

Stock code: 8077



洛 碁 實 業 股 份 有 限 公 司
GREEN WORLD HOTELS CO., LTD.

2023

Annual Report

Date of publication: April 30, 2024

The annual report of the current year can be seen at
<http://mops.twse.com.tw>

Corporate website: <http://www.greenworldhotels.com>

1. Spokesperson: Tsui, Chieh-Min Position: Executive Vice General Manager
Tel: (02)2562-0018
Email: jeremy.tsui@gwh.global
Acting spokesperson: Peng, Fei-Hsiu Position: Accounting Associate Manager
Tel: (02)2562-0018
Email: vickipeng@gwh.global
2. Head Office: 3F., No. 69, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Tel: (02)2563-3200

Branch office	Address	Tel
Green World Jianpei Branch Office	No.140, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25095151
New World Hotel Branch Office	9F., No.141, Kunming St., Wanhua Dist., Taipei City 108, Taiwan (R.O.C.)	02-23118863
Green World Station Branch Office	1F., No.21, Sec. 1, Chongqing S. Rd., Zhongzheng Dist., Taipei City 100, Taiwan (R.O.C.)	02-23819199
Green-World- Qingtian Branch Office	7-9F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green-World-Xiemei Branch Office	10-12F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green-World-Sansui Branch Office	1-5F., No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25971281
Green World Grand Nanjing Branch Office	12F, No.8, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25098882
Green World Mai – Nanjing Branch Office	No.163, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25035511
Green-World-Linsen Branch Office	No.617, Linsen N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)	02-25955225
Green World Songshan Branch Office	1F., No.149, Yucheng St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	02-27837088
Green World Zhongxiao Branch Office	1F., No.180, Sec. 4, Zhongxiao E. Rd., Daan Dist., Taipei City 106, Taiwan (R.O.C.)	02-27116869
Green World Flora Division Branch Office	No. 36, Section 1, Hankou Street, Zhongzheng District, Taipei City, Taiwan (R.O.C.)	02-23123811
Green World NanGang Branch Office	8F., No.528, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.)	02-27893009
Green World Triplebeds Branch Office	No.16, Sec. 4, Bade Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.)	02-27630555
Zhonghua Branch Office	2F., No. 41, Section 1, Zhonghua Road, Zhongzheng District, Taipei City	02-23705158

Factories: None.

3. Entrusted stock affairs and transfer service institution:
Name: Taishin Securities Co., Ltd., Shares Registration Service Department
Address: B1, No.96, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Website: <https://www.tssco.com.tw/>
Tel: (02)2504-8125
4. The certified public accountant for the most recent annual financial report:
Certified Public Accountant: CPA Wu,Kun-Yi, CPA Wu,Hsien-En
Accounting firm: Moore Stephens DaHua (Taiwan) CPAs
Address: 6F., No. 36-9, Sec. 1, Fuxing S. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.)
Website: www.msdahua.com.tw
Tel: (02)2321-7666
5. Name of any exchange where the Company's securities are traded overseas and the method by which to access information on the overseas securities: None.
6. Corporate website: <http://www.greenworldhotels.com>

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One.Letter to Shareholders

The COVID-19 epidemic broke out across the world in January 2020 affected everyone around the globe, especially the tourism industry, which is on the front line of such severe impact. At its worst, countries had to close their borders to prevent the epidemic, and the international tourism market also faced a shutdown. Taiwan's international tourism market, which has been closed for two and a half years, finally ushered in the lifting of the border closure on October 13, 2022 and welcomed international tourists to visit Taiwan.

In the early days of opening the borders, due to the incomplete lifting of epidemic prevention restrictions, labor shortages and the slow increase in flights, the recovery of the hotel industry was not as good as expected. In particular, the recovery of the past major markets such as Japan and China was even slower. Japanese tourists were affected by the sharp depreciation of the Japanese Yen. As a result, their cost of traveling abroad has increased significantly; and Chinese tourists have not yet been allowed to travel to Taiwan due to the tense cross-strait situation. However, with the efforts of all staff to develop new customer sources and reduce costs, we reached the positive profit four months after the re-opening of borders.

The hotel industry has already undergone the most difficult moment. Although it has not yet returned to pre-epidemic performance due to many unfavorable factors such as labor shortage, insufficient flight capacity, and inflation pressure, etc., in the short term, revenge travel still continues. In the medium to long term, tourism is still expected to continue to develop in a positive manner. The Company has survived the impact of the epidemic and will make full use of the experience accumulated in the past and during the epidemic to quickly adjust to market demand and welcome the new era of the industry.

Currently, the Company's hotels are all located in Taipei City. At the end of 2023 the Company has 15 hotels (including Qingtian and Xiemei). With the recovery of the tourism market, the Company's total operating revenue in 2023 was NT\$978,346,000, an increase of 79% compared with 2022. The net profit for the current period of 2023 was NT\$49,628,000, an increase of 122% compared with 2022.

The 2023 annual business report of the Company is as follows:

I. Business results

(I) Business implementation results

Items	Year	
	2022	2023
Operating revenue	546,279	978,346
Operating costs	640,057	719,073
Operating gross profit (loss)	(93,778)	259,273
Operating net profit (loss)	(166,586)	110,968
Non-operating gain or loss	(58,938)	(48,933)
Net profit (loss) before tax	(225,524)	62,035
Net profit (loss) of the current period	(225,524)	49,628

Unit: NT\$1,000

(II) The status of budget execution: the Company did not make any financial forecasts and thus, this does not apply to the Company.

(III)Financial analysis:

Items		Year	Unit:%	
		2022	2023	
Financial structure	Ratio of debts to assets	91.93	89.71	
	Percentage of long-term funds to real property, plant and equipment	349.41	360.11	
Solvency	Current ratio	35.12	47.15	
	Quick ratio	33.83	45.83	
Management capacity	Receivables turnover (number of times)	28.70	25.97	
	Average number of cash received days	12.71	14.05	
Profitability	Return on assets	(4.99)	3.10	
	Return on equity	(59.71)	17.13	
	Ratio of net profit before tax to paid-up capital	(102.76)	28.27	
	Profit margin	(41.28)	5.07	
	Earnings per share (dollars)	(10.28)	2.26	

(IV)Status of research and development

The Company's main business operations are tourism hotels and related businesses, so it is not applicable.

II.It is affected by the external competitive environment, regulatory environment and the overall environment of business operations:

The tourism industry has undergone through the most difficult moment and is recovering strongly. In terms of global tourist arrivals, it has recovered to 85% of the pre-epidemic levels. However, Taiwan is one of the countries who relatively reopen its borders late, slightly behind the neighboring countries such as Thailand and Korea, coupled with labor shortages, insufficient flights, cross-strait tensions, the Russia-Ukraine war and many other unfavorable factors, it has been difficult for the hotel industry to fully return to pre-epidemic levels in the current time of 2023.

The number of tourists visiting Taiwan in 2023 was 6,486,951, an increase of 624% compared with 2022. The main tourist data in Taiwan in 2022 and 2023 are as follows:

Unit: Person

Region	Number of tourists visiting Taiwan in 2022	Number of tourists visiting Taiwan in 2023	Increase (decrease) ratio %	Increase (or decrease) of number of person
Southeast Asia	484,041	2,253,483	366	1,769,442
Hong Kong and Macau	32,621	1,199,572	3,577	1,166,951
Japan	87,616	928,235	959	840,619
South Korea	51,748	744,727	1,339	692,979

Mainland China	24,378	226,269	828	201,891
Others	215,558	1,134,665	426	919,107
Total	895,962	6,486,951	624	5,590,989

Source: Tourism Administration, M.O.T.C

The comparison of supply in hotels in 2023 compared with 2022 is as follows: The total number of legally-registered general hotels in Taipei City and New Taipei City decreased by 4 and the number of rooms increased by 607. Hotels were affected by COVID-19 and some hotels withdrew from the market during the epidemic. Looking forward to the future, the hotel supply will show positive growth.

III. Summary of the 2023 business plan and future development strategy of the Company:

By improving the operational performance and the collaboration of the management team, the Company was able to recover quickly and grow steadily during the post-pandemic period.

(I) Short to Mid-term Strategy

1. Integration of group resources: Effective use of our own resources and combined with the Company's largest shareholder, the well-known Japanese tourism group H.I.S., which has strong cross-regional customer gathering capabilities to quickly obtain accommodation needs from tourists from Hong Kong, Macao, Japan, South Korea, China, Southeast Asia and other countries.
2. Strengthen the domestic market: By strengthening cooperation with Funnow, the first instant entertainment platform in Taiwan, we provide diversified membership services and increase tourist stickiness. We also work with companies such as Taiwan High Speed Rail to create diversification among hotels and enhance our domestic competitive advantages.
3. Minimize room inventory: Through the assistance of the joint reservation center, more efficient room vacancy control can be achieved. Meanwhile, the regional room scheduling mechanism is adopted to maximize the support of each spot and achieve the goal of no off-season throughout the whole year.
4. Operation process efficiency and system optimization: In-depth review and redesign of the operation process of the headquarter and various departments, while optimizing the corresponding systems to improve work efficiency and cope with potential challenges such as labor shortage.
5. Strengthen talent acquisition and training: Establish cooperation with the government, colleges and universities and related enterprises to provide employees with more vocational training opportunities and increase their multi-functional capabilities. Meanwhile, we actively expand internship and job opportunities at home and abroad to establish a strong talent pool.
6. Effective use of idle space: By effectively utilizing the vacant space in each hotel, we can create income from non-accommodation sources and increase the overall revenue of the group.

(II) Mid to Long-term Strategy

1. Actively stabilizing the hotel business: Ensure the steady recovery of the hotel business, while continuing to improve service quality to attract more repeated visits of customers and word-of-mouth effects.
2. Invest in related industries: Consider investing in and developing tourism-related industries based on the hotel business to create multiple sources of income and provide tourists with a more wholesome experience.
3. Expand spots in other counties and cities: In addition to stabilizing the business operation

in Taipei City, we will actively evaluate hotel project development in other counties and cities, create a brand image of comprehensive high-quality services, and focus on improving customized accommodation experience to promote customer satisfaction improvement.

4. Planning of new business models: Actively plan and design new business models to increase overall revenue. May include introducing digital technology to provide more customized services to meet ever-changing market needs.
5. Increase efficiency of operation team: Re-evaluate and adjust the composition of the management team to establish a highly efficient and multi-tasking operation team to cope with business challenges.
6. Introduce strategic investors: Consider the introduction of investors with strategic aspect to jointly participate in the design and development of business models to enhance the Company's competitiveness and accelerate revenue growth.
7. Promote sustainable transformation: Low-carbon tourism and green tourism have gradually become tourism trends, and we are planning to obtain green tourism-related labels and certifications to respond to future customer needs for sustainable development.

(III) Conclusions

After the COVID-19 epidemic ended, people began to reconsider their travel plans. Compared with the upsurge of Taiwanese citizens going abroad, the domestic tourism did not emerge at the same time, and there was an obvious tourism deficit in the number of people entering and leaving Taiwan. According to statistics from the Tourism Administration, M.O.T.C, after the lifting of closure of borders on October 13, 2022, the average daily number of tourists visiting Taiwan for sightseeing purposes in November was just over 4,000, and the average daily arrival in December was about 10,000. In the past, visitors to Taiwan mainly came from China, Japan, South Korea, Hong Kong and Macao. Among them, only the number of visitors from Hong Kong, Macao and South Korea have recovered relatively quickly. Due to political factors, China has not allowed its citizens to travel to Taiwan as of 2023, and the tourism recovery has stagnated; while Japan has actively promoted domestic tourism after the epidemic. The central and local governments simultaneously launched "Nationwide Travel Subsidies", and the Japanese Yen has depreciated significantly since the epidemic, leading to an increase in the cost of going abroad, making Japanese tourists less willing to travel abroad. However, relevant government agencies have again launched the "World Project" for Southeast Asian countries, simplifying the entry process for ASEAN tourists into Taiwan and strengthening the solicitation of Southeast Asian customers. Comparing the number of visits to Taiwan in December 2022 with December 2019 before the epidemic, after excluding visitors for purposes of business, work, and those returning to Taiwan, tourists from Thailand, Singapore and other countries for tourism purposes rebounded rapidly. The number of visits to Taiwan from Singapore and Thailand in December has respectively reached 55.1% and 61.6% of the same period before the epidemic, indicating that Taiwan still has a certain attraction for tourists from Southeast Asian countries.

Further, the impact of the epidemic in the past three years has led to the suspension of cross-border tourism. Taipei's hotel industry, which makes its major revenue from customers from foreign countries, has significantly reduced its manpower in order to reduce costs. Many employees in related industries have switched or left their jobs during the epidemic, creating a manpower gap upon the industry recovery, and the replenishment and deployment of manpower cannot keep up with the recovery of demand, making it unable to return to the manpower level before the epidemic in a relevant short period of time.

Based on the above analysis, it can be seen that the hotel industry has undergone the most difficult moment and it has recovered strongly. In 2020, when the epidemic was the most severe, countries began to close their borders, creating an unprecedented international tourism shutdown of more than a year, which caused the aircraft to be mothballed, loss of staff and closure of businesses. With the overall tourism supply and demand imbalance occurred after the recovery

in 2022 coupled with the inflation caused by war and economic factors, the cost of airfare, food, accommodation and transportation in major tourism markets increased overall. However, the overall increase in prices could not hold consumers who have not traveled for a long time. According to UNWTO statistics, the average spending amount of tourists in major tourism cities has increased. However, the high tourism prices make consumers tend to prefer consumption in a manner of regional and short-term travel arrangements but maintain the total number of year-round overseas travelling. The Company has formulated comprehensive and practical short, medium and long-term strategies for stable recovery after the epidemic. In the short to medium term, we focus on improving operational efficiency, actively expanding the source of tourists and minimizing room inventory through the integration of group resources to ensure rapid response and adaptation in the fiercely competitive market. Meanwhile, the Company's overall efficiency and diversified revenue sources will be further enhanced through optimization of operating processes and systems, talent acquisition and training, and effective use of idle spaces. In the medium and long term, we will focus on continuing to stabilize the hotel business, while pursuing more comprehensive development through measures such as investing in other income sources, expanding our spots in other counties and cities, and planning new business models, and adjusting the management infrastructure including improving the efficiency of the operating team and introducing strategic investors to ensure that the Company can more flexibly respond to future market challenges and achieve stable long-term growth.

Chairman and General Manager: Hsieh, Hsien-Chih

Two.Brief Introduction of the Company

I.Date of establishment: July 22, 1994

II.History of the Company

- July 1994 "宇晨科技有限公司" was officially founded with a registered capital of NT\$ 5,000,000 and paid-up capital of NT\$ 5,000,000. It was dedicated to the design and development of continuous vacuum sputtering coating equipment.
- May 1997 The company officially changed its name to "冠華科技股份有限公司."
- February 2003 The stock was officially listed on the emerging stock market.
- December 2004 With the approval of the Securities and Futures Bureau, the company was officially listed on the OTC market and increased its paid-in capital to 1,332,500,000 NTD.
- June 2013 In accordance with the resolution of the board of directors, the company requested reorganization with Taoyuan District Court of Taiwan and then declared an emergency disposition to Taoyuan District Court of Taiwan. The company's stock stopped trading on the OTC market.
- November 2013 In accordance with the resolution of the board of directors, the company requested to withdraw from reorganization and emergency disposition with Taoyuan District Court of Taiwan, and the company's stock continued trading on the OTC market.
- December 2013 The provisional meeting of shareholders had re-elected seven directors, which had changed more than one-third of the directors.
- December 2013 The provisional meeting of shareholders had resolved to dispose most of the real property, factories, and equipment in order to reduce the manufacturing business department and improve the financial structure of the company.
- April 2014 Mr. Hsieh, Hsien-Chih served as the chairman and general manager of the company.
- June 2014 Signed a management consultancy contract with Green World Hotels Co., Ltd., and the company was transformed from the technology industry to the hotel industry.
- August 2014 Signed a business consulting contract with Green World Hotels Co., Ltd.
- August 2014 To improve the financial structure, the company reduced 74.5% of the capital to make up for the accumulated losses. The paid-in capital was 302,948,880 dollars after the capital reduction.
- September 2014 The first private fundraising was conducted in 2014. The paid-up capital was 402,948,880 dollars after the capital increase.
- October 2014 The stock resumed trading on the OTC market.
The second private fundraising was conducted in 2014. The paid-up capital was 502,948,880 dollars after the capital increase.
- December 2014 The private preferred shares were fully converted into private common shares.
- May 2015 Ms. HSIEH,HSIU-MEI served as the general manager of the company.
- June 2015 The meeting of shareholders resolved the purchase case of the "Lochi Hotel".
- July 2015 The stock resumed trading as ordinary settlement.
The company changed its name to "Green World Hotels Co., Ltd."
- August 2015 Purchased 100% equity of "Green World Hotels Co., Ltd." and transformed to the hotel industry.
- September 2015 Starting 2015/09/21, the name of the trading stock was changed to "Green World" and its stock code is 8077.
- October 2015 The merged subsidiary: Green World Hotels Co., Ltd.

