion price at issuance		Issued on: February 12, 2015 Conversion price at the time of issuance: NT$20.10		Issued on: February 13, 2015 Conversion price at the time of issuance: NT$20.10	
Conversion performance method		By issuing new shares		By issuing new shares	

Note 1: Include the data of the current year up to the publication date of the annual report。

(III) Information on exchange of corporate bonds: None.

(IV) Issuance of corporate bonds with the self registration method:

Total amount to be raised and issued	NT$500 million
Total amount raised and issued (Including the amount of each issue/issue date)	NT$250 million/February 12, 2015 NT$250 million/February 13, 2015
Balance of registered corporate bonds	NT$500 million
Scheduled issuance period that have not yet conducted	None

(V) Information of corporate bonds with warrants: None.

III. Status of preferred shares : None.

IV. Status of overseas depositary receipts : None.

V. Status of employee stock option certificates : None.

VI. Status of restricted stock award (RSA): None.

VII. Status of new share issuance in connection with mergers and acquisitions : None.

VIII. Implementation of financing plans : None.

Five. Overview of Operations

I. Information on business

(I) Business scope

1. Main business activities of the Company and its subsidiaries

A. Department stores

B. Operation and management of commercial real estate in department stores that combine sports, entertainment and leisure venues.

C. Develop niche innovative leisure real estate products and functional housing.

D. Operation and management of sports leisure and parent-child amusement park.

E. Operation and management of tourist hotels and catering businesses.

2. Proportion to businesses

The revenue from department stores, sports and leisure services, and real estate development has been the main source of revenue since 2016. The operating percentage for the most recent two years is as follows:

Business items	2023	2022
	Percentage (%)	Percentage (%)
Department store	35.09	37.2
Sports and leisure	64.91	63.5
Real estate development	-	-
Total	100.00	100.00

3. Current product line

A.Business in department stores

The Company's Shopping Mall Division is mainly engaged in the operation of department stores. Currently, the Company owns two shopping centers - TAROKO MALL Taichung and Hsinchu Taroko Square.

B.Business in sports and leisure

As of the end of March 2024, the Sports and Parenting Division of the Company has 11 Taroko Sports, 4 bowling alleys, 1 karting field, and branches of 1 Yukids-Islands, and will continue to engage in the sports industries to achieve innovation, search for differentiated products and services, and become the leader in differentiated experience projects.

Hsinchu Taroko Square B1 has introduced a Japanese bedrock bath that combines the living room concept with a brand-new stress-relieving and spacious resting space.

The Company leased eight buildings of US military quarters in Yangmingshan from the Bank of Taiwan through the investee (with 60% shareholding) of Taroko Architecture Co., Ltd., to develop and operate American Village Co., Ltd., which provides consumers with an American-style leisure resort and outdoor American-style wedding venues.

C.Real Estate Development Activities

Taroko Architecture Co., Ltd., wholly owned by the Company, has invested resources for the reconstruction of the old and dangerous buildings, urban renewal projects, and land development projects. By doing this, we hope to inject a new source of profit in addition to the department store and sports and leisure industries.

4. New products (services) planned to be developed:

A.Business in department stores: The Company continues to seek development projects with other industries in Taiwan.

B.Business in sports and leisure:

(A)To develop new experiential business formats, we have built a most fashionable leisure venue - classic skatepark, "Roller186," into Taroko Mall Taichung and Taiwan Spinning (T.S.) Mall, and add the Taipei Arena and Kaohsiung Sports complexes in 2023.

(B)In 2023, it will invest in the establishment of a US subsidiary to plan and build a sports hitting field.

C.Hsinchu Taroko Square B1 has introduced a Japanese bedrock bath that combines the living room concept with a brand-new stress-relieving and spacious resting space. It is planned to add another store in 2023 at the TAROKO MALL Taichung.

D.Taroko Sports became open 24 hours a day to increase revenue and improve operating efficiency.

(II) Overview of the industry

1. Current status and development of the industry

According to the industrial economic statistics, department stores in Taiwan have shaken off the haze of the pandemic, and the annual sales are at record high. Department store is one type of comprehensive retail industry, providing consumers one-stop shopping diverse shopping choices. Reflecting the consumers index, in 2014, the turnover exceeded NT$300 billion for the first time. From 2015 to 2019, despite the rapid development of e-commerce and the food retail market, the beneficiary of new shopping malls opened one after another, and the operator strengthened the entertainment and dining sectors, revenue is still growing by 3% per annum on average. It has always been the highest in the proportion of revenue in the general merchandise retail industry. However, due to the impact of the COVID-19 pandemic in 2020, revenue was overtaken by convenient stores for the first time in 2nd place. The pandemic disruption continued into 2021, leading to two consecutive years of negative growth. In 2022, Taiwanese people's lifestyles have gradually returned to normal due to the increase in vaccination coverage. Taiwan's revenue in the first eleven months has soared to NT$350 billion, reaching NT$353.7 billion, surpassing the pre-pandemic level (NT$323.5 billion in the same period in 2019). Sales ratio for this year was 27.8%, ranking first in the general merchandise retail industry again. The annual growth rate rebounded from a low base period to 15.8%. It is expected that the annual turnover will reach a new high, driven by the consumption opportunities in Christmas, New Year and other festivals and the opening of borders.

Department Stores Keeping Up with the Wave of Digital Transformation and Strengthening Market Competitiveness: Department stores have constantly adjusted their business strategies to cope with the above difficulties. Among them, the "developing member economy and strengthening members' consumption stickiness" was the highest at 92.6%. "Online social network" accounted for 90.7% of the second, followed by "providing the consumer mobile payment checkout function" at 88.9%. This shows that in response to the pandemic, department stores are actively promoting digital transformation and connecting with physical stores through the membership economy, APP, online shopping and social media feeds, among other things, to increase purchasing momentum and, in turn, drive continuous sales growth.

From January to November 2022, revenue in the U.S., Taiwan, and South Korea have all returned to pre-pandemic levels, with year-on-year growths of 1.3%, 15.8%, and 12.7%, respectively. However, in Japan, department stores have gradually declined in size due to the rise of online shopping and budget stores Although the turnover increased by 13.6% year-on-year, it was still down by 13.6% compared with that before the pandemic (the same period in 2019), and was less than half of the peak period in 1991. For the long-term development of the tourism, sports and leisure industry, there are still business opportunities. The Company uses its long-term accumulated business experience and resources in sports leisure and parent-child entertainment, and plans to add new types of equipment and services to meet the needs of consumers.

2. The relations between the up-, mid-, and downstream industries

Upstream	Midstream	Downstream
Commodity Suppliers Equipment suppliers and advertising companies	Shopping mall operators that provide leisure entertainment venues	The general public For example: companies, firms, individuals

(1)Various development trends of products

Recreational sports business has been gradually moving toward digital development, promoting and integrating various business formats to digitize membership and digitize tokens. To accelerate the fluency of operations and optimize customer experience, the POS system is further integrated to systematize the process. QR Code wristbands make it easy for customers to enter and leave the market, and check the time. In recent years, the diversity of consumer entertainment and consumption choices has grown rapidly. The Company has a unique business model, service talents, and brand image. Constant developments in software and hardware equipment to satisfy consumers' novel experience and continue to develop in the market.

(2)Competition

In terms of the operation of each business unit, overall, due to the impact of inflation and rising consumer prices, various costs have increased year by year. Despite the multiple competitive environment, the Company's management and all employees are to service and provide customers with a relaxed and pleasant consumer experience, bringing the Company a more stable profit.

(III) Technology and R&D

Since 2024, the Company has established the "Technological R&D Department." It is mainly responsible for the R&D of products and technologies of the sports department in accordance with the internal control and capital management guidelines. Responsible for the maintenance and repair of all major electrical, mechanical equipment and self-operated equipment in the venues. Management of access engineering, computer room, inventory, equipment and work environment safety. And, we provide technical support for international market developme

Other business directions are as follows:

(1)Department store:

Given the changes in consumption habits and culture, the food and beverage industry has become the focus of the development of commercial real estate projects and shopping malls. Famous restaurants are introduced to increase the popularity of the shopping mall, becoming the main focus for large shopping malls and shopping centers. Taroko Group has gathered talented people with excellent experience in shopping centers, and has adopted the operation model of "combination of sports venues and shopping malls" and "experiential marketing". Being different from retail chains, we believe that Taroko shopping malls will create crowds and topics, delivering results and bright future.

(2)Sports and leisure:

Taroko Group spans multiple industries, such as Taroko Square, Taroko Sports, Taroko Sports, Karting, Yukids-Island, Bowling, ROLLER186, and Formosa Stone Spa. With more than ten years of accumulated experience, we are able to achieve a comprehensive effect of technology transfer and integrated marketing.

(3)Real Estate Development:

A.Seek potential business opportunities in land development.

B.Product research and planning in the housing market.

C.Development in old and dangerous houses and urban renewal projects.

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

(1)Short-term plan:

A.Real Estate Development:

The Group actively participates in the development of urban development projects and new and old building reconstruction projects, hoping to maximize the interests of the shareholders.

B.Market Development Department:

The shopping mall business is committed to the steady growth. With several years of dedicated management by the team, we have presented better service quality, stronger brand portfolio, more differentiated entertainment pattern, richer variety of activities and more comfortable shopping environment. With the convenient location and crowds, Taichung Railway Station will continue to provide the Company with better and more stable profit and revenue momentum The experience economy model has been regarded as an inspiration and opportunity for the transformation of brick-and-mortar stores. The Group has been cultivating in the sports, leisure and entertainment industries for many years and will proactively cooperate with different types of business operators, such as institutional investors, developers, entertainment and retail operators, to actively expand more locations and provide more innovative and diversified leisure and lifestyle business opportunities.

C.Tourism, leisure and entertainment:

The Group continues to strengthen its own competitiveness via "Roller 186" and "Formosa Stone Spa". We take innovation, trend and differentiated experience as the core concept of business operation. Currently, we operate 4 branches of "Roller 186" and one "Formosa Stone Spa". In addition, in June 2024, the Group's "Formosa Stone Spa" will be introduced into Taroko Mall Taichung. This will also be the second store of Formosa Stone Spa in Taiwan and the first exclusive store in Taichung.

Taroko will move towards the direction of "department store operations, sports and leisure, and construction and development" and focus on the operation of experience-oriented shopping malls and the core sports and leisure business, give play to creativity, improve future business development, and create more stable equity value for all shareholders.

(2)Medium-term plan:

Taichung Taroko Mall and Hsinchu Taroko Square have entered the stable operation stage. We expect that the revenue and profit will be shown gradually, establishing the professional strength of brand management in the commercial real estate field. The Group focuses on townships and urban areas with different population scales and structures to expand Taroko-regional and community shopping centers in order to achieve economies of scale for the chain brands and their operations, creating stable cash flow income, accomplishing stable revenue and profitability goals.

(3)Medium-term plan:

With the changes in consumer trends and people's styles due to the pandemic, we are keen on seeking and developing new business models and businesses in order to diversify risks With the original sports and entertainment brand niche, we have set up the Digital Application Office to lead the internal colleagues to understand the basic patterns of digital development in the business field. We aim to cultivate the Internet mindset and accelerate the pace of digital transformation with hardware digitization, ensuring the Company's sustainability.

II. Overview of the market and production and sales

(I) Market analysis

(1)Locations where products (services) are primarily sold (provided)

(2)TRK Corporation began its business as a textile company. With more than ten years of experience in the sports and leisure industry in various parts of Taiwan, we have actively transformed the Company into the development and management of commercial real estate.

(3)Market share

In response to the constant capital investment in corporate transformation and the rectification of the Group's business units since 2019, the merger of BLD Oriental Taiwan Co., Ltd., a subsidiary of Taroko Group by Taroko Shopping Center Corporation was completed. From November 2019, TRK Corporation has absorbed Taroko Square. Through organizational changes, the Group has integrated the its resources and owns brands such as Taroko Square, Taroko Sports, Karting, Yukids-Island, and Bowling. With the reduction of operating costs, the Group is expected to significantly increase its market share in the future, strengthening its competitiveness, expanding its target customer base, and leveraging the combined effect.

(4)Supply and demand and growth potential of the market in the future

TWSE held the "2022 Themed Industry Seminar and Leisure Sports Industry Law Seminar". The added value formed by the sports and leisure industry itself and with other industries are extremely high with full development potential, making it a new industry force to watch out for in the future. With the popularity and prevalence of sports around the world, emerging sports, physical fitness, and leisure activities have received wide attention in recent years. In addition to the professional sports upsurge in Europe and the United States and the mass media, the sports and leisure industry has become an emerging and popular industry in the 21st century.

Taroko specializes in the integration of shopping malls, and continues to innovate in the sports and leisure industry to get hold of differentiated products and services, becoming the leader of differentiated experiential items.

4. The competitive niche, favorable and unfavorable factors for future development and countermeasures

A.Competitive niche:

In response to the industrial characteristics of the business and the changes in the overall market, the Company and its subsidiaries will not only stick to quality improvement and strive to develop and operate the original sports and leisure industry that has been invested in for years, but will also actively engage in real estate development and experience sports and leisure to seek profit opportunities in the industry.

In the long term, we hope to continue to seek stable development by leveraging on the accumulated operating experience and resources in sports and leisure and family entertainment. We also plan to add new types of equipment and services to satisfy the needs of consumers.

B.Favorable factors:

(A)For the operation and development of shopping malls, the main focus of development is "experiential shopping centers". By appropriately reducing the proportion of retail, increasing the proportion of experiential but still differentiated food and beverage and entertainment, while at the same time planning more activity space, adding elements of art, culture, curation and even sports experience, we will increase consumers' adhesion to Taroko.

(B)With the experience and resources accumulated over the years in Taiwan's sports and leisure industry, we have introduced mature technology from Japan, Europe and the United States, and integrated sports and entertainment theme elements with shopping mall operations, making Taroko a characteristic sports experiential shopping center. We have created a brand culture and corporate image with our competitive advantages and differentiated market positioning to enter the domestic and overseas markets.

C.Unfavorable factors:

D.nfavorable factors:

(A)Outlets, large department stores and shopping malls continued to compete with each other, and the operating costs are significantly increased for lower sales.

(B) Strong growth in e-commerce, convenience store chains, and retail hypermarkets.

(C) The growing trend of overseas travels has affected the domestic travel market and has shrunk relatively.

E.Response strategies:

With the store expansion strategy of " department store operation, sports and leisure, construction and development ", the Company has timely introduced capital investment from institutional investors, invested in development companies, and introduced relevant strategic development partners to reduce the burden of initial investment cost. With excellent management achievements and experience, we have established a firm brand positioning and chain development strategies. Moreover, we plan the most suitable anchor tenants and business composition on a case-by-case basis while conducting the optimal space planning for buildings, and attracts investment to develop into a sports and entertainment experiential shopping center. In terms of real estate development, the Company is also planning for differentiated products, hoping that the entire Group's personnel, marketing, investment attraction, property management and store construction can produce the synergy of chain operation. By taking advantage of favorable factors such as overall economic scale and chain negotiation dominance, we can effectively reduce operating expenses and generate revenue to maximize the Company's revenue and lay the foundation for the sustainable growth of the brand.

All shopping malls continue to launch longstanding activities to give back to the consumers while integrating local cultivation into daily life by providing shopping, sports and leisure venues that are closer to the need of the public.

(II) Important functions and production processes of main products

(1)Department store:

Development of shopping malls throughout Taiwan. Currently, the Company owns two shopping centers - TAROKO MALL Taichung and Hsinchu Taroko Square.

(2)Sports and leisure:

A.For the sports and leisure industry, we own Taroko Sports, Taroko Karting, Yukids, Taroko Bowling, Roller 186 and Formosa Stone Spa.

B.Based on the transformation of the Company's business model, we plan to operate in the tourism service industry, and uphold the corporate culture of "integrity" and the belief of "customer first". The Company's innovative business model and sports and entertainment brand niches, and recommending new customers are the core ideas of the Company .

(3)Real Estate Development:

We plan and build different types of products based on the different needs of customers at different levels and in different regions.

(III) Supply of main raw materials: N/A. (The Company is in the Sports and Leisure, not in the general manufacturing industry).

(IV) The names of clients/suppliers with purchases (sales) accounting for at least 10% of the total in any of the last two years, the amount and percentage of the purchases (sales), and reason for increase/decrease:

1. Information on Major Suppliers for the Most Recent 2 Years

Unit: NT$ thousand

	2022				2023			
Items	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net purchase (%)	Relations with the issuer
1	Hayashi Department Store	30,788	24.24	None	TSUTAYA, TAIWAN	42,370	29.45%	None
2	Ponderosa Y.S. Ltd.	26,718	21.04	None	Hwa Tsu Cosmetic Co., Ltd.	22,230	15.45%	None
3	Hwa Tsu Cosmetic Co., Ltd.	22,094	17.40	None	Ponderosa Y.S. Ltd.	20,757	14.43%	None
4	Others	47,402	37.32		Others	58,517	40.67%	
	Monetary amount	127,000	100.00		Monetary amount	143,874	100.00	

Reason for change: This is due to the increase in the sales of bookstores and stationery and other goods.

2. Information on Major Customers for the Most Recent 2 Fiscal Years:

Unit: NT$ thousand

	2022				2023			
Items	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer	Title	Amount	As a percentage of the annual net sale (%)	Relations with the issuer
1	Others	1,106,827	100.00	None	Others	1,324,752	100.00	None
	Amount of sales	1,106,827	100.00		Amount of sales	1,324,752	100.00	

Reason for change: Department stores, leisure and entertainment business entities, and other business entities have relatively scattered sales targets, and no sales customers account for more than 10% of net sales.

(V) The production value in the last two years: The business entities operated by the company are mainly sports and leisure and department store businesses. Since 2015, there has been no production and manufacturing, and hence it is not applicable.

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

Unit: NT$ thousand

Year / Production value / Main products (or segments)	2022				2023			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Department store	-	412,935	-	-	-	464,801	-	-
Sports and leisure	-	693,892	-	-	-	859,951	-	-
Real estate development	-	-	-	-	-	-	-	-
Total	-	1,106,827	-	-	-	1,324,752	-	-

III. Information on employees employed in the last two years and as of the publication date of the annual report

Unit: Person; %

Year		End of 2022	End of 2023	Mar. 2024
Number of people	Indirect labor	125	144	148
	Direct labor	496	492	483
	Total	621	636	631
Average age		30.3	30.0	29.9
Average years of service		2.5	2.6	2.7
Distribution of education attainment	Doctoral Degree	-	0.2%	0.2%
	Master Degree	2.3%	3.1%	3.6%
	College/university	75.8%	75.5%	75.9%
	Senior High	20.6%	20.1%	19.3%
	Below senior high	1.3%	1.1%	1.0%

IV. Information on environmental protection expenditure

(I) Disbursements for environmental protection: any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

Future countermeasures and potential expenses:

1. The construction companies have undertaken to undertake the construction projects invested by the Company. The environmental protection during the construction process is entirely the responsibility of the contractors, without the need to apply for pollution facility installation permits, pollution discharge permits, pay pollution prevention and control fees, or set up specialized environmental protection units with responsible personnel.
2. In terms of the reduction of the reduction of construction noise, prevention of dust and falling gravel, contractors are required to take the most comprehensive measures to fulfill their environmental responsibilities.
3. Possible future expenses: None.
4. Impacts upon the Company's financial operations in response to the implementation of the Restriction of Hazardous Substances Directive (RoHS): None.

V. Labor-management relations

(I) The Company's various employee benefit measures, continuing education, training, pension system, and implementation thereof, as well as labor-management agreements and various employee rights protection measures.

1. Employee Benefit Measures:
   - Insurance: In addition to the statutory NHI and pension allocation, the employees are also insured for group insurance and life insurance.
   - Physical and mental balance: The Company has initiated a "Work-life Balance Program" in accordance with the Labor Standards Act, with monthly leave and annual special leave provided. The unit supervisors and the Human Resources Department are responsible for caring for and guiding employees in appropriate leave arrangements.
   - Gifts and money: Our employees are provided with gifts for birthdays, weddings, childbirths and major festivals, as well as funeral allowances.
   - Health care: The Company facilitates the "Total Physical and Mental Care Program for Employees" and organizes annual health checkups for in-service employees. External professional resources such as occupational medicine specialists and health management consulting nurses are stationed in the workplace to provide professional consultation and health education to protect the health of our partners.
   - Leisure and entertainment: We issue monthly credits for spending on experiential products and provide employees and their families and friends with a variety of leisure and recreational activities.
   - Employee Welfare Committee: The "Employee Welfare Committee" is established to plan for annual welfare plans, regional sports meetings, dinner events, and festive gift distribution. The promotion of employee communication is boosted through activities organized by the Employee Welfare Committee.
   - Special benefits: The Company enters into contract for special prices with quality companies, providing employees with exclusive discounts on shopping, housing, leisure travel, dining, etc.

- We continue to create a sustainable workplace that supports employees' sense of well-being, enabling them to concentrate on their work.

2. Continuing training:
   - The Company places great emphasis on talent development by establishing a promotion system and a subsidy program for on-the-job training. The Company also plans periodic task training and job function development training for employees at different levels. The aim is to improve the work performance of employees , help them find value in themselves while working , and achieve long-term development in the organization. .
3. A retirement system and implementation:
   - The Company has established retirement policies in accordance with the Labor Standards Act and the Labor Pension Act.
   - In 2005, after the Company applied for company reorganization, all employees settled their seniority under the old system. This means that all employees are covered by the Labor Pension Act (new system). So far, the Company has contributed 6% of the labor pension fund to the employees’ personal accounts at the Bureau of Labor Insurance, Ministry of Labor, as required by law.
   - The Company has a sound financial system in place that protects the interests of employees at retirement by contributing fixed pensions during their tenure. Employees who meet the retirement eligibility can apply for retirement with the Company on their own initiative. Retirement is processed in accordance with the Procedures for Retirement.
4. Agreements between labor and management and various employee rights protection measures:
   - The Company values labor-management relations and provides multiple communication channels to ensure smooth communication among all parties and resolve employees' problems in a timely manner. Labor-management meetings are held regularly to enhance communication between management and employees and protect employees' rights. Employees can also express their views or file grievances via the Company's website or human resources mailbox.
   - We are dedicated to smooth communication between management and employees.
   - The Company regularly reviews and optimizes the promotion of various systems and policies, which are announced immediately. The Company also arranges education and training and seminars to promote these systems and policies.
   - As the Company complies with the Labor Standards Act and other related laws and regulations, there has been no major labor dispute or loss.
   - The Company holds employee meetings on a regular basis, where the head of each business unit is in responsible for reporting business performance. In doing this, employees can fully understand the important business information of the Company, promote labor-management harmony, and create a win-win situation for the Company and employees.
   - Job Welfare Committee: Established the "Employee Welfare Committee." The Committee prepares annual employee benefit plans, organizes meals, sports meetings, and distributes festive gifts. It also encourages employees to form clubs and organize club activities. Communication among employees to maintain the physical and mental health of employees. Special benefits: The Company enters into contract for special prices with quality companies, providing employees with exclusive discounts on shopping, housing, leisure travel, dining, etc.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes, and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

VI. Cyber security management

(I) Describe cyber security risk management framework, policy, specific management plans, and resources put in cyber security management.

1. Cyber security risk management framework

In order to implement the information security policy and advocate information security information, the company plans to set up an information security officer in 2024, who is mainly responsible for formulating the company's information security policy, planning information security measures, and implementing relevant information security operations and improving employees' information security awareness.

The information security team regularly reports the results of information security to the President and Chairman, and reports information security governance matters to the Board of Directors every year. It audits and evaluates the effectiveness of the internal control of the company information process. Moreover, to ensure the confidentiality, integrity, and availability of information, the team actively establishes a framework for active detection and defense to reduce the risk of damage or leakage of important internal data.

Accommodating the CPAs information operation inspections each year, if deficiencies are found, the team proposes and implements the corrective actions immediately, with the improvement results tracked.

2. Cyber security policy and management plan

In order to strengthen cyber security management, ensure the confidentiality, integrity and availability of information, while preventing it from internal and external intentional or accidental threats, the Company's information security facilities and management methods are divided into six major areas as follows:

(1) Security management of computer equipment

1. The Company's application servers and other equipment are set up in the dedicated computer room. The access to the computer room is controlled by proximity card and swipe cards, and access records are kept for record; the IT staff must escort the external vendors for maintenance, and the access time and operation items are recorded.
2. The server room is equipped with independent air conditioning to maintain the operation of computer equipment under an appropriate temperature environment, and equipped with fire extinguishers specially for server rooms for fires caused by general or electrical appliances.
3. The main engine of the server room is equipped with UPS and stabilized voltage equipment, and is connected to the generator power supply system provided by the Company’s own generator power supply system in the building. By doing so, we are able to prevent the system from crashing due to an accidental power outage by TPC to ensure the smooth operation of computer applications.

(2) Network security management

1. Strengthen network control. The entrance to the external network is equipped with an enterprise-class firewall to prevent illegal invasion by hackers.
2. Data encryption for the site-to-site connection is used between the server rooms in Taichung and Hsinchu and the Taipei office to prevent data transmission process suffered from illegal capture.
3. Colleagues who access the ERP system through the Company's intranet remotely must apply for a VPN account and all usage records are available for audit.

(3) Virus protection and management

1. Protective software is installed in the server and in the terminal computers of employees. The virus codes are updated automatically to ensure that the latest type of viruses are blocked. At the same time the installation of potentially threatening system executable files can be detected and prevented.
2. The anti-virus system immediately isolates or deletes detected or intercepted viruses, and takes the initiative to issue risk reports on computers that are infected or at risk, so that management can take responsive actions.

(4) System access control.

1. The use of various application systems by colleagues goes through the system permission application process defined internally by the Company and after being approved by the responsible supervisor and the information unit creates a system account. The system account shall be established by the information unit after the approval of the authority in charge.
2. Account passwords shall be approved only if they contain a mixture of letters, numbers, and special symbols with an appropriate strength, the number of characters.
3. When a colleague is resigning (off duty), he or she must contact the information unit to delete the account number in each system.

(5) Ensure the stable operation of the system.

1. System backup: A backup system shall be installed and a regular backup mechanism shall be adopted. In addition to uploading one copy of the system and database to the backup server in the server room, the backup server in the Computer Server Room2 and the backup server in the Hsinchu server room each store

another copy to ensure absolute security.
2. Disaster recovery drill: Each system is rehearsed once a year. After selecting the recovery date and reference point, the backup media will restore the data to the mainframe. The user will then confirm the accuracy of the restored data in writing to ensure the correctness and effectiveness of the backup media. .
3. The Company rents two data lines from the telecommunication company and used the bandwidth management equipment to backup each other in parallel to ensure uninterrupted network communication.

(6) Information security advocacy, education and training
1. Regular promotion. To prevent over-simplification and easy-guessing, the Company adds complexity to passwords and requires employees to change passwords regularly to ensure the security of accounts and passwords. The Company also conducts social engineering exercises from time to time to raise users' awareness of emails, avoiding browsing malicious e-mails that compromises network security and leads to personal information leakage.
2. Advocacy by lecture. Conduct information security-related training to internal colleagues from time to time.
3. Invest resources in security management of information and communications

3. To implement the six major information security policies, the Company has invested in the following resources:
(1) Network hardware equipment such as firewalls, mail anti-virus, and network managed centralized lines.
(2) Software systems such as backup management software and VPN authentication.
(3) Telecommunications services such as multiple lines, server backup services, intrusion prevention services, etc.
(4) Manpower invested such as: daily system status inspection, weekly regular backup and execution of off-site storage of backup media, information security training at least twice a year, annual system disaster recovery execution drill, annual internal audit of information circulation , CPA audit, etc.
(5) Information security manpower: An information security supervisor and information security personnel have been set up to be responsible for information security framework design, information security maintenance, operation and monitoring, information security incident response and investigation, and information security policy review and revision. Only one report is required. The information security supervisor reports to the Board of Directors at least once a year.

(II) Describe any losses incurred due to major cyber security incidents, potential impacts, and countermeasures in the most recent year and up to the publication date of this Annual Report. If the amount cannot be reasonably estimated, please specify the fact that it cannot be reasonably estimated: None.