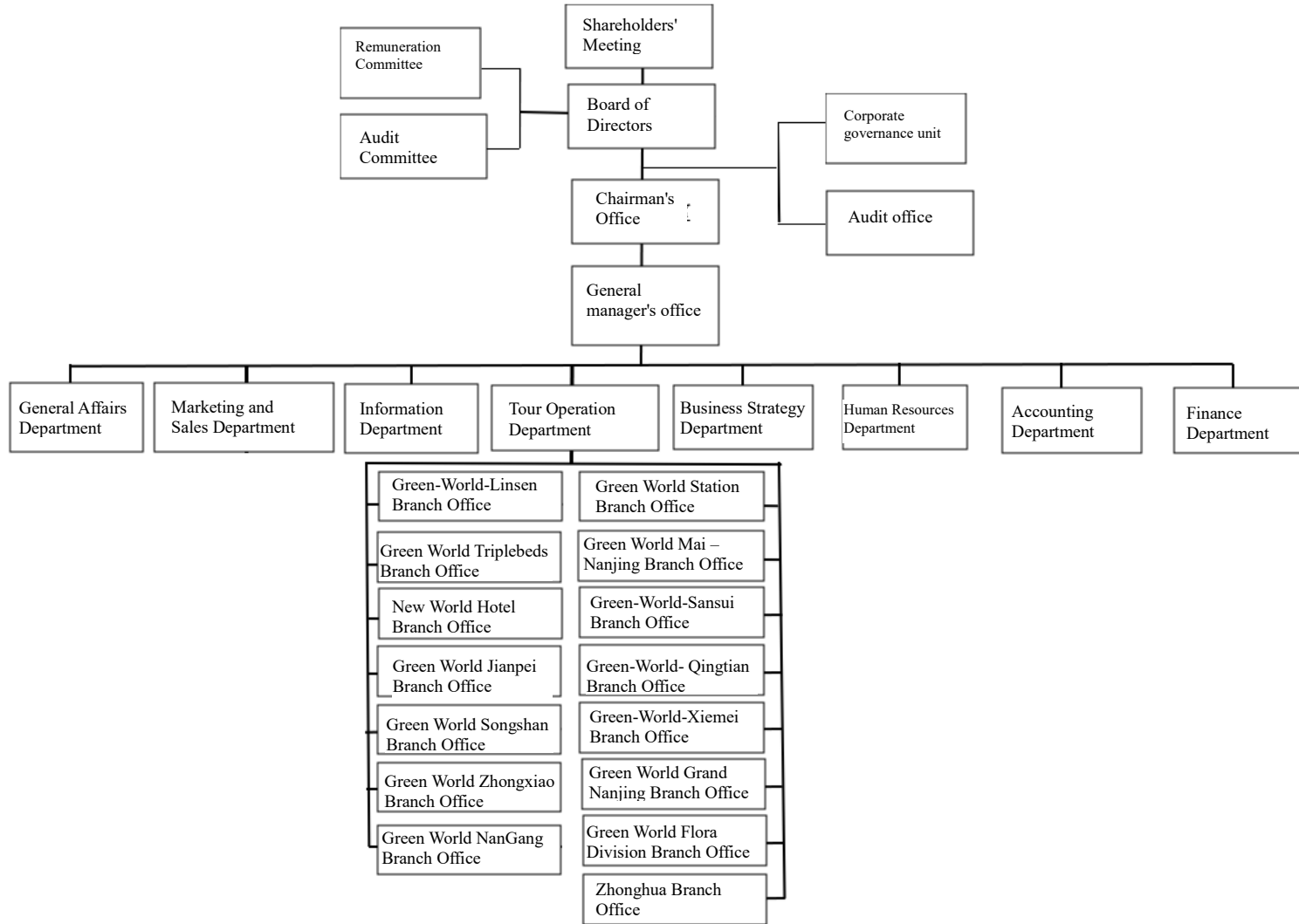
	The company after acquisition: Green World Hotels Co., Ltd. It has 13 branches and 1 subsidiary: Green World Hotel ZhongHua Co., Ltd.
January 2016	Green World Grand Nanjing is officially in business.
June 2016	The 11th term of directors and supervisors were fully re-elected, and the board of directors elected and appointed Ms. Chiang Mei-Ling to be the chairman.
July 2016	The category of the company in the OTC market was changed from the "photovoltaic industry" to the "tourism business".
July 2016	Green World Songshan is officially in business.
August 2016	Green World Zhongxiao is officially in business.
September 2016	The first private fundraising was conducted In 2016, and its paid-in capital was 537,668,880 dollars after the capital increase.
October 2016	Green World Flora Division is officially in business.
December 2016	The provisional shareholders meeting resolved the case of second private common stock in 2016.
January 2017	Green World Flora Main and Green World Mai – ZhongShan are officially in business.
January 2017	The private fundraising in January 2017. H.I.S. Hotel Holdings Co., Ltd. participated in private fundraising and acquired 33.32% of the shares. The paid-in capital was increased to NT\$806,338,880 after the capital increase.
May 2017	Green World NanGang is officially in business.
June 2017	The private fundraising in May 2017. H.I.S. Hotel Holdings Co., Ltd. participated in private fundraising and acquired 51% of the shares. The paid-in capital was increased to NT\$1,097,283,430 after the capital increase.
April 2018	The first smart hotel - Green World Triplebeds - is officially in business.
November 2018	The privately offered common stock in 2012 and the 20,000,000 shares of privately offered common stock in 2014 were available for trading on the OTC market on November 19, 2018, with total shares of 25,026,754.
January 2019	The privately offered common stock in 2012, the private preferred stock in 2006 and 2007, and the private common stock in 2010, with a total of 25,268,134 shares, were available for trading on the OTC market on January 29, 2019 and the total of the company's shares was 50,294,999.
June 2019	Establishment of Green World Solutions CO., LTD
October 2019	Short-form merger of the subsidiary Green World Hotel ZhongHua Co., Ltd. and establishment of the ZhongHua Branch Office.
December 2019	Establishment of Flora Hotel Main Station Branch Office
March 2020	Fukai Yohei served as the General Manager of the company.
May 2020	Green World Solution Co., Ltd., a subsidiary of the company was dissolved.
May 2020	Under the impact of the Covid-19 pandemic, Green World SongJiang closed starting from May 31, 2020.
June 2020	Re-elected the 13th Board of Directors, established the Audit Committee.
June 2020	Mr. Hsieh, Hsien-Chih, continues to serve as the Chairman of the company.
July 2020	Under the impact of the Covid-19 pandemic, the Green Word Flora Main closed starting from July 12, 2020.
September 2020	As the lease expired, Flora Hotel Main Station closed starting from September 1, 2020.
March 2021	General Manager Fukai Yohei was dismissed, and the Board of Directors
May 2021	selected Chairman Hsieh, Hsien-Chih, to concurrently serve as the General Manager. Under the impact of the Covid-19 pandemic, the Green World Mai – ZhongShan has been closed since from May 31, 2021.

October 2021 Green World Solution Co., Ltd., a subsidiary of the company finished its
December 2022 liquidation process.
December 21, 2022 was the base date for the capital reduction with a ratio of
80% capital reduction, 21,945,669 shares converted from private placement
February 2023 (including 11,886,691 shares), and the paid-in capital after the capital
reduction was NT\$219,456,690.
Listing of new securities on Taipei Exchange and termination of trading of
old securities since January 13, 2023.
10,058,978 common shares listed on the TPEX. (excluding 11,886,691 shares
of private placement shares)

Three.Report on Corporate Governance

I.The organization system

(I) Organization chart



(II) Business scope of main departments

Department	Duties
General manager's office	<ol style="list-style-type: none"> 1. Business planning and management . 2. Mid- and long-term business guidelines and strategic planning . 3. Promotion and management of annual policies and targets. 4. Daily performance management . 5. Shaping and executing the company's corporate image. 6. Overall planning for the control of the company's internal and external documents and information.
Tour Operation Department	<ol style="list-style-type: none"> 1. Management of hotel affairs. 2. Business expansion, enhance room price, and occupancy rate. 3. Provide accommodation-related services for customers.
Finance Department	Responsible for fund scheduling and cashiering.
Accounting Department	Matters with regard to accounting, taxation, preparation and analysis of financial statements, budgetary preparation and variance analysis.
Information Department	Network system management and maintenance, maintenance and management of the information system, and software and hardware equipment, design, modification and testing of software, and data management and security maintenance of computers.
Human Resources Department	Planning and implementation of human resources and educational training.
General Affairs Department	<p>Procurement, general affairs, project negotiation and contracting and execution.</p> <p>Construction work and routine maintenance in each branch.</p>
Marketing and Sales Department	<ol style="list-style-type: none"> 1. Maintain good relationships with customers to increase business orders. 2. Collect market information for business reference. 3. Manage the information of accounts receivable and control the customer's credit limit. 4. Development of new markets and new customers.
Business Strategy Department	Responsible for analyzing the company's internal data and the dynamics of the domestic and overseas hotel industry and tourism market. Provide consolidated reports and improvement proposals.
Audit office	<ol style="list-style-type: none"> 1. Create and manage the internal audit system of the company. 2. Correction of internal control shortcomings and abnormal conditions. 3. Ensure the effective implementation of the company's internal control system and management provisions.
Corporate governance unit	<ol style="list-style-type: none"> 1. Handle matters related to the Board of Directors and Shareholders' Meeting in accordance with the law. 2. Preparation of minutes of board meetings and shareholders' meetings. 3. Assisting in the inauguration and continuing education of the directors. 4. Provide the information required by the directors to carry out their duties. 5. Assist directors in complying with laws and regulations.

Department	Duties
	6. Other matters and shareholders' services stipulated in the Company's Articles of Incorporation or contracts.

II.Information on the directors, supervisors, general manager, deputy general managers, associate managers, and supervisors of all departments and branch offices

(I) Information on Directors

April 30, 2024

Position title	Nationality or place of registration	Name	Gender/Age	Date of Elections (Inauguration)	Term of office	Commencement date of first term	Holding shares at the time of election		Current number of shareholding		Shares held by spouse and minor children		Shares held under the name of others		Main experience (education) background	Current positions served in the company and other companies	Other managers, directors, or supervisors who are a spouse or have a familial relationship within the second degree of kinship.			Remarks
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship	
Chairman	R.O.C.	Shenyang Investment Co., Ltd.	Male, 71-80 years old	2023.06.16	3	2013.11.29	1,586,100	7.23%	1,586,100	7.23%	—	—	—	—	Master's, Graduate Institute of China Studies, Tamkang University Bachelor's of Political Science, National Chengchi University Chairman of Green World Hotels Co., Ltd. Chairman of Sanpu Travel Group Chairman of Sinri Travel Co., Ltd. Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sindong Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of San Jin Integrated Marketing Co., Ltd. Chairman of SHAYUKI Co., Ltd.	Chairman and General Manager of Green World Co., Ltd. Chairman of Sanpu Travel Group Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sinri Travel Co., Ltd. Chairman of Sindong Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of San Jin Integrated Marketing Co., Ltd. Chairman of SHAYUKI Co., Ltd.	None	None	None	None
		Representative: Hsieh, Hsien-Chih					1,036,770	4.72%	1,036,770	4.72%	—	—	1,099,427	5.01%	None	None	None	Note 1		
Director	R.O.C.	Shenyang Investment Co., Ltd.	Male, Aged 51-60	2023.06.16	3	2013.11.29	1,586,100	7.23%	1,586,100	7.23%	—	—	—	—	Department of Foreign Languages and Literature, National Sun Yat-Sen University Director, Green World Hotels Co., Ltd. Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co., Ltd.	Director, Green World Hotels Co., Ltd. Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co., Ltd.	None	None	None	None
		Representative: Chang, Shih-Feng					111,000	0.51%	111,000	0.51%	—	—	—	—	None	None	None	None		

Director	Japan	H.I.S. Hotel Holdings Co., Ltd.	Male Aged 41-50	2023.06.16	3	2017.01.23	11,192,291	51%	11,192,291	51%	—	—	—	—	Graduated from College of Foreign Languages in Dokkyo University H.I.S. Hotel Holdings Co., Ltd. Director H.H.H. USA inc. President H.H.H. Korea inc. Director VISON Hotel Management Co., Ltd. Director Aquaignis Hotel Asset Co., Ltd. Director	H.I.S. Hotel Holdings Co., Ltd. Director Managing Director of Overseas Hotel Business Director of Hotel Support Dept. H.H.H. USA inc. President H.H.H. Korea inc. Director VISON Hotel Management Co., Ltd. Director Aquaignis Hotel Asset Co., Ltd. Director	None	None	None	None		
		Representative: Xin, Kang-Yen					—	—	—	—	—	—	—	—			—	—	None	None	None	Note 2
		Representative: Kouji Kodaka					Note 2															
Director	R.O.C.	Yiyuan Investment Co., Ltd.	Male Aged 61-70	2023.06.16	3	2013.12.30	362,359	1.65%	362,359	1.65%	—	—	—	—	Graduated from the Department of Political Science, Chinese Culture University Director and Supervisor of Green World Hotels Co., Ltd. Supervisor of Green World Hotels Co., Ltd. Director and Supervisor of SHEH KAI PRECISION CO., LTD Chairman of Xinge Biotechnology Co., Ltd. Municipal Consultant, Taichung City Government	Director, Green World Hotels Co., Ltd. Chairman of Xinge Biotechnology Co., Ltd. Director of SHEH KAI PRECISION CO., LTD Municipal Consultant, Taichung City Government	None	None	None	None		
		Representative: Liu, Tang-Kun					—	—	—	—	—	—	—	—			—	—	None	None	None	None
Position	Nationality or place of registration	Name	Gender/Age	Date of Elections (Inauguration)	Term of office	Commencement date of first term	Holding shares at the time of election		Current number of shareholding		Shares held by spouse and minor children		Shares held under the name of others		Main experience (education) background	Current positions served in the company and other companies	Other mangers, directors, or supervisors who are a spouse or have a familial relationship within the second degree of kinship.			Remarks		
							Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship			
Independent director	R.O.C.	Liu, Shui-Sheng	Male Aged 61-70	2023.06.16	3	2017.06.22	—	—	—	—	30,000	0.14%	—	—	PhD in Economics, the International University of Kagoshima, Japan Independent Director of Green World Hotels Co., Ltd. Chairman of HELIN Trading CO., LTD. Chairperson of GIWADO Enterprise Co., Ltd. Member of the Zhongshan District Mediation Committee, Taipei City Municipal Advisor of Taipei City Government Lecturer, faculty of economics, Kagoshima Kokusai University, Japan	Independent Director of Green World Hotels Co., Ltd. Chairman of HELIN Trading CO., LTD. Member of the Zhongshan District Mediation Committee, Taipei City	None	None	None	None		

Independent director	R.O.C.	Wu, Yi-Tsai	Male Aged 51-60	2023.06.16	3	2017.06.22	—	—	—	—	—	—	—	—	Graduated from the Department of Law, National Taiwan University Independent Director of Green World Hotels Co., Ltd. Director and legal executive Lawyer of YUN DAH International Law Office Attorney-in-Charge, Chu-Ting-Bo-Da Law Firm Attorney-at-Law, Chen Shih Yung Law Firm Attorney-at-Law, Tung-Li Attorneys-at-Law Attorney-at-Law, Wen-Wen Law Firm	Independent Director of Green World Hotels Co., Ltd. Director and Attorney-at-Law of YUN DAH International Law Office	None	None	None	None
Independent director	R.O.C.	Chiu, Shao-Chin	Male Aged 41-50	2022.6.23	3	2022.6.23	—	—	—	—	—	—	—	—	Graduated from the Department of Japanese, Tamkang University Assistant Manager of KISCO (TAIWAN) LTD.	Independent Director of Green World Hotels Co., Ltd. Assistant Manager of KISCO (TAIWAN) LTD.	None	None	None	Note 2
Independent director	R.O.C.	Chang, Yu	Male Aged	2023.06.16	3	2022.6.23	—	—	—	—	—	—	—	—	Graduated from Department of Political Science, National Chengchi University Master of Public Administration, National Chengchi University	Investigation Bureau, Ministry of Justice Regional Associate Manager, Cathay United Bank General Manager of Po Rui Biotech Executive Vice-President, Yuanta Bank President of Yuanta Venture Capital Corp.	None	None	None	Note 2

Note 1: If the chairperson of the company and the general manager or equivalent (top manager) of the company are the same person, spouses or relatives within the first degree of kinship, it is necessary to explain the reason, rationality, necessity and countermeasures:

The reason that the Chairman and General Manager are the same person is that Chairman Hsieh, Hsien-Chih, has excellent professional experience and understands the operations of the company very well, which allows the operations and development of the company to be more effective. For the development of the company and the greatest interests of the shareholders, it is reasonable that the Chairman concurrently serves as the General Manager. In addition, the company is planning to increase one more independent director at an appropriate time.