VII. Important contracts

Nature of contracts	The Company	Counterparty of the contract	Start and end dates	Main contents	Restrictive covenants
Lease agreement	Taroko Development was transferred to the Taroko Square business	Fubon Life Insurance Co., Ltd	20 years from the lease commencement date (July 1, 2015)	Taroko Mall Taichung	None
Lease agreement	Taroko Development was transferred to the Taroko Square business	RT-Mart International Ltd.	17 years from the lease commencement date (March 31, 2016)	Buildings constructed on land occupied by lots 718 and 718-44 of the Wuling section in Hsinchu City	None
Financing and credit	TRK Corporation	Taiwan Cooperative Bank	2020/09/04 - 2024/09/05	Credit loans	None
Financing and credit	TRK Corporation	Taishin International Bank	2023/02/28 - 2024/02/28	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2023/04/29~2024/04/28	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2021/02/19~2026/02/19	Credit loans	None
Financing and credit	TRK Corporation	Bank of Panhsin	2021/02/20~2024/02/20	Credit loans	None
Financing and credit	TRK Corporation	Bank of Panhsin	2023/08/25 - 2026/08/25	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2021/09/15~2028/09/15	Credit loans	None

Nature of contracts	The Company	Counterparty of the contract	Start and end dates	Main contents	Restrictive covenants
Financing and credit	TRK Corporation	First Bank	2022/05/23 - 2027/05/23	Credit loans	None
Financing and credit	TRK Corporation	Shin Kong Commercial Bank	2023/08/15~2024/08/15	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2023/08/25 - 2024/08/25	Credit loans	None
Financing and credit	TRK Corporation	Chang Hwa Commercial Bank, Ltd.	2023/09/15~2024/09/15	Credit loans	None
Financing and credit	TRK Corporation	Sunny Bank	2021/09/15~2028/09/15	Credit loans	None
Financing and credit	TRK Corporation	EnTie Commercial Bank	2023/09/28~2024/09/28	Credit loans	None
Financing and credit	Taroko Entertainment Co., Ltd.	Chang Hwa Commercial Bank, Ltd.	2023/10/17~2028/10/17	Credit loans	None
Financing and credit	Taroko Construction Co., Ltd.	Shin Kong Commercial Bank	2022/12/19~2042/12/19	Credit loans	None
Financing and credit	Lu Hsin Co., Ltd.	Taiwan Cooperative Bank	2022/03/15~2027/03/15	Credit loans	None

Six. Overview of Financial Information

I. Condensed balance sheet and statement of comprehensive income in the most recent five years

(1) Condensed balance sheet and statement of comprehensive income

Consolidated balance sheet

Unit: NT$ thousand

Items \ Year		Financial information for the most recent 5 years				
		2019	2020	2021	2022	2023
Current asset		946,,451	852,005	1,038,369	989,931	990,589
Property, plant and equipment		646,482	520,846	611,704	619,840	653,793
Intangible assets		133,208	91,266	85,414	93,238	90,640
Other assets		4,015,213	3,340,090	3,157,381	3,194,006	3,136,559
Total assets		5,741,354	4,804,207	4,892,868	4,897,015	4,871,581
Current liabilities	Before distribution	1,033,536	957,107	1,173,691	1,245,310	1,445,933
	After distribution	1,033,536	957,107	1,173,691	1,245,310	
Non-current liabilities		3,593,936	3,050,928	2,951,508	2,921,133	2,636,491
Total liabilities	Before distribution	4,627,472	4,008,035	4,125,199	4,166,443	4,082,424
	After distribution	4,627,472	4,008,035	4,125,199	4,166,443	
Equity attributable to owners of parent company		1,111,650	801,239	763,735	715,328	778,814
Share Capital		1,679,376	750,000	900,000	900,000	900,000
Additional paid-in capital		680,229	184,068	199,748	199,838	199,853
Retained earnings	Before distribution	(1,124,435)	(88,802)	(240,080)	(288,308)	(230,676)
	After distribution	(1,124,435)	(88,802)	(240,080)	(288,308)	
Other equity		(123,520)	(44,027)	(70,994)	(71,263)	(90,363)
Treasury shares		-	-	(24,939)	(24,939)	-
Non-controlling interests		2,232	(5,067)	3,934	15,244	10,343
Total equity	Before distribution	1,113,882	796,172	767,669	730,572	789,157
	After distribution	1,113,882	796,172	767,669	730,572	

Note: The company has not yet held a shareholders' meeting in 2023, so the figures after the reserved surplus distribution are omitted.

Condensed Statement of Comprehensive Income -Parent Company Only

Unit: NT$ thousand

Items / Year	Financial information for the most recent 5 years				
	2019	2020	2021	2022	2023
Operating Revenue	1,170,450	1,154,819	778,055	1,106,827	1,324,752
Gross Profit	999,235	998,839	254,868	420,580	574,221
Operating profit (loss)	(205,773)	(44,392)	(142,723)	(6,561)	80,442
Non-operating income and expenses	(439,167)	61,377	(13,081)	(28,772)	(27,042)
Net profit before tax	(645,610)	15,844	(155,804)	(35,333)	53,395
Net income of continuing operations in this period	(645,610)	15,844	(155,804)	(36,918)	54,980
Loss on discontinued operations	-	-	-	-	-
Net income (loss) for this period	(645,610)	15,844	(155,804)	(36,918)	54,980
Other comprehensive income for this period (Profit after tax)	(80,378)	(6,034)	(26,967)	(269)	(19,100)
Total comprehensive income for this period	(725,988)	9,810	(182,771)	(37,187)	35,880
Net income attributable to owners of parent company	(510,853)	63	(151,273)	(31,160)	60,178
Net income attributable to non-controlling interests	(134,757)	15,781	(4,531)	(5,758)	(5,198)
Total comprehensive income attributable to owners of parent company	(591,077)	(5,640)	(178,240)	(31,429)	41,078
Total comprehensive income attributable to non-controlling interests	(134,911)	15,450	(4,531)	(5,758)	(5,198)
Earnings Per Share	(6.81)	-	(2.05)	(0.35)	0.67

Consolidated Balance sheet - Parent Company Only

Unit: NT$ thousand

Items \ Year		Financial information for the most recent 5 years				
		2019	2020	2021	2022	2023
Current asset		786,238	792,991	966,699	969,370	893,373
Property, plant and equipment		491,862	485,859	488,744	450,186	493,167
Intangible assets		118,522	86,972	81,047	82,762	81,633
Other assets		3,636,206	3,341,757	3129,910	3,165,293	3,201,640
Total assets		5,032,828	4,707,579	4,666,400	4,667,611	4,669,813
Current liabilities	Before distribution	762,797	901,893	1,022,120	1,172,603	1,373,118
	After distribution	762,797	901,893	1,022,120	1,172,603	Note
Non-current liabilities		3,135,590	3,004,447	2,880,545	2,779,680	2,517,881
Total liabilities	Before distribution	3,898,387	3,906,340	3,902,665	3,952,283	3,890,999
	After distribution	3,898,387	3,906,340	3,902,665	3,952,283	Note
Share Capital		1,679,376	750,000	900,000	900,000	900,000
Additional paid-in capital		680,229	184,068	199,748	199,838	199,853
Retained earnings	Before distribution	(1,124,435)	(88,802)	(240,808)	(288,308)	(230,676)
	After distribution	(1,124,435)	(88,802)	(240,808)	(288,308)	Note
Other equity		(123,520)	(44,027)	(70,994)	(71,263)	(90,363)
Treasury shares		-	-	(24,939)	(24,939)	-
Shareholdings not under common control before consolidation		22,791	-	-	-	-
Total equity	Before distribution	1,134,441	801,239	763,735	715,328	778,814
	After distribution	1,134,441	801,239	763,735	715,328	Note

Note: The company has not yet held a shareholders' meeting in 2023, so the figures after the reserved surplus distribution are omitted.

Condensed Statement of Comprehensive Income -Parent Company Only

Unit: NT$ thousand

Items / Year	Financial information for the most recent 5 years				
	2019	2020	2021	2022	2023
Operating Revenue	872,050	924,022	745,112	997,816	1,194,837
Gross Profit	782,008	802,192	230,302	357,357	491,857
Operating profit (loss)	(77,580)	(40,377)	(136,445)	(6,376)	67,008
Non-operating income and expenses	(437,795)	40,770	(14,828)	(24,784)	(6,830)
Net profit before tax	(516,044)	393	(151,273)	(31,160)	60,178
Net income of continuing operations in this period	(516,044)	393	(151,273)	(31,160)	60,178
Loss on discontinued operations	-	-	-	-	-
Net income (loss) for this period	(516,044)	393	(151,273)	(31,160)	60,178
Other comprehensive income for this period (Profit after tax)	(80,224)	(5,703)	(26,968)	(269)	(19,100)
Total comprehensive income for this period	(596,268)	(5,310)	(178,241)	(31,429)	41,078
Net income attributable to owners of parent company	(510,853)	63	(151,273)	(31,160)	60,178
Net income attributable to non-controlling interests	(5,191)	330	-	-	-
Total comprehensive income attributable to owners of parent company	(591,077)	(5,640)	(178,241)	(31,429)	41,078
Total comprehensive income attributable to non-controlling interests	(5,191)	330	-	-	-
Earnings Per Share	(6.81)	-	(2.05)	(0.35)	0.67

(2) Names and audit opinions of CPAs in the most recent five years

Year	Name of CPA	Accounting firm	Audit opinion	Remarks
2019	Wang, Fang-Yu and Hsiao, Jin-Mu	PwC Taiwan	Unqualified opinion	
2020	Wang, Fang-Yu and Liu, Mei-Lan	PwC Taiwan	Unqualified opinion	
2021	Hsiao, Chun-Yuan and Liu, Mei-Lan	PwC Taiwan	Unqualified opinion	
2022	Hsiao, Chun-Yuan and Liu, Mei-Lan	PwC Taiwan	Unqualified opinion	
2023	Hsiao, Chun-Yuan and Liu, Mei-Lan	PwC Taiwan	Unqualified opinion	

II. Financial analysis for the most recent five years

(I) Financial analysis - Consolidated

Analysis Items (Note 2) \ Year		Financial analysis for the most recent 5 years				
		2019	2020	2021	2022	2023
Financial Structure %	Ratio of Liabilities to Assets	80.60	83.43	84.31	85.08	83.80
	Ratio of long-term capital to property, plant and equipment	201.82	177.61	165.47	166.13	159.72
Solvency %	Current ratio	91.57	89.02	88.47	79.49	68.51
	Quick ratio	56.36	58.09	61.19	52.56	44.77
	Interest earned ratio	(7.53)	1.25	(1.76)	0.39	1.82
Operating performance	Accounts receivable turnover (times)	27.78	33.93	21.59	24.01	
	Average collection period (days)	13.13	10.76	16.90	15.20	15.06
	Inventory turnover (times)	0.62	2.28	1.97	2.45	2.58
	Accounts payable turnover (times)	0.79	2.85	2.15	2.43	2.62
	Average days in sales	588.70	159.92	185.27	148.97	141.47
	Property, plant and equipment turnover (times)	1.37	1.98	1.37	1.80	2.08
	Total assets turnover (times)	0.28	0.22	0.16	0.23	0.27
Profitability	Return on Assets (%)	(14.15)	1.34	(2.28)	0.19	2.19
	Return on equity (%)	(43.64)	1.66	(19.92)	(4.93)	7.24
	Pre-tax income to paid-in capital (%) (Note 7)	(38.40)	2.26	(17.31)	(3.93)	5.93
	Net Profit Margin (%)	(55.16)	1.37	(20.02)	(3.34)	4.15
	Earnings per share (NTD) (before retrospective adjustment)	(6.81)	-	(2.05)	(0.35)	0.67
	Earnings per share (NTD) (after retrospective adjustment)	(6.81)	-	(2.05)	(0.35)	0.67
Cash flows	Cash flow ratio (%)	27.93	39.05	22.14	29.50	29.48
	Cash flow adequacy ratio (%)	8.10	31.27	137.12	184.10	
	Cash reinvestment ratio (%)	15.20	36.45	20.69	27.14	28.43
Leverage	Operating leverage	(1.51)	(8.48)	(1.60)	(24.19)	6.23
	Financial leverage	0.73	0.39	0.72	0.10	5.27

Explanation of the reasons for changes in financial ratios in the most recent two years: (for changes exceeding 20%)

1. Change in Interest earned ratio: The increase in ratio was due to the profit before tax for the current year.
2. Return on total assets, return on equity, ratio of pre-tax income to paid-in capital, net profit margin and earnings per share: The increase in ratio was due to the current net interest attributable to the shareholders of the parent company.
3. Cash flow adequacy ratio: Mainly due to the increase in net cash inflow from operating activities and the increase in capital expenditures for the past five years.
4. Financial leverage: Mainly due to operating income in the current year.

(2) Financial Analysis - Parent Company Only

Analysis Items (Note 2) \ Year		2019	2020	2021	2022	2023
		Financial analysis for the most recent 5 years				
Financial Structure %	Ratio of Liabilities to Assets	77.46	82.98	83.63	84.67	83.37
	Ratio of long-term capital to property, plant and equipment	868.14	783.29	745.64	776.35	668.47
Solvency (%)	Current ratio	103.07	87.93	94.58	82.67	65.06
	Quick ratio	65.35	55.73	64.52	56.44	41.88
	Interest earned ratio	(9.17)	1.01	(1.95)	0.40	2.01
Operating performance	Accounts receivable turnover (times)	22.20	30.43	20.56	21.37	
	Average collection period (days)	16.44	12.00	17.75	17.08	16.53
	Inventory turnover (times)	0.34	2.12	1.94	2.36	2.58
	Accounts payable turnover (times)	0.42	2.62	2.12	2.27	2.46
	Average days in sales	1,073.52	172	188.14	154.66	141.47
	Property, plant and equipment turnover (times)	1.12	1.89	1.53	2.13	2.53
	Total assets turnover (times)	0.23	0.19	0.16	0.21	0.28
Profitability	Return on Assets (%)	(12.57)	0.87	(2.35)	0.23	2.31
	Return on equity (%)	(34.64)	0.04	(19.33)	(4.21)	8.06
	Pre-tax income to paid-in capital (%) (Note 7)	(38.40)	0.05	(16.81)	(3.46)	6.69
	Net Profit Margin (%)	(59.18)	0.04	(20.30)	(3.12)	5.04
	Earnings per share (NTD) (before retrospective adjustment)	(3.04)	-	(2.05)	(0.35)	0.67
	Earnings per share (NTD) (after retrospective adjustment)	(3.04)	-	(2.05)	(0.35)	0.67
Cash flows	Cash flow ratio (%)	39.92	32.79	25.93	35.14	28.39
	Cash flow adequacy ratio (%)	8.35	310.01	264.58	329.12	296.33
	Cash reinvestment ratio (%)	25.64	29.67	23.78	35.58	31.92
Leverage	Operating leverage	(3.73)	(7.81)	(1.60)	(21.46)	6.72
	Financial leverage	0.60	0.43	0.73	0.11	8.74

Explanation of the reasons for changes in financial ratios in the most recent two years: (for changes exceeding 20%)

1. Change in interest earned ratio: Due to the profit before tax in the current year.
2. Accounts receivable turnover rate: Due to the uncollected amount in the current period, resulting in an increase in the average amount of accounts receivable.
3. Return on assets, return on equity, ratio of pre-tax income to paid-in capital, net profit margin: Due to the profit after tax for the current year.
4. Earnings per share: Mainly due to the profit and loss attributable to owners of the parent company in the current period.
5. Cash flow ratio: Mainly due to the increase in net cash inflow from operating activities during the period.
6. Cash reinvestment ratio: Mainly due to the increase in the net cash inflow from operating activities and the increase in investment ratio in the current period.
7. Operating leverage and financial leverage: Mainly due to the operating income for the current year.

Note 1: All financial information has been audited and reviewed by CPAs.

Note 2: The formulas for financial ratio analysis are as follows:

1. Financial structure
   (1) Debt ratio = Total liabilities/Total assets.
   (2) Ratio of long-term capital to property, plant and equipment = (Total equity + Non-current liabilities)/Net property, plant and equipment.
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current assets - Inventory - Prepaid expenses)/Current liabilities.
   (3) Interest earned ratio = Net income before tax and interest expense/Interest expenses in this period.
3. Operating performance
   (1) Accounts receivable turnover (including accounts receivable and notes receivable from operating activities) = Net sales/Balance of average accounts receivable in each period (including accounts receivable and notes receivable from operating activities).
   (2) Average collection period (days) = 365/Accounts receivable turnover.
   (3) Inventory turnover = Cost of sales/Average inventory.
   (4) Payables turnover (including accounts payable and notes payable from operating activities) = Cost of sales/Balance of average accounts payable in each period (including accounts payable and notes payable from operating activities).
   (5) Average days in sales = 365/Inventory turnover.
   (6) Property, plant and equipment turnover = Net sales/Average net property, plant, and equipment.
   (7) Total asset turnover = Net sales/Average total assets.
4. Profitability
   (1) Return on assets = [Profit or loss after tax + Interest expenses × (1 - Tax rate)]/Average total assets.
   (2) Return on equity = Profit or loss after tax/Average total equity.
   (3) Profit margin = Profit or loss after tax/Net sales.
   (4) Earnings per share = (Income or loss attributable to owners of parent company - Preference shares dividends)/Weighted average number of shares issued. (Note 3)
5. Cash flows
   (1) Cash flow ratio = Net cash flows from operating activities/Current liabilities.
   (2) Cash flow adequacy ratio = Net cash flow from operating activities for the most recent five years/(Capital expenditures + Inventory increment + Cash dividends) for the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends)/ (Gross property, plant and equipment + Long-term investment + Other non-current assets + Working capital). (Note 4)
6. Leverage:
   (1) Operating leverage = (Net operating revenue - Variable operating costs and expenses)/Operating income (Note 5).
   (2) Financial leverage = Operating income/(Operating income - Interest expenses).

Note 3: The formula for calculating earnings per share above shall take into account of the following items upon measuring:

1. Based on the weighted average number of ordinary shares, rather than the number of shares issued at the end of the year.
2. Where there is a capital increase by cash or treasury stock trading, the weighted average number of shares shall be calculated during the period of circulation.
3. Where there is a surplus to capital increase or capital surplus to capital increase, the calculation of the earnings per share for the previous year and half year should be adjusted by the proportion of capital increase, rather than the period the capital increase is issued.
4. If the preferred shares are non-convertible accumulative shares, its annual dividend (whether or not it is issued) shall be deductible from the net profit after tax or increased to net loss after tax. If the preferred shares are non-cumulative, in the case of having a net profit after tax, the preferred dividend should be deducted from the net profit after tax; in the case of net loss after tax, no adjustments are required.

Note 4: Special attention should be paid to the following when analyzing cash flows:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the annual cash outflow of capital flows.
3. The increase in inventories shall only be calculated when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory is reduced at the end of the year, then the inventory amount should be calculated at zero.

4. Cash dividends include cash dividends for common stock and special shares.
5. Fixed assets means the total amount of property , plant and equipment before deducting accumulated depreciation.

Note 5: The issuer shall distinguish between the operating costs and operating expenses being fixed or variable. When involved in the estimation or subjective judgments, one should pay attention to its rationality and consistency.

Note 6: If the Company's shares are on par or not in the denomination of NT$10, the calculation of the ratio of the paid-in capital shall be calculated based on the equity ratio of the balance sheet attributable to the owners of the parent company

III. Audit Report of the Audit Committee: Please refer to page of this Annual Report.

IV. Financial Statement for the Most Recent Year: Please refer to page to page of this Annual Report.

V. Parent Company-only Financial Statement for the Most Recent Year audited and certified by the CPAs: Please refer to page to page of this Annual Report.

VI. Influence of any difficulty with financial solvency of the Company or its affiliate on the Company's financial position in the most recent year and up to the publication date of this annual report: None.

Seven. Financial Position and Financial Performance Review Analysis and Risk Management

I. Comparative analysis of financial positions

Main reasons for any material change in the company's assets, liabilities, or equity during the past 2 fiscal years, and describe the effect thereof. Where the effect is of material significance, the annual report shall describe the measures to be taken in response:

Unit: NT$ thousand

Year / Items	2023	2022	Difference	
			Amount	%
Current asset	990,589	989,931	658	0.07%
Property, plant and equipment	653,793	619,840	33,953	5.48%
Intangible assets	90,640	93,238	(2,598)	-2.79%
Other assets	3,136,559	3,194,006	(57,447)	-1.80%
Current liabilities	1,445,933	1,245,310	200,623	16.11%
Non-current liabilities	2,636,491	2,921,133	(284,642)	-9.74%
Total liabilities	4,082,424	4,166,443	(84,019)	-2.02%
Equity attributable to owners of parent company	778,814	715,328	63,486	8.88%
Share Capital	900,000	900,000	-	-
Additional paid-in capital	199,853	199,838	15	0.01%
Retained earnings	(230,676)	(288,308)	57,632	19.99%
Other equity	(90,363)	(71,263)	(19,100)	-26.80%
Treasury shares	-	(24,939)	24,939	100.00%
Non-controlling interests	10,343	15,244	(4,901)	-32.15%
Total equity	789,157	730,572	58,585	8.02%

The main reasons for changes in the ratio exceeding 20% and reaching 1% of the total assets for the year:

1. The increase in retained earnings from the previous period was mainly due to the increase in profit for the year.
2. Treasury shares decreased from the previous period: Mainly due to the transfer of treasury shares to employees in the current year.

II. Financial performance

(I) Comparative analysis of financial performance

1. Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousand

Item	2023	2022	Increase/decrease in amount	%
Net operating revenue	1,324,752	1,106,827	217,925	19.69%
Operating Costs	(750,531)	(686,247)	(64,284)	9.37%
Gross Profit	574,221	420,580	153,641	36.53%
Operating Expense	(493,779)	(427,141)	(66,638)	15.60%
Net operating loss	80,442	(6,561)	87,003	1,326.06%
Non-operating income and expenses	(27,047)	(28,772)	1,725	6.00%
Net income (loss) from continuing operations	53,395	(35,333)	88,728	251.12%
Income Tax Expense	1,585	(1,585)	3,170	-200.00%
Net income (loss) of continuing operations in this period	54,980	(36,918)	91,898	248.92%
Gains on discontinued operations	-			
Current net loss	54,980	(36,918)	91,898	248.92%
Explanations for changes exceeding 20%: 1. Increase in net operating revenue, gross profit and net operating profit: Mainly due to the establishment of new stadiums in 2023 and the upsurge of the classic baseball game, which drove the operating profit. 2. The increase in profit before tax from continuing operations, net income from continuing operations and net income in the current period: It is mainly due to profit in the current period.				

(II) Estimated sales volume and basis:

Please refer to "01 Letter to Shareholders".

(III) Possible impact on the future financial business of the Company and measures to be taken in response:None.

III. Cash flow review and analysis

(I) Analysis and description of cash flow changes in the most recent two years

Unit: NT$ thousand

Balance of cash (1)	(1) Net cash flow from operating activities in the future (2)	Annual cash outflow (inflow) from investing and financing activities (3)	Effect of exchange rate changes on cash and cash equivalents (4)	Cash flow surplus (deficit) amount (1)+(2)-(3)+(4)	Remedial measures for cash flow deficit	
					Investment plan	Financial plan
493,208	426,327	427,720	(2,504)	489,311	493,208	426,327

1. Analysis of changes in cash flows for the year

(1) Operating activities:The net cash inflow from operating activities for the year was NT$426,327 thousand, mainly due to the net profit before tax generated from operating activities.

(2) Investing activities: The net cash outflow from investing activities for the year was NT$350,903 thousand, mainly due to the increase in financial assets at fair value through other comprehensive income acquired during the year.

(3) Financing activities: The net cash outflow from financing activities for the year was NT$76,817 thousand, mainly due to the increase in rent payment from lease liabilities compared to the previous period.

2. Remedial measures for cash deficits and liquidity analysis: Not applicable.

(II) Corrective measures to be taken in response to illiquidity: Not applicable, as it did not occur.

(III) Liquidity analysis for the coming year:

Balance of cash (1)	(1) Net cash flow from operating activities in the future (2)	Annual cash outflow (inflow) from investing and financing activities (3)	Cash flow surplus (deficit) amount (1)+(2)-(3)	Remedial measures for cash flow deficit	
				Investment plan	Financial plan
493,208	426,327	427,720	(2,504)	489,311	-

1. Cash liquidity analysis for the coming year:
   (1) Operating activities: The net cash inflow from operating activities for the year was NT$155,842 thousand, which is mainly due to the expected net cash inflow from operating activities in 2024.
   (2) Investing activities: The net cash outflow from investing activities for the year was NT$312,858 thousand, mainly due to the expected capital expenditures in 2024 for the purchase and lease of asset conversion, investment in land development, and capital increase by reinvestment companies.
   (3) Financing activities: The net cash inflow from financing activities for the year was NT$72,500 thousand, mainly due to the increase in bank loans.
2. Remedial measures for projected cash deficits and liquidity analysis: Not applicable.

IV. Influence of major capital expenditures on financial business in the most recent year

To strengthen the competitiveness of the sports and leisure business and become a leading brand of sports and leisure experiential business, the Company plans to add Taichung Beitun Sports Stadium, Formosa Stone Spa TAROKO MALL Taichung and US batting cage in 2024, with our accumulated operating experience and resources for sports and leisure and parent-child leisure and entertainment, we are planning to add new types of leisure and entertainment equipment and services to meet the needs of the expanding consumer in order to improve operating efficiency. This capital expenditure leads to an increase in operating costs such as depreciation and employment costs. If the economic scale is not achieved at the initial stage of establishment, it will have a negative impact on the Company's finance.

V. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan, and investment plan for the following year:

(I) Reinvestment policy for the most recent year:
The Company's main policy of diversifying investments is to increase profits.

(II) Investment for the most recent year, the main reasons for profit or loss, improvement plan

December 31, 2023; Unit: NT$ thousand

Investee	Shareholding ratio (%)	Investment gains/losses recognized in 2023	Main reason for profit or loss	Improvement plan
Gowin Development Ltd.	100	-146	Losses resulting from the recognition of operating expenses	-
Taroko Architecture Co., Ltd.	100	-2,402	Losses resulting from the recognition of operating expenses	-
Taroko Recreation Management Co. Ltd	100	-273	Losses resulting from the recognition of operating expenses	-
Taroko Entertainment Co., Ltd.	100	18,613	Making a steady profit	-
Lu Hsin Co., Ltd.	69.94	-17,561	Insufficient business volume to cover fixed expenses	As it is still in its initial stage, we will continue to develop stable customers to improve profitability.
Taroko US Corporation	100	818	Non-operating income recognized	It was established at the beginning and has not yet started operation.
Taroko US CA Corporation	100	-14,433	Losses resulting from the recognition of operating expenses	It was established at the beginning and has not yet started operation.
Shanghai G-RUN Sports Management Co., Ltd.	30	-	Operating losses of the leisure and	-

Investee	Shareholding ratio (%)	Investment gains/losses recognized in 2023	Main reason for profit or loss	Improvement plan
			entertainment industry	
Shi-Niang Food & Drink Co., Ltd.	49	919	Making a steady profit	-
GJI Ron Company Limited	32.55	-134	Losses resulting from the recognition of operating expenses	-
He Chen International Development Co., Ltd.	18.75	-1497	Losses resulting from the recognition of operating expenses	The Company is engaged in real estate development and will continue to seek potential business opportunities to improve profitability.
Ya Chen International Development Co., Ltd.	19	200	Non-operating income recognized	-
Yi Chen International Development Co., Ltd.	19	-5	Losses resulting from the recognition of operating expenses	The Company is engaged in real estate development and will continue to seek potential business opportunities to improve profitability.
Boruem Real Estate Development Co., Ltd.	25	-3,914	Losses resulting from the recognition of operating expenses	The Company is engaged in real estate development and will continue to seek potential business opportunities to improve profitability.
American Village Co., Ltd.	60	3,691	Making a steady profit	-

(III) Investment plans for the coming year:
In 2023, we are planning to add another skatepark in Taipei Arena and a multi-sport stadium in Kaohsiung in 2023.

VI. Risk matters: The following matters in the most recent year and up to the publication date of the annual report shall be analyzed and assessed:

(I) The impact of interest rate, exchange rate changes, and inflation on the Company's profit or loss and future countermeasures:
The Company regularly evaluates the interest rates of bank loans and maintains close contact with banks to obtain more favorable loan terms. Exchange rate changes and inflation have had no significant impact on the Company.

(II) The policy on engagement in high-risk and highly leveraged investment, loans to others, endorsements/guarantees provided, and derivatives trading, the main reason for profit or loss, and countermeasures:
The Company does not engage in high-risk, high-leverage investments, endorsements/guarantees, and transactions of derivatives. Procedures for the lending of funds to others have been formulated and announced in accordance with the regulations.

(III) Future R&D plans and R&D expenses expected to be invested: The Company has not yet formed a research and development department for its textile fiber business and has no future research and development plans.

(IV) The influence of the changes in important policies and regulatory environment at home or abroad on the Company’s financial business, and countermeasures: None.

(V) The influence of changes in technology (including cyber security risks) and the industry on the Company's financial business and countermeasures: None.

(VI) The influence of a change in corporate image on corporate crisis management and countermeasures: None.

(VII) Estimated benefits and potential risks of M&A and countermeasures: None.

(VIII) Estimated benefits, potential risks of plant expansion, and countermeasures: None.

(IX) Risks of supplier or client concentration and countermeasures: None.

(X) The influence of massive transfer or replacement of shares by the directors, supervisors, or shareholders each holding more than 10 % of the shares issued by the Company, the risk thereof, and countermeasures: None.

(XI) The influence of change in the Company’s management right, the risk thereof, and countermeasures: None.

(XII) In the case of a court case or a non-contentious case, specify the names of the directors, supervisors, the President, the de facto responsible person, shareholders each holding more than 10% of company shares, and subsidiaries with final ruling made or still in major legal proceedings, non-contentious matters, or administrative disputes, and where the result thereof may significantly affect shareholders' equity or stock price, disclose the fact of the contentions, the amount involved, the commencement date of the proceedings, the major litigants in the proceedings, and the status as of the publication date of this report: None.

The Company has announced the material information on the Market Observation Post System on March 12, 2024. The text of the material information released is as follows.

1.Parties to the legal matter:Securities and Futures Investors Protection Center、Celxpert Energy Corporation and Responsible person HSIEH, KUO-TONG.

2.Name of the court or punishing agency of the legal matter: Intellectual Property and Commercial Court.

3.Reference/Case number of relevant documents of the legal matter: Zhiyuan Juntian 113 Shangdiao 4 words No. 1130000743

4.Date of occurrence of the event:2024/03/12

5.Details of occurrence (including the matter under dispute): The Securities and Futures Investors Protection Center has instituted an action petitioning a court for a judgment dismissing the given Director Huang,Shih-Ming in accordance with Securities Investor and Futures Trader Protection Act Article 10-1,Paragraph 1 ,Subparagraph 2.

6.Handling procedure:Has appointed attorneys to conduct litigation procedures to safeguard the rights and interests of the company.

7.Impact on the Company's finance and business and projected amount: Operations are normal and there is no significant impact on financial business.

8.Countermeasures and improvement status: Announce Material Informationance with Regulations.

9.Any other matters that need to be specified (the information disclosure also meets the requirements of Article 7, subparagraph 2 of the Securities and Exchange Act Enforcement Rules, which brings forth a significant impact on shareholders rights or the price of the securities on public companies.):None.

(XIII) Other important risks and countermeasures: None.

VII. Other important matters: None.

Eight. Special Matters

I. Relevant information on affiliates

(I) Considering that the companies to be included in the consolidated financial statements of affiliated enterprises under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises" were the same as those to be included in the consolidated financial statements of the parent and subsidiaries under IFRS 10 in 2022 (from January 1, 2021 to December 31, 2022), and the related information to be disclosed in the consolidated financial statements of affiliated enterprises was already disclosed in the said consolidated financial statements of the parent and subsidiaries, no consolidated financial statements of affiliated enterprises were prepared separately. (please refer to page **88** to page **181**).

(II) Industries covered by the overall business operations of affiliates: The business of Taroko and its affiliates cover northern, central and southern Taiwan and mainland China. The main businesses include real estate development, leisure and sports stadium operations, department stores and other general retail businesses, investment in mainland China and sports and leisure venue operation and food and beverage management.

(III) Information of the same shareholders Taroko presumes to have control or affiliation relationship: None.

(IV) Basic information on each affiliate

TRK Corporation
Basic information of each affiliates

December 31, 2023; Unit: NT$/thousand

Company	Date of Incorporation	Address	Paid-in capital	Principal business items
Gowin Development Ltd.	1995.09.22	The Creque Building, P.O. Box 116, Road Town, Toriola, British Virgin Islands	US$ 6,375	Holding company invested in Mainland China
Taroko Architecture Co., Ltd.	2005.09.22	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$ 155,000	Real estate and securities trading
Taroko Recreation Management Co., Ltd.	2014.01.15	Le Sanalele Complex, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa	US$11,910	Holding company invested in Mainland China
Taroko Entertainment Co., Ltd. (Formerly known as Taroko Circuit International Co., Ltd.)	2015.06.10	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$70,010	Leisure activity venue business
Lu Hsin Co., Ltd.	2021.05.05	9F, No. 186, Sec. 4, Fuxing Rd., East Dist., Taichung City, Taiwan	NT$45,000	Wholesale of stationery and books
American Village Co., Ltd.	2015.07.31	No. 69, Kaixuan Rd., Shilin Dist., Taipei City	NT$28,000	General hotels and restaurants
Taroko US Corporation	2023.09.12	3524 Silverside Rd #35b, Wilmington, DE 19810-4929,USA	US$3,000	Holding company reinvested in the U.S.A.
Taroko US CA Corporation	2023.11.08	1339 Perlita, Irvine, CA92618,USA	US300	Recreational Activities Venue

(V) Overview of the operations of affiliates

December 31, 2023; Unit: NT$ thousand

Name of affiliate	Amount of capital	Total assets	Total liabilities	Net worth	Operating Revenue	Operating Loss	Current profit and loss (after tax)	EPS (after tax)
GOWIN DEVELOPMENT LTD.	243,648	4,990	-	4,990	-	(159)	(146)	(0.01)
Taroko Architecture Co., Ltd.	155,000	111,521	42,410	69,111	-	(14,355)	1,290	0.08
TAROKO RECREATION MANAGEMENT CO., LTD.	371,827	5,223	-	5,223	-	(178)	(273)	(0.01)
Taroko Entertainment Co., Ltd.	70,010	146,444	114,325	32,119	74,889	20,978	17,514	2.50
Lu Hsin Co., Ltd.	45,000	124,335	133,002	(8,667)	38,867	(22,139)	(25,544)	(5.68)
American Village Co., Ltd.	28,000	81,391	49,021	32,370	37,077	7,295	6,197	2.21
Taroko US Corporation	96,531	78,697	-	78,697	-	-	(13,615)	(1.46)
Taroko US CA Corporation	9,377	11,483	16,496	(5,003)	-	(14,439)	(14,433)	(15.44)

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

April 1, 2024

Company	Title	Name or representative	Shareholding: Number of shares (in thousands)	Shareholding: Shareholding ratio
GOWIN Development Ltd.	Director	Representative of TRK Corporation: Lin Man-Li	6,375	100.00%
	Director	Representative of TRK Corporation: Hsieh, Kuo-Tong		
TAROKO Recreation Management Co., Ltd.	Director	Representative of TRK Corporation: Lin Man-Li	11,910	100.00%
	Director	Representative of TRK Corporation: Wang Ying-Chih		
Taroko Architecture Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	15,500	100.00%
	Vice Chairman	Representative of TRK Corporation: Chang Jia-Lun		
	Director	Representative of TRK Corporation: Hsieh, Kuo-Tong		
	Supervisors	Representative of TRK Corporation: Wang Ying-Chih		
Taroko Entertainment Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	7,001	100%
	Supervisors	Representative of TRK Corporation: Feng Sheng-Hong	0	0.00%
Lu Hsin Co., Ltd.	Chairman	Representative of TRK Corporation: Lin Man-Li	3,147.5	69.94%
	Director	Representative of TRK Corporation: Hsieh, Kuo-Tong		
	Director	Representative of TRK Corporation: Li Yi-Chuan		
	Director	Representative of Tongqingxin Creative Investment: Hsu Yung-Chang	1,350	30.00%
	Director	Representative of SKYLINE Management Co., Ltd.: Tsai Chia-Hsiang	2.5	0.06%
	Superviso	Feng Sheng-Hong	0	0.00%
American Village Co., Ltd	Chairman	Hsu Hong-Bin	500	10.00%
	Director	Representative of Taroko Architecture Co., Ltd.: Hsieh, Kuo-Tong	3,000	60.00%
	Supervisors	Ching Tien-Jui	500	10.00%

II. Private placement of securities in the most recent year up to the publication date of this annual report: On April 15, 2024, the Board of Directors resolved to approve the Company's plan to conduct cash capital increase by issuing common shares through private placement. Relevant follow-up information will be announced on the Market Observation Post System (MOPS) after confirmation.

III. Subsidiaries holding or disposing of the Company's shares in the most recent year and up to the publication date of this annual report: None.

IV. Other necessary supplementary information: None.

V. Any event as specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act with a material impact on shareholders' rights and interest or securities prices occurred to the Company during the most recent year and up to the publication date of this annual report: None.

TRK CORPORATION

Audit Committee's Review Report

The Board of Directors has prepared the parent company only financial statements and the consolidated financial statements of the Company for the year ended December 31, 2023, which have been audited by CPAs Hsiao, Chun Yuan and Liu, Mei Lan from PwC Taiwan and an independent auditors' report has been issued. The financial statements together with the business report and the losses make-up proposal have been reviewed and determined to be accurate by the Audit Committee. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the Review Report is hereby presented for your examination.

TO:

2023 Regular Shareholders' Meeting of TRK CORPORATION

Convener of the Audit Committee: Huang, Ming Yu

March 12, 2024

TRK CORPORATION

Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023, pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the company that is required to be included in the consolidated financial statements of affiliates, is the same as the company required to be included in the consolidated financial statements of parent and subsidiary companies under International Financial Reporting Standards 10. And if relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare,

Company name: TRK Corporation

Responsible person: Lin, Man-Li

March 12, 2024

INDEPENDENT AUDITORS’ REPORT TRANSLATED FROM CHINESE

PWCR23000553

To the Board of Directors and Shareholders of TRK Corporation

Opinion

We have audited the accompanying consolidated balance sheets of TRK Corporation and its subsidiaries (the “Group”) as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity,and of cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors, please refer to the *Other matter* section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

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

The completeness and accuracy of tenant-counter sales in department stores

<u>Description</u>

Please refer to Note 4(27) to the consolidated financial statements for accounting policies on revenue recognition and Note 6(22) for details of operating revenue.

Tenant-counter sales arises mainly through the establishment of merchandise and supplier master file data (such as merchandise master file, counter supplier master file data establishment, rent commission rate, etc.). Merchandise items, quantities, selling prices and total sales amount (only proprietary products) from every transaction are automatically transferred from the counters' point of sale (POS) to the Enterprise resource planning system (ERP). The counter can only key in the amount in POS and upload the sales information to the POS back-end system after the closing at the current date, and the information would be transferred to the Enterprise resource planning system (ERP). The entries of the tenant-counter sales are automatically generated after the responsible person checking the daily closing report and confirming them on the system; the counter's cost of goods sold is automatically transferred based on the commission rate in counter contract after the reconciliation with the counter at the end of every month. The tenant-counter sales and the counters' net cost of goods sold are listed under operating revenue at the end of every month. Every counter shall prepare daily cash reports and deposit daily cash into the bank.

Given that each transaction amount from tenant-counter sales is small but in a high volume, and the sales information is highly dependent on the transfer and calculation between systems, the above process of system summarising and the recognition of the operating revenue are important to ensure the accuracy of the tenant-counter sales. Therefore, the completeness and accuracy of tenant-counter sales stores is identified as a key audit matter.

<u>How our audit addressed the matter</u>

We performed the following audit procedures in respect of the above key audit matter:

1. Sampled and examined the additions or movements in the supplier master file data to ensure that they were approved appropriately.
2. Sampled and examined the approved additions or movements on the supplier master file data to ensure they were key in correctly into the master file data.
3. The sales information in POS system was regularly and completely transferred to the ERP system and generated operating revenue entry.
4. Sampled and examined the daily closing reports and the relevant evidence of the counters.
5. Sampled and examined the counters' cash deposit recognized in the daily closing reports to ensure it was in agreement with those amounts in the bank.

6. Recalculated the accuracy of the sales cost of the counter that is automatically transferred according to the commission rate in the counter contract based on the selected samples after the reconciliation with the counters at the end of each month.
7. Sampled and examined the tenant-counter sales and the counters' cost of goods sold, net are listed under operating revenue at the end of every period.

Non-financial assets-impairment assessment of goodwill and intangible assets with indefinite useful life

Description

Please refer to Note 4(19) for accounting policies on goodwill and intangible assets with indefinite useful life and its impairment and Notes 5(2) and 6(11) for details of goodwill and intangible assets with indefinite useful life.

The Group estimates recoverable amount of goodwill's and intangible assets with indefinite useful life's cash generating unit was based on the appraisal report to determine whether goodwill and intangible assets with indefinite useful life are impaired. As a result of the estimate of future cash flows involving management's judgement and a high degree of uncertainty, there would be a significant effect on the estimated outcome of the valuation. Therefore, the impairment valuation of goodwill and intangible assets with indefinite useful life is identified as a key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Reviewed the main financial information used in estimating future cash flows and the relevant information on the financial budget which was approved by the management, including operating revenue, operating cost and operating expenses. Compared the financial budgets prepared in prior year with the actual financial performance in current year to assess the accuracy of the predictions in current year. Discussed the reasons for material differences with the management and whether they had been included in the preparation of the current financial budget.
2. The key assumptions used in estimating expected future cash flows, including the growth rate, profit rate and discount rate of operating revenue, were compared with the comparable companies in the same industry and external market data to check whether those key assumptions fall within the range adopted in the same industry.

3. Applied the appraisal report prepared by management's expert as one of the audit evidence and performed the following audit procedures:
   (1) Evaluated the proficiency, competence and objectivity of the expert.
   (2) Reviewed the appraisal range and the timing of the assessment of the expert's report to check the correlation with the audits.
   (3) For the work of the management's expert, we evaluated the parameters, assumptions and methods to check the reasonableness of the valuation.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$172,743 thousand and NT$157,321 thousand, constituting 3.55% and 3.21% of the total assets as of December 31, 2023 and 2022, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to NT$5,211 thousand and NT$1,777 thousand, constituting (14.52%) and 4.78% of the total comprehensive income (loss) for the years then ended, respectively.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with other matter paragraph on the parent company only financial statements of TRK Corporation as of and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the 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 or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsiao, Chun-Yuan　　　　Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 12, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 489,311	10	$ 493,208	10
1110	Current financial assets at fair value through profit or loss	6(2)	2,583	-	5,290	-
1150	Notes receivable, net	6(3)	-	-	105	-
1170	Accounts receivable, net	6(3)	56,696	1	50,048	1
1180	Accounts receivable due from related parties	7	14	-	-	-
1200	Other receivables		3,201	-	6,873	-
1210	Other receivables due from related parties	7	16,917	-	1,049	-
130X	Inventories	6(4) and 8	290,379	6	289,850	6
1410	Prepayments		52,863	1	45,563	1
1470	Other current assets	6(5) and 8	78,625	2	97,945	2
11XX	**Total current assets**		990,589	20	989,931	20
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	97,726	2	83,147	2
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	187,676	4	36,214	1
1550	Investments accounted for using equity method	6(7)	180,462	4	164,255	3
1600	Property, plant and equipment	6(8) and 8	653,793	13	619,840	13
1755	Right-of-use assets	6(9)	1,999,369	41	2,251,945	46
1760	Investment property, net	6(10)	480,676	10	497,899	10
1780	Intangible assets	6(11)	90,640	2	93,238	2
1900	Other non-current assets	6(12) and 8	190,650	4	160,546	3
15XX	**Total non-current assets**		3,880,992	80	3,907,084	80
1XXX	**Total assets**		$ 4,871,581	100	$ 4,897,015	100

(Continued)

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 8	$ 480,957	10	$ 281,500	6
2130	Current contract liabilities	6(22)	113,745	2	118,827	2
2150	Notes payable		260	-	746	-
2170	Accounts payable		271,523	6	298,211	6
2180	Accounts payable to related parties	7	627	-	747	-
2200	Other payables	6(14)	155,187	3	121,146	2
2220	Other payables to related parties	7	984	-	767	-
2230	Current tax liabilities		-	-	1,585	-
2280	Current lease liabilities		255,665	5	268,590	6
2320	Long-term liabilities, current portion	6(15)	163,557	4	150,484	3
2399	Other current liabilities, others		3,428	-	2,707	-
21XX	**Total current liabilities**		1,445,933	30	1,245,310	25
	Non-current liabilities					
2540	Long-term borrowings	6(15)	232,107	5	279,642	6
2580	Non-current lease liabilities		2,381,421	49	2,621,938	54
2600	Other non-current liabilities		22,963	-	19,553	-
25XX	**Total non-current liabilities**		2,636,491	54	2,921,133	60
2XXX	**Total Liabilities**		4,082,424	84	4,166,443	85
	Equity attributable to owners of the parent					
	Share capital	6(18)				
3110	Ordinary share		900,000	18	900,000	18
	Capital surplus	6(19)				
3200	Capital surplus		199,853	4	199,838	4
	Retained earnings	6(20)				
3350	Accumulated deficit		(230,676)	(5)	(288,308)	(6)
	Other equity interest	6(21)				
3400	Other equity interest		(90,363)	(1)	(71,263)	(1)
3500	Treasury share	6(17)(18)	-	-	(24,939)	-
31XX	**Total equity attributable to owners of the parent**		778,814	16	715,328	15
36XX	**Non-controlling interest**		10,343	-	15,244	-
3XXX	**Total equity**		789,157	16	730,572	15
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	**Total liabilities and equity**		$ 4,871,581	100	$ 4,897,015	100

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

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	Amount	%	Amount	%
4000	Operating revenue	6(22)	$ 1,324,752	100	$ 1,106,827	100
5000	Operating costs	6(4)(27)	(750,531)	(57)	(686,247)	(62)
5900	Gross profit		574,221	43	420,580	38
	Operating expenses	6(27)(28)				
6100	Selling expenses		(330,066)	(25)	(311,838)	(28)
6200	General and administrative expenses		(163,713)	(12)	(115,778)	(10)
6450	Expected credit gains	6(27)	-	-	475	-
6000	Total operating expenses		(493,779)	(37)	(427,141)	(38)
6900	Net operating income (loss)		80,442	6	(6,561)	-
	Non-operating income and expenses					
7100	Interest income	6(23) and 7	3,931	-	987	-
7010	Other income	6(24) and 7	29,735	2	20,353	2
7020	Other gains and losses	6(25)	8,892	1	9,465	1
7050	Finance costs	6(26)	(65,174)	(5)	(57,502)	(6)
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(4,431)	-	(2,075)	-
7000	Total non-operating income and expenses		(27,047)	(2)	(28,772)	(3)
7900	**Profit (loss) before income tax**		53,395	4	(35,333)	(3)
7950	Income tax benefit (expense)	6(29)	1,585	-	(1,585)	-
8000	**Profit (loss) for the year from continuing operations**		54,980	4	(36,918)	(3)
8200	**Profit (loss) for the year**		$ 54,980	4	($ 36,918)	(3)

(Continued)

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share amounts)

	Items	Notes	Year ended December 31 2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income (loss)					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(6)(21)	($ 14,873)	(1)	($ 2,161)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		(14,873)	(1)	(2,161)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Currency translation differences	6(21)	(4,227)	-	130	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	6(21)	-	-	1,762	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		(4,227)	-	1,892	-
8300	**Total other comprehensive loss for the year**		($ 19,100)	(1)	($ 269)	-
8500	**Total comprehensive income (loss) for the year**		$ 35,880	3	($ 37,187)	(3)
	Profit (loss) attributable to:					
8610	Owners of parent		$ 60,178	4	($ 31,160)	(3)
8620	Non-controlling interest		(5,198)	-	(5,758)	-
	Total		$ 54,980	4	($ 36,918)	(3)
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 41,078	3	($ 31,429)	(2)
8720	Non-controlling interest		(5,198)	-	(5,758)	(1)
	Total		$ 35,880	3	($ 37,187)	(3)
	Basic earnings (losses) per share	6(30)				
9750	Total basic earnings (losses) per share		$	0.67	($	0.35)
	Diluted earnings (losses) per share	6(30)				
9850	Total diluted earnings (losses) per share		$	0.67	($	0.35)

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

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
			Capital surplus									
	Notes	Ordinary share	Share premium	Difference between consideration and carrying amount of subsidiaries acquired	Donated assets received	Changes in equity of associates and joint ventures accounted for using equity method	Accumulated deficit	Other equity interest	Treasury share	Total	Non-controlling interest	Total equity
2022												
Balance at January 1, 2022		$ 900,000	$ 197,773	$ -	$ 1,975	$ -	($ 240,080)	($ 70,994)	($ 24,939)	$ 763,735	$ 3,934	$ 767,669
Loss for the year		-	-	-	-	-	(31,160)	-	-	(31,160)	(5,758)	(36,918)
Other comprehensive loss for the year		-	-	-	-	-	-	(269)	-	(269)	-	(269)
Total comprehensive loss for the year		-	-	-	-	-	(31,160)	(269)	-	(31,429)	(5,758)	(37,187)
Difference between consideration and carrying amount of subsidiaries acquired	6(31)	-	-	-	-	-	(17,068)	-	-	(17,068)	17,068	-
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	90	-	-	-	90	-	90
Balance at December 31, 2022		$ 900,000	$ 197,773	$ -	$ 1,975	$ 90	($ 288,308)	($ 71,263)	($ 24,939)	$ 715,328	$ 15,244	$ 730,572
2023												
Balance at January 1, 2023		$ 900,000	$ 197,773	$ -	$ 1,975	$ 90	($ 288,308)	($ 71,263)	($ 24,939)	$ 715,328	$ 15,244	$ 730,572
Profit (loss) for the year		-	-	-	-	-	60,178	-	-	60,178	(5,198)	54,980
Other comprehensive loss for the year		-	-	-	-	-	-	(19,100)	-	(19,100)	-	(19,100)
Total comprehensive income (loss) for the year		-	-	-	-	-	60,178	(19,100)	-	41,078	(5,198)	35,880
Difference between consideration and carrying amount of subsidiaries acquired		-	-	2	-	-	-	-	-	2	-	2
Changes in equity of associates and joint ventures accounted for using equity method		-	-	-	-	13	-	-	-	13	-	13
Treasury shares sold to employees	6(18)	-	-	-	-	-	(2,546)	-	24,939	22,393	-	22,393
Changes in non-controlling interests		-	-	-	-	-	-	-		-	297	297
Balance at December 31, 2023		$ 900,000	$ 197,773	$ 2	$ 1,975	$ 103	($ 230,676)	($ 90,363)	$ -	$ 778,814	$ 10,343	$ 789,157

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before income tax for the year		$ 53,395	($ 35,333)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charge	6(27)	415,997	390,145
Amortization	6(27)	4,375	4,888
Expected credit gain	6(27)	-	(475)
Net gains (losses) on financial assets at fair value through profit or loss	6(2)(25)	(15,325)	198
Interest expense	6(26)	65,174	57,502
Interest income	6(23)	(3,931)	(987)
Dividend income	6(25)	(2,412)	(394)
Share of loss of associates and joint ventures accounted for under equity method	6(7)	4,431	2,075
Gains (losses) on disposals of property, plant and equipment	6(25)	(875)	(4,192)
Gains on disposals of investments	6(25)	2	-
Share-based payments	6(17)	1,577	-
Gains arising from lease modifications		(228)	-
Revenue recognized from rent concessions	6(9)(24)	-	(1,845)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		105	92
Accounts receivable		(6,648)	(7,735)
Accounts receivable due from related parties		(14)	-
Other receivables		3,672	(4,174)
Other receivables due from related parties		(868)	(316)
Inventories		(529)	(20,726)
Prepayments		(7,300)	5,445
Other current assets		(4,150)	2,733
Changes in operating liabilities			
Current contract liabilities		(5,082)	5,562
Notes payable		(486)	(739)
Accounts payable		(26,688)	34,732
Accounts payable to related parties		(120)	198
Other payables		12,557	(922)
Other payables to related parties		217	240
Other current liabilities		721	(2,099)
Cash inflow generated from operations		487,567	423,873
Interest received		3,931	987
Interest paid		(65,171)	(57,445)
Net cash provided from operating activities, net		426,327	367,415

(Continued)

TRK CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		$ 3,453	$ 11,460
Increase in other receivables due from related parties	7	(15,000)	-
Increase in guarantee deposits paid		(26,371)	(25,889)
Decrease in guarantee deposits paid		32,539	8,269
Increase (decrease) in other current assets		(2,530)	33,303
Acquisition of financial assets at fair value through other comprehensive income		(166,335)	-
Acquisition of investments accounted for using equity method		(14,150)	(94,980)
Proceeds from disposal of investments accounted for using equity method		173	-
Acquisition of property, plant and equipment	6(32)	(147,896)	(176,169)
Proceeds from disposal of property, plant and equipment		2,409	21,821
Acquisition of intangible assets	6(11)	(637)	(9,854)
Increase in non-current prepayments for investments		-	(6,650)
Increase in other non-current assets		(18,970)	(21,124)
Dividends received		2,412	394
Net cash used in investing activities		(350,903)	(259,419)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term debt	6(33)	299,457	135,700
Repayments of short-term debt	6(33)	(100,000)	(97,265)
Proceeds from long-term debt	6(33)	161,816	430,231
Repayments of long-term debt	6(33)	(196,278)	(380,492)
Rental payments on lease liability	6(33)	(266,038)	(246,730)
Increase in guarantee deposits received	6(33)	7,334	1,972
Decrease in guarantee deposits received	6(33)	(3,924)	(1,810)
Treasury shares sold to employees		20,816	-
Net cash used in financing activities		(76,817)	(158,394)
Effect of exchange rate changes		(2,504)	(1,218)
Decrease in cash and cash equivalents		(3,897)	(51,616)
Cash and cash equivalents, beginning of year		493,208	544,824
Cash and cash equivalents, end of year		$ 489,311	$ 493,208

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

TRK CORPORATION AND SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

TRK Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on July 18, 1973. The Company and its subsidiaries (collectively referred herein as the "Group") are primarily engaged in development business of department stores and shopping centres, recreational activities venue business, other leisure services, retail services of educational and entertainment materials and international trading business. The Company's shares were officially listed on the Taiwan Stock Exchange starting from July 26, 1982.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These consolidated financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
The Company	Taroko Architecture Co., Ltd. (Taroko Architecture)	Trading of real estate and securities	100.00	100.00	
The Company	Gowin Development Ltd.	A holding company which investing in the Mainland China	100.00	100.00	
The Company	Taroko Recreation Management Co., Ltd. (TRM)	A holding company investing in the Mainland China	100.00	100.00	
The Company	Taroko US Corporation (Taroko US)	A holding company investing in the the United States of America	100.00	-	Note 2
The Company	Taroko Entertainment Co., Ltd.	Recreational activities venue business	100.00	99.99	Note 1
The Company	Lu Hsin Co., Ltd. (Lu Hsin)	Wholesale of books and stationery	69.94	69.94	
Taroko Architecture	Style 80's Co., Ltd.	Hotels and motels, restaurant industry	60.00	60.00	
Taroko US	Taroko US CA Corporation (Taroko US CA)	Recreational activities venue business	100.00	-	Note 3

Note 1：Due to the increased capital in cash of $70,000 as resolved by the Board of Directors on March 21, 2022, thus ownership increased to 99.99%. In addition, the Company bought the other 0.01% ownership on June 30, 2024, thus ownership increased to 100%.

Note 2：Established in August 2024.

Note 3：Established in November 2024.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group: None.

(4) Foreign currency translation

Items included in the financial statements of each of the Group’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company’s functional and the Group’s presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are translated at closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(5) <u>Classification of current and non-current items</u>

The Consolidated Company is engaged in the contract construction of buildings or plants sales business and the business of contract construction. The operating cycle is usually longer than one year. The classification criteria for current or non-current of assets and liabilities is based on the operating cycle. The classification criteria for current or non-current of other items are as follows:

A. Assets that meet one of the following criteria are classified as current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

All assets that do not meet the above criteria are classified as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All liabilities that do not meet the above criteria are classified as non-current liabilities.

(6) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(7) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(8) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Group's business model is achieved by collecting contractual cash flows.

(b) The financial assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Group's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(9) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(10) Impairment of financial assets

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

(11) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset have expired.

(12) Leasing arrangements (lessor) － operating leases

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

(13) Inventories

A. Including land held for construction, construction in progress and buildings and land held for sale are recorded at acquisition costs. The construction income or loss are recognized based on the completed-contract method. Land held for construction is transferred as construction in progress when they are actively developed. During the period from the beginning of active development or construction to its completion, the interests are capitalised.

B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(14) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognizes change in ownership interests in the associate in “capital surplus” in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 ~ 50 years
Machinery and equipment	2 ~ 10 years
Transportation equipment	1 ~ 5 years
Office equipment	1 ~ 18 years
Other equipment	1 ~ 12 years
Leasehold improvements	2 ~ 15 years

(16) Leasing arrangements (lessee) - right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate;

(c) Amounts expected to be payable by the lessee under residual value guarantees.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(17) Investment property

The investment properties held by the Group, with an intention to obtain long-term rental profit. An investment property is stated initially at its cost and measured subsequently using the cost model.