Note 2: The term of independent director Chiu, Shao-Chin expired on June 16, 2023; independent director Chang, Yu took office on June 16, 2023; HIS Co., Ltd. reappointed representatives for the re-election in the 2023 shareholders' meeting.

Table 1: Major shareholders of corporate shareholders

April 30, 2024

Name of corporate shareholder	Major shareholders of corporate shareholders
H.I.S. Hotel Holdings Co., Ltd.	H.I.S. Co., Ltd. (100%)
Shenyang Investment Co., Ltd.	Hsieh, Chang-Cheng (100%)
Nian Fu Investment Co., Ltd.	Hsieh, Hsien-Chih (100%)
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD	GOLDEN PLUS LTD. (100%)
Yiyuan Investment Co., Ltd.	Li, Chih-Chung (100%)

Table 2: Major shareholders of corporate shareholders in Table 1

April 30, 2024

Name of institution	Major shareholders of corporate entities	Shareholding ratio
H.I.S. Co., Ltd.	Hideo Sawada	24.03%
	日本マスタートラスト信託銀行株式会社	8.06%
	有限会社秀インター	5.03%
	Custody Bank of Japan, Ltd.	3.35%
	エイチアイエス従業員持株会	1.26%
	Sawada Mayumi	1.21%
	ステート ストリート バンク アンド トラスト カンパニー	0.96%
	Hideta Sawada	0.88%
	Mika Yoneyama	0.88%
	Seiki Kusuhara	0.69%
GOLDEN PLUS LTD.	Liao, Yu-Hsin	71.43%
	Liao, Wan-Long	7.14%
	Liao, Chia-Ling	14.29%
	Chang, Chun-Kuei	7.14%

(II) Information on Directors

1. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Criteria Name	Professional qualifications and experience	Status of independence (Note 1)												Concurrently serving as an independent director of other public listed companies
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	
Chairman Hsieh, Hsien-Chih	More than five years of work experience required for the Company's business and currently serve as the Company's Chairman and General Manager, without any of the circumstances described in Article 30 of the Company Act.		✓				✓			✓	✓	✓		0
Director Kodaka Kouji	Note 2													
Director Mr. Xin, Kang-Yen	More than five years of work experience required for the Company's business, currently serving as a director of HIS, without any of the circumstances described in Article 30 of the Company Act.		✓	✓				✓		✓	✓	✓		0
Director Chang, Shih-Feng	More than five years of work experience required for the company's business. Currently serves as the Chairman of Guojing Frozen Food Co., Ltd., Chairman of Xiufeng Industry Co., Ltd., and Chairman of Xinyao Media Co., Ltd. and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		0
Director LIU, TANG-KUN	More than five years of work experience required for the company's business, and currently serves as the director of SHEH KAI PRECISION CO., LTD and the Chairman of Xinge Biotechnology Co., Ltd. and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		0

Independent director Liu, Shui-Sheng	Possesses more than five years of experience in business, finance, accounting and competencies required by the Company. Liu graduated from the International University of Kagoshima in Japan with a doctorate in economics, and is currently Chairman of HELIN Trading CO., LTD. In 2023, Liu obtained 80 hours of training courses for corporate sustainability managers and provided recommendations on corporate sustainability to the Company. No circumstances as described in Article 30 of the Company Act have occurred.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent director Wu, Yi-Tsai	Professional and technical personnel who have more than five years of work experience in law and crisis management and have passed the national exams and certifications required by lawyers. Director and executive attorney of Yuanta Law Offices. With his legal expertise, he can provide opinions on risk management, legal strategy/compliance and management decision-making. Does not meet any of the conditions stated in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Independent director Chang, Yu	More than five years of work experience in commerce, finance and accounting, and served as the President of Yuanta Venture Capital Co., Ltd., and without any of the circumstances described in Article 30 of the Company Act.	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note 1: For each director and supervisor, if they meet the following conditions in the two years prior to their appointment and during their term of office, please mark "✓" in the space below the respective condition code.

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates (except for independent directors appointed by the Company and its parent or subsidiary or a subsidiary of the same parent in accordance with the Act or the laws and regulations of the local country).
- (3) Not a natural-person shareholder who holds 1% or more of the Company's issued shares or a top-10 natural-person shareholder by shareholding in the name of spouse, minor children, or someone else in the name of the shares issued by the Company.
- (4) Not the spouse, a relative within the second degree of kinship or a direct blood relative within the third degree of kinship of a manager listed in (1) or any of the personnel listed in (2) or (3).
- (5) A director or supervisor who is not an institutional shareholder who does not directly hold 5% or more of the total number of issued shares of the company and ranks among the top five in shareholding or who designates a representative as a director or supervisor of the company in accordance with Article 27, Paragraph 1 or 2 of the Company Act; or Employees (not applicable to independent directors appointed by the Company and its parent company or subsidiary or a subsidiary of the same parent in accordance with the Act or the local laws and regulations).
- (6) Notwithstanding, the directors, supervisors or employees of other companies controlled by the same person with the seats on

directors or voting shares of the Company (however, not included in the preceding paragraph, is the independent director established in the same law or the laws and regulations of the local country concurrently.

- (7) Not a director, supervisor or employee of any company or institution in which the chairperson, general manager or equivalent thereof is the same person or the spouse of the company (however, independent directors appointed in accordance with the Act or the laws and regulations of the local country of a subsidiary of the same parent.)
- (8) Not a director, supervisor, managerial officer or shareholder holding 5% or more of the shares of any given company or institution that has financial or business dealings with the Company above 20%, does not exceed 50%, except when the independent directors of the company and its parent company or subsidiary or a subsidiary of the same parent appointed in accordance with the Act or the laws and regulations of the local country act concurrently on each other).
- (9) Not a professional individual, owner of a sole proprietorship, partnership, company or institution that provides auditing services or commercial, legal, financial or accounting services that amount to less than NT\$500,000 for the Company or its affiliates in the last 2 years; Partners, directors, supervisors, managers and their spouses Except for members of the remuneration committee, public acquisition review committee or special committee for mergers and acquisitions performing their functions and powers in accordance with the Securities and Exchange Act or the Business Mergers And Acquisitions Act.
- (10)Not a spouse or a relative within the second degree of kinship to any other director of the Company.
- (11)Does not meet any of the conditions stated in Article 30 of the Company Act.
- (12)Not a government or corporate representative according to Article 27 of the Company Act.

Note 2: HIS Co., Ltd. reappointed representatives for the re-election of the 2023 General Meeting of Shareholders.

2.Diversity and independence of the Board of Directors:

(1)Diversity of the Board of Directors:

According to the Company's Corporate Governance Best-Practice Principles, the composition of the board of directors should be diversified. The number of directors who also serve as the company's managers should not exceed one-third of the board seats, and they should also have different professional backgrounds, work areas and the knowledge and skills necessary for the performance of their duties and literacy skills.

The implementation of the diversity policy for board members is as follows:

Diversification Items Name	Nationality	Gender	Employee Status	Basic composition				Independent director Term (less than 9 years)	Diversified professionalism and industry experience (Note)											
				Age					1	2	3	4	5	6	7	8	9	10		
				Aged 41-50	Aged 51-60	Aged 61-70	Aged 71-80													
Hsieh, Hsien-Chih	R.O.C.	Male	✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Xin, Kang-Yen	Japan	Male		✓				✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Chang, Shih-Feng	R.O.C.	Male			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
LIU, TANG-KUN	R.O.C.	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Liu, Shui-Sheng	R.O.C.	Male				✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Wu, Yi-Tsai	R.O.C.	Male			✓			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Chang, Yu	R.O.C.	Male					✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
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Note:

- 1.Operational judgment.
- 2.Accounting and financial analysis ability.
- 3.Business management ability.
- 4.Crisis management.
- 5.Industry knowledge.
- 6.An international market perspective.
- 7.Leadership.
- 8.Decision-making ability.
- 9.Risk management knowledge and ability.
- 10.Experience in corporate governance.

(2)Independence of the Board of Directors:

The Company's Board of Directors consists of seven directors, including three independent directors, with Independent Directors accounting for 42.86% of the total board seats. There are no circumstances among the Directors and Independent Directors as stipulated in Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act. The primary responsibility of the Company's Board of Directors is to supervise the Company's compliance with laws, financial transparency, timely disclosure of important information, and objective and independent judgment of the Company's financial operations.

(III) Information on the general manager, deputy general manager, associate manager, and supervisors from all departments and branches

April 30, 2024

Position	Nationality	Name	Gender	Election (appointment) Date	Holding shares		Spouse and minor children's holding shares		Shares held under the name of others		Main experience (education) background	Positions concurrently served at other companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree of kinship.			Remarks
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship	
CEO and General Manager	R.O.C.	Hsieh, Hsien-Chih	Male	2020.2.24	1,036,770	4.72%	—	—	1,099,427	5.01%	Master's, Graduate Institute of China Studies, Tamkang University Bachelor's of Political Science, National Chengchi University Chairman of Green World Hotels Co., Ltd. Chairman of Sanpu Travel Group Chairman of Sinri Travel Co., Ltd. Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sindong Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of SHAYUKI Co., Ltd.	Chairman and General Manager of Green World Co., Ltd. Chairman of Sanpu Travel Group Chairman of H.I.S. Taiwan Co., Ltd. Chairman of Sinri Travel Co., Ltd. Chairman of Singuang Travel Co., Ltd. Chairman of Sakura Travel Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of SHAYUKI Co., Ltd.	None	None	None	Note 1
Executive Vice-President	R.O.C.	Tsui, Chieh-Min	Male	2015.08.12	—	—	—	—	—	—	Master's Degree, Long Island University, USA Department of International Trade, Tamkang University Sports Association, ROC Hoxin Recreation Co., Ltd. Jin Byili Biotechnology Yi Shuo Digital Co., Ltd.	None	None	None	None	None
Associate Manager	R.O.C.	HSU, SHUO-HENG	Male	2018.11.14	—	—	—	—	—	—	EMBA, National Taiwan University Manager of Gloria Maris FullWealth Seafood Restaurant Secretary of Chairman of Artes Myer Philippines Imported Sanitary Ware Deputy Director of Operations Management, The Tango Hotels	None	None	None	None	None

Position	Nationality	Name	Gender	Election (appointment) Date	Holding shares		Spouse and minor children's holding shares		Shares held under the name of others		Main experience (education) background	Positions concurrently served at other companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree of kinship.			Remarks
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship	
Associate Manager of Accounting Department	R.O.C.	Peng Fei-Hsiu	Female	2020.3.2	—	—	—	—	—	—	Graduated from the Finance Department, Shih Chien University Head of Finance Division, Huako Caiyi Co., Ltd.	None	None	None	None	None
Manager	R.O.C.	WU, YU-CHI	Male	2015.08.12	—	—	—	—	—	—	Law Department, Fu Jen Catholic University Songjiang Trademark and Patent Law Office Legal and special assistant of the director Beautiful Hotel Hotel manager at Green World Mai	None	None	None	None	None
Manager	R.O.C.	Chien, Shun-Kuei	Male	2015.08.12	—	—	—	—	—	—	Tamsui high school Shunyi Enterprise Group Haopong Travel Agency Yamaha Motor Taiwan Co., Ltd. Mai Co., Ltd.	None	None	None	None	Note 2
Manager	R.O.C.	YANG, KUN-HUI	Female	2015.08.12	—	—	—	—	—	—	Songshan High School of Commerce Chinchen chain restaurant ONETEL S-aura Hotel	None	None	None	None	None
Manager of Finance Department and Corporate Governance Officer	R.O.C.	Lin Meng-Yue	Female	2020.3.2	—	—	—	—	—	—	Graduated from the Accounting Department, National Open University Financial manager, Wenhuiyuan postnatal care services Special assistant of general manager, industry management, human resource of Hanyu Jaymon Co., Ltd. Deputy General Manager of Financial Management Department, Jaymon International Co., Ltd.	None	None	None	None	None

Position	Nationality	Name	Gender	Election (appointment) Date	Holding shares		Spouse and minor children's holding shares		Shares held under the name of others		Main experience (education) background	Positions concurrently served at other companies	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree of kinship.			Remarks
					Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio	Number of shares	Shareholdings ratio			Position	Name	Relationship	
Corporate Governance Manager	R.O.C.	Li Yue-Mei	Female	2019.8.8	—	—	—	—	—	—	Graduated from the Department of Finance, Ming Chuan University Graduated from Department of Computing, Ming Chuan Business School IT staff, Securities and Futures Bureau, Financial Supervisory Commission Deputy manager, Stock Agency Department, Jinghua Securities Co., Ltd. Stock affairs manager and special assistant of chairman of HUGA OPTOTECH Inc. Head of Management Department, CHENG FWA INDUSTRIAL CO., LTD Manager of the Stock Affairs Department, CrownBio Co., Ltd.	None	None	None	None	Note 3

Note 1: The reason that the Chairman and General Manager are the same person is that Chairman Hsieh, Hsien-Chih, has excellent professional experience and understands the operation of the company very well, which allows the operation and development of the company to be more effective. For the development of the company and the greatest interests of the shareholders, it is reasonable that the Chairman concurrently serves as the General Manager. In addition, the company is planning to increase one more independent director at an appropriate time.

Note 2: Manager Chien, Shun-Kuei retired on August 31, 2023

Note 3: Corporate Governance Manager, Li Yue-Mei resigned on August 3, 2023.

III. Remuneration for directors, supervisors, general manager, and deputy general managers in the most recent year

(I) Remuneration of (including independent directors) directors (disclosure of individual names and remuneration)

Unit: NT\$ thousand; share

Position	Name	Director's remuneration								The ratio of the sum of A, B, C and D to the net profit after tax		Related remuneration paid to the part-time employees								Sum of A+B+C+D+E+F+G and ratio to net income		Receive remuneration from a reinvested business other than the subsidiaries or the parent company				
		Remuneration (A)		Retirement pension (B)		Director's remuneration (C)		Business implementation cost (D)				Salary, bonuses, and special expenses (E)		Retirement pension (F)		Employees' compensation (G)										
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies in the financial report		The Company	All companies in the financial report							
Chairman	Shenyang Investment Co., Ltd. Representative: Hsieh, Hsien-Chih	—	—	—	—	—	—	60	60	60	60	0.121%	0.121%	1,200	1,200	—	—	—	—	—	—	1,260	1,260	2.539%	2.539%	None
Director	Shenyang Investment Co., Ltd. Representative: Chang, Shih-Feng	—	—	—	—	—	—	60	60	60	60	0.121%	0.121%	—	—	—	—	—	—	—	—	60	60	0.121%	0.121%	None
Director	Yiyuan Investment Co., Ltd. Representative: Liu, Tang-Kun	—	—	—	—	—	—	60	60	60	60	0.121%	0.121%	—	—	—	—	—	—	—	—	60	60	0.121%	0.121%	None
Director	H.I.S. Hotel Holdings Co., Ltd. Representative: Kouji Kodaka (Note)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
	Representative: Xin, Kang-Yen (Note)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	None
Independent director	Wu, Yi-Tsai	—	—	—	—	—	—	240	240	240	240	0.484%	0.484%	—	—	—	—	—	—	—	—	240	240	0.484%	0.484%	None
Independent director	Liu, Shui-Sheng	—	—	—	—	—	—	240	240	240	240	0.484%	0.484%	—	—	—	—	—	—	—	—	240	240	0.484%	0.484%	None

Independent director or	Chiu, Shao-Chin (Note)	—	—	—	—	—	—	100	100	100 0.201%	100 0.201%	—	—	—	—	—	—	—	—	100 0.201%	100 0.201%	None
Independent director or	Chang, Yu	—	—	—	—	—	—	140	140	140 0.282%	140 0.282%	—	—	—	—	—	—	—	—	140 0.282%	140 0.282%	None

1. Please state the payment policy, system, standards and structure for the remuneration of independent directors and the relevance between the paid amount of remuneration and their responsibilities, risks, dedicated time, etc. The Company considers that the recommendation of monthly remuneration payment, through the Remuneration Committee by independent directors for resolution of the Board of Directors; and it will be submitted to the Remuneration Committee for assessment and recommendation from time to time.

2. In addition to the above disclosure, the remuneration paid to the directors of the company for providing services (such as a consultant for non-employees) to any of the company in the financial report in the most recent year:

Note: The term of independent director Chiu, Shao-Chin expired on June 16, 2023; independent director Chang, Yu took office on June 16, 2023; HIS Co., Ltd. reappointed representatives for the re-election in the 2023 shareholders' meeting.

Range of remuneration for general directors (including independent directors)

The range of remuneration paid to the directors of the company	Total remuneration of first four items (A+B+C+D)		Total remuneration of first seven items (A+B+C+D+E+F+G)	
	The Company	All companies in the financial report	The Company	All companies in the financial report
Less than 1,000,000 dollars	Hsieh, Hsien-Chih; Chang, Shih-Feng; Kouji Kodaka; Xin, Kang-Yen; Wu, Yi-Tsai; Liu, Shui-Sheng; Liu, Tang-Kun; Chiu, Shao-Chin; Chang, Yu		Chang, Shih-Feng; Kouji Kodaka; Xin, Kang-Yen; Wu, Yi-Tsai; Liu, Shui-Sheng; Liu, Tang-Kun; Chiu, Shao-Chin; Chang, Yu	
1,000,000 dollars (included) ~ 2,000,000 dollars (excluded)	—	—	Hsieh, Hsien-Chih	
2,000,000 dollars (included) ~ 3,500,000 dollars (excluded)	—	—	—	—
3,500,000 dollars (included) ~ 5,000,000 dollars (excluded)	—	—	—	—
5,000,000 dollars (included) ~ 10,000,000 dollars (excluded)	—	—	—	—
10,000,000 dollars (included) ~ 15,000,000 dollars (excluded)	—	—	—	—
15,000,000 dollars (included) ~ 30,000,000 dollars (excluded)	—	—	—	—
30,000,000 dollars (included) ~ 50,000,000 dollars (excluded)	—	—	—	—
50,000,000 dollars (included) ~ 100,000,000 dollars (excluded)	—	—	—	—
More than 100,000,000 dollars	—	—	—	—
Total	Total of 9 people		Total of 9 people	

Note: The term of office of Director Kouji Kodaka and Independent Director Chiu, Shao-Chin, expired on June 16, 2023; Director Xin, Kang-Yen and Independent Director Chang, Yu took office on June 16, 2023.

(II) Remuneration to supervisors: not applicable.

(III) Remuneration to General manager and deputy general manager

Unit: NTD thousand

Position	Name	Salary (A)		Retirement pension (B)		Bonus and special expense, etc. (C)		Employee's compensation (D)				The ratio of the sum of A, B, C and D to the net profit after tax (%)		Receive remuneration from a reinvested business other than the subsidiaries or the parent company
		The Company	All companies in the financial report	The Company	All companies in the financial report	The Company	All companies in the financial report	The Company		All companies included in the finance report		The Company	All companies in the financial report	
								Cash amount	Stock	Cash amount	Stock			
CEO and general manager	Hsieh, Hsien-Chih	1,920	1,920	—	—	440	440	—	—	—	—	2,360 4.755%	2,360 4.755%	—
Executive Vice-President	Tsui, Chieh-Min													

Pay for the general manager and deputy general manager of the company	Name of the general manager and deputy general manager	
	The Company	All companies included in the financial report E
Less than NTD 1,000,000	—	—
1,000,000 dollars (included) ~ 2,000,000 dollars (excluded)	Hsieh, Hsien-Chih; Tsui, Chieh-Min	Hsieh, Hsien-Chih; Tsui, Chieh-Min
2,000,000 dollars (included) ~ 3,500,000 dollars (excluded)	—	—
3,500,000 dollars (included) ~ 5,000,000 dollars (excluded)	—	—
5,000,000 dollars (included) ~ 10,000,000 dollars (excluded)	—	—
10,000,000 dollars (included) ~ 15,000,000 dollars (excluded)	—	—
15,000,000 dollars (included) ~ 30,000,000 dollars (excluded)	—	—
30,000,000 dollars (included) ~ 50,000,000 dollars (excluded)	—	—
50,000,000 dollars (included) ~ 100,000,000 dollars (excluded)	—	—

More than 100,000,000 dollars	—	—
Total	Total of 2 people	Total of 2 people

The remuneration amount for the top 5 remuneration receiving Managers

Unit: NT\$1,000

Position	Name	Salary (A) (Note 2)		Retirement pension (B)		Bonuses and allowances (C) (Note 3)		Employee's compensation (D) (Note 4)				The sum of A, B, C and D as a percentage of net income after tax (%) (Note 6)		Receive remuneration from a reinvested business other than the subsidiaries or the parent company (Note 7)
		The Company	All companies included in the finance report (Note 5)	The Company	All companies included in the finance report (Note 5)	The Company	All companies included in the finance report (Note 5)	The Company		All companies included in the financial report (Note 5)		The Company	All companies in the financial report	
								Cash amount	Stock	Cash amount	Stock			
CEO and general manager	Hsieh, Hsien- Chih	960	960	—	—	240	240	—	—	—	—	1,200 2.418%	1,200 2.418%	None
Executive Vice- President	Tsui, Chieh- Min	960	960	—	—	200	200	—	—	—	—	1,160 2.337%	1,160 2.337%	None
Accounting Associate Manager	Peng Fei- Hsiu	960	960	—	—	240	240	—	—	—	—	1,200 2.418%	1,200 2.418%	None
Manager	YANG,KUN- HUI	860	860	—	—	200	200	—	—	—	—	1,060 2.136%	1,060 2.136%	None
Manager	WU,YU-CHI	860	860	—	—	200	200	—	—	—	—	1,060 2.136%	1,060 2.136%	None

Note 1: The term "top five highest-paid executives" refers to the company's executives. As for the criteria for determining these executives, it is based on the regulations set forth in the letter issued by the Securities and Futures Bureau of the Ministry of Finance on March 27, 2003, under the document Tai-Cai-Zheng-San-Zi No. 0920001301, which defines the scope of application for "executives." The principle of determining the "Top 5 with the highest remuneration" is that the company's managers receive salaries, Severance pay and pension, bonuses, and special expenditures from all companies included in the consolidated financial statements and the total amount of employees' remuneration (*i.e.*, A + total of B + C + D), and the top five remunerations shall be determined according to the highest remuneration. If the director is also an officer mentioned above, this table and the above table (1-1) should be completed.

Note 2: This refers to director base compensation in the most recent fiscal year (including director salary, duty allowances, severance pay and various rewards and incentives, etc.).

Note 3: This refers to director expenses and perquisites in the most recent fiscal year (including travel expenses, special disbursements, stipends of any kind, and provision of facilities such as accommodations or vehicles, etc., or other compensation). If housing, car or other form of transportation, or personalized expenses are provided, disclose the nature and cost of the property provided, the actual or fair market rent, fuel expenses and any other amounts paid. Additionally, if a driver is provided, please add a note explaining the relevant base compensation paid by the Company to the driver, but do not include it in the calculation of the director remuneration. Additionally, salary expenses recognized as share-based payment under IFRS 2—including

employee share subscription warrants, new restricted employee shares and participation in share subscription under a rights offering, etc.—should be included in the calculation of remuneration.

Note 4: The amount of employee remuneration (including stocks and cash) approved by the board of directors for the top five executives with the highest remuneration in the most recent year. If it is impossible to estimate, the proposed distribution amount for this year will be calculated based on the actual distribution amount last year and separately fill out Table 1-3.

Note 5: The total amount of remuneration paid by all companies (including the Company) to the top five executives of the Company in the consolidated report should be disclosed.

Note 6: Net profit after tax refers to the net profit after tax of the parent company only or individual financial report of the most recent year.

Note 7: a. In this column, specifically disclose the amount of remuneration received by the directors of the Company from investee enterprises other than subsidiaries or from the parent company (if none, state “None”).

b. Remuneration refers to the return received by the Company's top five officers with the highest remuneration for serving as directors, supervisors or managers of reinvested enterprises other than subsidiaries or the parent company , remuneration (including remuneration to employees, directors and supervisors) and Business execution expenses and other related remuneration.

*This table is for information disclosure purposes only and is not intended to be used for tax purposes, as the remuneration disclosed in this table differs from the concept of income under the Income Tax Act

- (IV) Names of the managers who distribute employee compensation and the distribution status: None.
- (V) The analysis of the ratio of the total remuneration amount paid to all of the directors, supervisors, general managers, and deputy general managers of the Company and all companies in the consolidated statement in the most recent two years, to the net profit after tax of the consolidated or individual financial reports.

Item Position title	Ratio of total remuneration amount to the net profit after tax			
	FY2022		2023	
	The Company	Financial report All companies	The Company	Financial report All companies
Director	(0.377%)	(0.377%)	1.813%	1.813%
General Manager and Deputy General	(0.922%)	(0.922%)	4.755%	4.755%

Note: The Company established the Audit Committee on June 15, 2020 (the Audit Committee was established to replace the functions and powers of supervisors), therefore not applicable.

- (VI) The correlation between the remuneration policy, standard and combination, procedures for stipulating the remuneration, and the business operation performance and future risks.

1.Directors

On the basis of the regulations of the company, the transportation allowances and remuneration paid to the directors shall be resolved according to the index of risk and responsibility and decided by the Remuneration Committee and submitted to the board of directors for discussion and approval.

2.General Manager and Deputy General Manager

The remuneration of the general manager and the deputy general manager includes salary, bonuses, and employee bonuses shall be based on the position, responsibility, and contribution to the company, and it shall also refer to the peer companies in the industry. It shall be assessed by the Remuneration Committee and reported to the board of directors for discussion and approval.

3.The reward for business operation performance shall be conducted in accordance with the surplus distribution regulations of the Articles of Incorporation of the Company. The Board of Directors had resolved that there will be no distribution to the directors and no employee bonuses in 2023.

IV. The operational status of corporate governance

(I) The operation of the Board of Directors:

The board of directors had 6 meetings (A) in the most recent year, and the attendance records for the supervisors of the board of directors are listed as follows:

Position title	Name	Actual attendance rate (B)	Number of entrusted attendance	Attendance Rate in Person (%) B/A	Remarks
Chairman	Shenyang Investment Co., Ltd. Representative: Hsieh, Hsien-Chih	6	0	100	
Director	Representative of H.I.S Hotel Holdings Co., Ltd: Kouji Kodaka Representative: Xin, Kang-Yen	4	0	67	(Note)
Director	Shenyang Investment Co., Ltd. Representative: Chang, Shih-Feng	5	1	83	
Director	Yiyuan Investment Co., Ltd. Representative: Liu, Tang-Kun	5	1	83	
Independent director	Liu, Shui-Sheng	6	0	100	
Independent director	Wu, Yi-Tsai	6	0	100	
Independent director	Chiu, Shao-Chin	1	1	50	(Note)
Independent director	Chang, Yu	4	0	100	(Note)

Note: The term of independent director Chiu, Shao-Chin expired on June 16, 2023; independent director Chang, Yu took office on June 16, 2023; HIS Co., Ltd. reappointed representatives for the re-election in the 2023 shareholders' meeting.

Other items that shall be recorded:

1. For any of the following circumstances, the board of directors meeting's date, period, content of the proposal, the comments of all independent directors and the company's approaches on the comments of independent directors shall be shall be described:

- (1) The matters listed in Article 14-3 of the Securities and Exchange Act: None.
- (2) Except for the preceding matters, the other resolutions by the directors that have been opposed or remarked with comments by independent directors that retained a record or had a written statement: not available.

Board of	Content of proposal	Director's name and reasons for the	The status of voting
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		avoidance of conflict of interest	
2023.3.23	Replacing the deposit on rental property of the related party	As it involved the personal interests of Chairman Hsieh, Hsien-Chih, so he was not involved and did not participate in the discussion and voting	The Chairman and his proxy did not participate in the discussion and voting in accordance with the laws and regulations; the case was passed without any objections after the chairperson consulted the remaining directors present.
2023.7.13	Proposal to sign a new lease for the two rooms leased by New World Hotel Branch due to change of ownership		
2023.11.9	Proposal for renewal of lease with the related party.		

2. The directors shall avoid the process of resolution that involves related interested parties, and the name of the directors, the content of the resolution, the reasons for the avoidance of conflict of interests and the participation status in the voting process shall be stated:
3. The listed and OTC companies should reveal information such as the assessment period and duration, scope of assessment, assessment methods and assessment contents of the board of directors' self (or peer) assessment.

The implementation status for the assessment of board of directors:

Assessment period	Assessment duration	Assessment scope	Assessment methods	Assessment contents
Annually	2023/01/01 to 2023/12/31	1. The entire board of directors. 2. Individual directors. 3. Functional committees.	Internal self-evaluation of the board of directors and self-evaluation of directors.	1. Items of assessment for the Board of Directors: Participation level to the company's operation, improvement of the decision-making quality of the Board of Directors, the composition and the structure of the Board of Directors, election and continuous educational training of directors, and internal control. 2. Items of assessment for the members of Board of Directors: control on the company goals and tasks, acknowledgment of the duties of directors, participation level on the operation of the company, internal relationship maintenance and communication, director profession and continuous educational training, and internal control. 3. Items of assessment for the functional committees: Participation level to the company's operation, acknowledgment of the duties of the functional committees, the decision-making quality of the functional committees, the composition and selection of the members of the functional committee, and internal control.

4. The objectives of enhancing the functionalities of the Board of Directors for the current period and the most recent year (such as founding an Audit Committee and improving information transparency, etc.) and the assessment of implementation.

- (1) The Company has purchased liability insurance for all directors and declared in accordance with regulations.
- (2) Deliver relevant information regarding refresher courses to the board members and assist in the arrangement of refresher courses to enhance their knowledge as well as maintain professionalism.
- (3) The Company established the Audit Committee on June 15, 2020.
- (4) Strengthening of corporate governance: On August 8, 2019, the Board of Directors approved the establishment of a Corporate Governance Officer responsible for corporate governance-related affairs. The officer assists the directors in carrying out their duties and plays a supervisory role. The Board of Directors also approved the "Corporate Governance Best Practices," "Code of Ethical Conduct" and "Rules for Performance Evaluation of Board of Directors."