(18) Intangible assets

A. Trademark right (indefinite useful life)

Trademark right with indefinite useful life is recognized at fair value at the acquisition date and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right with indefinite useful life is not amortised, but is tested annually for impairment.

B. Separately acquired computer software is stated at historical cost. Computer software acquired in a business combination is recognized at fair value at the acquisition date and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

C. Membership list acquired in a business combination is recognized at fair value at the acquisition date. Membership list is amortised on a straight-line basis over its estimated useful life of 3.5 years.

D. Goodwill arises in a business combination accounted for by applying the acquisition method.

E. Other intangible assets are mainly intellectual property rights and franchise fees and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(19) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Borrowings

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

(21) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials and goods and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Derecognition of financial liabilities

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

(23) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

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

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Group's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Group recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts resolved by the shareholders is accounted for as changes in estimates.

(24) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

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

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest. The aforementioned grant date refers to the date approved by the Board of Directors.

(26) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Revenue recognition

A. Operating revenue from tenant-counter

Revenue is confirmed when the goods of the counters are sold. In accordance with IFRS 15 "Revenue from contracts with customers", the Group is not primarily responsible for the provision of goods or services and does not assume the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer and therefore its role meets the definition of an agent. As a result, the net amount of sales revenue is recognized for goods sold through the counters.

B. Sales of goods

(a) The Group primarily operates shopping malls and leisure and recreation business. Revenue from the sale of goods is recognized when the Group sells a product to the customer.

(b) The Group operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

C. Land development and resale

(a) The Group develops and sells residential properties. Revenue is recognized when control over the property has been transferred to the customer. The properties have generally no alternative use for the Group due to contractual restrictions. However, an enforceable right to payment does not arise until legal title has passed to the customer. Therefore, revenue is recognized at a point in time when the legal title has passed to the customer.

(b) The revenue is measured at an agreed upon amount under the contract. The consideration is due when legal title has been transferred. While deferred payment terms may be agreed in rare circumstances, the deferral never exceeds twelve months. The transaction price is therefore not adjusted because the contract does not include a significant financing component.

(c) Sales contract of pre-sold home contain provisions for advance sales receipts, wherein the period between advance collection and the transfer of control of goods is longer than one year. The committed price should be adjusted and recognized as interest expense if the Group considers that the individual pre-sold home contract contains a significant financing component under IFRS 15. Additionally, IFRS 15 states that the enterprise shall only consider the materiality of financing component in contract level rather than considering whether the financial funding is material in portfolio level.

D. A financing component

The Group entered into a contract with a customer. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.

(28) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate.

(29) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision - maker. The Group's chief operating decision - maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill and intangible assets with an indefinite useful life

The impairment assessment of goodwill and intangible assets with an indefinite useful life relies on the Group's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 19,423	$ 13,978
Checking accounts and demand deposits	469,888	479,230
	$ 489,311	$ 493,208

A. The Group transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Group's cash and cash equivalents pledged to others as collateral for long-term and short-term borrowings, trust accounts, leases of buildings and performance guarantee had been transferred to other current assets and other non-current assets. Refer to Notes 6(5)(12) and 8 for details.

(2) Financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Current items		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 2,414	$ 6,036
Valuation adjustment	169	(746)
	$ 2,583	$ 5,290
Non-current items		
Financial assets mandatorily measured at fair value through profit or loss		
Agreement on movie investment	$ 2,973	$ 3,092
Agreement on development and building projects investment	60,000	60,000
	62,973	63,092
Valuation adjustment	34,753	20,055
	$ 97,726	$ 83,147

A. The Group recognized net income (loss) amounting to $15,325 and ($198), respectively, on financial assets mandatorily measured at fair value through profit or loss for the years ended December 31, 2023 and 2022.

B. In April 2018, the Group entered into an agreement on movie investment with Hualien International Co., Ltd. on the distribution right of 26 Taiwan movies amounting to $12,450 with the investment period of 7 years. The proceeds from copyrights of the investment targets issued during the investment period could be first used to recover initial investment amount with the profit from the proportion specified in the initial investment, if any, the profit was classified to profit or loss.

C. In December 2020, the Group entered into an agreement on reconstruction and development investment with Tendril International Development Co., Ltd. on the buildings in Yangming Section, Shilin District, Taipei City amounting to $60,000 with the investment period of 4 years and 6 months. The Group collected fixed income at investment settlement date based on the agreement.

(3) Notes and accounts receivable due from related parties

	December 31, 2023	December 31, 2022
Notes receivable	$ -	$ 105
Accounts receivable	57,948	51,300
Less: Allowance for uncollectible accounts	(1,252)	(1,252)
	$ 56,696	$ 50,153

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Up to 30 days	$ -	$ 49,632	$ 105	$ 40,633
31 to 90 days	-	6,050	-	8,180
91 to 180 days	-	240	-	9
Over 180 days	-	2,026	-	2,478
	$ -	$ 57,948	$ 105	$ 51,300

The above ageing analysis was based on invoice date.

B. As of December 31, 2023 and 2022, notes receivable and accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of notes receivable and accounts receivable from contracts with customers amounted to $197 and $41,838, respectively.

C. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Group's notes and accounts receivable was $56,696 and $50,153, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Shopping centres development and leisure and entertainment segment			
Merchandise	$ 50,262	($ 470)	$ 49,792
Raw materials	306	-	306
Construction segment			
Land held for construction site			
Xinzhoumei Section No. 89	240,281	-	240,281
	$ 290,849	($ 470)	$ 290,379

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Shopping centres development and leisure and entertainment segment			
Merchandise	$ 49,357	($ 168)	$ 49,189
Raw materials	380	-	380
Construction segment			
Land held for construction site			
Xinzhoumei Section No. 89	240,281	-	240,281
	$ 290,018	($ 168)	$ 289,850

A. The cost of inventories recognized as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 88,875	$ 87,583
Raw materials	7,005	6,696
Operating costs of counters and venues	594,579	541,507
Loss on valuation of inventories	302	-
Other operating costs	59,770	50,461
	$ 750,531	$ 686,247

B. Information about the Group's inventories pledged to others as collateral are provided in Note 8.

(5) Other current assets

	December 31, 2023	December 31, 2022
Restricted cash in banks	$ 71,661	$ 69,131
Guarantee deposits paid	-	26,000
Others	6,964	2,814
	$ 78,625	$ 97,945

Restricted cash in banks and Guarantee deposits paid were pledged to others are provided in Note 8.

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

	December 31, 2023	December 31, 2022
Non-current items		
Current investments in equity instruments		
Listed stocks	$ 166,335	$ -
Unlisted stocks	87,119	87,119
	253,454	87,119
Valuation adjustment	(65,778)	(50,905)
	$ 187,676	$ 36,214

A. The Group has elected to classify investments on unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $187,676 and $36,214 as of December 31, 2023 and 2022, respectively.

B. Amounts recognized in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 14,873)	($ 2,161)

C. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Group was $187,676 and $36,214, respectively.

D. Details of the Group's financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(7) Investments accounted for using equity method

	December 31, 2023			December 31, 2022		
	%		Amount	%		Amount
He Chen Development Co., Ltd.	18.75%	$	139,965	19.00%	$	128,149
Boruem Real Estate Development Co., Ltd.	25.00%		22,901	25.00%		19,315
Ya Chen Development Co., Ltd.	19.00%		9,877	19.00%		9,677
Shih Niang Co., Ltd.	49.00%		4,653	49.00%		3,734
Gji Ron Company Limited	32.55%		3,066	32.55%		3,200
Yi Chen Development Co., Ltd.	-		-	19.00%		180
SH G-RUN Sport and Investment Management Ltd.	30.00%		-	30.00%		-
		$	180,462		$	164,255

A. The Group has no individually material associates.

B. The abovementioned investments of the Group had no quoted market prices. For the years ended December 31, 2023 and 2022, share of profit or loss of associates and joint ventures accounted for using the equity method amounting to ($4,431) and ($2,075), respectively, and share of other comprehensive income amounting to $0 and $1,762, respectively, were all valued according to each investee's financial statements that were audited by other auditors.

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(8) Property, plant and equipment

	2023								
	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
At January 1									
Cost	$ 12,406	$ 9,785	$ 23,485	$ 10,719	$ 160,287	$ 13,634	$ 828,649	$ 7,562	$ 1,066,527
Accumulated depreciation	-	(2,031)	(19,671)	(5,977)	(83,734)	(11,159)	(324,115)	-	(446,687)
	$ 12,406	$ 7,754	$ 3,814	$ 4,742	$ 76,553	$ 2,475	$ 504,534	$ 7,562	$ 619,840
Opening net book amount as of January 1	$ 12,406	$ 7,754	$ 3,814	$ 4,742	$ 76,553	$ 2,475	$ 504,534	$ 7,562	$ 619,840
Additions	-	-	213	4,004	34,921	5	122,781	6,776	168,700
Disposals	-	-	(4)	(976)	(466)	(29)	(59)	-	(1,534)
Reclassifications	-	-	10	-	455	-	5,887	(6,352)	-
Depreciation charge	-	(585)	(2,163)	(950)	(27,566)	(732)	(101,217)	-	(133,213)
Closing net book amount as of December 31	$ 12,406	$ 7,169	$ 1,870	$ 6,820	$ 83,897	$ 1,719	$ 531,926	$ 7,986	$ 653,793
At December 31									
Cost	$ 12,406	$ 9,785	$ 23,780	$ 8,724	$ 184,675	$ 13,309	$ 944,307	$ 7,986	$ 1,204,972
Accumulated depreciation	-	(2,616)	(21,910)	(1,904)	(100,778)	(11,590)	(412,381)	-	(551,179)
	$ 12,406	$ 7,169	$ 1,870	$ 6,820	$ 83,897	$ 1,719	$ 531,926	$ 7,986	$ 653,793

Note: A. The Group had no borrowing costs capitalised as property, plant and equipment.

B. Information about the Group's property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

	Land	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
	2022								
At January 1									
Cost	$ 1,228	$ 17,984	$ 46,269	$ 10,522	$ 111,279	$ 20,836	$ 712,793	$ 33,580	$ 954,491
Accumulated depreciation	-	(1,828)	(18,344)	(7,133)	(63,229)	(15,721)	(236,532)	-	(342,787)
	$ 1,228	$ 16,156	$ 27,925	$ 3,389	$ 48,050	$ 5,115	$ 476,261	$ 33,580	$ 611,704
Opening net book amount as of January 1	$ 1,228	$ 16,156	$ 27,925	$ 3,389	$ 48,050	$ 5,115	$ 476,261	$ 33,580	$ 611,704
Additions	12,406	4,589	748	4,262	21,467	163	55,142	48,213	146,990
Disposals	(1,228)	(12,247)	(3)	(1,153)	(595)	(123)	(2,280)	-	(17,629)
Reclassifications	-	-	(21,838)	48	30,974	(944)	66,407	(74,231)	416
Depreciation charge	-	(744)	(3,018)	(1,804)	(23,343)	(1,736)	(90,996)	-	(121,641)
Closing net book amount as of December 31	$ 12,406	$ 7,754	$ 3,814	$ 4,742	$ 76,553	$ 2,475	$ 504,534	$ 7,562	$ 619,840
At December 31									
Cost	$ 12,406	$ 9,785	$ 23,485	$ 10,719	$ 160,287	$ 13,634	$ 828,649	$ 7,562	$ 1,066,527
Accumulated depreciation	-	(2,031)	(19,671)	(5,977)	(83,734)	(11,159)	(324,115)	-	(446,687)
	$ 12,406	$ 7,754	$ 3,814	$ 4,742	$ 76,553	$ 2,475	$ 504,534	$ 7,562	$ 619,840

Note: A. The Group had no borrowing costs capitalised as property, plant and equipment.

B. Information about the Group’s the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(9) Leasing arrangements－lessee

A. The Group leases various assets including land, buildings, machinery and equipment and transportation equipment. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 1,052	$ 826
Buildings	1,976,457	2,232,168
Machinery and equipment	4,114	5,904
Transportation equipment (Business vehicles)	17,746	13,047
	$ 1,999,369	$ 2,251,945

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 876	$ 886
Buildings	233,959	223,583
Machinery and equipment	1,789	1,844
Transportation equipment (Business vehicles)	5,721	3,435
	$ 242,345	$ 229,748

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets amount to $28,134 and $193,675, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	($ 40,680)	($ 42,097)
Expense on short-term lease contracts	(2,499)	(1,631)
Expense on leases of low-value assets	(4,384)	(3,491)
Expense on variable lease payments	(47,420)	(42,292)
Gain on sublease of right-of-use assets	12,062	10,949
Gains arising from lease modifications	228	-

E. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $361,021 and $336,241, respectively.

F. Variable lease payments

(a) Some of the Group's lease contracts contain variable lease payment terms that are linked to operating revenue from leisure and entertainment segment. For such lease items, up to 13% of lease payments are on the basis of variable payment terms and are accrued based on the operating revenue. Variable payment terms are used for a variety of reasons, including business practices. Various lease payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in operating revenue from leisure and entertainment segment with such variable lease contracts would increase total lease payments by approximately $474.

G. The Group has applied the practical expedient to "Covid-19-related rent concessions", and recognized the gain from changes in lease payments arising from the rent concessions amounting to $0 and $1,845, as other income for the years ended December 31, 2023 and 2022, respectively.

(10) Investment property

	2023		
	Land	Right-of-use assets	Total
At January 1	$ 8,815	$ 489,084	$ 497,899
Reclassifications	-	23,216	23,216
Depreciation charge	-	(40,439)	(40,439)
At December 31	$ 8,815	$ 471,861	$ 480,676

	2022		
	Land	Right-of-use assets	Total
At January 1	$ 8,815	$ 500,677	$ 509,492
Reclassifications	-	27,163	27,163
Depreciation charge	-	(38,756)	(38,756)
At December 31	$ 8,815	$ 489,084	$ 497,899

The fair values of the investment property held by the Group as of December 31, 2023 and 2022 amounted to $622,158 and $515,879, respectively, which was assessed based on recent settlement prices of similar and comparable properties. Valuations were made by considering factors such as location, scale and purpose of use, etc., and using the comparative method, which were categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	2023					
	Trademarks	Computer software	Goodwill	Membership list	Others	Total
At January 1						
Cost	$ 62,099	$ 3,956	$ 54,459	$ 10,120	$ 11,358	$ 141,992
Accumulated depreciation and impairment	(2,790)	(3,483)	(30,777)	(10,120)	(1,584)	(48,754)
	$ 59,309	$ 473	$ 23,682	$ -	$ 9,774	$ 93,238
Opening net book amount as of January 1	$ 59,309	$ 473	$ 23,682	$ -	$ 9,774	$ 93,238
Acquisitions	-	637	-	-	-	637
Amortization charge	-	(580)	-	-	2,655	(3,235)
Closing net book amount as of December 31	$ 59,309	$ 530	$ 23,682	$ -	$ 7,119	$ 90,640
At December 31						
Cost	$ 62,099	$ 4,593	$ 54,459	$ 10,120	$ 11,358	$ 142,629
Accumulated amortization and impairment	(2,790)	(4,063)	(30,777)	(10,120)	(4,239)	(51,989)
	$ 59,309	$ 530	$ 23,682	$ -	$ 7,119	$ 90,640

	2022					
	Trademarks	Computer software	Goodwill	Copyright	Membership list	Total
At January 1						
Cost	$ 62,099	$ 3,920	$ 54,459	$ 10,120	$ -	$ 130,598
Accumulated depreciation and impairment	(2,790)	(3,184)	(30,777)	(8,433)	-	(45,184)
	$ 59,309	$ 736	$ 23,682	$ 1,687	$ -	$ 85,414
Opening net book amount as of January 1	$ 59,309	$ 736	$ 23,682	$ 1,687	$ -	$ 85,414
Acquisitions	-	36	-	-	9,818	9,854
Reclassifications	-	-	-	-	1,540	1,540
Amortization charge	-	(299)	-	(1,687)	(1,584)	(3,570)
Closing net book amount as of December 31	$ 59,309	$ 473	$ 23,682	$ -	$ 9,774	$ 93,238
At December 31						
Cost	$ 62,099	$ 3,956	$ 54,459	$ 10,120	$ 11,358	$ 141,992
Accumulated amortization and impairment	(2,790)	(3,483)	(30,777)	(10,120)	(1,584)	(48,754)
	$ 59,309	$ 473	$ 23,682	$ -	$ 9,774	$ 93,238

Goodwill of the Group is tested annually for impairment. The recoverable amount was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets of the sport and family business segment approved by the management covering a five-year period. The key assumptions of the recoverable amount that the Group calculated according to the value in use for the years ended December 31, 2023 and 2022 are as follows: gross margin of 3.43% and 2.12%, growth rate of 2.00% and 3.21%, and discount rate of 15.31% and 16.14%, respectively.

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	$ 125,509	$ 105,677
Restricted cash in banks	62,185	43,523
Prepayments for investments	-	6,650
Prepayments for business facilities	-	908
Other assets	2,956	3,788
	$ 190,650	$ 160,546

Guarantee deposits paid and Restricted cash in banks were pledged to others are provided in Note 8.

(13) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 438,457	1.80%~3.24%	Please refer to Note 8
Unsecured borrowings	42,500	2.12%~2.58%	Credit guarantee fund
	$ 480,957		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 239,000	1.80%~2.99%	Please refer to Note 8
Unsecured borrowings	42,500	2.12%	Credit guarantee fund
	$ 281,500		

Interest expense recognized in profit or loss due to short-term borrowings amounted to $9,460 and $4,930 for the years ended December 31, 2023 and 2022, respectively.

(14) Other payables

	December 31, 2023	December 31, 2022
Wages, salaries and bonuses payable	$ 39,146	$ 35,878
Payable on construction equipment	34,362	14,466
Utilities payable	9,646	7,888
Repairs and maintenance payable	10,624	7,751
Insurance expense payable	6,575	5,816
Others	54,834	49,347
	$ 155,187	$ 121,146

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Secured borrowings	Borrowing period is from 2019.07 to 2024.07 and installments are repayable from August 2019	2.10%~3.17%	Please refer to Note 8	$ 986
Secured borrowings	Borrowing period is from 2020.04 to 2024.09 and installments are repayable from October 2020	1.90%~2.50%	Please refer to Note 8	23,332
Secured borrowings	Borrowing period is from 2021.02 to 2024.02 and installments are repayable from March 2021	2.25%~3.07%	Credit guarantee fund and the description in Note 8	2,805
Secured borrowings	Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2021	2.00%~2.82%	Credit guarantee fund and the description in Note 8	38,821
Secured borrowings	Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021	2.25%~5.07%	Please refer to Note 8	56,371
Secured borrowings	Borrowing period is from 2022.03 to 2027.03 and installments are repayable from April 2023	2.42%~3.17%	Please refer to Note 8	12,330
Unsecured borrowings	Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022	2.25%~2.75%	Please refer to Note 8	20,921
Secured borrowings	Borrowing period is from 2022.06 to 2024.06 and installments are repayable from July 2022	1.99%	Please refer to Note 8	4,031
Secured borrowings	Borrowing period is from 2022.06 to 2027.06 and installments are repayable from July 2023	3.33%~3.70%	Please refer to Note 8	56,630
Secured borrowings	Borrowing period is from 2022.10 to 2025.10 and installments are repayable from November 2022	1.60%	Please refer to Note 8	18,822
Secured borrowings	Borrowing period is from 2022.12 to 2025.12 and installments are repayable from January 2023	2.92%	Please refer to Note 8	25,019

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Secured borrowings	Borrowing period is from 2022.12 to 2042.12 and installments are repayable from January 2023	2.26%~2.51%	Please refer to Note 8	$ 6,486
Secured borrowings	Borrowing period is from 2023.01 to 2027.06 and installments are repayable from January 2024	3.70%	Credit guarantee fund and the description in Note 8	4,960
Secured borrowings	Borrowing period is from 2023.02 to 2026.02 and installments are repayable from March 2023	2.75%	Please refer to Note 8	29,218
Secured borrowings	Borrowing period is from 2023.03 to 2026.03 and installments are repayable from April 2023	2.74%	Please refer to Note 8	37,396
Secured borrowings	Borrowing period is from 2023.08 to 2026.08 and installments are repayable from September 2023	3.07%	Please refer to Note 8	17,868
Secured borrowings	Borrowing period is from 2023.09 to 2025.08 and installments are repayable from September 2023	1.53%	Please refer to Note 8	24,198
Unsecured borrowings	Borrowing period is from 2023.10 to 2028.09 and installments are repayable from November 2024	2.10%~2.48%	Credit guarantee fund	14,990
Secured borrowings	Borrowing period is from 2023.12 to 2028.12 and installments are repayable from January 2026	2.10%	Credit guarantee fund and the description in Note 8	480
				395,664
Less: Current portion				(163,557)
				$ 232,107

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from 2020.04 to 2023.04 and installments are repayable from May 2020	1.74%~1.99%	None	$ 2,276
Secured borrowings	Borrowing period is from 2019.07 to 2024.07 and installments are repayable from August 2019	2.10%~2.92%	Please refer to Note 8	2,635
Secured borrowings	Borrowing period is from 2020.04 to 2024.09 and installments are repayable from October 2020	1.90%~2.25%	Please refer to Note 8	53,777
Secured borrowings	Borrowing period is from 2020.11 to 2023.11 and installments are repayable from December 2020	1.00%~3.38%	Credit guarantee fund and the description in Note 8	939
Secured borrowings	Borrowing period is from 2021.02 to 2023.02 and installments are repayable from March 2021	1.28%	Please refer to Note 8	3,794
Secured borrowings	Borrowing period is from 2021.02 to 2024.02 and installments are repayable from March 2021	2.25%~2.83%	Credit guarantee fund and the description in Note 8	19,341

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Secured borrowings	Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2021	2.00%~2.57%	Credit guarantee fund and the description in Note 8	$ 55,838
Secured borrowings	Borrowing period is from 2021.05 to 2023.05 and installments are repayable from June 2021	3.03%~3.35%	Please refer to Note 8	7,157
Secured borrowings	Borrowing period is from 2021.09 to 2023.02 and installments are repayable from September 2021	2.50%~2.52%	Please refer to Note 8	4,517
Secured borrowings	Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021	2.25%~4.82%	Please refer to Note 8	67,002
Secured borrowings	Borrowing period is from 2022.03 to 2027.03 and installments are repayable from April 2023	2.42~2.92%	Please refer to Note 8	15,000
Unsecured borrowings	Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022	2.25%~2.63%	Please refer to Note 8	26,685
Secured borrowings	Borrowing period is from 2022.06 to 2024.06 and installments are repayable from July 2022	1.99%	Please refer to Note 8	13,570
Secured borrowings	Borrowing period is from 2022.06 to 2027.06 and installments are repayable from July 2023	2.11%~3.33%	None	16,000
Secured borrowings	Borrowing period is from 2022.06 to 2027.06 and installments are repayable from July 2023	3.33%~3.45%	Please refer to Note 8	64,720
Secured borrowings	Borrowing period is from 2022.10 to 2025.10 and installments are repayable from November 2022	1.60%	Please refer to Note 8	30,125
Secured borrowings	Borrowing period is from 2022.12 to 2025.12 and installments are repayable from January 2023	2.92%	Please refer to Note 8	40,000
Secured borrowings	Borrowing period is from 2022.12 to 2042.12 and installments are repayable from January 2023	2.26%	Please refer to Note 8	6,750
				430,126
Less: Current portion				(150,484)
				$ 279,642

(16) Pensions

A. Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

B. The pension costs under defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022, were $15,060 and $13,550, respectively.

(17) Share-based payment (no transactions in the year of 2022)

A. For the year ended December 31, 2023, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	1,600 thousand shares	2023.5.17~ 2023.6.17	Vested immediately
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	161 thousand shares	2023.5.17~ 2023.6.17	Vested immediately

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model . Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note)	Expected Option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	15.65	11.86	57.23%	0.06 year	-	1.09%	0.8714
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	15.65	11.43	57.23%	0.06 year	-	1.09%	1.1328

Note：The expected price volatility is estimated based on the daily historical stock price fluctuation data of the past three months before the company's- grant date.

C. Expenses incurred on share-based payment transactions are shown below:

Type of arrangement	Year ended December 31, 2023	Year ended December 31, 2022
Equity-settled	$ 1,577	$ -

(18) Share capital

A. As of December 31, 2023, the Company's authorised capital was $3,000,000, and the paid-in capital was $900,000 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1	$ 88,239	$ 88,239
Treasury shares transferred to employees	1,761	-
At December 31	$ 99,000	$ 88,239

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

On December 31, 2012, all the Company's treasury stocks were transferred to employees.

Name of company holding the shares	Reason for reacquisition	December 31, 2022	
		Number of shares	Carrying amount
The Company	To be reissued to employees	1,761 thousand shares	$ 24,939

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Accumulated deficits to be covered

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses. Then, 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with operations or related laws.

B. The Company's dividend distribution is subject to the current year's earnings and adopts a stable dividend strategy. The Company takes future capital budget into consideration to measure future capital needs. After financing the capital needs with retained earnings, the remainder, if any, shall be appropriated as cash dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The Company had accumulated deficits in the years of 2022 and 2021 as resolved by the Company's shareholders on May 31, 2023 and 2022, respectively, and thus had no earnings for distribution.

F. The Company had accumulated deficits in the year of 2023 as resolved by the Board of Directors on March 12, 2024, and thus had no earnings for distribution.

(21) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 53,575)	($ 17,688)	($ 71,263)
Evaluation adjustment	(14,873)	-	(14,873)
Currency translation differences:			
- Group	-	(4,227)	(4,227)
At December 31	($ 68,448)	($ 21,915)	($ 90,363)

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 51,414)	($ 19,580)	($ 70,994)
Evaluation adjustment	(2,161)	-	(2,161)
Currency translation differences:			
- Group	-	130	130
- Associates	-	1,762	1,762
At December 31	($ 53,575)	($ 17,688)	($ 71,263)

(22) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	Taiwan		
2023	Shopping centres development segment	Leisure and recreation segment	Total
Total segment revenue	$ 485,537	$ 859,951	$ 1,345,488
Inter-segment revenue	(20,736)	-	(20,736)
Revenue from external customer contracts	$ 464,801	$ 859,951	$ 1,324,752
Timing of revenue recognition			
At a point in time	$ 464,801	$ 859,951	$ 1,324,752

2022	Shopping centres development segment	Leisure and recreation segment	Total
Total segment revenue	$ 428,596	$ 693,892	$ 1,122,488
Inter-segment revenue	(15,661)	-	(15,661)
Revenue from external customer contracts	$ 412,935	$ 693,892	$ 1,106,827
Timing of revenue recognition			
At a point in time	$ 412,935	$ 693,892	$ 1,106,827

B. Contract liabilities

(a) The Group has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Membership cards and bills	$ 105,026	$ 111,969	$ 105,944
Advertising contracts	514	367	493
Customer loyalty programmes	4,389	3,819	3,855
Service revenue	3,816	2,672	2,973
At December 31	$ 113,745	$ 118,827	$ 113,265

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Membership cards and bills	$ 73,206	$ 63,254
Advertising contracts	367	493
Customer loyalty programmes	3,448	3,677
Service revenue	2,554	2,949
	$ 79,575	$ 70,373

(23) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 2,933	$ 538
Other interest income	998	449
	$ 3,931	$ 987

(24) Other income

	Year ended December 31	
	2023	2022
Rent income	$ 12,211	$ 11,030
Management service income	7,768	3,312
Other income recognized from rent concessions	-	1,845
Dividend income	2,412	394
Government grants income	835	382
Others	6,509	3,390
	$ 29,735	$ 20,353

(25) Other gains and losses

	Year ended December 31	
	2023	2022
Gains (losses) on financial assets at fair value through profit or loss	$ 15,325	($ 198)
Gains on disposals of property, plant and equipment	875	4,192
Net currency exchange (losses) gains	(5,770)	5,480
Gains arising from lease modifications	228	-
Losses on disposals of investments	(2)	-
Other losses, net	(1,764)	(9)
	$ 8,892	$ 9,465

(26) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on lease liabilities	$ 40,680	$ 42,097
Interest expense on bank borrowings	18,816	13,380
Other financial expenses	5,678	2,025
	$ 65,174	$ 57,502

(27) Expenses by nature

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 88,875	$ 87,583
Raw materials and supplies used	7,005	6,696
Depreciation charge	415,997	390,145
Employee benefit expense	359,405	310,978
Operating lease payments	54,303	47,414
Repairs and maintenance expense	40,445	34,560
Advertising costs	45,436	28,282
Utilities expense	31,418	24,717
Professional service fees	7,475	11,556
Amortization	4,375	4,888
Expected credit gains	-	(475)
Loss on valuation of inventories	302	-
Other expenses	189,274	167,044
	$ 1,244,310	$ 1,113,388

(28) Employee benefit expense

	Year ended December 31	
	2023	2022
Wages and salaries	$ 281,509	$ 238,244
Labour and health insurance fees	33,549	29,455
Pension costs	15,060	13,550
Directors' remuneration	14,960	15,275
Other personnel expenses	14,327	14,454
	$ 359,405	$ 310,978

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 0.5~1% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2023 and 2022, the Company had no earnings after covering accumulated losses, and thus did not accrue employees' compensation and directors' and supervisors' remuneration.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax (benefit) expense

Components of income tax (benefit) expense:

	Year ended December 31	
	2023	2022
Current tax:		
Income tax on sale of real estate	$ -	$ 1,585
Over provision of prior year's income tax	(1,585)	-
Income tax (benefit) expense	($ 1,585)	$ 1,585

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit (loss) before tax and statutory tax rate	$ 9,354	($ 7,067)
Expenses disallowed by tax regulation	846	3,524
Tax exempt income by tax regulation	(3,344)	55
Temporary difference not recognized as deferred tax assets	174	(41)
Income tax on sale of real estate	-	1,585
Taxable loss not recognized as deferred tax assets	9,571	3,529
Over provision of prior year's income tax	(1,585)	-
Change in assessment of realisation of deferred tax assets	(16,601)	-
Income tax (benefit) expense	($ 1,585)	$ 1,585

C. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2013	$ 21,288	$ -	$ -	2023
2015	17,990	-	-	2025
2016	1,617	-	-	2026
2017	44,769	26,374	26,374	2027
2020	126,007	126,007	126,007	2030
2021	137,237	137,237	137,237	2031
2022	13,473	13,473	13,473	2032
		$ 303,091	$ 303,091	

Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
	December 31, 2022			
2013	$ 21,288	$ 21,288	$ 21,288	2023
2015	17,990	17,990	17,990	2025
2016	1,617	1,617	1,617	2026
2017	44,769	44,769	44,769	2027
2020	126,007	126,007	126,007	2030
2021	137,237	137,237	137,237	2031
2022	13,473	13,473	13,473	2032
		$ 362,381	$ 362,381	

D. The amounts of deductible temporary differences that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 616,897	$ 616,027

E. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(30) Earnings (losses) per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share
Basic (diluted) earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 60,178	89,366	$ 0.67

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share
Basic (diluted) losses per share			
Loss from continuing operations attributable to ordinary shareholders of the parent	($ 31,160)	88,239	($ 0.35)

(31) Transactions with non-controlling interest

The Group did not participate in the capital increase raised by a subsidiary proportionally to its interest to the subsidiary

In April 2022, the Group participated in the subsidiary, Taroko Entertainment Co. Ltd.'s capital increase by issuing new shares with cash amounting to $70,000. The Group did not acquire shares proportionally to its interest. As a result, the Group increased its share interest by 28.55%. The transaction increased non-controlling interest by $17,068 and decreased the equity attributable to owners of parent by $17,068.