(II) Operation of the Audit Committee:

The Audit Committee met 5 times (A) in the most recent year. The attendance of independent directors is as follows:

Position	Name	Number of attendances in person (B)	Number of entrusted attendance	Attendance rate (%) (B/A)	Remarks
Independent director	Liu, Shui-Sheng	5	0	100	
Independent director	Wu, Yi-Tsai	5	0	100	
Independent director	Chiu, Shao-Chin	1	1	50	(Note)
Independent director	Chang, Yu	3	0	100	(Note)

Other items that shall be recorded:

- I. In the event that the operation of the Audit Committee is under any of the following circumstances, the meeting date of the Audit Committee meeting, the term of the meeting, the contents of the motions, the independent directors' dissenting opinions, qualified opinions, or major recommendations, the Audit Committee's resolutions, and the Company's Handling of opinions.
 - (I) The matters listed in Article 14-3 of the Securities and Exchange Act; please note.
 - (II) Apart from the aforementioned matters, any matter that has not been passed by the audit committee but has been adopted with the approval of two-thirds or more of all board directors without having been passed by the audit committee: This condition does not apply.
- II. The Independent directors shall avoid the process of resolution that involves related interested parties, and the name of the Independent directors, the content of the resolution, the reasons for the avoidance of conflict of interests and the participation status in the voting process shall be stated: not available.
- III. Communication among independent directors, head of internal audit, and CPAs (should include the communicated material matters, approaches and result on company's financial and business conditions)
 1. In addition to submit the monthly audit report and tracking report for improvement to the independent directors, the internal audit supervisor of the Company shall report the audit operations, results and tracking status to the independent directors during the board of directors meeting conducted on a quarterly basis.

2. The certified accountants of the Company communicate with the corporate governance unit at the end of the year. The attendees include all the directors (including independent directors), accountants and audit supervisors.
3. The Chief Auditor, the CPA and the independent directors and supervisors may communicate directly with each other at any time as needed and the communication channels are smooth.

Note: The term of office of Independent Director Chiu, Shao-Chin, expired on June 16, 2023; Independent Director Chang, Yu took office on June 16, 2023.

Note: The matters listed in Article 14-5 of the Securities and Exchange Act

Audit Committee Date and Term	Content of proposal
2023.03.23 1st Term 14th meeting	<ol style="list-style-type: none"> 1. 2022 business report and financial statements. 2. 2022 loss appropriation plan. 3. 2022 employees' and directors' remuneration. 4. Amendments to the "Regulations Governing Elections of Directors and Supervisors." 5. Amendments to the "Corporate Governance Best Practice Principles" and the "Rules of Procedure for Board of Directors Meetings." 6. Establishment of the "Regulations Governing the Preparation of Financial Reports," "Rules Governing the Financial and Business Related Operations of Related Parties" and "Accounting System" and abolishing the relevant existing regulations. 7. Approved the 2022 statement of internal control system. 8. Recalculation of the right-of-use assets for the rent reduction of Zhonghua Branch. <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None. Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry. The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2023.05.10 1st Term 15th meeting	<ol style="list-style-type: none"> 1. 2023 Q1 financial statements. 2. Recalculation of the right-of-use assets for the Jianguo North Road Branch's rent reduction. 3. Replacing the deposit on rental property of the related party <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None. Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry. The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2023.07.13 2nd Term 1st meeting	<ol style="list-style-type: none"> 1. Nomination of the convener of the current Audit Committee meeting. 2. The renewal of the lease of the Green World Mai – Nanjing Branch Office. 3. Proposal to sign a new lease for the two rooms leased by New World Hotel Branch due to change of ownership <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None. Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry. The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2023.08.09 2nd Term 2nd meeting	<ol style="list-style-type: none"> 1. 2023 Q2 financial statements. <p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None. Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry. The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
2023.11.09 2nd Term 3rd meeting	<ol style="list-style-type: none"> 1. Financial statements for the third quarter of 2023. 2. 2024 Annual Audit Plan. 3. Evaluation of the suitability and independence of CPAs and proposal of remuneration for 2024. 4. Proposal for renewal of lease contract with related parties.

	<p>Dissenting opinions, qualified opinions, or material recommendations of independent directors: None.</p> <p>Resolution of the Audit Committee: The proposal was passed without objection from all attending members after the chair's inquiry.</p> <p>The Company's handling of the opinions of the Audit Committee: The Board of Directors resolved to pass all the proposals according to the suggestions of the Audit Committee.</p>
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(III)The governance circumstances for TWSE/TPEX listed companies, and the differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
I. Does the company stipulates and release its Corporate Governance Best-Practice Principles according to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies"?	✓		The Company has stipulated the “Corporate Governance Best-Practice Principles” on 2019.11.7 .	No difference
II.The company's equity structure and shareholders' rights and interests				
(I) Does the company stipulate internal operating procedures to conduct matters in regard to the shareholders’ recommendations, doubts, disputes and litigation, and implement it based on these procedures?	✓		The “stock affairs operating procedures” has been stipulated for regular and non- regular operations, and an investor relationship contact is available for answering shareholders’ questions in a timely manner according to the content of the procedures and the laws and regulations.	No difference
(II) Has the company a list of major shareholders who actually control the company and a list of shareholders who control these major shareholders?	✓		The registration list of shareholders has the information of the actual shareholders and it can be used to communicate with the major shareholders in a timely manner.	No difference
(III) Does the company create, implement, and manage the risk and its firewall mechanism between the related companies?	✓		The company has established the "Regulations on Business and Financial Transactions with Subsidiaries of Certain Company Groups", "Management Measures for Subsidiaries" and related matters between related companies.	No difference

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
(IV) Has company stipulated internal regulations that prohibit insiders from buying and selling securities with the unpublished information in the market?	✓		The Company has established "Management Procedures for the Prevention of Insider Trading" and "Procedures for Processing Important Internal Information".	No difference
III. Founding and duties of the board of directors				
(I) Has the board of directors established a diversity policy, set specific management goals and implemented them accordingly?	✓		The founding of the board members of the company takes consideration of their diverse background, professional competence and experience, as well as their individual ethics and leadership. Including business judgment, management, industry knowledge, international market outlook, leadership and decision-making ability: Chairman Hsieh, Hsien-Chih, Director Chang, Shih-Feng, Director Liu, Tang-Kun, Director Xin, Kang-Yen, Independent Director Liu, Shui-Sheng, Independent Director Chang, Yu; Possessing legal Expertise: Independent Director Wu, Yi-Tsai; accounting and financial analysis skills: Independent Director Chang, Yu, Independent Director Liu, Shui-Sheng.	No difference
(II) In addition to founding the Remuneration Committee and Audit Committee according to the laws and regulations, does the company voluntarily create other committees with similar functions?	✓		The Company established the Audit Committee on June 15, 2020.	No difference

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?	✓		<p>The company has stipulated the “Performance Evaluation Methods for Directors and Managers” and conducts the performance evaluation according to the two major perspectives: financial and non-financial indicators. The financial indicator includes: revenue, net profit after tax, and shareholder’s return on equity. The non-financial indicator includes: director’s independent status, professionalism in various fields, meeting participation, participation in educational training and participation in the internal control of the company.</p> <p>2023 evaluation results: According to the results of the evaluation of the performance of the Board of Directors, the rest of the operations are still good. The results of the Board's evaluation were good. The 2023 Board of Directors' performance evaluation of the Company has been reported on March 13, 2023.</p>	No difference
(IV) Does the company regularly assess the independent status of the certified public accountant?	✓		<p>The assessment of the independent status and competency for the certified public accountant will be conducted annually. The board of directors recently assessed the competency, independent status and the entrusted remuneration for accountant Wu, Lin-Fang and Luo, Wen-Hsin on November 9, 2023.</p> <p>The assessment content is evaluated based on the account’s independent status, ethics, and auditing professionalism.</p>	No difference

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
IV. Whether the listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with the information needed to perform their duties, assisting directors and supervisors in compliance laws, handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law and preparing minutes of the Board of Directors' and Shareholders' meetings)?	✓		To improve corporate governance and the effectiveness of the Board of Directors, our company has hired a Corporate Governance Officer. The primary responsibilities of this role include coordinating with relevant departments to provide timely information required for directors to carry out their duties, assisting directors in complying with laws and regulations, handling board and shareholders' meeting issues in accordance with the law, and implementing corporate governance affairs. This includes managing the board, audit committee, remuneration committee, and shareholder meetings in accordance with the law; assisting directors in their appointment and ongoing education; providing information necessary for directors to carry out their duties; and assisting directors in complying with laws and regulations. The qualifications of the Company's corporate governance officer complies with Article 3-1, Paragraph 1 of the "Corporate Governance Best Practice Principles for TWSE/TPEX-Listed Companies", and have completed professional training as required by laws and regulations.	No difference
V. Does the company have a communication channel with interested parties (including but not limited to shareholders, employees, customers, and supply vendors) and create a stakeholder area on the company's website, and appropriately react and respond to important	✓		The company has a dedicated Email for correspondence with interested parties, and the contact information can be found on the stakeholder area on the website of the Market Observation Post System and the company's website, so that interested parties can contact the company if needed and the company can properly respond to the stakeholders' issues.	No difference

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
corporate social responsibility issues to stakeholders?				
VI. Does the company entrust a professional stock agency to conduct the affairs in regard to the shareholders meeting?	✓		The Company has appointed Taishin Securities Co., Ltd. as its stock service agent to assist in the handling of stock matters.	No difference
VII. Information disclosure				
(I) Has the company created a website to disclose the information of financial business and corporate governance?	✓		The company has created a website (the company's website address is http://www.greenworldhotels.com/), and investors can also find the company's financial, business, and corporate governance information on the website of the Market Observation Post System.	No difference
(II) Does the company use other approaches for information disclosure (such as creating an English website, designating a person to be responsible for collecting and disclosing the company's information, implementing the spokesperson system, and uploading videos of the investor conferences on the	✓		The company has a spokesperson and acting spokesperson, and also has an investor relation contact window for investors.	The English webpages of the investor area have not been created.

Evaluation items	Implementation status (Note)		Summary of the description	Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No		
company's website)?				
(III) Does the Company announce and declare the annual financial report within two months after the end of the fiscal year, and announce in advance and declare the first, second and third quarter financial reports as well as the monthly operating report before the deadline?	✓		<p>The announcement and declaration of annual business report have been reported to the competent authority in accordance with Article 36 of the Securities and Exchange Act as follows:</p> <ol style="list-style-type: none"> 1. Announce and declare the annual financial report that has been approved and audited by the accountant, approved by the board of directors and approved ratified by supervisors within three months after the end of each fiscal year. 2. Announce and declare the financial report that has been reviewed and audited by the accountant and submitted to the board of directors within 45 days after the end of the first quarter, second quarter, and third quarter of each fiscal year. 3. Announce and declare the operation status of the previous month before the tenth of each month. 	No difference
VIII. Does the company have other important information that can help investors to understand the operation of corporate governance (including but not limited to employees rights, employees care, investor relations, relationships with suppliers, stakeholders rights, training for directors and supervisors, the	✓		<ol style="list-style-type: none"> 1. Employees' rights and interests: All are conducted according to the relevant regulations of the Labor Standards Act, and an employee complaint channel is available for protecting the legitimate rights and interests of the employees. 2. Employees care: An employee welfare committee is created and various welfare measures are stipulated. 3. Investor relations: The Company regularly releases its financial reports and important business announcements 	No difference

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
implementation status of risk management policy and risk measurement standard, the implementation of customer policy, the liability insurance purchased by the company for the directors and supervisors, etc.)			<p>on the website of the Market Observation Post System and on the company's official websites according to the regulations, so that investors are fully informed about the company's business development and current status, in order to maximize the interests of shareholders.</p> <p>4. Relationship with the suppliers: The company conducts the relevant supplier management according to the stipulated internal control operating system for procurement and payment, and meets the related rights and obligations based on the contract or purchase order.</p> <p>5. Stakeholders rights: The Company conducts transaction or communication with relevant stakeholders based on the various internal control operating measures, and founded a responsible unit to properly handle the opinions of all related parties to fulfill the corporate social responsibility.</p> <p>6. The Company has arranged refresher courses for directors in 2023. The relevant training status of directors is as follows.</p> <p>7. The implementation status of risk management policies and risk measurement standards: the Company's major operation policies, investment proposals, endorsement guarantees, fund loans and bank financing have been evaluated and analyzed by suitable authorities and implemented in accordance with the resolutions by the board of directors. The audit office also stipulates and implements its annual audit plan based on the results of risk assessment, to practically implement the supervision</p>	

Evaluation items	Implementation status (Note)			Differences with the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies and reasons or causes
	Yes	No	Summary of the description	
			mechanism and control of various risk management. 8. The Company has completed the purchase of liability insurance for the Company's directors and managers every year. The insured amount, scope of coverage and insurance premiums of the liability insurance have been submitted to the recent board of directors' report.	
IX. Please state the improvement of the company's corporate governance and propose the priority matters and measures for reinforcement from among those which have not been improved, according to the evaluation results of the current year issued by the Corporate Governance Center of the Taiwan Stock Exchange Corporation: not applicable				

Note: Regardless of checking "Yes" or "No" on the check box, it is required to state a description in the summary field .

The continuing education courses of the Company's directors and independent directors in 2023 are as follows:

Position	Name	On board date	Date of the first appointment	Date of training	Organizer	Course name	Hours of training
Chairman	Hsieh, Hsien-Chih	2023/06/16	2013/12/30	2023/09/19	Securities and Futures Institute	Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
				2023/09/19	Securities and Futures Institute	SDG Impact Measurement and Management	3
Director	Xin, Kang-Yen	2023/06/16	2023/06/16	2023/09/19	Securities and Futures Institute	Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
				2023/09/19	Securities and Futures Institute	SDG Impact Measurement and Management	3
				2023/10/04	Securities and Futures Institute	How do directors and supervisors with non-financial accounting backgrounds review financial statements	3
				2023/10/13	Securities and Futures Institute	Carbon trading mechanism and enterprise management application	3
Director	Chang, Shih-Feng	2023/06/16	2019/07/22	2023/09/19	Securities and Futures Institute	Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
				2023/09/19	Securities and Futures Institute	SDG Impact Measurement and Management	3
Director		2023/06/16	2020/06/15	2023/08/03	Taiwan Corporate Governance Association	Board Governance under ESG	3

	LIU, TANG- KUN			2023/10/06	Taiwan Corporate Governance Association	Analysis of the Scope, Restrictions and Risks of Equity Transactions with Insiders	3
Independent Director	Liu, Shui- Sheng	2023/06/16	2017/06/22	2023/07/18	Accounting Research and Development Foundation	2023 Financial Transformation and Sustainability Disclosure Seminar	3
				2023/09/19	Securities and Futures Institute	Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
				2023/09/19	Securities and Futures Institute	SDG Impact Measurement and Management	3
Independent Director	Wu, Yi- Tsai	2023/06/16	2017/06/22	2023/10/04	Securities and Futures Institute	How do directors and supervisors with non-financial accounting backgrounds review financial statements	3
				2023/12/19	Taiwan Corporate Governance Association	Practical Analysis of Criminal Liability in Securities Illegal Cases	3
Independent Director	Chang, Yu	2023/06/16	2023/06/16	2023/07/18	Accounting Research and Development Foundation	2023 Financial Transformation and Sustainability Disclosure Seminar	3
				2023/09/19	Securities and Futures Institute	Corporate Governance Blueprint 3.0 and Directors' Responsibilities	3
				2023/09/19	Securities and Futures Institute	SDG Impact Measurement and Management	3

(IV) The founding, duties, and operations of the Remuneration Committee:

1. On August 26, 2011, the Company has stipulated the organization rules for the Remuneration Committee of the Company according to Article 14-6 of the Securities and Exchange Act and the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter”.

Three independent directors are members of the Company's 7th Remuneration Committee, and their term of office is from June 16, 2023 to June 15, 2026.

The responsibilities of the Remuneration Committee include stipulating and regularly reviewing the policies, systems, standards and structure of performance assessment and remuneration for directors and managerial officers, as well as regularly evaluate and determine the remuneration for directors and managerial officers. The Company has convened 2 Remuneration Committee meetings in 2023 and the relevant resolutions have been reported to the board of directors.