	Year ended December 31, 2022
Cash	$ -
Increase in the carrying amount of non-controlling interest	17,068
	$ 17,068
Capital surplus	
- recognition of changes in ownership interest in subsidiaries	$ -
Increase in accumulated deficits to be covered	(17,068)
	($ 17,068)

(32) Supplemental cash flow information

Investing activities with partial cash payments

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 168,700	$ 146,990
Add: Ending balance of advance payment	-	908
Less: Opening balance of advance payment	(908)	
Add: Opening balance of payable on equipment	14,466	42,737
Less: Ending balance of payable on equipment	(34,362)	(14,466)
	$ 147,896	$ 176,169

(33) Changes in liabilities from financing activities

	2023				
	Short-term borrowings	Long-term borrowings (Note)	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 281,500	$ 430,126	$ 19,553	$ 2,890,528	$ 3,621,707
Changes in cash flow from financing activities	199,457	(34,462)	3,410	(266,038)	(97,633)
Changes in other non-cash items	-	-	-	12,596	12,596
At December 31	$ 480,957	$ 395,664	$ 22,963	$ 2,637,086	$ 3,536,670

	2022				
	Short-term borrowings	Long-term borrowings (Note)	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 243,065	$ 380,387	$ 19,391	$ 2,946,323	$ 3,589,166
Changes in cash flow from financing activities	38,435	49,739	162	(246,730)	(158,394)
Changes in other non-cash items	-	-	-	190,935	190,935
At December 31	$ 281,500	$ 430,126	$ 19,553	$ 2,890,528	$ 3,621,707

Note : Including long-term borrowings, current portion.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
SH G-RUN Sport and Investment Management Ltd. (SH G-RUN)	Associates accounted for using equity method
Shih Niang Co., Ltd. (Shih Niang)	"
Gji Ron Company Limited	"
He Chen Development Co., Ltd. (He Chen)	"
Ya Chen Development Co., Ltd. (Ya Chen)	"
Yi Chen Development Co., Ltd.	Associates accounted for using equity method (Note)
Pu Hua International Investment Limited	Entities controlled by key management of the Group
San Sheng Corporation	"
Hsieh Lin Industrial Co., Ltd.	"
Shanghai Aoyuan Recreation And Management Co.,Ltd. (Shanghai Aoyuan)	Other related parties
La Trinite Naturelle Corp. (La Trinite Naturelle)	"
Lin, Man-Li	Key management of the Group

Note: As the Company disposed the shares of Yi Chen Development Co., Ltd., the company was removed from the list of related parties since August 2023.

(2) Significant related party transactions

A. Receivables from related parties:

	Year ended December 31	
	2023	2022
Accounts receivable:		
Associates accounted for using equity method		
- Shih Niang	$ 14	$ -
Other receivables:		
Associates accounted for using equity method		
- He Chen	$ 1,838	157
- Others	79	53
Other related parties		
- Shanghai Aoyuan	-	$ 793
- Others	-	46
	$ 1,917	$ 1,049

Other receivables pertained to management service fees, payments on behalf of others, rents and proceeds from disposal of investments accounted for using equity method which shall collected from related parties.

B. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Associates accounted for using equity method - Shih Niang	$ 553	$ 747
Other related parties- La Trinite Naturelle	74	-
	$ 627	$ 747
Other payables:		
Associates accounted for using equity method - Shih Niang	$ 374	$ 157
Other related parties- La Trinite Naturelle	610	503
Key management of the Group	-	107
	$ 984	$ 767

Other payables refer to the payments of tenant-counter in department stores paid by the abovementioned related parties on behalf of the Group and management service fees paid to related parties.

C. Loans to /from related parties

(a) Receivables from related parties

	December 31, 2023	December 31, 2022
Associates accounted for using equity method		
- Ya Chen	$ 15,000	$ -

(b) Interest income

	December 31, 2023	December 31, 2022
Associates accounted for using equity method		
- Ya Chen	$ 35	$ -

D. Miscellaneous income

	Year ended December 31	
	2023	2022
Revenue from management service fees		
Associates accounted for using equity method		
- He Chen	$ 7,368	$ 2,871
- Shih Niang	400	400
Entities controlled by key management of the Group	-	41
	$ 7,768	$ 3,312

The Group collects management service fee from related parties for handling related business and administrative operations. The service consideration is determined according to the mutual agreement and collected in the following month.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 18,858	$ 17,466
Post-employment benefits	391	142
Share-based payments	456	-
	$ 19,705	$ 17,608

8. PLEDGED ASSETS

The Group's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Inventories	$ 240,281	$ 240,281	Short-term and long-term borrowings
Financial assets at fair value through other comprehensive income - Listed stocks	134,031	-	Short-term borrowings
Other current assets - Restricted cash in banks	71,661	69,131	Short-term borrowings, guarantee for the issuance of notes and bills, trust accounts and performance guarantee
- Guarantee deposits paid	-	26,000	Short-term and long-term borrowings
Other non-current assets - Restricted cash in banks	62,185	43,523	Long-term borrowings and building leasing performance guarantee
- Guarantee deposits paid	26,000	14,000	Long-term borrowings
Property, plant and equipment - Land	12,406	12,406	Long-term borrowings
- Buildings and structures	4,497	4,589	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2023and 2022, the Group entered into a number of building design and shopping mall planning contracts for indoor decoration in Taroko Mall and interior construction in Taroko Square. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 8,284	$ 17,177

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain a healthy capital base, the Group considers operating capital needs, capital expenditures and dividend expenditures in the future to monitor the Group's capital structure through financial analysis as to fulfil capital management goals.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 100,309	$ 88,437
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	187,676	36,214
Financial assets at amortised cost		
Cash and cash equivalents	489,311	493,208
Notes receivable	-	105
Accounts receivable (including related parties)	56,710	50,048
Other receivables (including related parties)	20,118	7,922
Guarantee deposits paid	125,509	131,677
Restricted cash in banks	133,846	112,654
	$ 1,113,479	$ 920,265

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 480,957	$ 281,500
Notes payable	260	746
Accounts payable (including related parties)	272,150	298,958
Other accounts payable (including related parties)	156,171	121,913
Long-term borrowings (including current portion)	395,664	430,126
Guarantee deposits received	22,963	19,553
	$ 1,328,165	$ 1,152,796
Lease liability	$ 2,637,086	$ 2,890,528

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 154	30.71	$ 4,729
RMB:NTD	1,224	4.32	5,288
JPY:NTD	398,320	0.2172	86,515

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 235	30.71	$ 7,217
RMB:NTD	826	4.41	3,643
JPY:NTD	400,123	0.2324	92,989

iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to ($5,770) and $5,480, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 47	$ -
RMB:NTD	1%	53	-
JPY:NTD	1%	865	-

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 72	$ -
RMB:NTD	1%	36	-
JPY:NTD	1%	930	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$802 and \$707, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$1,877 and \$362, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in New Taiwan dollars.

ii. The Group's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$1,753 and \$1,423, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows stated at amortised cost.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

iii. The Group is primarily engaged in retail of department store and shopping centre and leisure and recreation business. Accounts receivable account for a small proportion to the total assets, and the possibility of unrecoverable is remote.

iv. Based on the past collection experience, the default occurs when the contract payments are past due over 90 days.

v. For accounts receivable arising from transactions, the methods of assessing the expected credit risk of accounts receivable by the Group are as follows:

(i). Assess the expected credit loss on an individual basis if a significant default has occurred to certain customers;

(ii). The remaining receivables are grouped in accordance with the credit rating of customers. Different loss rates are applied to the different groups when estimating expected credit losses.

vi. The Group referred to the forecastability of Business Indicators DataBase in the National Development Council and Basel Committee on Banking Supervision (BCBS) to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Past due over 90 days	Total
December 31, 2023						
Expected loss rate	0.06%	0.06%	0.06%	0.06%	53.94%	
Total book value	$ 49,632	$ 6,044	$ 6	$ 8	$ 2,258	$ 57,948
Loss allowance	$ 30	$ 4	$ -	$ -	$ 1,218	$ 1,252

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Past due over 90 days	Total
December 31, 2022						
Expected loss rate	0.06%	0.06%	0.06%	0.06%	49.35%	
Total book value	$ 40,633	$ 8,028	$ 152	$ 9	$ 2,478	$ 51,300
Loss allowance	$ 24	$ 5	$ -	$ -	$ 1,223	$ 1,252

vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 1,252	$ 1,727
Reversal of impairment loss	-	(475)
At December 31	$ 1,252	$ 1,252

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate and sufficient liquidity to provide sufficient head-room to the Group.

iii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate		
Expiring within one year	$ 7,500	$ 7,500
Expiring beyond one year	40,080	10,520
	$ 47,580	$ 18,020

iv. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 480,957	$ -	$ -	$ -
Notes payable	260	-	-	-
Accounts payable (including related parties)	272,150	-	-	-
Other payables (including related parties)	156,171	-	-	-
Long-term borrowings (including current portion)	173,495	131,901	105,089	6,237
Lease liability	292,163	275,849	750,922	1,534,637

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 281,500	$ -	$ -	$ -
Notes payable	746	-	-	-
Accounts payable (including related parties)	298,958	-	-	-
Other payables (including related parties)	121,193	-	-	-
Long-term borrowings (including current portion)	157,284	119,733	159,974	16,013
Lease liability	304,799	282,452	766,944	1,774,678

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Group’s investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Group’s investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), notes payable, accounts payable (including related parties), other payables (including related parties), short-term borrowings and long-term borrowings (including current portion) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities as follows:

(a) Classification according to the nature of the assets and liabilities, relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 2,583	$ -	$ -	$ 2,583
Agreement on movie investment	-	-	34	34
Agreement on development and building projects investment	-	-	97,692	97,692
Financial assets at fair value through other comprehensive income				
Equity securities	143,541	44,135	-	187,676
	$ 146,124	$ 44,135	$ 97,726	$ 287,985

December 31, 2021	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 5,290	$ -	$ -	$ 5,290
Agreement on movie investment	-	-	59	59
Agreement on development and building projects investment	-	-	83,088	83,088
Financial assets at fair value through other comprehensive income				
Equity securities	-	36,214	-	36,214
	$ 5,290	$ 36,214	$ 83,147	$ 124,651

(b) The methods and assumptions the Group used to measure fair value are as follows:

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed shares and the closing price as market quoted prices.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

iii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3).

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group's financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

F. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	
	Movie investment	Development project investment
At January 1	$ 59	$ 83,088
Gains and losses recognized in profit or loss	94	14,604
Decrease in investment cost	(119)	-
At December 31	$ 34	$ 97,692

	2022	
	Movie investment	Development project investment
At January 1	$ 1,890	$ 78,240
Gains and losses recognized in profit or loss	(1,789)	4,848
Decrease in investment cost	(42)	-
At December 31	$ 59	$ 83,088

H. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

I. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Agreement on movie investment	$ 34	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value
Agreement on development and building projects investment	97,692	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Agreement on movie investment	$ 59	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value
Agreement on development and building projects investment	83,088	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value

K. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. For financial assets and liabilities categorised within Level 3, there is no significant impact to other comprehensive income on December 31, 2023 and 2022 if the net asset value increase or decrease 1%.

13. SUPPLEMENTARY DISCLOSURE

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The chief operating decision-maker considers the business from a product and geographic type perspective, segments are separated into strategic business segment, construction segment, shopping centres development segment and leisure and recreation segment based on the category of products; geographically, the Group derives revenue primarily from shopping centres development in Taiwan, recreational activities venue business and the leasing and sales of building and land.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on operating revenue and profit before tax.

(3) Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	Year ended December 31, 2023				
	Strategic business segment	Construction segment	Shopping centres development segment	Leisure and recreation segment	Total
Revenue from external customers	$ -	$ -	$ 464,801	$ 859,951	$ 1,324,752
Interest income	1,758	40	521	1,612	3,931
Interest expense	(20,046)	(381)	(30,661)	(14,086)	(65,174)
Depreciation and amortization	(8,296)	(4,608)	(159,632)	(247,836)	(420,372)
Loss on investments accounted for using equity method	(4,431)	-	-	-	(4,431)
Other	-	(683)	(283,215)	(501,413)	(785,311)
Segment income (loss)	($ 31,015)	($ 5,632)	($ 8,186)	$ 98,228	($ 53,395)
Identifiable assets	$ 958,958	$ 91,445	$ 2,582,937	$1,057,779	$ 4,691,119
Investments accounted for using equity method	180,462	-	-	-	180,462
Segment assets	$ 1,139,420	$ 91,445	$ 2,582,937	$1,057,779	$ 4,871,581

	Year ended December 31, 2022				
	Strategic business segment	Construction segment	Shopping centres development segment	Leisure and recreation segment	Total
Revenue from external customers	$ -	$ -	$ 412,935	$ 693,892	$ 1,106,827
Interest income	440	10	277	260	987
Interest expense	(11,477)	(251)	(32,759)	(13,015)	(57,502)
Depreciation and amortization	(5,287)	(1,481)	(234,733)	(153,532)	(395,033)
Loss on investments accounted for using equity method	(2,075)	-	-	-	(2,075)
Other	-	200	(266,136)	(422,601)	(688,537)
Segment income (loss)	($ 18,399)	($ 1,522)	($ 120,416)	$ 105,004	($ 35,333)
Identifiable assets	$ 887,790	$ 91,128	$ 2,743,588	$1,010,254	$ 4,732,760
Investments accounted for using equity method	164,255	-	-	-	164,255
Segment assets	$ 1,052,045	$ 91,128	$ 2,743,588	$1,010,254	$ 4,897,015

(4) Reconciliation for segment income (loss)

The revenue from external customers and segment income (loss) provided to the chief operating decision-maker is measured in a manner consistent with that in the (financial statements) of comprehensive income. The revenue from external customers and segment profit (loss) provided to the chief operating decision-maker are measured in a manner consistent with those in the financial statements. Therefore, such reconciliation is not required.

(5) Information on products and services

	Year ended December 31	
	2023	2022
Entertainment revenue	$ 643,311	$ 504,415
Counter rental revenue	314,589	280,879
Sales revenue	196,663	177,822
Other income	170,189	143,711
	$ 1,324,752	$ 1,106,827

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December			
	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 1,324,752	$ 3,415,128	$ 1,106,827	$ 3,623,468
Mainland China	-	-	-	-
	$ 1,324,752	$ 3,415,128	$ 1,106,827	$ 3,623,468

(7) Major customer information

For the years ended December 31, 2023 and 2022, there was no major customer accounting for more than 10% of the enterprise income.

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TRK Corporation

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
0	TRK Corporation	Taroko Architecture Co., Ltd.	Other receivables due from related parties	Yes	$ 30,000	$ 20,000	$ 20,000	2.50%	2	$ -	Operating capital	$ -	Secured commercial paper	$ 20,000	$ 77,881	$ 311,526	
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Other receivables due from related parties	Yes	60,000	30,000	10,000	2.50%	2	-	Operating capital	-	Secured commercial paper	100,000	77,881	311,526	
0	TRK Corporation	Style 80's Co., Ltd.	Other receivables due from related parties	Yes	15,000	10,000	5,000	2.50%	2	-	Operating capital	-	Secured commercial paper	10,000	77,881	311,526	
0	TRK Corporation	Lu Hsin Co., Ltd.	Other receivables due from related parties	Yes	70,000	30,000	30,000	2.50%	2	-	Operating capital	-	Secured commercial paper	40,000	77,881	311,526	
0	TRK Corporation	Ya Chen Development Co., Ltd.	Other receivables due from related parties	Yes	15,000	15,000	15,000	2.87%	2	-	Operating capital	-	Secured commercial paper	15,000	77,881	311,526	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Nature of loan: 1. For business transaction. 2. For short-term financing.

Note 3: The ceiling on loans granted by the Company and subsidiaries shall not exceed 40% of the company's net assets, while for companies having business relationship with the Company, ceiling on loans granted shall not exceed 20% of the company's net assets. For short-term capital needs, the ceiling on loans granted shall not exceed 40% of the Company's net assets; for companies having business relationship with the Company, the limit on loans granted to a single party shall not exceed the amount of business transactions, while for short-term financing, ceiling on loans granted shall not exceed 10% of the net assets.

TRK Corporation

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	TRK Corporation	Taroko Entertainment Co., Ltd.	3	$ 1,557,628	$ 125,000	$ 70,000	$ 24,198	-	8.99%	$ 1,947,035	Y	N	N	
0	TRK Corporation	Lu Hsin Co., Ltd.	3	389,407	15,000	15,000	12,330	-	1.93%	1,947,035	Y	N	N	
0	TRK Corporation	Style 80's Co., Ltd.	3	389,407	20,000	20,000	986	-	2.57%	1,947,035	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed subsidiary.
(3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Limit on endorsements / guarantees provided is 250% of the Company's net worth based on the latest financial statements. Limit on endorsement/guarantee to a single subsidiary is 50% of the Company's net assets. However, for the subsidiary which the Company holds more than 70% of the shares directly or indirectly, the limit shall be less than 200% of the Company's net worth and it is necessary to explain the necessity and reasonableness at the shareholders' meeting.

TRK Corporation

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
TRK Corporation	Power Wind Health Industry Incorporated	None	Financial assets at fair value through profit or loss	21,000	$ 2,583	0.00%	$ 2,583	
TRK Corporation	Power Wind Health Industry Incorporated	None	Financial assets at fair value through other comprehensive income	1,167,000	$ 143,541	1.47%	$ 143,541	
TRK Corporation	All-Aspect Enterprise Ltd.	〃	〃	50	-	5.26%	-	
TRK Corporation	Bo Xin Health Industry Incorporated.	〃	〃	150,000	5,110	10.00%	5,110	
Taroko Architecture Co., Ltd.	Kong Cheng Enterprises Co., Ltd.	The Company's chairman is the chairman of the company	〃	7,458,000	33,334	15.23%	33,334	
Taroko Architecture Co., Ltd.	GlobalTown Development Co., Ltd.	None	〃	503,562	5,691	6.90%	5,691	
							$ 187,676	

TRK Corporation

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (%) (Note 2)
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Operating revenue	$ 17,357	Note 3	1.31
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Accounts receivable	4,466	〃	0.09
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Other income	14,654	Note 4	1.11
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Other receivables	12,513	Note 3,4,5	0.26
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Other receivables	32,895	〃	0.68
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Operating revenue	3,920	Note 3	0.30
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Accounts payable	3,682	〃	0.08
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Other income	18,279	Note 4	1.38
0	TRK Corporation	Style 80's Co., Ltd.	Parent company to subsidiary	Other receivables	5,011	Note 3,5	0.10
0	TRK Corporation	Taroko Architecture Co., Ltd.	Parent company to subsidiary	Other receivables	20,008	〃	0.41
0	TRK Corporation	Taroko US CA Corporation	Parent company to subsidiary	Other receivables	9,984	Note 6	0.20
1	Taroko Architecture Co., Ltd.	TRK Corporation	Subsidiary to Parent company	Other income	4,004	Note 4	0.30

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1) Parent company is ‘0’.
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 3: Transaction prices and the credit terms are approximately the same with third parties.

Note 4: It pertained to the provision of management services. Prices are determined based on mutual agreements and payments are based on financial condition.

Note 5: It pertained to loans receivable.

Note 6: It pertained to payment on behalf of sub-subsidiary.

Note 7: Only transaction amount that exceeds NTD 1 million will be disclosed, otherwise will not be disclosed.

TRK Corporation

Information on investees

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
TRK Corporation	Gowin Development Ltd.	British Virgin Islands	A holding company which investing in the Mainland China	$ 194,236	$ 194,236	6,375,000	100.00	$ 4,989	(146)	(146)	
TRK Corporation	Taroko Architecture Co., Ltd.	Taiwan	Trading of real estate and securities	415,709	415,709	15,500,000	100.00	65,703	1,289	1,289	
TRK Corporation	Taroko Recreation Management Co., Ltd.	Anguilla	A holding company which investing in the Mainland China	371,827	371,827	11,910,000	100.00	5,223	(273)	(273)	
TRK Corporation	Taroko US Corporation	United States of America	A holding company which investing in the United States of America	96,531	-	30,000	100.00	78,698	(13,615)	(13,615)	
TRK Corporation	Taroko Entertainment Co., Ltd.	Taiwan	Recreational activities venue business	379,350	379,350	7,001,000	100.00	28,185	17,514	18,613	
TRK Corporation	Lu Hsin Co., Ltd.	Taiwan	Wholesale of books and stationery	31,475	31,475	3,147,500	69.94	-	(25,544)	(17,561)	
TRK Corporation	Shih Niang Co., Ltd.	Taiwan	Restaurant industry	4,900	4,900	490,000	49.00	4,653	1,876	919	
TRK Corporation	Gji Ron Company Limited	Taiwan	Real estate leasing	3,577	3,577	325,550	32.55	3,066	(411)	(134)	
TRK Corporation	He Chen Development Co., Ltd.	Taiwan	Housing and building development	142,550	129,250	14,255,000	18.75	139,965	(7,990)	(1,497)	Note 1
TRK Corporation	Ya Chen Development Co., Ltd.	Taiwan	Housing and building development	9,690	9,690	969,000	19.00	9,877	1,055	200	Note 1
TRK Corporation	Yi Chen Development Co., Ltd.	Taiwan	Housing and building development	-	190	-	-	-	(29)	(5)	
TRK Corporation	Boruem Real Estate Development Co., Ltd.	Taiwan	Housing and building development	27,500	20,000	2,750,000	25.00	22,901	(15,657)	(3,914)	Note 1
Taroko Architecture	Style 80's Co., Ltd.	Taiwan	Hotels and motels, restaurant industry	30,000	30,000	1,680,000	60.00	23,716	6,208	-	
Taroko US Corporation	Taroko US CA Corporation	United States of America	Recreational activities venue business	9,377	-	3,000	100.00	(5,013)	(14,433)	-	

Note 1: It is based on the financial statement that were audited by the other audits.

TRK Corporation

Information on investments in Mainland China

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
					Remitted to Mainland China	Remitted back to Taiwan							
Jinan Taroko Photoelectric Technology Co., Ltd.	Operation of business portfolio such as hot cathode fluorescent lamps, cold cathode fluorescent lamps, ballasts and panels	$ 14,240	2	$ 14,240	$ -	$ -	$ 14,240	$ -	0.00%	$ -	$ -	$ -	Note 3, 4
Shandong Taroko Weaving & Dyeing Industry Co., Ltd.	Development of textile technology, fiber dyeing of advanced chemical fiber fabric and as well as post processing	448,560	2	149,406	-	-	149,406	-	0.00%	-	-	-	Note 3, 6
SH G-RUN Sport and Investment Management Ltd.	Operation of sports facility and restaurant management	339,197	2	339,197	-	-	339,197	(34,502)	30.00%	-	-	-	Note 5

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
TRK Corporation	$ 502,843	$ 531,015	$ 473,494

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:
(1) Directly invest in a company in Mainland China.
(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(3) Others

Note 2: It based on investees' financial statements which were not reviewed by independent accountants.

Note 3: A subsidiary of the Company, Gowin Development Ltd., invested in Shandong Taroko Weaving & Dyeing Industry Co., Ltd. through reinvesting in Happy Year Investment Co., Ltd. with the investment in Jinan Taroko Photoelectric Technology Co., Ltd. at its net value of RMB 47,107 in the year of 2006. The investment was completed with the local competent authorities.

Note 4: The investee company completed the liquidation in the first quarter of 2008 and obtained the withdrawal letter issued by the Investment Commission, Ministry of Economic Affairs.

Note 5: The Company obtained 99.19% equity interest of SH G-RUN Sport and Investment Management Ltd. through reinvesting in Taroko Recreation management Co., Ltd. The total investment was USD 12,000 thousand and the investment was approved by the Investment Commission, Ministry of Economic Affairs; An investee company, Shandong Taroko Weaving & Dyeing Industry Co., Ltd., which 40% indirectly held by the Company obtained 0.81% equity interest of SH G-RUN Sport and Investment Management Ltd.. The total investment was USD 100 thousand and the equity interest was sold to a third party, Jinan Trade Base Trading Co., Ltd. in the year of 2015; 50% and 19.19% of equity interest from abovementioned investment in Taroko Recreation management Co., Ltd. was sold to Shanghai Aoyuan and Jinan Trade Base Trading Co., Ltd., respectively, in the year of 2020. The transfer of investment was approved by the Investment Commission, Ministry of Economic Affairs. Yingbo Holding Group Co., Ltd. in the year of 2014 with the transaction amount of RMB 115,000 thousand. The above equity transaction was completed in the year of 2016.

TRK Corporation

Major shareholders information

Year ended December 31, 2023

Table 7

	Shares	
Name of major shareholders	Number of shares held	Ownership (%)
Kong Cheng Enterprises Co., Ltd.	8,628,430	9.58%
Lin, Man-Li	7,827,539	8.69%
Sacon International Co., Ltd.	7,278,532	8.08%

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000551

To the Board of Directors and Shareholders of TRK Corporation

Opinion

We have audited the accompanying parent company only balance sheets of TRK Corporation (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity, and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors, (please refer to the *Other matter* section of our report), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the parent company only financial statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

The completeness and accuracy of tenant-counter sales in department stores

Description

Please refer to Note 4(25) for accounting policies on revenue recognition and Note 6(22) for details of operating revenue.

Tenant-counter sales arises mainly through the establishment of merchandise and supplier master file data (such as merchandise master file, counter supplier master file data establishment, rent commission rate, etc.). Merchandise items, quantities, selling prices and total sales amount (only proprietary products) from every transaction are automatically transferred from the counters' point of sale (POS) to the Enterprise resource planning system (ERP). The counter can only key in the amount in POS and upload the sales information to the POS back-end system after the closing at the current date, and the information would be transferred to the ERP. The entries of the tenant-counter sales are automatically generated after the responsible person checking the daily closing report and confirming them on the system; the counter's cost of goods sold is automatically transferred based on the commission rate in counter contract after the reconciliation with the counter at the end of every month. The tenant-counter sales and the counters' net cost of goods sold are listed under operating revenue at the end of every month. Every counter shall prepare daily cash reports and deposit daily cash into the bank.

Given that each transaction amount from tenant-counter sales is small but in a high volume, and the sales information is highly dependent on the transfer and calculation between systems, the above process of system summarising and the recognition of the operating revenue are important to ensure the accuracy of the tenant-counter sales. Therefore, the completeness and accuracy of tenant-counter sales stores is identified as a key audit matter.

How our audit addressed the matter

Our key audit procedures in respect of the above included the following:

1. Sampled and examined the additions or movements in the supplier master file data to ensure that they were approved appropriately.
2. Sampled and examined the approved additions or movements on the supplier master file data to ensure they were key in correctly into the master file data.
3. The sales information in POS system was regularly and completely transferred to the ERP system and generated operating revenue entry.
4. Sampled and examined the daily closing reports and the relevant evidence of the counters.
5. Sampled and examined the counters' cash deposit recognized in the daily closing reports to ensure that it was in agreement with those amounts in the bank.

6. Recalculated the accuracy of the sales cost of the counter that is automatically transferred according to the commission rate in the counter contract based on the selected samples after the reconciliation with the counters at the end of each month.
7. Sampled and examined the tenant-counter sales and the counters' cost of goods sold, net are listed under operating revenue at the end of every period.

Non-financial assets-impairment assessment of goodwill and intangible assets with indefinite useful life

Description

Please refer to Note 4(18) for accounting policies on goodwill and intangible assets with indefinite useful life and its impairment and Notes 5(2) and 6(11) for details of goodwill and intangible assets with indefinite useful life.

The Company estimates recoverable amount of goodwill's and intangible assets with indefinite useful life's cash generating unit was based on the appraisal report to determine whether goodwill and intangible assets with indefinite useful life are impaired. As a result of the estimate of future cash flows involving management's judgement and a high degree of uncertainty, there would be a significant effect on the estimated outcome of the valuation. Therefore, the impairment valuation of goodwill and intangible assets with indefinite useful life is identified as a key audit matters.

How our audit addressed the matter

Our key audit procedures in respect of the above included the following:

1. Reviewed the main financial information used in estimating future cash flows and the relevant information on the financial budget which was approved by the management, including operating revenue, operating cost and operating expenses. Compared the financial budgets prepared in prior year with the actual financial performance in current year to assess the accuracy of the predictions in current year. Discussed the reasons for material differences with the management and whether they had been included in the preparation of the current financial budget.
2. The key assumptions used in estimating expected future cash flows, including the growth rate, profit rate and discount rate of operating revenue, were compared with the comparable companies in the same industry and external market data to check whether those key assumptions fall within the range adopted in the same industry.

3. Applied the appraisal report prepared by management's expert as one of the audit evidence and performed the following audit procedures:

   (1) Evaluated the proficiency, competence and objectivity of the expert.

   (2) Reviewed the appraisal range and the timing of the assessment of the expert's report to check the correlation with the audits.

   (3) For the work of the management's expert, we evaluated the parameters, assumptions and methods to check the reasonableness of the valuation.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for under the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for under the equity method amounted to NT$172,743 thousand and NT$157,321 thousand, constituting 3.70% and 3.37% of the total assets as of December 31, 2023 and 2022, respectively, and the comprehensive loss recognized from associates and joint ventures accounted for under the equity method amounted to NT$5,211 thousand and NT$1,777 thousand, constituting (12.69%) and 5.70% of the total comprehensive income (loss) for the years then ended, respectively.

Responsibilities of management and those charged with governance for the parent company only financial statements

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Hsiao, Chun-Yuan

Liu, Mei-Lan

For and on behalf of PricewaterhouseCoopers, Taiwan
March 12, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

TRK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 349,288	7	$ 437,314	9
1110	Current financial assets at fair value through profit or loss	6(2)	2,583	-	3,094	-
1150	Notes receivable, net	6(3)	-	-	105	-
1170	Accounts receivable	6(3)	51,905	1	46,176	1
1180	Accounts receivable due from related parties	7	4,480	-	3,041	-
1200	Other receivables		1,414	-	1,354	-
1210	Other receivables due from related parties	7	90,053	2	102,228	2
130X	Inventories	6(4) and 8	273,610	6	271,747	6
1410	Prepayments		44,644	1	35,755	1
1470	Other current assets	6(5) and 8	75,396	2	68,556	2
11XX	**Total current assets**		893,373	19	969,370	21
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	97,726	2	83,147	2
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	148,651	3	6,767	-
1550	Investments accounted for using equity method	6(7) and 7	363,260	8	251,341	5
1600	Property, plant and equipment	6(8)	493,167	11	450,186	9
1755	Right-of-use assets	6(9)	1,954,213	42	2,196,085	47
1760	Investment property, net	6(10)	480,676	10	497,899	11
1780	Intangible assets	6(11)	81,633	2	82,762	2
1900	Other non-current assets	6(12) and 8	157,114	3	130,054	3
15XX	**Total non-current assets**		3,776,440	81	3,698,241	79
1XXX	**Total assets**		$ 4,669,813	100	$ 4,667,611	100

(Continued)

TRK CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13)	$ 480,957	10	$ 281,500	6
2130	Current contract liabilities	6(22)	106,469	2	112,573	2
2150	Notes payable		53	-	57	-
2170	Accounts payable		266,859	6	292,248	6
2180	Accounts payable to related parties	7	4,235	-	7,361	-
2200	Other payables	6(14)	149,073	3	113,389	3
2220	Other payables to related parties	7	1,490	-	1,259	-
2280	Current lease liabilities		240,297	5	253,570	6
2320	Long-term liabilities, current portion	6(15)	120,820	3	109,345	2
2399	Other current liabilities, others		2,865	-	1,301	-
21XX	**Total current liabilities**		1,373,118	29	1,172,603	25
	Non-current liabilities					
2540	Long-term borrowings	6(15)	149,753	3	185,699	4
2580	Non-current lease liabilities		2,346,207	50	2,575,452	55
2645	Guarantee deposits received		21,921	1	18,529	1
25XX	**Total non-current liabilities**		2,517,881	54	2,779,680	60
2XXX	**Total Liabilities**		3,890,999	83	3,952,283	85
	Equity					
	Share capital	6(18)				
3110	Common stock		900,000	19	900,000	19
	Capital surplus	6(19)				
3200	Capital surplus		199,853	4	199,838	4
	Retained earnings	6(20)				
3350	Accumulated deficit		(230,676)	(5)	(288,308)	(6)
	Other equity interest	6(21)				
3400	Other equity interest		(90,363)	(1)	(71,263)	(1)
3500	Treasury share	6(17)(18)	-	-	(24,939)	(1)
3XXX	**Total equity**		778,814	17	715,328	15
	Significant contingent liabilities and unrecognized contract commitments	9				
3X2X	**Total liabilities and equity**		$ 4,669,813	100	$ 4,667,611	100

The accompanying notes are an integral part of these financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	Amount	%	Amount	%
4000	Operating revenue	6(22) and 7	$ 1,194,837	100	$ 997,816	100
5000	Operating costs	6(4)(27)	(702,980)	(59)	(640,459)	(64)
5900	Gross profit		491,857	41	357,357	36
	Operating expenses	6(27)(28) and 7				
6100	Selling expenses		(295,029)	(24)	(263,116)	(27)
6200	General and administrative expenses		(129,820)	(11)	(101,092)	(10)
6450	Expected credit gains		-	-	(475)	-
6000	Total operating expenses		(424,849)	(35)	(363,733)	(37)
6900	Operating loss		67,008	6	(6,376)	(1)
	Non-operating income and expenses					
7100	Interest income	6(23)	4,888	-	2,327	-
7010	Other income	6(24) and 7	53,640	4	34,758	4
7020	Other gains and losses	6(25)	10,106	1	4,165	-
7050	Finance costs	6(26)	(59,340)	(5)	(52,192)	(5)
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	(16,124)	(1)	(13,842)	(1)
7000	Total non-operating income and expenses		(6,830)	(1)	(24,784)	(2)
7900	**Profit (loss) before income tax**		60,178	5	(31,160)	(3)
7950	Income tax expense	6(29)	-	-	-	-
8200	**Profit (loss) for the year**		$ 60,178	5	($ 31,160)	(3)

(Continued)

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings (losses) per share amounts)

	Items	Notes	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income (loss)					
8316	Unrealised loss from investments in equity instruments measured at fair value through other comprehensive income	6(6)	($ 24,451)	(2)	($ 546)	-
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using equity method that will not be reclassified to profit or loss		9,578	1	(1,615)	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(14,873)	(1)	(2,161)	-
8361	Exchange differences on translation of foreign operations	6(21)	(4,227)	(1)	1,892	-
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss		(4,227)	(1)	1,892	-
8300	**Other comprehensive loss**		($ 19,100)	(2)	($ 269)	-
8500	**Total comprehensive income (loss) for the year**		$ 41,078	3	($ 31,429)	(3)
	Basic earnings (losses) per share	6(30)				
9750	Total basic earnings (losses) per share		$ 0.67		($ 0.35)	
	Diluted earnings (losses) per share	6(30)				
9850	Total diluted earnings (losses) per share		$ 0.67		($ 0.35)	

The accompanying notes are an integral part of these financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Capital surplus						
	Notes	Ordinary share	Share premium	Changes in equity of associates and joint ventures accounted for using equity method	Donated assets received	Accumulated deficit	Other equity interest	Treasury share	Total equity
Year ended December 31, 2022									
Balance at January 1, 2022		$ 900,000	$ 197,773	$ -	$ 1,975	($ 240,080)	($ 70,994)	($ 24,939)	$ 763,735
Loss for the year		-	-	-	-	(31,160)	-	-	(31,160)
Other comprehensive loss for the year		-	-	-	-	-	(269)	-	(269)
Total comprehensive loss for the year		-	-	-	-	(31,160)	(269)	-	(31,429)
Difference between consideration and carrying amount of subsidiaries acquired	6(7)	-	-	-	-	(17,068)	-	-	(17,068)
Changes in equity of associates and joint ventures accounted for using equity method	6(7)	-	-	90	-	-	-	-	90
Balance at December 31, 2022		$ 900,000	$ 197,773	$ 90	$ 1,975	($ 288,308)	($ 71,263)	($ 24,939)	$ 715,328
Year ended December 31, 2023									
Balance at January 1, 2023		$ 900,000	$ 197,773	$ 90	$ 1,975	($ 288,308)	($ 71,263)	($ 24,939)	$ 715,328
Profit for the year		-	-	-	-	60,178	-	-	60,178
Other comprehensive loss for the year		-	-	-	-	-	(19,100)	-	(19,100)
Total comprehensive income (loss) for the year		-	-	-	-	60,178	(19,100)	-	41,078
Difference between consideration and carrying amount of subsidiaries acquired		-	-	2	-	-	-	-	2
Changes in equity of associates and joint ventures accounted for using equity method		-	-	13	-	-	-	-	13
Treasury shares sold to employees		-	-	-	-	(2,546)	-	24,939	22,393
Balance at December 31, 2023		$ 900,000	$ 197,773	$ 105	$ 1,975	($ 230,676)	($ 90,363)	$ -	$ 778,814

The accompanying notes are an integral part of these financial statements.

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	Year ended December 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit (loss) before income tax for the year		$ 60,178	($ 31,160)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(8)(9)(10)(27)	381,378	360,753
Amortisation	6(27)	2,215	3,053
Expected credit gain	6(27)	-	(475)
Net (gains) losses on financial assets at fair value through profit or loss	6(2)(25)	(14,855)	274
Interest expense	6(26)	59,340	52,192
Interest income	6(23)	(4,888)	(2,327)
Dividend income	6(24)	(2,412)	-
Share-based payments	6(17)	1,498	-
Share of loss of associates and joint ventures accounted for under equity method	6(7)	16,124	13,842
Gains (losses) on disposals of property, plant and equipment	6(25)	(896)	1,327
Losses on disposals of investments	6(25)	2	-
Gains arising from lease modifications	6(25)	(228)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		105	92
Accounts receivable		(5,729)	(7,229)
Accounts receivable due from related parties		(1,439)	2,366
Other receivables		(60)	(82)
Other receivables due from related parties		(11,265)	32,612
Inventories		(1,863)	(2,938)
Prepayments		(9,797)	3,601
Other current assets		(4,410)	1,046
Changes in operating liabilities			
Current contract liabilities		(6,104)	4,471
Notes payable		(4)	(1,428)
Accounts payable		(25,389)	29,916
Accounts payable to related parties		(3,126)	6,903
Other payables		14,072	(3,065)
Other payables to related parties		231	706
Other current liabilities		1,564	(2,489)
Cash inflow generated from operations		444,242	461,961
Interest received		4,888	2,327
Interest paid		(59,340)	(52,192)
Net cash flows from operating activities		389,790	412,096

(Continued)

TRK CORPORATION
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of financial assets at fair value through profit or loss		$ 787	$ 8,135
Decrease (increase) in other receivables due from related parties	7	18,000	(40,000)
Increase in guarantee deposits paid		(23,307)	(20,877)
Decrease in guarantee deposits paid		6,530	769
(Increase) decrease in other current assets		(2,430)	33,552
Acquisition of financial assets at fair value through other comprehensive income		(166,335)	-
Acquisition of investments accounted for using equity method		(110,683)	(164,980)
Proceeds from disposal of investments accounted for using equity method		173	-
Proceeds from disposal of property, plant and equipment		2,404	2,717
Acquisition of property, plant and equipment	6(31)	(132,369)	(76,901)
Acquisition of intangible assets	6(11)	(637)	(4,190)
Increase in non-current prepayments for investments		-	(6,650)
Increase in other non-current assets		(17,382)	(7,515)
Dividends received		2,412	-
Net cash used in investing activities		(422,837)	(275,940)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term debt	6(32)	299,457	135,700
Repayments of short-term debt	6(32)	(100,000)	(68,200)
Proceeds from long-term debt	6(32)	111,385	274,876
Repayments of long-term debt	6(32)	(135,856)	(252,614)
Rental payments on lease liability	6(32)	(254,173)	(240,382)
Increase (decrease) in guarantee deposits received	6(32)	3,392	(131)
Treasury shares sold to employees		20,816	-
Net cash used in financing activities		(54,979)	(150,751)
Net decrease in cash and cash equivalents		(88,026)	(14,595)
Cash and cash equivalents at beginning of year		437,314	451,909
Cash and cash equivalents at end of year		$ 349,288	$ 437,314

The accompanying notes are an integral part of these financial statements.

TRK CORPORATION

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, expect as otherwise indicated)

1. HISTORY AND ORGANIZATION

TRK Corporation (the "Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on July 18, 1973. The Company is primarily engaged in development business of department stores and shopping centres, recreational activities venue business, other leisure services, retail services of educational and entertainment materials and international trading business. The Company's shares were officially listed on the Taiwan Stock Exchange starting from July 26, 1982.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities presented in each balance sheet are translated at closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

(b) When the foreign operation partially disposed of or sold, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale.

(4) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(6) <u>Financial assets at fair value through other comprehensive income</u>

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company’s business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets’ contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognized in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

(7) Financial assets at amortised cost

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Impairment of financial assets

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

(10) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(11) Leasing arrangements (lessor) － operating leases

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

(12) Inventories

A. Including land held for construction, construction in progress and buildings and land held for sale are recorded at acquisition costs. The construction income or loss are recognized based on the completed-contract method. Land held for construction is transferred as construction in progress when they are actively developed. During the period from the beginning of active development or construction to its completion, the interests are capitalised.

B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the moving average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(13) Investments accounted for using equity method-subsidiaries and associates

A. Subsidiaries are all entities controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize its share in the subsidiary's loss proportionately.

D. Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owner. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

G. The Company’s share of its associates’ post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

H. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Company’s ownership percentage of the associate, the Company recognizes the Company’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company’s interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for using equity method’ shall be adjusted for the increase or decrease of equity interest. If the above condition causes a decrease in the Company’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

K. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

L. According to Rules Governing the Preparation of Financial Statements by Securities Issuers, profit for the year and other comprehensive income for the year reported in the parent company only financial statements, shall be equal to profit for the year and other comprehensive income attributable to owners of the parent reported in the consolidated financial statements, equity reported in the parent company only financial statements shall be equal to equity attributable to owners of parent reported in the consolidated financial statements.

(14) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	10 years
Machinery and equipment	3 ~ 10 years
Transportation equipment	1 ~ 5 years
Office equipment	1 ~ 18 years
Other equipment	3 ~ 12 years
Leasehold improvements	2 ~ 15 years

(15) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on an index or a rate;

(c) Amounts expected to be payable by the lessee under residual value guarantees.

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

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(16) Investment property

The investment properties held by the Company, with an intention to obtain long-term rental profit. An investment property is stated initially at its cost and measured subsequently using the cost model.

(17) Intangible assets

A. Trademark right (indefinite useful life)

Trademark right with indefinite useful life is recognized at fair value at the acquisition date and regarded as having an indefinite useful life as it was assessed to generate continuous net cash inflow in the foreseeable future. Trademark right with indefinite useful life is not amortised, but is tested annually for impairment.

B. Separately acquired computer software is stated at historical cost. Computer software acquired in a business combination is recognized at fair value at the acquisition date and amortised on a straight-line basis over its estimated useful life of 3 to 3.5 years.

C. Membership list acquired in a business combination is recognized at fair value at the acquisition date. Membership list is amortised on a straight-line basis over its estimated useful life of 3.5 years.

D. Goodwill arises in a business combination accounted for by applying the acquisition method.

E. Other intangible assets are mainly intellectual property rights and franchise fees and amortised on a straight-line basis over its estimated useful life of 3 to 5 years.

(18) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill and intangible assets with an indefinite useful life are evaluated periodically. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognized in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(19) Borrowings

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

(20) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials and goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plans

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

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognizes expense as it can no longer withdraw an offer of termination benefits or it recognizes relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts resolved by the shareholders is accounted for as changes in estimates.

(22) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions. Compensation cost is recognised based on the number of equity instruments that eventually vest.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

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

(24) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(25) Revenue recognition

A. Operating revenue from tenant-counter

Revenue is confirmed when the goods of the counters are sold. In accordance with IFRS 15 'Revenue from contracts with customers', the Company is not primarily responsible for the provision of goods or services and does not assume the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer and therefore its role meets the definition of an agent. As a result, the net amount of sales revenue is recognized for goods sold through the counters.

B. Sales of goods

(a) The Company primarily operates shopping malls and leisure and recreation business. Revenue from the sale of goods is recognized when the Company sells a product to the customer.

(b) The Company operates a loyalty programme where retail customers accumulate points for purchases made which entitle them to discount on future purchases. The points provide a material right to customers that they would not receive without entering into a contract. Therefore, the promise to provide points to the customer is a separate performance obligation. The transaction price is allocated to the product and the points on a relative stand-alone selling price basis. The stand-alone selling price per point is estimated on the basis of the discount granted when the points are redeemed and on the basis of the likelihood of redemption, based on past experience. The stand-alone selling price of the product sold is estimated on the basis of the retail price. A contract liability is recognized for the transaction price which is allocated to the points and revenue is recognized when the points are redeemed or expire.

C. Revenue from licensing intellectual property

The Company entered into a contract of licensing intellectual property with a customer. The contract requires a usage-based/sales-based royalty in exchange for a licence of intellectual property. The Company recognises revenue when the performance obligation has been satisfied and the subsequent usage occurs.

D. Service revenue

Revenue from providing services related to the building plan for opening venue and the operation of shopping mall is recognised in the accounting period in which the services are rendered.

E. A financing component

The Company entered into a contract with a customer. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

(26) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

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

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Impairment assessment of goodwill and intangible assets with an indefinite useful life

The impairment assessment of goodwill and intangible assets with an indefinite useful life relies on the Company's subjective judgement, including identifying cash-generating units, allocating assets and liabilities as well as goodwill to related cash-generating units, and determining the recoverable amounts of related cash-generating units.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 17,717	$ 13,672
Checking accounts and demand deposits	331,571	423,642
	$ 349,288	$ 437,314

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company's cash and cash equivalents pledged to others as collateral for long-term and short-term borrowings, trust accounts, leases of buildings and performance guarantee had been transferred to other current assets and other non-current assets. Refer to Notes 6(9)(12) and 8 for details.

(2) Financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Current items		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 2,414	$ 2,989
Valuation adjustment	169	105
	$ 2,583	$ 3,094
Non-current items		
Financial assets mandatorily measured at fair value through profit or loss		
Agreement on movie investment	$ 2,973	$ 3,092
Agreement on development and building projects investment	60,000	60,000
	62,973	63,092
Valuation adjustment	34,753	20,055
	$ 97,726	$ 83,147

A. The Company recognized net income (loss) amounting to $14,855 and ($274), respectively, on financial assets and liabilities mandatorily measured at fair value through profit or loss for the years ended December 31, 2023 and 2022.

B. In April 2018, the Company entered into an agreement on movie investment with Hualien International Co., Ltd. on the distribution right of 26 Taiwan movies amounting to $12,450 with the investment period of 7 years. The proceeds from copyrights of the investment targets issued during the investment period could be first used to recover initial investment amount with the profit from the proportion specified in the initial investment, if any, the profit was classified to profit or loss.

C. In December 2020, the Company entered into an agreement on reconstruction and development investment with Tendril International Development Co., Ltd. on the buildings in Yangming Section, Shilin District, Taipei City amounting to $60,000 with the investment period of 4 years and 6 months. The Company collected fixed income at investment settlement date based on the agreement.

(3) Notes and accounts receivable – non related parties

	December 31, 2023	December 31, 2022
Notes receivable	$ -	$ 105
Accounts receivable	53,157	47,428
Less: Allowance for uncollectible accounts	(1,252)	(1,252)
	$ 51,905	$ 46,281

A. The ageing analysis of notes receivable and accounts receivable that were past due but not impaired is as follows:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Up to 30 days	$ -	$ 45,594	$ 105	$ 37,537
31 to 90 days	-	5,850	-	8,180
91 to 180 days	-	8	-	9
Over 180 days	-	1,705	-	1,702
	$ -	$ 53,157	$ 105	$ 47,428

The above ageing analysis was based on invoice date.

B. As of December 31, 2023 and 2022, notes receivable and accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of notes receivable and accounts receivable from contracts with customers amounted to $197 and $38,471, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes and accounts receivable was $51,905 and $46,281, respectively.

D. Information relating to credit risk is provided in Note 12(2).

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 33,497	($ 168)	$ 33,329
Land held for construction site			
Xinzhoumei Section No. 89	240,281	-	240,281
	$ 273,778	($ 168)	$ 273,610

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Merchandise	$ 31,634	($ 168)	$ 31,466
Land held for construction site			
Xinzhoumei Section No. 89	240,281	-	240,281
	$ 271,915	($ 168)	$ 271,747

A. The cost of inventories recognized as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 74,778	$ 73,529
Operating costs of counters and venues	594,579	541,507
Other operating costs	33,623	25,423
	$ 702,980	$ 640,459

B. Information about the Company's inventories pledged to others as collateral are provided in Note 8.

(5) Other current assets

	December 31, 2023	December 31, 2022
Restricted cash in banks	$ 68,913	$ 66,483
Others	6,483	2,073
	$ 75,396	$ 68,556

Restricted cash in banks was pledged to others is provided in Note 8.

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

	December 31, 2023	December 31, 2022
Non-current items		
Listed stocks	$ 166,335	$ -
Unlisted stocks	18,222	18,222
	184,557	18,222
Valuation adjustment	(35,906)	(11,455)
	$ 148,651	$ 6,767

A. The Company has elected to classify investments on unlisted stocks that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $148,651 and $6,767 as of December 31, 2023 and 2022, respectively.

B. Amounts recognized in profit or loss and other comprehensive income (loss) in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognized in other comprehensive income	($ 24,451)	($ 546)

C. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was $148,651 and $6,767, respectively.

D. Details of the Group’s financial assets at fair value through other comprehensive income pledged to others as collateral are provided in Note 8.

(7) Investments accounted for using equity method

	December 31, 2023		December 31, 2022	
	%	Amount	%	Amount
He Chen Development Co., Ltd.	18.75%	$ 139,965	19.00%	$ 128,149
Taroko US Corporation	100.00%	78,698	-	-
Taroko Architecture Co., Ltd.	100.00%	65,703	100.00%	54,757
Taroko Entertainment Co., Ltd.	100.00%	28,185	99.99%	9,569
Boruem Real Estate Development Co., Ltd.	25.00%	22,901	25.00%	19,315
Ya Chen Development Co., Ltd.	19.00%	9,877	19.00%	9,677
Taroko Recreation Management Co.,	100.00%	5,223	100.00%	5,493
Gowin Development Ltd.	100.00%	4,989	100.00%	5,146
Shih Niang Co., Ltd.	49.00%	4,653	49.00%	3,734
Gji Ron Company Limited	32.55%	3,066	32.55%	3,200
Lu Hsin Co., Ltd.	69.94%	(5,440)	69.94%	12,121
Yi Chen Development Co., Ltd.	-	-	19.00%	180
		357,820		251,341
Add: Offset other receivables due from related parties		5,440		-
		$ 363,260		$ 251,341

A. The Company has no individually material associates. For the information of the Company's subsidiaries, please refer to Note 4(3) in the Company's consolidated financial statements as of and for the year ended December 31, 2023.

B. The abovementioned investments of the Company had no quoted market prices. For the years ended December 31, 2023 and 2022, share of profit or loss of associates and joint ventures accounted for using the equity method amounting to ($16,124) and ($13,842), respectively, and share of other comprehensive income amounting to $9,578 and ($1,615), respectively, were all valued according to each investee's financial statements that were audited by other auditors.

(8) Property, plant and equipment

	2023							
	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
At January 1								
Cost	$ 5,196	$ 15,410	$ 9,661	$ 126,156	$ 10,586	$ 676,133	$ 6,872	$ 850,014
Accumulated depreciation	(2,031)	(10,103)	(5,833)	(78,959)	(8,989)	(293,913)	-	(399,828)
	$ 3,165	$ 5,307	$ 3,828	$ 47,197	$ 1,597	$ 382,220	$ 6,872	$ 450,186
Opening net book amount as of January 1	$ 3,165	$ 5,307	$ 3,828	$ 47,197	$ 1,597	$ 382,220	$ 6,872	$ 450,186
Additions	-	105	-	34,089	5	118,756	1,934	154,889
Disposal	-	-	(976)	(444)	(29)	(59)	-	(1,508)
Transfer	-	10	-	455	-	5,887	(6,352)	-
Depreciation charge	(493)	(1,658)	(672)	(22,259)	(549)	(84,769)	-	(110,400)
Closing net book amount as of December 31	$ 2,672	$ 3,764	$ 2,180	$ 59,038	$ 1,024	$ 422,035	$ 2,454	$ 493,167
At December 31								
Cost	$ 5,196	$ 15,621	$ 3,662	$ 149,775	$ 10,275	$ 787,766	$ 2,454	$ 974,749
Accumulated depreciation	(2,524)	(11,857)	(1,482)	(90,737)	(9,251)	(365,731)	-	(481,582)
	$ 2,672	$ 3,764	$ 2,180	$ 59,038	$ 1,024	$ 422,035	$ 2,454	$ 493,167

Note: The Company had no borrowing costs capitalised as property, plant and equipment.

	2022							
	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Leasehold improvements	Construction in progress and equipment under acceptance	Total
At January 1								
Cost	$ 5,196	$ 15,289	$ 10,522	$ 111,232	$ 17,665	$ 637,566	$ 6,816	$ 804,286
Accumulated depreciation	(1,538)	(8,373)	(7,129)	(64,088)	(13,739)	(220,675)	-	(315,542)
	$ 3,658	$ 6,916	$ 3,393	$ 47,144	$ 3,926	$ 416,891	$ 6,816	$ 488,744
Opening net book amount as of January 1	$ 3,658	$ 6,916	$ 3,393	$ 47,144	$ 3,926	$ 416,891	$ 6,816	$ 488,744
Additions	-	121	3,252	19,516	114	33,062	10,391	66,456
Disposal	-	-	(1,153)	(590)	(20)	(2,281)	-	(4,044)
Transfer	-	-	-	497	(944)	11,198	(10,335)	416
Depreciation charge	(493)	(1,730)	(1,664)	(19,370)	(1,479)	(76,650)	-	(101,386)
Closing net book amount as of December 31	$ 3,165	$ 5,307	$ 3,828	$ 47,197	$ 1,597	$ 382,220	$ 6,872	$ 450,186
At December 31								
Cost	$ 5,196	$ 15,410	$ 9,661	$ 126,156	$ 10,586	$ 676,133	$ 6,872	$ 850,014
Accumulated depreciation	(2,031)	(10,103)	(5,833)	(78,959)	(8,989)	(293,913)	-	(399,828)
	$ 3,165	$ 5,307	$ 3,828	$ 47,197	$ 1,597	$ 382,220	$ 6,872	$ 450,186

Note: The Company had no borrowing costs capitalised as property, plant and equipment.