2. The members of the Remuneration Committee are listed as follows:

Identity	Condition Name	Professional qualifications and experience	Status of independence	Also serving on the Remuneration Committee of other public offering companies
Convener and Independent director	Wu, Yi-Tsai	Professional and technical personnel who have more than five years of work experience in law and crisis management and have passed the national exams and certifications required by lawyers. Director and executive attorney of Yuanta Law Offices. With his legal expertise, he can provide opinions on risk management, legal strategy/compliance and management decision-making. Does not meet any of the conditions stated in Article 30 of the Company Act.	(1) Not employed by the Company or its affiliated companies. (2) Not a director or supervisor of the Company or its affiliated companies. (3) Not a natural-person shareholder who holds 1% or more of the Company's issued shares or a top-10 natural-person shareholder by shareholding in the name of spouse, minor children or someone else in the name of the shares issued by the Company. (4) Not the spouse, a relative within the second degree of kinship or a direct blood relative within the third degree of kinship of a manager listed in (1) or any of the personnel listed in (2) or (3). (5) A director who is not a director of an institutional shareholder who directly holds 5% or more of the total number of the Company's issued shares or who holds the top five shares or who designates a representative as a director or supervisor of the Company in accordance with Article 27, Paragraph 1 or 2 of the Company Act, supervisor or employee.	0
Independent director	Liu, Shui-Sheng	More than 5 years of work experience required for company operations, graduated from International University of Kagoshima in Japan with a doctoral degree in economics, currently serves as the Chairman of HELIN Trading CO., LTD. and is not booked in accordance with Article 30 of the Company Act.	(6) Not a director, supervisor, or employee of another company, who is controlled by the same person with more than half of the number of directors or voting shares of the	0

Independent director	Chang, Yu	More than five years of work experience in commerce, finance, and accounting and served as the President of Yuanta Venture Capital Co., Ltd. and none of the conditions described in Article 30 of the Company Act.	<p>Company.</p> <p>(7) Not a director, supervisor, or employee of another company or institution where the chairman, general manager or equivalent of the Company is the same person or the spouse.</p> <p>(8) Not a director, supervisor, managerial officer, or shareholder holding more than 5% of the shares of a specified company or institution that has financial or business dealings with the Company.</p> <p>(9) Not an owner, partner, director of a professional individual, sole proprietorship, partnership, company, or institution that provides auditing services or business, legal, financial, or accounting services for which he or she has received remuneration in the last two years for the Company or its affiliates), supervisors, managers and their spouses.</p> <p>(10) Not a spouse or a relative within the second degree of kinship to any other director of the Company.</p>	0
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3. The operation status of the Remuneration Committee is as follows:

- (1) The company's Remuneration Committee has three members.
- (2) The term of office of the current members: June 16, 2023 to June 15, 2026. The Remuneration Committee met 2 times (A) in the most recent year. The qualifications and attendance of members are as follows:

Position	Name	Number of attendances in person (B)	Number of entrusted attendance	Attendance rate (%) (B/A)	Remarks
Convener	Wu, Yi-Tsai	2	0	100	
Committee member	Liu, Shui-Sheng	2	0	100	
Committee member	Chiu, Shao-Chin	1	0	100	(Note)
Committee member	Chang, Yu	1	0	100	(Note)
Other items that shall be recorded:					
I. If the Board of Directors does not adopt or amend the recommendations of the Remuneration Committee, it shall state the date and time of the board of directors, the content of the proposal, the results of the resolutions of the board of directors, and the company's handling of the opinions of the Remuneration Committee (e.g., the compensation received by the board of directors is superior to the recommendations of the Remuneration Committee and explain the difference and its causes): No such situation.					
II. If members have objections or reserved opinions and have retained a record or written statement for the Remuneration Committee's resolutions, the meeting date of Remuneration Committee, term of office, content of the proposal, the opinions of all members and the handling of the members' opinions: not available.					

Note: The term of office of Independent Director Chiu, Shao-Chin, expired on June 16, 2023; Independent Director Chang, Yu took office on June 16, 2023.

4. Members of the Nomination Committee and their status: not applicable.

(V)Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
I. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?		✓	The Company has established the "Sustainable Development Best Practice Principles" but has not yet established a governance structure to promote sustainable development. A full-time (part-time) unit to promote sustainable development will be established when necessary.	In the future, the Company will discuss setting up the relevant accountable units.
II. Does the Company conduct risk assessments on environmental, social and corporate governance issues related to company operations in accordance with the principle of materiality and establish relevant risk management policies or strategies?	✓		The Company has established the "Sustainable Development Best Practice Principles" to understand and comply with the relevant contents set by the competent authorities, and will continue to pay attention to whether relevant environmental, social and corporate governance issues have a significant impact on the Company's investors and other stakeholders.	No difference
III. Environmental issues (I) Does the Company create a suitable environmental management system according to its characteristics in the industry?	✓		(I) The waste recycling, treatment or usage of the Company is conducted in accordance with the environmental management system and environmental protection laws and regulations, and the implementation effectiveness will be reviewed from time to time for continuous improvement.	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(II) Is the company committed to the efficiency of energy use and the use of recycled materials with low impact on the environment?	✓		(II) The Company is continuously dedicated to improving the efficiency usage of various resources: such as employees are encouraged to bring their own cups, lunch boxes and environmentally friendly chopsticks to reduce the use of paper lunch boxes; envelopes and kraft paper bags are reused and they are used as delivery bags for internal documents. To avoid environmental pollution and waste of resources caused by discarding ink cartridges, the used ink cartridges of photocopiers or printers will be returned to the original manufacturers for disposal and treatment; the environmentally friendly ink cartridges are used.	No difference
(III) Has the Company assessed the current and future potential risks and opportunities of climate change and adopted climate-related response measures?	✓		(III)The objective of the establishment of the Company is to facilitate the development of the circular economy and hence we pay attention to issues related to climate change. The Company encourages reuse of resources in the office environment: such as the use of electronic invoices and the introduction of exchange mechanism for governmental electronic documents, so to make the receiving and submitting documents	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(IV) Does the Company keep statistics on the amount of greenhouse gas emission, water consumption and total weight of waste in the past two years, and establish policies for greenhouse gas reduction, reduction of water consumption or management of other wastes?	✓		<p>more convenient and save the time for official document delivery, paperwork and save the postage costs. We try to use both sides of the papers as much as possible and place a resource recycling rack next to the photocopier for paper recycling and reuse, to greatly reduce the paper consumption. In addition, the office promotes to set the air-conditioning temperature to 26 degrees in the summer, use the energy-saving LED T5 lamps, and lights off during lunch break and after work hours, to reduce power consumption and slow down the effect of global warming.</p> <p>(IV) In response to climate change, the Company has established conservation measures for the use of water and electricity resources and regularly evaluates the implementation to reduce the impact on the environment.</p>	No difference
<p>IV.Social issues</p> <p>(I) Does the Company stipulate relevant management policies and procedures according to the relevant regulations and conventions of international human rights?</p>	✓		<p>(I) On the basis of the Labor Standards Act and other relevant labor laws and regulations, the Company has stipulated the human resource management rules and employees' work rules. The employees' labor</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(II) Does the Company stipulate and implement reasonable welfare regulations for employees (including remuneration, holidays and other benefits), and appropriately distribute the revenue of operating performance or results to employees' remuneration?	✓		<p>insurance, national health insurance and retirement pension are conducted in accordance with relevant laws and regulations. In addition, on the basis of the "Sexual Harassment Prevention Act" and the "Act of Gender Equality in Employment," the Company has stipulated the "Sexual Harassment Prevention Measures and Regulations for Complaint and Punishment" to provide employees with a work and service environment that is free of sexual harassment.</p> <p>(II) The employees' salary and compensation policy are determined according to individual's ability, contribution to the Company, performance, competitiveness, and operational risks of the Company in the future. With respect to Article 22 of the Articles of Incorporation, if the Company has profit in the current year, it shall reserve 0.7% to 10% for the employee's remuneration and the directors and supervisors' remuneration shall not be more than 1%. However, if the Company still has accumulated losses, the amount shall be reserved in advance.</p> <p>The Company has stipulated the</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(III) Does the Company provide a safe and healthy working environment for employees and regularly conduct safety and health educational training for employees?	✓		<p>"Employees' Work Rules," "Regulations for Employees' Assessment Management," and "Regulations for Labor-Management Meeting and Organization." In addition to promoting relevant corporate ethics, employees' performance and rewards, and disciplinary system, the Company also includes talents and systems, and prospective arrangement as the assessment indicator, as well as emphasizes the importance of corporate social responsibilities and human-oriented sustainable corporate development, to enhance the international competitiveness of the Company in the future.</p> <p>(III) With respect to relevant occupational safety and health laws and regulations, the Company conducts safety and health education, training of disaster prevention and health management measures that are necessary for the operations of employees. Emergency escape routes and exits are available in the workplace and maintenance of elevator equipment is conducted on a regular basis. The fire-fighting</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(IV) Does the Company propose an effective career development training plan for employees?	✓		<p>facilities are available, and the fire drills are conducted on a regular basis; the work environment is disinfected and cleaned, and the water quality is tested on a regular basis; the access control is also implemented.</p> <p>Other protective measures regarding personal safety of employees shall be conducted in accordance with relevant labor regulations and the Company's internal welfare measures.</p> <p>The Company regularly offers health examination and cares to employees to practically take care of the employees' health issues.</p> <p>There has been no fire incident in the Company. Fire extinguishers and emergency exits are installed in the Company and its hotels and promotion of such activities is conducted on a regular basis.</p> <p>(IV) All departments of the Company have participated in external training based on their work content, to enhance their professionalism. We also provide comprehensive and diverse resources to help our employees to continuously improve their knowledge. The Company is continuously dedicated to constructing a comprehensive and</p>	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
(V) Has the Company complied with applicable laws, regulations, and international standards on issues such as customer health and safety, customer privacy, marketing, and labeling of products and services and established relevant policies and grievance procedures for the protection of consumers' or customers' rights and interests?	✓		<p>diverse career development path.</p> <p>(V) The Company follows the regulations of the "Auditing and Certification Manual for Recycling, Disposal and Treatment of Recyclable Waste" announced by the Environmental Protection Administration of the Executive Yuan.</p> <p>The "integrity management operation procedures and operational guidelines" of the Company clearly stipulated that the Company and its directors, supervisors, managers, employees, appointers and substantial controllers should follow the relevant laws and regulations on intellectual property to ensure information transparency and safety of products and services. The Company has stipulated and disclosed its protection policies for consumers' and other stakeholders' rights, and they are implemented in operating activities to prevent the products or services from directly or indirectly violating the rights, health and safety of consumers or other stakeholders.</p>	No difference
(VI) Does the Company have a supplier management policy defined to require suppliers to comply with relevant regulations	✓		(VI)The Company is in the hotel industry and its hotel waste is entrusted to waste disposal business vendors.	No difference

Items	Implementation status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies and the Reasons
	Yes	No	Summary of the description	
on environmental protection, occupational safety and health, or labor human rights and the implementation status thereof?			At present, the Company has implemented the concepts and management indicators of sustainable development management, social responsibilities, environmental responsibilities and occupational health and safety requirements into the cooperative model with the Company's suppliers, to establish a high-quality management system of supply chain.	
V. Does the Company prepare reports disclosing the Company's non-financial information, such as the Sustainability Report, with reference to international reporting standards or guidelines? Does the preceding report obtain assurance or opinion from a third-party authentication unit?		✓	The Company has not prepared standards or guidelines. It will consider the international trends and market variation to prepare standards or guidelines in the future.	No difference
VI.If the Company has established its own sustainable development principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies," please describe the current practices and any deviations from the Principles established: The Company has established the "Sustainable Development Best Practice Principles," which are in operation without any material deviation.				
VII.Other important information helpful to understand the implementation of sustainable development: Please refer to the Company's official website.				

(VI)Climate-related information of TPEX-listed companies: not applicable.

(VII)Implementation of ethical corporate management and differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies and the reasons or causes

1. The Company has requested that all directors, managers or employees of the Company shall not directly or indirectly accept any inappropriate benefit or make improper promises during the business process. Furthermore, the promotion of the importance of ethical corporate management is thoroughly carried out during the training of new employees.
2. The company has created an effective accounting system and internal control system during the stage of designing the company's system, in order to prevent any possible corruptive practice during business activities.
3. As for avoidance of conflict of interest, the director or manager shall not participate in the decision-making or voting if the person is related to any conflict of interest during the decision-making or trading process.
4. The company has implemented the ethical corporate management as follows:

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
I.Stipulate the ethical corporate management policy and plan				
(I) Does the Company stipulate the integrity management policy approved by the board of directors and clearly express its commitment to the ethical corporate management policy and practices in its regulations and external documents, and reinforce the commitment to the board of directors and high management for the implementation of the business policies?	✓		The Company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees".	No difference
(II) Does the Company establish an assessment mechanism for the risk of dishonest behaviors to regularly analyze and assess the business activities with high risks of dishonest behaviors defined in the business scope and stipulate a program to prevent dishonest behaviors, including each of the preventive measures in the second paragraph of Article 7 of the	✓		The company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees" and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct".	No difference

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
“Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies”?				
(III) Does the Company have the operational procedures, behavior guidelines, punishment and complaint systems clearly defined in the program to prevent unethical conduct, and implemented, and the program is regularly reviewed and amended?	✓		The company has stipulated and implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct" and "Codes of Ethical Conduct for Employees" and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct".	No difference
II. The implementation of ethical corporate management				
(I) Has the company evaluated the ethical record of the transaction counterpart and clearly specified the terms of ethical conduct in the contract with the transaction counterpart?		✓	The company has a credit check mechanism, but does not specify the terms of ethical conduct in the contract.	In the evaluation process

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
(II) Does the Company create a dedicated unit under the board of directors to promote the corporate integrity management and regularly (at least once a year) report the integrity management policies and plans, prevention program of dishonest behaviors and the implementation and supervision status to the board of directors?		✓	The company does not have a special unit (or part-time unit) under the board of directors for the promotion of ethical corporate management.	In the evaluation process
(III) Does the company stipulate a policy to prevent conflicts of interest, provide a proper channel for communication, and practically implement the policy?	✓		In the case of conflict of interest, the company will request all of the relevant personnel to properly state the situation and have them avoid the resolution process.	No difference
(IV) Does the Company establish an effective accounting system and internal control system to implement the integrity management and stipulate relevant auditing plan based on the assessment results of risk for dishonest behaviors conducted by the internal audit unit for verifying the compliance status of prevention for dishonest behaviors or entrust an accountant to conduct auditing?	✓		The company has stipulated and practically implemented the "Ethical Corporate Management Best Practice Principles", "Codes of Ethical Conduct", "Codes of Ethical Conduct for Employees", and "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct". The internal audit unit will carry out the audit and the accountant will audit the accounting system.	No difference
(V) Does the company regularly conduct internal and external educational training regarding ethical corporate management?	✓		The company promotes ethical corporate management during the internal convocation.	No difference
III. The implementation of the company's whistleblowing system				
(I) Does the company have a specific whistleblowing and reward system, a convenient whistleblowing channel, and appropriate and dedicated personnel to	✓		The company has stipulated the "Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct", and it also has a dedicated	No difference

Evaluation items	Operational status			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
deal with the respondent?			Email for reporting illegal and immoral or unethical conduct.	
(II) Does the Company establish standard operating procedures for the investigation of whistle-blowing matters, the follow-up measures to be taken after the investigation is completed and the related confidentiality mechanism?	✓		The company has stipulated the “Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct”, and it also has a dedicated Email for reporting illegal and immoral or unethical conduct.	No difference
(III) Does the company take preventive measures to protect the whistleblower from improper treatment due to the report?	✓		The company has stipulated the “Methods for Reporting Cases of Illegal and Immoral or Unethical Conduct”, and it also has a dedicated Email for reporting illegal and immoral or unethical conduct.	No difference

Evaluation items	Operational status (Note 1)			Differences from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, and the reasons or causes
	Yes	No	Summary of the description	
IV.Reinforcement of information disclosure				
Does the company reveal the content of Ethical Corporate Management Best Practice Principles and the effectiveness of implementation on its website and on the website of the Market Observation Post System?	✓		The company has revealed the relevant Ethical Corporate Management Best Practice Principles information in the annual report of the company and also posted it on the company's website and on the website of the Market Observation Post System for the reference of the relevant personnel.	No difference
V. If the company has stipulated its Ethical Corporate Management Best Practice Principles according to the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe the difference between the principles and implementation operations: The company has stipulated the "Ethical Corporate Management Best Practice Principles", and no significant abnormality has occurred as of now.				
VI. Other important information that can help others to understand the company's operations of ethical corporate management: None.				