(9) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings, machinery and equipment and transportation equipment. Rental contracts are typically made for periods of 2 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 276	$ 826
Buildings	1,932,854	2,177,086
Machinery and equipment	3,337	5,126
Transportation equipment (Business vehicles)	17,746	13,047
	$ 1,954,213	$ 2,196,085

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 550	$ 550
Buildings	222,479	214,781
Machinery and equipment	1,789	1,844
Transportation equipment (Business vehicles)	5,721	3,436
	$ 230,539	$ 220,611

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $27,033 and $175,823, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	($ 39,411)	($ 40,763)
Expense on short-term lease contracts	(2,309)	(1,586)
Expense on leases of low-value assets	(4,084)	(3,403)
Expense on variable lease payments	(47,420)	(42,292)
Gain on sublease of right-of-use assets	12,062	10,949
Gains arising from lease modifications	228	-

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $347,397 and $328,426, respectively.

F. Variable lease payments

(a) Some of the Company's lease contracts contain variable lease payment terms that are linked to operating revenue from leisure and entertainment segment. For such lease items, up to 13% of lease payments are on the basis of variable payment terms and are accrued based on the operating revenue. Variable payment terms are used for a variety of reasons, including business practices. Various lease payments are recognized in profit or loss in the period in which the event or condition that triggers those payments occurs.

(b) A 1% increase in operating revenue from leisure and entertainment segment with such variable lease contracts would increase total lease payments by approximately $474.

(10) Investment property

	2023		
	Land	Right-of-use assets	Total
At January 1	$ 8,815	$ 489,084	$ 497,899
Reclassifications	-	23,216	23,216
Depreciation charge	-	(40,439)	(40,439)
At December 31	$ 8,815	$ 471,861	$ 480,676

	2022		
	Land	Right-of-use assets	Total
At January 1	$ 8,815	$ 500,677	$ 509,492
Reclassifications	-	27,163	27,163
Depreciation charge	-	(38,756)	(38,756)
At December 31	$ 8,815	$ 489,084	$ 497,899

The fair values of the investment property held by the Company as of December 31, 2023 and 2022 were $622,158 and $515,879, respectively, which was assessed based on recent settlement prices of similar and comparable properties. Valuations were made by considering factors such as location, scale and purpose of use, etc., and using the comparative method, which were categorised within Level 3 in the fair value hierarchy.

(11) Intangible assets

	2023					
	Trademarks	Computer software	Goodwill	Membership list	Others	Total
At January 1						
Cost	$ 62,099	$ 3,809	$ 50,165	$ 10,120	$ 4,190	$ 130,383
Accumulated depreciation and impairment	(2,790)	(3,372)	(30,777)	(10,120)	(562)	(47,621)
	$ 59,309	$ 437	$ 19,388	$ -	$ 3,628	$ 82,762
Opening net book amount as of January 1	$ 59,309	$ 437	$ 19,388	$ -	$ 3,628	$ 82,762
Acquisition	-	637	-	-	-	637
Amortisation charge	-	(543)	-	-	(1,223)	(1,766)
Closing net book amount as of December 31	$ 59,309	$ 531	$ 19,388	$ -	$ 2,405	$ 81,633
At December 31						
Cost	$ 62,099	$ 4,446	$ 50,165	$ 10,120	$ 4,190	$ 131,020
Accumulated amortisation and impairment	(2,790)	(3,915)	(30,777)	(10,120)	(1,785)	(49,387)
	$ 59,309	$ 531	$ 19,388	$ -	$ 2,405	$ 81,633

	2022					
	Trademarks	Computer software	Goodwill	Membership list	Others	Total
At January 1						
Cost	$ 62,099	$ 3,809	$ 50,165	$ 10,120	$ -	$ 126,193
Accumulated depreciation and impairment	(2,790)	(3,146)	(30,777)	(8,433)	-	(45,146)
	$ 59,309	$ 663	$ 19,388	$ 1,687	$ -	$ 81,047
Opening net book amount as of January 1	$ 59,309	$ 663	$ 19,388	$ 1,687	$ -	$ 81,047
Acquisition	-	-	-	-	4,190	4,190
Amortisation charge	-	(226)	-	(1,687)	(562)	(2,475)
Closing net book amount as of December 31	$ 59,309	$ 437	$ 19,388	$ -	$ 3,628	$ 82,762
At December 31						
Cost	$ 62,099	$ 3,809	$ 50,165	$ 10,120	$ 4,190	$ 130,383
Accumulated amortisation and impairment	(2,790)	(3,372)	(30,777)	(10,120)	(562)	(47,621)
	$ 59,309	$ 437	$ 19,388	$ -	$ 3,628	$ 82,762

Goodwill of the Group is tested annually for impairment. The recoverable amount was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets of the sport and family business segment approved by the management covering a five-year period. The key assumptions of the recoverable amount that the Company calculated according to the value in use for the years ended December 31, 2023 and 2022 are as follows: gross margin of 3.43% and 2.12%, growth rate of 2.00% and 3.21%, and discount rate of 15.31% and 16.14%, respectively.

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Guarantee deposits paid	$ 115,777	$ 99,000
Restricted cash in banks	40,719	22,719
Prepayments for investments	-	6,650
Prepayments for business facilities	-	908
Other assets	618	777
	$ 157,114	$ 130,054

Guarantee deposits paid and Restricted cash in banks were pledged to others are provided in Note 8.

(13) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 438,457	1.80%~3.24%	Please refer to Note 8
Unsecured borrowings	42,500	2.12%~2.58%	Credit guarantee fund
	$ 480,957		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Secured borrowings	$ 239,000	1.80%~2.99%	Please refer to Note 8
Unsecured borrowings	42,500	2.12%	Credit guarantee fund
	$ 281,500		

Interest expense recognized in profit or loss due to short-term borrowings amounted to $9,460 and $4,826 for the years ended December 31, 2023 and 2022, respectively.

(14) Other payables

	December 31, 2023	December 31, 2022
Wages, salaries and bonuses payable	$ 36,972	$ 34,228
Payable on construction equipment	33,776	12,164
Repairs and maintenance payable	10,477	7,694
Utilities payable	9,582	7,821
Payables for labor and health insurance	6,391	5,620
Advertisement payable	6,034	3,610
Pension payable	3,929	2,347
Business tax payable	3,033	2,890
Others	38,879	37,015
	$ 149,073	$ 113,389

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Secured borrowings	Borrowing period is from 2020.04 to 2024.09 and installments are repayable from October 2020	1.90%~2.50%	Please refer to Note 8	$ 23,332
Secured borrowings	Borrowing period is from 2021.02 to 2024.02 and installments are repayable from March 2021	2.25%~3.07%	Credit guarantee fund and the description in Note 8	2,805
Secured borrowings	Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2022	2.00%~2.82%	Credit guarantee fund and the description in Note 8	38,821
Secured borrowings	Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021	2.25%~5.07%	Please refer to Note 8	56,371
Secured borrowings	Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022	2.25%~2.75%	Please refer to Note 8	20,921
Secured borrowings	Borrowing period is from 2022.10 to 2025.10 and installments are repayable from November 2022	1.60%	Please refer to Note 8	18,822
Secured borrowings	Borrowing period is from 2022.12 to 2025.12 and installments are repayable from January 2023	2.92%	Please refer to Note 8	25,019
Secured borrowings	Borrowing period is from 2023.02 to 2026.02 and installments are repayable from March 2023	2.75%	Please refer to Note 8	29,218
Secured borrowings	Borrowing period is from 2023.02 to 2026.03 and installments are repayable from April 2023	2.74%	Please refer to Note 8	37,396

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Secured borrowings	Borrowing period is from 2023.08 to 2026.08 and installments are repayable from September 2023	3.07%	Please refer to Note 8	$ 17,868
				270,573
Less: Current portion				(120,820)
				$ 149,753

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from 2020.04 to 2023.04 and installments are repayable from May 2020	1.74%~1.99%	None	$ 2,276
Secured borrowings	Borrowing period is from 2020.04 to 2024.09 and installments are repayable from October 2020	1.90%~2.25%	Please refer to Note 8	53,777
Secured borrowings	Borrowing period is from 2021.02 to 2024.02 and installments are repayable from March 2021	2.25%~2.83%	Credit guarantee fund and the description in Note 8	19,341
Secured borrowings	Borrowing period is from 2021.02 to 2026.02 and installments are repayable from March 2022	2.00%~2.57%	Credit guarantee fund and the description in Note 8	55,838
Secured borrowings	Borrowing period is from 2021.09 to 2028.09 and installments are repayable from October 2021	2.25%~4.82%	Please refer to Note 8	67,002
Secured borrowings	Borrowing period is from 2022.05 to 2027.05 and installments are repayable from June 2022	2.25%~2.63%	Please refer to Note 8	26,685
Secured borrowings	Borrowing period is from 2022.10 to 2025.10 and installments are repayable from November 2022	1.60%	Please refer to Note 8	30,125
Secured borrowings	Borrowing period is from 2022.12 to 2025.12 and installments are repayable from January 2023	2.92%	Please refer to Note 8	40,000
				295,044
Less: Current portion				(109,345)
				$ 185,699

(16) Pensions

Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $14,663 and $13,146, respectively.

(17) Share-based payment (no transactions in the year of 2022)

A. For the year ended December 31, 2023, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	1,600 thousand shares	2023.5.17~ 2023.6.17	Vested immediately
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	161 thousand shares	2023.5.17~ 2023.6.17	Vested immediately

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility (Note)	Expected Option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	15.65	11.86	57.23%	0.06 year	-	1.09%	0.8714
The second time of buyback of shares for transferring treasury shares to employees	2023.5.11	15.65	11.43	57.23%	0.06 year	-	1.09%	1.1328

Note：The expected price volatility is estimated based on the daily historical stock price fluctuation data of the past three months before the company's- grant date.

C. Expenses incurred on share-based payment transactions are shown below:

Type of arrangement	Year ended December 31, 2023	Year ended December 31, 2022
Equity-settled	$ 1,498	$ -

(18) Share capital

A. As of December 31, 2023, the Company's authorised capital was $3,000,000, and the paid-in capital was $900,000 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1	$ 88,239	$ 88,239
Treasury shares transferred to employees	1,761	-
At December 31	$ 90,000	$ 88,239

B. Treasury shares

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

On December 31, 2012, all the Company's treasury stocks were transferred to employees.

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	1,761 thousand shares	$ 24,939

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(20) Accumulated deficits to be covered

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses. Then, 10% of the remaining amount shall be set aside as legal reserve and special reserve shall be set aside or reversed in accordance with operations or related laws.

B. The Company's dividend distribution is subject to the current year's earnings and adopts a stable dividend strategy. The Company takes future capital budget into consideration to measure future capital needs. After financing the capital needs with retained earnings, the remainder, if any, shall be appropriated as cash dividends.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The Company had accumulated deficits in the years of 2022 and 2021 as resolved by the Company's shareholders on May 31, 2023 and 2022, respectively, and thus had no earnings for distribution.

F. The Company had accumulated deficits in the year of 2023 as resolved by the Board of Directors on March 12, 2024, and thus had no earnings for distribution.

(21) Other equity items

	2023		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 53,575)	($ 17,688)	($ 71,263)
Valuation adjustment	(14,873)	-	(14,873)
Currency translation differences	-	(4,227)	(4,227)
At December 31	($ 68,448)	($ 21,915)	($ 90,363)

	2022		
	Unrealised gains (losses) on valuation	Currency translation	Total
At January 1	($ 51,414)	($ 19,580)	($ 70,994)
Valuation adjustment	(2,161)	-	(2,161)
Currency translation differences	-	1,892	1,892
At December 31	($ 53,575)	($ 17,688)	($ 71,263)

(22) Operating revenue

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services at a point in time in the following major product lines:

	Year ended December 31	
	2023	2022
Entertainment revenue	$ 513,736	$ 404,436
Tenant-counter rental revenue	335,508	296,541
Sales revenue	175,405	153,128
Management service revenue	29,703	29,408
Other operating revenue	140,485	114,303
	$ 1,194,837	$ 997,816

B. Contract liabilities

(a) The Company has recognized the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Membership cards and bills	$ 100,998	$ 108,323	$ 103,159
Customer loyalty programmes	4,389	3,819	3,855
Advertising contracts	514	367	493
Service revenue	568	64	595
	$ 106,469	$ 112,573	$ 108,102

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Membership cards and bills	$ 71,219	$ 62,026
Customer loyalty programmes	3,448	3,677
Advertising contracts	367	493
Service revenue	64	595
	$ 75,098	$ 66,791

(23) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 1,719	$ 435
Other interest income	3,169	1,892
	$ 4,888	$ 2,327

(24) Other income

	Year ended December 31	
	2023	2022
Revenue recognized from rent concessions	$ 34,144	$ 21,277
Rent income	12,062	10,949
Dividend income	2,412	-
Government grants income	185	308
Others	4,837	2,224
	$ 53,640	$ 34,758

(25) Other gains and losses

	Year ended December 31	
	2023	2022
Gains (losses) on financial assets at fair value through profit or loss	$ 14,855	($ 274)
Gains (losses) on disposals of property, plant and equipment	896	(1,327)
Gains arising from lease modifications	228	-
Losses on disposals of investments	(2)	-
Net currency exchange (losses) gains	(5,648)	$ 5,766
Other losses, net	(223)	-
	$ 10,106	$ 4,165

(26) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 14,831	$ 11,122
Interest expense on lease liabilities	39,411	40,763
Other financial expenses	5,098	307
	$ 59,340	$ 52,192

(27) Expenses by nature

	Year ended December 31 2023	Year ended December 31 2022
Depreciation charge	$ 381,378	$ 360,753
Employee benefit expense	342,930	297,486
Cost of goods sold	74,778	73,529
Operating lease payments	53,813	47,281
Repairs and maintenance expense	39,562	33,731
Advertising costs	44,145	26,242
Utilities expense	24,183	20,385
Professional service fees	5,236	8,937
Amortisation	2,215	3,053
Expected credit gains	-	(475)
Other expenses	159,589	133,270
Operating costs and expenses	$ 1,127,829	$ 1,004,192

(28) Employee benefit expense

	Year ended December 31 2023	Year ended December 31 2022
Wages and salaries	$ 269,569	$ 231,097
Labour and health insurance fees	32,375	28,394
Pension costs	14,663	13,146
Directors' remuneration	12,311	11,063
Other personnel expenses	14,012	13,786
	$ 342,930	$ 297,486

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 0.5~1% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

B. For the years ended December 31, 2023and 2022, the Company had no earnings after covering accumulated losses, and thus did not accrue employees' compensation and directors' and supervisors' remuneration.

Information about employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the Board of Directors and the shareholders will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit (loss) before tax and statutory tax rate	$ 12,036	($ 6,232)
Expenses disallowed by tax regulation	446	3,524
Tax exempt income by tax regulation	(3,453)	55
Temporary difference not recognized as deferred tax assets	2,830	(41)
Taxable loss not recognized as deferred tax assets	-	2,694
Change in assessment of realisation of deferred tax assets	(11,859)	-
Income tax expense	$ -	$ -

B. Expiration dates of unused tax losses and amounts of unrecognized deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2013	$ 21,288	$ -	$ -	2023
2015	17,990	-	-	2025
2016	1,617	-	-	2026
2017	44,769	26,374	26,374	2027
2020	126,007	126,007	126,007	2030
2021	137,237	137,237	137,237	2031
2022	13,473	13,473	13,473	2032
		$ 303,091	$ 303,091	

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognized deferred tax assets	Expiry year
2013	$ 21,288	$ 21,288	$ 21,288	2023
2015	17,990	17,990	17,990	2025
2016	1,617	1,617	1,617	2026
2017	44,769	44,769	44,769	2027
2020	126,007	126,007	126,007	2030
2021	137,237	137,237	137,237	2031
2022	13,473	13,473	13,473	2032
		$ 362,381	$ 362,381	

C. The amounts of deductible temporary difference that are not recognized as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 629,418	$ 615,268

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority.

(30) Earnings (losses) per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic (diluted) earnings per share			
Profit from continuing operations attributable to ordinary shareholders of the parent	$ 60,178	89,366	$ 0.67

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Losses per share (in dollars)
Basic (diluted) losses per share			
Loss from continuing operations attributable to ordinary shareholders of the parent	($ 31,160)	88,239	($ 0.35)

(31) Supplemental cash flow information

Investing activities with partial cash payments:

	Year ended December 31 2023	Year ended December 31 2022
Purchase of property, plant and equipment	$ 154,889	$ 66,456
Less: Opening balance of prepayments for business facilities	(908)	-
Add: Ending balance of prepayments for business facilities	-	908
Add: Opening balance of payable on equipment	12,164	21,701
Less: Ending balance of payable on equipment	(33,776)	(12,164)
Cash paid during the year	$ 132,369	$ 76,901

(32) Changes in liabilities from financing activities

	2023				
	Short-term borrowings	Long-term borrowings (Note)	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 281,500	$ 295,044	$ 18,529	$ 2,829,022	$ 3,424,095
Changes in cash flow from financing activities	199,457	(24,471)	3,392	(254,173)	(75,795)
Changes in other non-cash items	-	-	-	11,655	11,655
At December 31	$ 480,957	$ 270,573	$ 21,921	$ 2,586,504	$ 3,359,955

	2022				
	Short-term borrowings	Long-term borrowings (Note)	Guarantee deposits received	Lease liability	Liabilities from financing activities-gross
At January 1	$ 214,000	$ 272,782	$ 18,660	$ 2,894,454	$ 3,399,896
Changes in cash flow from financing activities	67,500	22,262	(131)	(240,382)	(150,751)
Changes in other non-cash items	-	-	-	174,950	174,950
At December 31	$ 281,500	$ 295,044	$ 18,529	$ 2,829,022	$ 3,424,095

Note : Including long-term borrowings, current portion.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Taroko Entertainment Co., Ltd. (Taroko Entertainment)	Subsidiary
Taroko Architecture Co., Ltd. (Taroko Architecture)	Subsidiary
Lu Hsin Co., Ltd. (Lu Hsin)	Subsidiary
Style 80's Co., Ltd. (Style 80's)	Sub-subsidiary
Taroko US CA Corporation (Taroko US CA)	Sub-subsidiary
Shih Niang CO., LTD. (Shih Niang)	Associates accounted for using equity method
He Chen Development Co., Ltd.	Associates accounted for using equity method
Yi Chen Development Co., Ltd.	Associates accounted for using equity method (Note)
La Trinite Naturelle Corp. (La Trinite Naturelle)	Other related parties

Note: As the Company disposed the shares of Yi Chen Development Co., Ltd., the company was removed from the list of related parties since August 2023.

(2) Significant related party transactions

A. Operating revenue

	Year ended December 31	
	2023	2022
Subsidiary		
- Taroko Entertainment	$ 17,357	$ 11,629
- Lu Hsin	3,920	3,907
	$ 21,277	$ 15,536

The abovementioned related parties entered into contract of tenant-counter with the Company and set up tenant-counter in the department store of the Company. The Company's transaction terms to them are approximately the same with third parties.

B. Accounts receivable

	December 31, 2023	December 31, 2022
Subsidiary - Taroko Entertainment	$ 4,466	$ 3,041
Associates accounted for using equity method - Shih Niang	14	
	$ 4,480	$ 3,041

The related parties lease a tenant-counter in the department store from the Company. Accounts receivable refer to the rent and mall service fee that Taroko Entertainment had not paid to the Company at the end of the year.

C. Other receivables

	December 31, 2023	December 31, 2022
Subsidiary		
- Taroko Entertainment	$ 2,513	$ 2,197
- Lu Hsin	2,895	1,942
- Others	8	15
Sub-subsidiary		
- Taroko US CA	9,984	-
- Others	11	17
Associates accounted for using equity method	82	57
	$ 15,493	$ 4,228

Other receivables refer to the uncollected management service fee from handling related business and administrative operations for the abovementioned related parties and interest of loans to related parties.

D. Accounts payable

	December 31, 2023	December 31, 2022
Subsidiary - Lu Hsin	$ 3,682	$ 6,614
Associates accounted for using equity method		
- Shih Niang	553	747
	$ 4,235	$ 7,361

The abovementioned related parties lease tenant-counters in the department store from the Company. Accounts payable refer to the net amount that the Company shall pay based on the operating revenue of each tenant-counter after deducting a certain ratio of cut paid to the Company and mall service fee.

E. Other payables

	December 31, 2023	December 31, 2022
Subsidiary		
- Taroko Architecture	$ 654	$ 740
- Others	15	-
Associates accounted for using equity method		
- Shih Niang	374	157
Other related parties- La Trinite Naturelle	447	362
	$ 1,490	$ 1,259

Other payables pertained to department store counter payments made by related parties on behalf of the Company and management fee paid to related parties.

F. Loans to /from related parties

(a) Receivables from related parties

	December 31, 2023	December 31, 2022
Subsidiary		
- Taroko Entertainment	$ 10,000	$ 50,000
- Taroko Architecture	20,000	20,000
- Lu Hsin	30,000	20,000
Sub-subsidiary - Style 80's	5,000	8,000
Associates accounted for using equity method		
- Ya Chen	15,000	-
	80,000	98,000
Less: Offset investments accounted for under equity method	(5,440)	-
	$ 74,560	$ 98,000

(b) Interest income

	December 31, 2023	December 31, 2022
Subsidiary		
- Taroko Entertainment	$ 988	$ 1,012
- Taroko Architecture	414	149
- Lu Hsin	653	104
Sub-subsidiary - Style 80's	155	180
Associates accounted for using equity method - Ya Chen	35	-
	$ 2,245	$ 1,445

G. Revenue from management service fees

	Year ended December 31	
	2023	2022
Subsidiary		
- Taroko Entertainment	$ 14,654	$ 12,223
- Lu Hsin	18,279	8,161
Associates accounted for using equity method	1,211	893
	$ 34,144	$ 21,277

Management service fees were collected from related parties for providing management services. The fees were based on mutual agreement and were paid in the following month.

H. Expense from management service fees

	Year ended December 31	
	2023	2022
Subsidiary - Taroko Entertainment	$ 4,004	$ 704
Sub-subsidiary - Style 80's	-	229
	$ 4,004	$ 933

The management service fee that related parties received from providing management service to the Company. The service consideration is determined according to the mutual agreement and collected in the following month.

(3) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 13,670	$ 13,246
Post-employment benefits	258	142
Share-based payments	395	-
	$ 14,323	$ 13,388

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Pledged asset	Book value December 31, 2023	Book value December 31, 2022	Purpose
Inventories	$ 240,281	$ 240,281	Short-term and long-term borrowings
Financial assets at fair value through other comprehensive income - Listed stocks	127,797	-	Short-term borrowings
Other current assets - Restricted cash in banks	68,913	66,483	Short-term borrowings, trust accounts and performance guarantee
Other non-current assets - Restricted cash in banks	40,719	22,719	Long-term borrowings and building leasing performance guarantee
- Guarantee deposits paid	26,000	10,000	Long-term borrowings

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2023 and 2022, the Company entered into a number of building design and shopping mall planning contracts for indoor decoration in Taroko Mall and interior construction in Taroko Square. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 8,284	$ 17,177

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain a healthy capital base, the Company considers operating capital needs, capital expenditures and dividend expenditures in the future to monitor the Company's capital structure through financial analysis as to fulfil capital management goals.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 100,309	$ 86,241
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	148,651	6,767
Financial assets at amortised cost		
Cash and cash equivalents	349,288	437,314
Notes receivable	-	105
Accounts receivable (including related parties)	56,385	49,217
Other receivables (including related parties)	91,467	103,582
Guarantee deposits paid	115,777	99,000
Restricted cash in banks	109,632	89,202
	$ 971,509	$ 871,428
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 480,957	$ 281,500
Notes payable	53	57
Accounts payable (including related parties)	271,094	299,609
Other accounts payable (including related parties)	150,563	114,648
Long-term borrowings (including current portion)	270,573	295,044
Guarantee deposits received	21,921	18,529
	$ 1,195,161	$ 1,009,387
Lease liability	$ 2,586,504	$ 2,829,022

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. Management has set up a policy to require Company companies to manage their foreign exchange risk against their functional currency.

iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency is New Taiwan dollars, NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 1	30.71	$ 31
RMB:NTD	37	4.32	160
JPY:NTD	398,224	0.22	87,609
Non-monetary items			
USD:NTD	$ 170	30.71	$ 5,223
HKD:NTD	1,270	3.93	4,990

	December 31, 2022				
	Foreign currency amount (in thousands)		Exchange rate		Book value (NTD)
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	$	1	30.71	$	31
RMB:NTD		36	4.41		159
JPY:NTD		400,027	0.2324		92,961
Non-monetary items					
USD:NTD	$	179	30.71	$	5,493
HKD:NTD		1,307	3.94		5,146

iv. The total exchange gain (loss), including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($5,648) and $5,766, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	Year ended December 31, 2023				
	Sensitivity analysis				
	Degree of variation		Effect on profit or loss		Effect on other comprehensive income
(Foreign currency: functional currency)					
Financial assets					
Monetary items					
USD:NTD	1%	$	-	$	-
RMB:NTD	1%		2		-
JPY:NTD	1%		876		-

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ -	$ -
RMB:NTD	1%	2	-
JPY:NTD	1%	930	-

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

ii. The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $802 and $690, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $1,487 and $68, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company's main interest rate risk arises from long-term and short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. During 2023 and 2022, the Company's borrowings at variable rate were denominated in New Taiwan dollars.

ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

iii. If the borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $1,503 and $1,153, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows stated at amortised cost.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted.

iii. The Company is primarily engaged in retail of department store and shopping centre and leisure and recreation business. Accounts receivable account for a small proportion to the total assets, and the possibility of unrecoverable is remote.

iv. Based on the past collection experience, the default occurs when the contract payments are past due over 90 days.

v. For accounts receivable arising from transactions, the methods of assessing the expected credit risk of accounts receivable by the Company are as follows:

(i). Assess the expected credit loss on an individual basis if a significant default has occurred to certain customers;

(ii). The remaining receivables are grouped in accordance with the credit rating of customers. Different loss rates are applied to the different groups when estimating expected credit losses.

vi. The Company used the forecastability of Business Indicators DataBase in the National Development Council and Basel Committee on Banking Supervision (BCBS) to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
December 31, 2023						
Expected loss rate	0.06%	0.06%	0.06%	0.06%	71.61%	
Total book value	$ 45,594	$ 5,844	$ 6	$ 8	$ 1,705	$ 53,157
Loss allowance	$ 27	$ 4	$ -	$ -	$ 1,221	$ 1,252

	Not past due	Up to 30 days past due	31~60 days past due	61~90 days past due	Over 90 days past due	Total
December 31, 2022						
Expected loss rate	0.06%	0.06%	0.06%	0.06%	71.92%	
Total book value	$ 37,537	$ 8,028	$ 152	$ 9	$ 1,702	$ 47,428
Loss allowance	$ 23	$ 5	$ -	$ -	$ 1,224	$ 1,252

vii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable are as follows:

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 1,252	$ 1,727
Reversal of impairment loss	-	(475)
At December 31	$ 1,252	$ 1,252

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate and sufficient liquidity to provide sufficient head-room to the Company.

iii. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate		
Expiring within one year	$ 7,500	$ 7,500
Expiring beyond one year	3,240	3,240
	$ 10,740	$ 10,740

iv. The table below analyses the Company's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 480,957	$ -	$ -	$ -
Accounts payable (including related parties)	271,094	-	-	-
Other payables (including related parties)	150,563	-	-	-
Long-term borrowings (including current portion)	127,248	95,970	59,072	224
Lease liability	275,933	262,827	732,167	1,529,820

December 31, 2022	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 281,500	$ -	$ -	$
Accounts payable (including related parties)	299,609	-	-	-
Other payables (including related parties)	114,648	-	-	-
Long-term borrowings (including current portion)	116,176	88,540	95,971	9,722
Lease liability	292,761	273,467	748,211	1,767,452

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks is included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Fair value information of investment property at cost is provided in Note 6(10).