(VIII)Method of inquiry of the Corporate Governance Best Practice Principles and other related regulations: The Company has established the "Corporate Governance Best Practice Principles" and related regulations to protect the rights and interests of shareholders and strengthen the duties of directors. It can be found on the website of the Company <https://greenworldhotels.com> for inquiries.

(IX)Other important information that enhances the understanding of the Company's corporate governance: Go to the Company's website <https://greenworldhotels.com> for inquiry.

(IX) Other important information that can help others to understand the operations of corporate governance of the company:

1. Codes of Ethical Conduct

Green World Hotels Co., Ltd.

Codes of Ethical Conduct

Passed by the board of directors on March 25, 2015

I. Purpose and foundation

In recognition of the necessity to assist the company in the establishment of codes of ethical conduct, these Codes are adopted for the purpose of guiding the directors, supervisors, and managerial officers of the company (including general managers or their equivalents, assistant general managers or their equivalents, deputy assistant general managers or their equivalents, chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the company) to act in line with the ethical standards, and to help interested parties better understand the ethical standards of the company.

II. Content of the code

The company shall adopt a code of ethical conduct that addresses at least the following eight matters:

(I) Prevention of conflicts of interest:

The conflicts of interest may occur when personal interest intervenes or is likely to intervene in the overall interest of the company, such as when a director, supervisor, or managerial officer of the company is unable to perform their duties in an objective and efficient manner, or when a person takes advantage of their position in the company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The company shall pay extra attention to the loans of funds, guarantees, and major asset transactions or the purchase (or sale) of products involving the preceding personnel of the affiliated enterprise. The company shall stipulate a policy for preventing conflicts of interest, and shall offer an appropriate channel for directors, supervisors, and managerial officers to proactively explain whether there is any potential conflict between them and the company.

(II) Prevention of incentives to pursue personal interest:

The Company shall prevent its directors, supervisors or managers from being the following: (1) Seeking an opportunity to pursue personal interest by using company property or information or taking advantage of their positions. (2) Obtaining personal interest by using company property or information or taking advantage of their positions. (3) Competing with the company. When the company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to acquire the reasonable and proper benefits that can be obtained by the company.

(III) Confidentiality:

The directors, supervisors, and managerial officers of the company shall be obligated to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, other than when authorized or required to disclose such information by laws and regulations. The confidential information includes any undisclosed information that could result in damage to the company or customers, if it is exploited by a competitor or disclosed to a competitor.

(IV) Fair trading:

Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and they may not obtain improper interests through manipulation, nondisclosure, or misuse of the information through their positions, misrepresentation of important matters, or other unfair trading practices.

(V) Protect and properly use the company's assets:

All directors, supervisors, and managerial officers have the responsibility to protect the company's assets and to ensure that they can be effectively and legally used for official business purposes. Any theft, negligence, or waste of the assets will directly impact the company's profitability.

(VI) Compliance of laws and regulations

The company shall reinforce its compliance with the Securities and Exchange Act and other applicable laws and regulations.

(VII) Encouraging reporting on illegal actions or violations to the Codes of Ethical Conduct:

The company shall reinforce the awareness of ethics internally and encourage employees to report to a company supervisor, managerial officer, chief internal auditor, or other appropriate personnel upon suspicion or discovery of any activity in violation of the laws or regulations or the Codes of Ethical Conduct. To encourage employees to report illegal matters, the company shall create a specific whistleblowing system and make employees aware that the company will use its best efforts to ensure the safety of informants and protect them from reprisals.

(VIII) Punishment measures:

When a director, supervisor, or managerial officer violates the Codes of Ethical Conduct, the company shall conduct the matter according to the punishment measures stipulated in the Codes of Ethical Conduct, and shall reveal it on the website of the Market Observation Post System without delay, including the date of the violation by the violator, reasons for the violation, the violated provisions of the Codes of Ethical Conduct, and the actions taken. The company shall create a relevant complaint system to provide the person who violates the Codes of Ethical Conduct with remedies.

III. Procedures for exemption

The Codes of Ethical Conduct stipulated by the company must request that any exemption for directors, supervisors, or managerial officers from compliance with the Codes of Ethical Conduct be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reserved comments of independent directors, and the period of exemption, reasons for exemption, and principles behind the application of the exemption be disclosed without delay on the website of the Market Observation Post System, so that the shareholders can evaluate the appropriateness of the board resolution to forestall any arbitrary or dubious exemption from the code, and to protect the interests of the company by ensuring appropriate mechanisms for controlling any circumstance during the occurrence of an exemption.

IV. Method of disclosure

The company shall disclose its Codes of Ethical Conduct, and any amendments to it, on its company website, in its annual reports and prospectuses and on the website of the Market Observation Post System.

V. Enforcement

The company's Codes of Ethical Conduct, and any amendments to it, shall be implemented after it has been adopted by the board of directors, and submitted to supervisors and a shareholders meeting.

2. Codes of Ethical Conduct for Employees

Green World Hotels Co., Ltd. **Codes of Ethical Conduct for Employees**

Passed by the board of directors on March 25, 2015

Article 1 Purpose

The Codes of Ethical Conduct for Employees are stipulated for the employees of the company to follow, and allow the stakeholders of the company to understand the ethical standards and codes of conduct that should be followed by the employees during the process of business operations.

Article 2 Scope of application

The Codes of Ethical Conduct for Employees are applicable to all employees of the company. It is the responsibility of all employees of the company to read, understand and comply with the Codes of Ethical Conduct for Employees.

Article 3 Integrity Principle

When performing their duties, the employees of the company should focus on a teamwork spirit and abandon self-centered principles, and should follow the principle of integrity with a proactive and responsible attitude.

Article 4 Fairness principle

Employees of the company are prohibited to discriminate against each other in any form based on factors such as gender, race, religion, political party, sexual orientation, job position, nationality and age.

Article 5 Working environment

It is the responsibility of all employees of the company to maintain a healthy and safe working environment, and matters in regard to sexual harassment, violence, threats or intimidation are prohibited.

Article 6 Prevention of conflicts of interest and opportunities for personal gain

The employees of the company are responsible for maintaining and enhancing the appropriate and legitimate benefits of the company and should avoid the following:

1. Seeking an opportunity to pursue personal interest by using company property or information or taking advantage of their positions.
2. Competing with the company.

Article 7 Confidentiality obligations

The employees of the Company shall carefully manage matters or confidential information regarding their job duties. They shall not disclose the information to others or use it for matters not related to work, including the information of the company's personnel and customers, inventions, etc., business confidentiality, technical information, unless they are disclosed by the Company or necessary for the implementation of their job duties. The same is true after they leave their job position. The abovementioned 2 confidential information, including the product design, professional manufacturing knowledge, financial and accounting information and intellectual property rights, and any undisclosed information that could result in damage to the company or customers, if it is exploited by a competitor or disclosed to a competitor.

Article 8 Fair trade

1. The employees of the company shall treat the business counterparts fairly. When dealing with related

parties, there shall be no special favorable treatment or matters.

2. When conducting job duties, the employees of the Company shall not request, contract, deliver, or accept any form of gift, special treatment, commission, bribery or any other matters involving improper interests. However, this is not applicable to gifts or special treatment that is acceptable by social custom or the company regulations.

Article 9 Protection and proper use of company assets

1. The usage of the company name is limited to only the business operation of the company;

2. When conducting job duties, the employees of the company should avoid the data, information system and network equipment being involved to matters in regard to theft, interference, destruction or intrusion, to protect the confidentiality, integrity and availability of the company's various assets;

Article 10 Compliance with laws and regulations

1. The employees of the company shall follow the relevant laws, rules, and orders that are applicable to the company, including the laws regarding insider trading and the protection of intellectual property;

2. The employees of the company shall follow the rules and regulations stipulated by the company, and pay attention to the various announcements on the company's internal website and bulletin board;

Article 11 Correct document recording and reporting

The employees of the company shall ensure the documents handled in various forms are correct and complete, and the documents shall be properly retained.

Article 12 Encouragement to report any illegal activities or violations of the Principles

When employees of the company discover any violations of laws, regulations, or the Codes of Ethical Conduct for Employees, they can report to the supervisor with their names. The company will do its utmost to keep confidential and protect the identity of the presenter from threats. The company will use its best efforts to ensure the safety of informers and protect them from reprisals.

Article 13 Disciplinary measures

If the employees of the company violate the Codes of Ethical Conduct for Employees and the instance is verified by the company, a warning letter will be issued, or depending on the circumstances of the case, the following punishment may be applied.

1. Withholding the performance bonus and year-end bonus;

2. Position demotion and job demotion;

3. Dismissal;

4. Take legal action.

Article 14 Procedures for exemption

The Procedures for exemption are not applicable to the employees of the Company for the provisions of these codes.

Article 15 Implementation and disclosure

1. The company's Codes of Ethical Conduct for Employees, and any amendments to it, shall be implemented after it has been adopted by the board of directors, and submitted to the shareholders meeting.

2. The company shall disclose the Codes of Ethical Conduct for Employees, and any amendments to it,

in its annual reports and prospectuses and on the website of the Market Observation Post System.

(X)Implementation of the internal control system:

1.Declaration of Internal Control

Green World Hotels Co., Ltd.
Internal control system declaration

Date: March 13, 2024

On the basis of the results of self-assessment, the declaration of the company's internal control system in 2023 is as follows:

- I. The Company understands that the creation, implementation, and maintenance of the internal control system is the responsibility of the board of directors and managerial officers of the Company. The Company has already created the system. Its purpose is to provide reasonable information on the effect and efficiency of operations (including profitability, performance and protection of asset security), the reliability, timeliness, and transparency of reporting, and compliance with relevant laws and regulations. guarantee.
- II. The internal control system has its limitations, regardless of how the structure is designed, an effective internal control system can only provide reasonable assurance for achieving the abovementioned three objectives, and the effectiveness of the internal control system may also vary due to changes in the environment and circumstances. However, the company's internal control system has a self-monitoring mechanism. Once the shortcoming is identified, the company will take corrective measures right away.
- III. The Company determines the items for the effectiveness of the internal control system according to the “Regulations for the Establishment of Internal Control Systems for Listed Companies” (hereinafter referred to as the “Regulations”), to determine whether the design and implementation of the internal control system is effective. The judgment items of the internal control system used in the “Regulations” are based on the five components of the internal control system in the process of management control: 1. Control environment 2. Risk assessment 3. Control operations 4. Information and communication 5. Supervision. Each component includes several sub-items. Please refer to the “Regulations” for the preceding item.
- IV. The Company has already adopted the abovementioned judgment items of the internal control system to determine and evaluate the effectiveness of the design and implementation of the internal control system.
- V. Based on the aforementioned evaluation results, the Company believes that the Company's internal control system (including the supervision and management of subsidiaries) as of December 31, 2023, including the design and implementation of a reliable, timely, transparent and compliant internal control system with relevant regulations and applicable laws and regulations are effective and can reasonably ensure the achievement of the above objectives.
- VI. This declaration will be included in the main content of the company's annual report and will be announced to the public. If the abovementioned content is false or not disclosed, it will be involved with legal liabilities such as Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This declaration was approved by the board of directors of the company on March 13, 2024. Among the 7 attending directors, there were 0 objections and the rest of the attending directors agreed to the content of this declaration.

Green World Hotels Co., Ltd.

Chairman: Hsieh, Hsien-Chih

Signature

General Manager: Hsieh, Hsien-Chih

Signature

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: None.

(XI) In the most recent year and as of the published date of the annual report, the company and its internal personnel were punished according to law, and the company's penalties for violation of the internal control system by its internal personnel were mainly missing and improved: None.

(XII) Important resolutions of the meeting of shareholders and the board of directors in the most recent year and as of the published date of the annual report:

1. Important resolutions of the Board of Directors'

Meeting date	Content of meeting
2023.3.23	<ol style="list-style-type: none"> 1. Approved the 2022 business report and financial statements. 2. Approved the proposal for the 2022 deficit compensation. 3. Approved the 2022 employee and director remuneration. 4. Approved the full re-election of directors and the nomination of candidates to the Board of Directors. 5. Approved the removal of restrictions on competing business activities of the newly elected directors and their representatives. 6. Approved the amendments to the "Regulations Governing Elections of Directors and Supervisors." 7. Approved the amendments to the "Corporate Governance Best Practice Principles" and "Rules of Procedure for Board of Directors Meetings." 8. Approved the establishment of the "Regulations Governing the Preparation of Financial Reports," "Rules Governing the Financial and Business Related Operations of Related Parties" and "Accounting System" and abolishing the relevant existing regulations. 9. Approved the 2022 statement of internal control system. 10. Approved matters related to the convening of the 2023 AGM. 11. Approved the 2022 director and manager performance evaluation and the remuneration policy, system, standard and structure. 12. Approved the recalculation of the right-of-use assets for the rent reduction of Chunghwa Branch. 13. Approved the proposal to make up for the deposit on lease property of the related party.
2023.05.10	<ol style="list-style-type: none"> 1. Approved the recalculation of the right-of-use assets for the rent reduction of Jianguo North Road Branch.
2023.06.16 (extemporary)	<ol style="list-style-type: none"> 1. Proposal on the election on the 14th Chairman of the Company 2. Appointment of the 2nd Audit Committee. 3. Appointment of the remuneration committee of the 7th term.

Meeting date	Content of meeting
2023.07.13	<ol style="list-style-type: none"> 1. Approved the renewal of the lease of the Green World Mai – Nanjing Branch Office. 2. Approved the proposal to sign a new lease for the two rooms leased by New World Hotel Branch due to change of ownership 3. Approved the appointment of the Company's new Corporate Governance Officer.
2023.08.09	<ol style="list-style-type: none"> 1. Approved the change of managerial officers of the branch office.
2023.11.09	<ol style="list-style-type: none"> 1. Approved the 2024 budget and operation plan. 2. Approved the 2024 annual audit plan. 3. Approved the evaluation of the suitability and independence of CPAs and the proposal of remuneration for 2024. 4. Approved the revision of "Internal Control - Computerized Information Processing Cycle" and the establishment of "Measures for Information Communication Security Management." 5. Approved the renewal of lease contract with related parties.
2024.03.13	<ol style="list-style-type: none"> 1. Approved the ratification of the distribution of year-end bonuses to managerial officers for 2023. 2. Approved the replacement of the CPA for audit of the financial statements. 3. Approved the 2023 business report and financial statements. 4. Approved the proposal for the distribution of earnings in 2023. 5. Approved the 2023 remuneration to employees and directors. 6. Approved the 2023 statement of internal control system. 7. Approved the 2023 director and manager performance evaluation and the remuneration policy, system, standard and structure. 8. Approved matters related to the convening of the 2024 annual general meeting of the Company.

2. Important resolutions of the shareholders meeting

Meeting date	Important resolutions	Implementation status
2023.06.16 General Shareholders' Meeting	Matters recognized: <ol style="list-style-type: none"> 1. 2022 business report and financial statements . 2. 2022 Deficit Compensation Plan . 	Completed in accordance with the resolution of the shareholders' meeting. Completed in accordance with the resolution of the shareholders' meeting.
	Discussion Matters: <ol style="list-style-type: none"> 1. Amendments to the "Regulations Governing Elections of Directors and Supervisors ." 	Completed and implemented in accordance with the resolution of the shareholders' meeting.
	Election: <ol style="list-style-type: none"> 1. Full re-election of directors . 	In accordance with the results of the shareholders' meeting election.
	Other proposals: Removal of restrictions on competing business activities of the newly elected directors and their representatives.	Completed in accordance with the resolution of the shareholders' meeting.

(XIII) In the most recent year and as of the published date of the annual report, the directors or supervisors have different opinions on the important resolutions passed by the board of directors and have retained a record or written statement. The main content is: None.

(XIV) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's

chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer and chief research and development officer:

April 30, 2023

Position	Name	On board date	Date of dismissal	Reason for resignation or dismissal
Head of corporate governance	Li Yue-Mei	2019.08.08	2023.08.03	Resigned

V.Information on CPA fees

NTD Thousand

Name of the accounting firm	Name of the accountant		Audit period	Audit professional fees	Non-audit professional fees (Note)	Total	Remarks
Moore Stephens DaHua (Taiwan) CPAs	Wu, Lin-Fang	Luo, Wen-Hsin	2023.01.01~2023.09.30	1,820	580	2,400	None
	Wu, Kun-Yi	Wu, Hsien-En	2023.10.01~2023.12.31				

1. When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed:

Not applicable.