C. Financial instruments not measured at fair value

Including the carrying amounts of cash and cash equivalents, accounts receivable (including related parties), accounts payable, other receivables (including related parties), other payables (including related parties), short-term borrowings and long-term borrowings (including current portion) are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 2,583	$ -	$ -	$ 2,583
Agreement on movie investment	-	-	34	34
Agreement on development and building projects investment	-	-	97,692	97,692
Financial assets at fair value through other comprehensive income				
Equity securities	143,541	5,110	-	148,651
	$ 146,124	$ 5,110	$ 97,726	$ 248,960

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 3,094	$ -	$ -	$ 3,094
Agreement on movie investment	-	-	59	59
Agreement on development and building projects investment	-	-	83,088	83,088
Financial assets at fair value through other comprehensive income				
Equity securities	-	6,767	-	6,767
	$ 3,094	$ 6,767	$ 83,147	$ 93,008

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed shares and the closing price as market quoted prices.

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date.

iii. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3).

iv. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

E. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company’s credit quality.

F. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

G. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	
	Movie investment	Development project investment
At January 1	$ 59	$ 83,088
Gains and losses recognized in profit or loss	94	14,604
Decrease in investment cost	(119)	-
At December 31	$ 34	$ 97,692

	2022	
	Movie investment	Development project investment
At January 1	$ 1,890	$ 78,240
Gains and losses recognized in profit or loss	(1,789)	4,848
Decrease in investment cost	(42)	-
At December 31	$ 59	$ 83,088

H. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

I. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently updating inputs and making any other necessary adjustments to the fair value.

J. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Agreement on movie investment	$ 34	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value
Agreement on development and building projects investment	97,692	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value

	Fair value at December 31, 2022		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Agreement on movie investment	$	59	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value
Agreement on development and building projects investment		83,088	Discounted cash flow	Discount rate	-	The higher the discount rate, the lower the fair value

K. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurements. If net assets value from financial assets and liabilities categorised within Level 3 had increased or decreased by 1%, net income or other comprehensive income would not have been significantly impacted for the years ended December 31, 2023 and 2022.

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 4.

(2) Information on investees

Names, locations, and other information of investee companies (not including investees in Mainland China): Please refer to table 5.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 6.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

(4) Major shareholders information

Major shareholders information: Please refer to table 7.

14. SEGMENT INFORMATION

Not applicable.

TRK Corporation

Loans to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 2)	Amount of transactions with the borrower	Reason for short-term financing (Note 6)	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 3)	Ceiling on total loans granted (Note 3)	Footnote
0	TRK Corporation	Taroko Architecture Co., Ltd.	Other receivables due from related parties	Yes	$ 30,000	$ 20,000	$ 20,000	2.50%	2	$ -	Operating capital	$ -	Secured commercial paper	$ 20,000	$ 77,881	$ 311,526	
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Other receivables due from related parties	Yes	60,000	30,000	10,000	2.50%	2	-	Operating capital	-	Secured commercial paper	100,000	77,881	311,526	
0	TRK Corporation	Style 80's Co., Ltd.	Other receivables due from related parties	Yes	15,000	10,000	5,000	2.50%	2	-	Operating capital	-	Secured commercial paper	10,000	77,881	311,526	
0	TRK Corporation	Lu Hsin Co., Ltd.	Other receivables due from related parties	Yes	70,000	30,000	30,000	2.50%	2	-	Operating capital	-	Secured commercial paper	40,000	77,881	311,526	
0	TRK Corporation	Ya Chen Development Co., Ltd.	Other receivables due from related parties	Yes	15,000	15,000	15,000	2.87%	2	-	Operating capital	-	Secured commercial paper	15,000	77,881	311,526	

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is '0'.

(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Nature of loan: 1. For business transaction. 2. For short-term financing.

Note 3: The ceiling on loans granted by the Company and subsidiaries shall not exceed 40% of the company's net assets, while for companies having business relationship with the Company, ceiling on loans granted shall not exceed 20% of the company's net assets. For short-term capital needs, the ceiling on loans granted shall not exceed 40% of the Company's net assets; for companies having business relationship with the Company, the limit on loans granted to a single party shall not exceed the amount of business transactions, while for short-term financing, ceiling on loans granted shall not exceed 10% of the net assets.

TRK Corporation

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/guarantor	Party being endorsed/ guaranteed: Company name	Party being endorsed/ guaranteed: Relationship with the endorser/guarantor (Note 2)	Limit on endorsements/guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the Endorser/guarantor company	Ceiling on total amount of endorsements /guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	TRK Corporation	Taroko Entertainment Co., Ltd.	3	$ 1,557,628	$ 125,000	$ 70,000	$ 24,198	-	8.99%	$ 1,947,035	Y	N	N	
0	TRK Corporation	Lu Hsin Co., Ltd.	3	389,407	15,000	15,000	12,330	-	1.93%	1,947,035	Y	N	N	
0	TRK Corporation	Style 80's Co., Ltd.	3	389,407	20,000	20,000	986	-	2.57%	1,947,035	Y	N	N	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:
(1) The Company is '0'.
(2) The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following six categories; fill in the number of category each case belongs to:
(1) Having business relationship.
(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/ guaranteed subsidiary.
(3) The Endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/ guaranteed company.
(4) The endorsed/guaranteed parent company directly or indirectly owns more than 50% voting shares of the endorser/guarantor subsidiary.
(5) Mutual guarantee of the trade as required by the construction contract.
(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

Note 3: Limit on endorsements / guarantees provided is 250% of the Company's net worth based on the latest financial statements. Limit on endorsement/guarantee to a single subsidiary is 50% of the Company's net assets. However, for the subsidiary which the Company holds more than 70% of the shares directly or indirectly, the limit shall be less than 200% of the Company's net worth and it is necessary to explain the necessity and reasonableness at the shareholders' meeting.

TRK Corporation

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
TRK Corporation	Power Wind Health Industry Incorporated	None	Financial assets at fair value through profit or loss	21,000	$ 2,583	0.00%	$ 2,583	
TRK Corporation	Power Wind Health Industry Incorporated	None	Financial assets at fair value through other comprehensive income	1,167,000	$ 143,541	1.47%	$ 143,541	
TRK Corporation	All-Aspect Enterprise Ltd.	〃	〃	50	-	5.26%	-	
TRK Corporation	Bo Xin Health Industry Incorporated.	〃	〃	150,000	5,110	10.00%	5,110	
Taroko Architecture Co., Ltd.	Kong Cheng Enterprises Co., Ltd.	The Company's chairman is the chairman of the company	〃	7,458,000	33,334	15.23%	33,334	
Taroko Architecture Co., Ltd.	GlobalTown Development Co., Ltd.	None	〃	503,562	5,691	6.90%	5,691	
							$ 187,676	

TRK Corporation

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (%) (Note 2)
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Operating revenue	$ 17,357	Note 3	1.31
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Accounts receivable	4,466	〃	0.09
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Other income	14,654	Note 4	1.11
0	TRK Corporation	Taroko Entertainment Co., Ltd.	Parent company to subsidiary	Other receivables	12,513	Note 3,4,5	0.26
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Other receivables	32,895	〃	0.68
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Operating revenue	3,920	Note 3	0.30
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Accounts payable	3,682	〃	0.08
0	TRK Corporation	Lu Hsin Co., Ltd.	Parent company to subsidiary	Other income	18,279	Note 4	1.38
0	TRK Corporation	Style 80's Co., Ltd.	Parent company to subsidiary	Other receivables	5,011	Note 3,5	0.10
0	TRK Corporation	Taroko Architecture Co., Ltd.	Parent company to subsidiary	Other receivables	20,008	〃	0.41
0	TRK Corporation	Taroko US CA Corporation	Parent company to subsidiary	Other receivables	9,984	Note 6	0.20
1	Taroko Architecture Co., Ltd.	TRK Corporation	Subsidiary to Parent company	Other income	4,004	Note 4	0.30

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 3: Transaction prices and the credit terms are approximately the same with third parties.

Note 4: It pertained to the provision of management services. Prices are determined based on mutual agreements and payments are based on financial condition.

Note 5: It pertained to loans receivable.

Note 6: It pertained to payment on behalf of sub-subsidiary.

Note 7: Only transaction amount that exceeds NTD 1 million will be disclosed, otherwise will not be disclosed.

TRK Corporation

Information on investees

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
TRK Corporation	Gowin Development Ltd.	British Virgin Islands	A holding company which investing in the Mainland China	$ 194,236	$ 194,236	6,375,000	100.00	$ 4,989	(146)	(146)	
TRK Corporation	Taroko Architecture Co., Ltd.	Taiwan	Trading of real estate and securities	415,709	415,709	15,500,000	100.00	65,703	1,289	1,289	
TRK Corporation	Taroko Recreation Management Co., Ltd.	Anguilla	A holding company which investing in the Mainland China	371,827	371,827	11,910,000	100.00	5,223	(273)	(273)	
TRK Corporation	Taroko US Corporation	United States of America	A holding company which investing in the United States of America	96,531	-	30,000	100.00	78,698	(13,615)	(13,615)	
TRK Corporation	Taroko Entertainment Co., Ltd.	Taiwan	Recreational activities venue business	379,350	379,350	7,001,000	100.00	28,185	17,514	18,613	
TRK Corporation	Lu Hsin Co., Ltd.	Taiwan	Wholesale of books and stationery	31,475	31,475	3,147,500	69.94	-	(25,544)	(17,561)	
TRK Corporation	Shih Niang Co., Ltd.	Taiwan	Restaurant industry	4,900	4,900	490,000	49.00	4,653	1,876	919	
TRK Corporation	Gji Ron Company Limited	Taiwan	Real estate leasing	3,577	3,577	325,550	32.55	3,066	(411)	(134)	
TRK Corporation	He Chen Development Co., Ltd.	Taiwan	Housing and building development	142,550	129,250	14,255,000	18.75	139,965	(7,990)	(1,497)	Note 1
TRK Corporation	Ya Chen Development Co., Ltd.	Taiwan	Housing and building development	9,690	9,690	969,000	19.00	9,877	1,055	200	Note 1
TRK Corporation	Yi Chen Development Co., Ltd.	Taiwan	Housing and building development	-	190	-	-	-	(29)	(5)	
TRK Corporation	Boruem Real Estate Development Co., Ltd.	Taiwan	Housing and building development	27,500	20,000	2,750,000	25.00	22,901	(15,657)	(3,914)	Note 1
Taroko Architecture	Style 80's Co., Ltd.	Taiwan	Hotels and motels, restaurant industry	30,000	30,000	1,680,000	60.00	23,716	6,208	-	
Taroko US Corporation	Taroko US CA Corporation	United States of America	Recreational activities venue business	9,377	-	3,000	100.00	(5,013)	(14,433)	-	

Note 1: It is based on the financial statement that were audited by the other audits.

TRK Corporation

Information on investments in Mainland China

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
Jinan Taroko Photoelectric Technology Co., Ltd.	Operation of business portfolio such as hot cathode fluorescent lamps, cold cathode fluorescent lamps, ballasts and panels	$ 14,240	2	$ 14,240	$ -	$ -	$ 14,240	$ -	0.00%	$ -	$ -	$ -	Note 3, 4
Shandong Taroko Weaving & Dyeing Industry Co., Ltd.	Development of textile technology, fiber dyeing of advanced chemical fiber fabric and as well as post processing	448,560	2	149,406	-	-	149,406	-	0.00%	-	-	-	Note 3, 6
SH G-RUN Sport and Investment Management Ltd.	Operation of sports facility and restaurant management	339,197	2	339,197	-	-	339,197	(34,502)	30.00%	-	-	-	Note 5

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
TRK Corporation	$ 502,843	$ 531,015	$ 473,494

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: It based on investees' financial statements which were not reviewed by independent accountants.

Note 3: A subsidiary of the Company, Gowin Development Ltd., invested in Shandong Taroko Weaving & Dyeing Industry Co., Ltd. through reinvesting in Happy Year Investment Co., Ltd. with the investment in Jinan Taroko Photoelectric Technology Co., Ltd. at its net value of RMB 47,107 in the year of 2006. The investment was completed with the local competent authorities.

Note 4: The investee company completed the liquidation in the first quarter of 2008 and obtained the withdrawal letter issued by the Investment Commission, Ministry of Economic Affairs.

Note 5: The Company obtained 99.19% equity interest of SH G-RUN Sport and Investment Management Ltd. through reinvesting in Taroko Recreation management Co., Ltd. The total investment was USD 12,000 thousand and the investment was approved by the Investment Commission, Ministry of Economic Affairs; An investee company, Shandong Taroko Weaving & Dyeing Industry Co., Ltd., which 40% indirectly held by the Company obtained 0.81% equity interest of SH G-RUN Sport and Investment Management Ltd.. The total investment was USD 100 thousand and the equity interest was sold to a third party, Jinan Trade Base Trading Co., Ltd. in the year of 2015; 50% and 19.19% of equity interest from abovementioned investment in Taroko Recreation management Co., Ltd. was sold to Shanghai Aoyuan and Jinan Trade Base Trading Co., Ltd., respectively, in the year of 2020. The transfer of investment was approved by the Investment Commission, Ministry of Economic Affairs. Yingbo Holding Group Co., Ltd. in the year of 2014 with the transaction amount of RMB 115,000 thousand. The above equity transaction was completed in the year of 2016.

TRK Corporation

Major shareholders information

Year ended December 31, 2023

Table 7

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Kong Cheng Enterprises Co., Ltd.	8,628,430	9.58%
Lin, Man-Li	7,827,539	8.69%
Sacon International Co., Ltd.	7,278,532	8.08%

TRK CORPORATION
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

Statement 1 | Expressed in thousands of NTD

Item	Description	Amount
Revolving funds and petty cash		$ 7,773
Cash on hand		
－NTD		9,918
－RMB	RMB 4,882, exchange rate 4.32	21
－JPY	JPY 23,803, exchange rate 0.22	5
Demand deposits		
－NTD		244,929
－USD	USD 524, exchange rate 30.71	16
－RMB	RMB 31,650, exchange rate 4.32	137
－JPY	JPY 398,199,755, exchange rate 0.22	86,489
		$ 349,288

TRK CORPORATION
STATEMENT OF INVENTORIES
DECEMBER 31, 2023

Statement 2

Expressed in thousands of NTD

Item	Description	Amount: Cost	Amount: Market value (Note)	Footnote
Construction segment				
Land held for construction site	Xinzhoumei Section No. 89	$ 240,281	$ 240,281	The net realizable value is the market value.
Shopping centres segment				
Merchandise		33,497S	33,329	The net realizable value is the market value.
		273,778	$ 273,610	
Less: Allowance for valuation loss		(168)		
		$ 273,610		

Note: The market value of land held for construction site and merchandise specified as the cost or net realizable value, whichever is lower.

TRK CORPORATION

STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 3

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions		Decrease		Balance as of December 31, 2023		Collateral
	Subscription ratio	Book value	Subscription ratio	Amount	Subscription ratio	Amount	Subscription ratio	Book value	
Current items:									
listed stocks									
Power Wind Health Industry Incorporated	-	$ 2,989	-	$ -	-	($ 575)	-	$ 2,414	None
Valuation adjustment		105		157		(93)		169	
		$ 3,094		$ 157		($ 668)		$ 2,583	
Non-current items:									
Equity instruments									
Hualien International Co., Ltd. on the distribution right of 26 Taiwan movies	15%	$ 3,092	-	$ -	-	($ 119)	15%	$ 2,973	None
Tendril International Development Co., Ltd. on reconstruction and development investment buildings in Yangming Section, Shilin District, Taipei City	-	60,000		-	-	-	-	60,000	″
		63,092		-		(119)		62,973	
Valuation adjustment		20,055		14,698		-		34,753	
		$ 83,147		$ 14,698		($ 119)		$ 97,726	

TRK CORPORATION
STATEMENT OF CHANGES IN FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 4

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions		Decrease		Balance as of December 31, 2023		Collateral
	Shares	Book value	Shares	Amount	Shares	Amount	Shares	Book value	
Listed stocks									
Power Wind Health Industry Incorporated	-	$ -	1,167,000	$ 166,335		$ -	1,167,000	$ 166,335	Yes
Unlisted stocks									
All-Aspect Enterprise Ltd.	50	14,820	-	-	-	-	50	14,820	None
Bo Xin Health Industry Incorporated.	150,000	3,402	-	-	-	-	150,000	3,402	〃
		18,222		166,335		-		184,557	
Valuation adjustment		(11,455)		-		(24,451)		(35,906)	
		$ 6,767		$ 166,335		($ 24,451)		$ 148,651	

TRK CORPORATION

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 5

Expressed in thousands of NTD

Name	Balance as of January 1, 2023		Additions		Decrease		Other adjustment	Balances as of December 31, 2023			Market price or Equity of subsidiaries and Associates		Basis of Valuation
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Amount	Number of shares	Percentage of ownership	Amount	Unit price (in dollars)	Total price	
He Chen Development Co., Ltd.	12,920,000	$ 128,149	1,330,000	$ 13,300	-	($ 1,497)	$ 13	14,250,000	18.75%	$ 139,965	$ -	$ 139,965	Equity method
Taroko US Corporation	-	-	300,000	96,532	-	(13,615)	(4,219)	300,000	100.00%	78,698	-	78,698	〃
Taroko Architecture Co., Ltd.	15,500,000	54,757	-	1,289	-	-	9,657	15,500,000	100.00%	65,703	-	65,703	〃
Taroko Entertainment Co., Ltd.	7,000,714	9,569	286	18,614	-	-	2	7,001,000	100.00%	28,185	-	28,185	〃
Boruem Real Estate Development CO., Ltd.	2,000,000	19,315	750,000	7,500	-	(3,914)	-	2,750,000	25.00%	22,901	-	22,901	〃
Ya Chen Development Co., Ltd.	969,000	9,677	-	200	-	-	-	969,000	19.00%	9,877	-	9,877	〃
Taroko Recreation Management Co., Ltd.	1,191,000	5,493	-	-	-	(273)	3	1,191,000	100.00%	5,223	-	5,223	〃
Gowin Development Ltd.	6,375,000	5,146	-	-	-	(146)	(11)	6,375,000	100.00%	4,989	-	4,989	〃
Shih Niang CO., Ltd.	490,000	3,734	-	919	-	-	-	490,000	49.00%	4,653	-	4,653	〃
Gji Ron Company Limited	325,000	3,200	-	-	-	(134)	-	325,000	32.55%	3,066	-	3,066	〃
Lu Hsin Co., Ltd.	3,147,500	12,121	-	-	-	(17,561)	5,440	3,147,500	69.94%	-	-	-	〃
Yi Chen Development Co., Ltd.	19,000	180	-	-	(19,000)	(180)	-	-	-	-	-	-	〃
		$ 251,341		$ 138,354		($ 37,320)	$ 10,885			$ 363,260			
				(Note 1)		(Note 2)	(Note 3)						

Note 1: The additions this year includes recognized increase in investments of $117,333, and gains on investments of $21,021.

Note 2: The decreases this year includes recognized decrease in investments of $175, and losses on investments of $37,145.

Note 3: Other adjustment this year includes recognized cumulative translation adjustment of ($4,227), difference between consideration and carrying amount of subsidiaries acquired of $2, changes in ownership interests in subsidiaries of $79, credit balance of investments accounted for using equity method offset other receivables due from related parties of $5,440, unrealised losses from investments in equity instruments measured at fair value through other comprehensive income, subsidiaries accounted for using equity method of $9,578, and changes in equity of associates and joint ventures accounted for using equity method of $13.

TRK CORPORATION
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 6

Expressed in thousands of NTD

Item	Balance as of January 1,2023	Additions	Decreases	Transfer	Balance as of December 31, 2023	Collateral
Cost						
Buildings and structures	$ 5,196	$ -	$ -	$ -	$ 5,196	None
Machinery and equipment	15,410	105	(261)	367	15,612	〃
Transportation equipment	9,661	-	(5,999)	-	3,662	〃
Office equipment	126,156	34,089	(10,568)	98	149,775	〃
Other equipment	10,586	5	(316)	-	10,275	〃
Leasehold improvements	676,133	118,756	(13,010)	5,887	787,766	〃
Construction in progress and equipment under acceptance	6,872	1,934	-	(6,352)	2,454	〃
	$ 850,014	$ 154,889	($ 30,154)	$ -	$ 974,749	
Accumulated depreciation						
Buildings and structures	($ 2,031)	($ 493)	$ -	$ -	($ 2,524)	
Machinery and equipment	(10,103)	(1,658)	261	(357)	(11,857)	
Transportation equipment	(5,833)	(672)	5,023	-	(1,482)	
Office equipment	(78,959)	(22,259)	10,124	357	(90,737)	
Other equipment	(8,989)	(549)	287	-	(9,251)	
Leasehold improvements	(293,913)	(84,769)	12,951	-	(365,731)	
	(399,828)	($ 110,400)	$ 28,646	$ -	(481,582)	
Book value	$ 450,186				$ 493,167	

TRK CORPORATION
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 7

Expressed in thousands of NTD

Item	Balance as of January 1,2023	Additions	Decreases	Lease adjustment	Transfer	Balance as of December 31, 2023	Collateral
Cost							
Land	$ 3,028	$ -	$ -	$ -	$ -	$ 3,028	None
Buildings	2,985,128	3,118	(896)	(5,468)	(29,948)	2,951,934	〃
Machinery and equipment	12,812	-	(4,600)	-	-	8,212	〃
Transportation equipment	17,422	23,915	(1,845)	(18,610)	-	20,882	〃
	$ 3,018,390	$ 27,033	($ 7,341)	($ 24,078)	($ 29,948)	$ 2,984,056	
Accumulated depreciation							
Land	($ 2,202)	($ 550)	$ -	$ -	$ -	($ 2,752)	
Buildings	(808,042)	(222,479)	896	3,813	6,732	(1,019,080)	
Machinery and equipment	(7,686)	(1,789)	4,600	-	-	(4,875)	
Transportation equipment	(4,375)	(5,721)	1,830	5,130	-	(3,136)	
	($ 822,305)	($ 230,539)	$ 7,326	$ 8,943	$ 6,732	($ 1,029,843)	
Book value	$ 2,196,085					$ 1,954,213	

TRK CORPORATION
STATEMENT OF CHANGES IN INVESTMENT PROPERTY
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 8

Expressed in thousands of NTD

Item	Balance as of January 1,2023	Additions	Decreases	Transfer	Balance as of December 31, 2023	Collateral
Cost						
Land	$ 16,782	$ -	$ -	$ -	$ 16,782	None
Right-of-use assets	644,106	-	-	29,948	674,054	〃
	660,888	-	-	29,948	690,836	
Accumulated depreciation						
Right-of-use assets	(155,022)	(40,439)	-	(6,732)	(202,193)	
Accumulated impairment			-			
Land	(7,967)	-	-	-	(7,967)	
Book value	$ 497,899	($ 40,439)	$ -	$ 23,216	$ 480,676	

TRK CORPORATION
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023

Statement 9

Expressed in thousands of NTD

Creditor	Explanation	Balance as of December 31, 2023	Contract period	Interest rate range	Collateral
Taiwan Cooperative Financial Holding Co., Ltd.	Secured borrowings	$ 23,332	2020.04～2024.09	1.90%～2.50%	Restricted cash in banks
Bank of Panhsin	〃	2,805	2021.02～2024.02	2.25%～3.07%	〃
Sunny Bank Ltd.	〃	38,821	2021.02～2026.02	2.00%～2.82%	〃
Sunny Bank Ltd.	〃	56,371	2021.09～2028.09	2.25%～5.07%	〃
First Commercial Bank	〃	20,921	2022.05～2027.05	2.25%～2.75%	〃
Chailease Finance Co., Ltd.	〃	18,822	2022.10～2025.10	1.60%	Guarantee deposits paid
Shinshin Credit Corporation	〃	25,019	2022.12～2025.12	2.92%	〃
SinoPac Leasing Corporation	〃	29,218	2023.02～2026.02	2.75%	〃
CDC Finance & Leasing Corporation	〃	37,396	2023.03～2026.03	2.74%	〃
Bank of Panhsin	〃	17,868	2023.08～2026.08	3.07%	Restricted cash in banks
		270,573			
Less: Current portion		(120,820)			
		$ 149,753			

Note：Interest rate range is 1.60%～5.07%.

TRK CORPORATION

STATEMENT OF OPERATING REVENUE

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 10 | Expressed in thousands of NTD

Item	Amount	Footnote
Sales revenue	$ 175,405	Referring to the revenue from operating mall and dealing counter in the department store
Entertainment revenue	513,736	Referring to the revenue from operating baseball and softball field, go-kart amusement park and family amusement park
Tenant-counter rental revenue	335,508	Referring to the revenue from leasing mall and tenant-counter in the department store
Other operating revenue	170,188	Revenue from each item has not reach 10% of total revenue
	$ 1,194,837	

TRK CORPORATION

STATEMENT OF OPERATING COSTS

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 11

Expressed in thousands of NTD

Item	Amount
Inventory at beginning of the year	$ 271,747
Add: Inventory purchased	76,641
Less: Inventory at end of the year	(273,610)
	74,778
Tenant-counter cost and entertainment cost	594,579
Other operating costs	33,623
Operating costs	$ 702,980

TRK CORPORATION

STATEMENT OF OPERATING EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 12 Expressed in thousands of NTD

Item	Sales and marketing expenses	General and administrative expenses	Note
Wages and salaries	$ 41,880	$ 43,215	
Directors' remuneration	-	12,311	
Depreciation charge	159,489	7,762	
Advertisement expense	11,657	12,881	
Entertainment expense	362	11,387	
Repairs and maintenance expense	28,403	380	
Other expenses	53,238	36,241	Note
	$ 295,029	$ 129,820	

Note: The balance of each account did not exceed 5% of the total amount of this account.

TRK CORPORATION
STATEMENT OF EMPLOYEE BENEFIT, DEPRECIATION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Statement 13

Expressed in thousands of NTD

By function / By nature	2023			2022		
	Classified as operating costs	Classified as operating expenses	Total	Classified as operating costs	Classified as operating expenses	Total
Employee benefit expense						
Wages and salaries	$ 178,831	$ 90,738	$ 269,569	$ 153,650	$ 77,448	$ 231,098
Labor and health insurance fees	21,791	10,584	32,375	19,393	9,001	28,394
Pension costs	9,607	5,056	14,663	8,615	4,531	13,146
Directors' remuneration	-	12,311	12,311	-	11,063	11,063
Other employee benefit expenses	7,638	6,374	14,012	7,670	6,116	13,786
Depreciation	214,127	167,251	381,378	209,963	150,790	360,753
Amortization	1,539	676	2,215	2,903	150	3,053

Note1: As of December 31, 2023, and 2022, the Company had 629 and 605 employees (including part-timers), including 5 directors, respectively.

Note2: (1) The average employee benefit expenses for the years ended December, 31, 2023 and 2022 were $530 and $477, respectively.
(2) The average salaries for the years ended December 31, 2023 and 2022 were $432 and $385, respectively.
(3) The difference of average salaries for 2023 compared with 2022 was 12.21%.

Note3: The Company's compensation policies (including directors, managers and employees) are set out below:

The employees' compensation of the Company is determined by the employees and employers. Also, salary determination and adjustment and bonus distribution are differentiated according to the operating condition of the Company, price level, career contribution and ability and performance of the employee. The employees' pay level is reviewed periodically each year to ascertain it is competitive in the labor market.

According to the Articles of Incorporation of the Company, the Board of Directors is authorized to determine the remuneration of all Directors based on the degree of participation in the Company's operation and contribution, as well as comparing with industry, and is submitted to the Board of Directors for resolution after being reviewed by the remuneration committee. Managers' remuneration is determined based on personal performance and contribution to the Company's overall operation, as well as comparing with industry, and is submitted to the Board of Directors for resolution after being reviewed by the remuneration committee.

According to the Articles of Incorporation of the Company, if the Company generates profit for the year, shall be distributed as employees' compensation and directors' remuneration. The percentage shall be 0.5~1% for employees' compensation and no more than 2% for directors' remuneration. If a company has accumulated deficit, earnings should be channeled to cover losses. The distribution of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting.

Note4: The Company has no supervisors' remuneration as it had set up an audit committee.

大魯閣實業
TRK CORPORATION

Taroko 大魯閣 棒壘球打擊場

Roller 18

福湯 岩盤浴

遊戲愛樂園 Yu kids Island

AMERICAN VILLAGE 陽明山美國渡假村

TAROKO KARTING LAND

Taroko 大魯閣保齡球 TAROKO BOWLING ALLEY

熟成咖哩の味 Mr.咖加哩

大魯閣新時代 TAROKO MALL

大魯閣湳雅廣場 TAROKO SQUARE