2. When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage and reason(s) therefor shall be disclosed:

Not applicable.

VI.Replacement of CPAs: None.

VII.The company's chairman, general manager and the managerial officer responsible for financial or accounting affairs, who has worked in the office of the certified public accountant or the affiliated enterprise in the most recent year, his or her name, position title and employment period in the office of the certified public accountant or the affiliated enterprise shall be disclosed: None.

VIII. In the most recent year and as of the published date of the annual report, the shareholding transfer and change of equity pledge status for the directors, supervisors, managerial officers, and shareholders holding more than 10% of the total issued shares:

(I) Changes of shareholding status for the directors, supervisors, managerial officers and major shareholders

Unit: stock share

Position	Name	2023		As of April 30, 2024	
		Increase (decrease) of shares held (Note 1)	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged
Chairman	Shenyang Investment Co., Ltd.	(6,344,402)	0	0	0
	Representative: Hsieh, Hsien-Chih	(4,147,082)	0	0	0
Director	H.I.S Hotel Holdings Co., Ltd.	(44,769,164)	0	0	0
	Representative: Kodaka Kouji	0	0	Not applicable	Not applicable
	Representative: Xin, Kang-Yen	0	0	0	0
Director	Shenyang Investment Co., Ltd.	(6,344,402)	0	0	0
	Representative: Chang, Shih-Feng	(444,000)	0	0	0
Director	Yiyuan Investment Co., Ltd.	(1,449,439)	0	0	0
	Representative: Liu, Tang-Kun	0	0	0	0
Independent Director	Liu, Shui-Sheng	0	0	0	0
Independent director	Wu, Yi-Tsai	0	0	0	0
Independent director	Chiu, Shao-Chin (Note 2)	0	0	Not applicable	Not applicable
Independent director	Chang, Yu	0	0	0	0
CEO and general manager	Hsieh, Hsien-Chih	(4,147,082)	0	0	0
Executive Vice-President	Tsui, Chieh-Min	0	0	0	0
Associate Manager	HSU, SHUO-HENG	0	0	0	0
Manager	WU, YU-CHI	0	0	0	0
Manager	Chien, Shun-Kuei (Note 2)	0	0	Not applicable	Not applicable
Manager	Lin, Hsiu-Jung (Note 2)	0	0	Not applicable	Not applicable
Manager	YANG, KUN-HUI	0	0	0	0
Accounting Associate Manager	Peng Fei-Hsiu	0	0	0	0

Position	Name	2023		As of April 30, 2024	
		Increase (decrease) of shares held (Note 1)	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged
Finance and Corporate Governance Manager	Lin Meng-Yue	0	0	0	0
Corporate Governance Manager	Li Yue-Mei (Note 2)	0	0	Not applicable	Not applicable
Major shareholder	H.I.S. Hotel Holdings Co., Ltd.	(44,769,164)	0	0	0

Note 1: The decrease in shareholding is due to the 80% capital reduction.

Note 2: The term of office of Chiu, Shao-Chin expired on June 16, 2023. Chien, Shun-Kuei retired on August 31, 2023, Lin, Hsiu-Jung retired on January 31, 2023, and Li, Yue-Mei resigned on August 3, 2023.

(II) Information of directors, supervisors, managers and major shareholders' equity transferring to their related parties: None.

(III) Information of directors, supervisors, managers and major shareholders' equity pledge to their related parties: None.

IX. Information on the relationships between the top ten Shareholders of the company.

April 30, 2023

Name	Shares held by the owner		Spouse and minor children's holding shares		Shares held through nominees		The name and relationship of the top ten shareholders who are a spouse or a relative within the second degree of kinship to another top ten shareholder.		Remarks
	Number of shares	Shareholdings ratio (%)	Number of shares	Holdings ratio (%)	Number of shares	Shareholdings ratio (%)	Name (or full name)	Relationship	
H.I.S. Hotel Holdings Co., Ltd.	11,192,291	51	-	-	-	-	None	None	None
Representative: Hideo Sawada	-	-	-	-	-	-			
Shenyang Investment Co., Ltd.	1,586,100	7.23	-	-	-	-	Hsieh, Hsien-Chih	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
Representative: HSIEH, CHANG-CHENG	4,400	0.02	-	-	-	-			
Hsieh, Hsien-Chih	1,036,770	4.72	-	-	1,099,427	5.01	Shenyang Investment Co., Ltd. Nian Fu Investment Co., Ltd.	1. A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd. 2. Mr. Hsieh, Hsien-Chih is the Chairman of Nian Fu Investment Co., Ltd.	None
Nian Fu Investment Co., Ltd.	795,318	3.62	-	-	-	-	Shenyang Investment Co., Ltd.	A relative within the second degree of kinship of Mr. Hsieh, Hsien-Chih is the Chairman of Shenyang Investment Co., Ltd.	None
Representative: Hsieh, Hsien-Chih	1,036,770	4.72	-	-	1,099,427	5.01			
Yu Shan-Ni	691,415	3.15	-	-	-	-	None	None	None
Cheng, Ya-Ying	547,723	2.50	-	-	-	-	None	None	None
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD	530,000	2.42	-	-	-	-	None	None	None
Representative: Liao, Yu-Hsin	-	-	-	-	-	-			
Yiyuan Investment Co., Ltd.	362,359	1.65	-	-	-	-	None	None	None

Name	Shares held by the owner		Spouse and minor children's holding shares		Shares held through nominees		The name and relationship of the top ten shareholders who are a spouse or a relative within the second degree of kinship to another top ten shareholder.		Remarks
	Number of shares	Shareholdings ratio (%)	Number of shares	Holdings shares (%)	Number of shares	Shareholdings ratio (%)	Name (or full name)	Relationship	
Representative: Li, Chih-Chung	40,000	0.18	-	-	-	-			
Lai, Ching-Kung	320,000	1.46	-	-	-	-	None	None	None
Peng, Wan-Ting	348,400	1.59	-	-	-	-	None	None	None

X. The number of shares on the same reinvested business, held by the company, the company's directors, supervisors, managers and the business directly or indirectly controlled by the company, and the calculation is based on the sum of the comprehensive shareholding ratio: None.

Four.Fundraising status

I.Capital and stock shares:

(D)Source of stock shares

Unit: NT\$ thousand; thousand shares/as of April 30, 2023

Year/ month	Price of issuance (Dollars)	Approved stock capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Amount of stock shares is pledged by the property other than cash	Others
1998.09	15	47,000	470,000	32,000	320,000	Cash increase of 50,000,000 NTD	-	None
1999.05	10	47,000	470,000	16,000	160,000	Capital reduction of 160,000,000 NTD (Note 1)	-	None
1999.07	10	47,000	470,000	32,000	320,000	Cash increase of 160,000,000 NTD	-	None
2000.09	10	47,000	470,000	47,000	470,000	Cash increase of 150,000,000 NTD (Note 2)	-	None
2001.03	20	99,000	990,000	60,000	600,000	Cash increase of 130,000,000 NTD (Note 3)	-	None
2002.01	12	99,000	990,000	70,000	700,000	Cash increase of 100,000,000 NTD (Note 4)	-	None
2002.07	15	99,000	990,000	90,000	900,000	Cash increase of 200,000,000 NTD (Note 5)	-	None
2003.09	10	99,000	990,000	99,000	990,000	Cash increase of 90,000,000 NTD (Note 6)	-	None
2004.02	12	130,000	1,300,000	119,000	1,190,000	Cash increase of 240,000,000 NTD (Note 7)	-	None
2004.08	11	150,000	1,500,000	133,250	1,332,500	Cash increase of 142,500,000 NTD (Note 8)	-	None
2005.12	7.83	200,000	2,000,000	134,757	1,347,570	The convertible corporate bonds transferred to common shares (Note 9)	-	None
2006.03	6.26	200,000	2,000,000	141,786	1,417,860	The convertible corporate bonds transferred to common shares	-	None
2006.08	10	200,000	2,000,000	51,386	513,860	Capital reduction of 904,000,000 NTD (Note 10)	-	None
2006.09	3.5	200,000	2,000,000	111,386	1,113,860	Private cash fundraising increase of type A preferred shares of 600,000,000 NTD (Note 11)	-	None
2006.12	3.5	250,000	2,500,000	178,758	1,787,583	The first issuance of private cash fundraising increase of type B preferred shares of 673,723,000 NTD (Note 12)	-	None
2007.01	3.5	250,000	2,500,000	211,386	2,113,860	The second issuance of private cash fundraising increase of type B preferred shares of 326,277,000 NTD (Note 13)	-	None
2007.10	10	250,000	2,500,000	212,101	2,121,010	The convertible corporate bonds transferred to common shares (Note 14)	-	None
2007.12	10	250,000	2,500,000	213,284	2,132,836	The convertible corporate bonds transferred to common shares (Note 15)	-	None
2008.01	10	250,000	2,500,000	75,711	757,108	Capital reduction of 1,375,728,000 NTD (Note 16)	-	None
2008.01	12.14	250,000	2,500,000	89,125	891,252	The first issuance of private cash fundraising increase of type C preferred shares of 134,144,000 NTD (Note 16)	-	None
2008.03	10	250,000	2,500,000	89,136	891,361	The convertible corporate bonds transferred to common shares (Note 17)	-	None
2009.10	16.4	250,000	2,500,000	89,219	892,190	The first employee stock option subscription conducted in 2006 was 828,000 NTD (Note 18)	-	None

Year/ month	Price of issuance (Dollars)	Approved stock capital		Paid-in capital stock		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of capital stock	Amount of stock shares is pledged by the property other than cash	Others
2010.04	-	250,000	2,500,000	89,923	899,235	The first employee stock option subscription conducted in 2006 was 2,196,000 NTD (Note 19) The second employee stock option subscription conducted in 2006 was 654,000 NTD (Note 19) The first employee stock option subscription conducted in 2007 was 4,195,000 NTD (Note 19)	-	None
2010.07	7.63	250,000	2,500,000	109,603	1,096,035	Private cash fundraising increase of common stock of 196,800,000 NTD (Note 20)	-	None
2013.03	5	250,000	2,500,000	118,803	1,188,035	Private cash fundraising increase of common stock of 46,000,000 NTD (Note 21)	-	None
2014.08	-	250,000	2,500,000	30,295	302,949	Capital reduction for covering the losses of 885,085,940 dollars (Note 22)	-	None
2014.09	19.02	250,000	2,500,000	40,295	402,949	Private cash fundraising increase of common stock of 100,000,000 NTD (Note 23)	-	None
2014.11	35	250,000	2,500,000	50,295	502,949	Private cash fundraising increase of common stock of 100,000,000 NTD (Note 24)	-	None
2016.08	36	250,000	2,500,000	53,767	537,669	Private cash fundraising increase of common stock of 34,720,000 NTD (Note 25)	-	None
2017.02	20.06	250,000	2,500,000	80,634	806,339	Private cash fundraising increase of common stock of 268,670,000 NTD (Note 26)	-	None
2017.06	20.04	250,000	2,500,000	109,728	1,097,283	Private cash fundraising increase of common stock of 290,944,000 NTD (Note 27)	-	None
2022.12	-	250,000	2,500,000	21,945	219,456	Capital decrease to make up for losses of NTD 877,826,740 (Note 28)	-	None

Note 1: Approved by the Science and Industrial Park Administration on June 9, 1999, with No. 12455.

Note 2: Approved by the Securities and Futures Commission of the Ministry of Finance on July 5, 2000, with (89) Tai-Cai-Zheng-(I) No. 57780.

Note 3: Approved by the Securities and Futures Commission of the Ministry of Finance on January 5, 2001, with (90) Tai-Cai-Zheng-(I) No. 104483.

Note 4: Approved by the Securities and Futures Commission of the Ministry of Finance on November 14, 2001, with (90) Tai-Cai-Zheng-(I) No. 169191.

Note 5: Approved by the Securities and Futures Commission of the Ministry of Finance on May 31, 2002, with (91) Tai-Cai-Zheng-(I) No. 129614.

Note 6: Approved by the Securities and Futures Commission of the Ministry of Finance on July 11, 2003, with Tai-Cai-Zheng-(1) No. 0920131173.

Note 7: Approved by the Securities and Futures Commission of the Ministry of Finance on November 18, 2003, with Tai-Cai-Zheng-(1) No. 0920154648.

Note 8: Approved by the Securities and Futures Commission of the Ministry of Finance on August 18, 2004, with Jin-Guan-Zheng-Yi-Zi No. 0930136859, and the amendment was approved by the Securities and Futures Commission of the Ministry of Finance on October 26, 2004, with Jin-Guan-Zheng-Yi-Zi No. 0930147512.

Note 9: Approved by the Securities and Futures Commission of the Ministry of Finance on July 27, 2005, with Jin-Guan-Zheng-Yi-Zi No. 0940125495.

Note 10: Approved by the Financial Supervisory Commission of the Executive Yuan on August 14, 2006, with Jin-Guan-Zheng-Yi-Zi No. 0950129898.

Note 11: Approved by the Science and Industrial Park Administration on November 1, 2006, with Yuan-Tou-Zi No. 0950029233.

Note 12: Approved by the Science and Industrial Park Administration on February 6, 2007, with Yuan-Tou-Zi No. 0960003829

Note 13: Approved by the Science and Industrial Park Administration on April 9, 2007, with Yuan-Tou-Zi No. 0960008954.

Note 14: Approved by the Science and Industrial Park Administration on October 4, 2007, with Yuan-Tou-Zi No. 0960027010.
 Note 15: Approved by the Science and Industrial Park Administration on December 19, 2007, with Yuan-Tou-Zi No. 0960034680.
 Note 16: Approved by the Science and Industrial Park Administration on January 29, 2008, with Yuan-Tou-Zi No. 0970002590.
 Note 17: Approved by the Science and Industrial Park Administration on April 25, 2008, with Yuan-Tou-Zi No. 0970011434.
 Note 18: Approved by the Ministry of Economic Affairs on October 20, 2009, with the letter of Shou-Shang-Zi No. 09801241400.
 Note 19: The first employee stock option subscription conducted in 2006 was 2,196,000 NTD. The second employee stock option subscription conducted in 2006 was 654,000 NTD. The first employee stock option subscription conducted in 2007 was 4,195,000 NTD. It was approved by the Ministry of Economic Affairs on May 6, 2010, with the letter of Shou-Shang-Zi No. 09901089310.
 Note 20: Approved by the Ministry of Economic Affairs on September 28, 2010, with the letter of Shou-Shang-Zi No. 09901218600.
 Note 21: Approved by the Ministry of Economic Affairs on May 7, 2013, with the letter of Shou-Shang-Zi No. 10201083890.
 Note 22: It was approved by the Financial Supervisory Commission on August 12, 2014, with Jin-Guan-Zheng-Fa-Zi No. 1030029549.
 Note 23: Approved by the Ministry of Economic Affairs on September 23, 2014, with Shou-Zhong-Zi No. 10333705610.
 Note 24: Approved by the Ministry of Economic Affairs on November 26, 2014, with Shou-Zhong-Zi No. 10301244780.
 Note 25: Approved by the Ministry of Economic Affairs on September 8, 2016, with the letter of Shou-Shang-Zi No. 10501221690.
 Note 26: Approved by the Ministry of Economic Affairs on February 14, 2017, with the letter of Shou-Shang-Zi No. 10601015920.
 Note 27: Approved by the Ministry of Economic Affairs on June 07, 2017, with the letter of Shou-Shang-Zi No. 10601071030.
 Note 28: Approved by Letter Fu-Chan-Ye-Shang-Zi No.11156398200 of Taipei City Government on December 29, 2022.

Type of stock shares	Approved stock capital			Remarks
	Outstanding shares	Unissued shares	Total	
common shares	10,058,978	251,827,893	250,000,000	Stocks listed on Taipei Exchange
Private placement of common shares	11,886,691	0	0	

Related information on the general declaration system: Not applicable.

(II) Shareholder structure

April 20, 2024; unit: shares

Shareholder structure	Government agency	Financial institution	Other corporate persons	Individual	Foreign institutions and foreigners	Total
Amount						
Number of people	–	1	23	1,335	14	1,373
Number of shareholdings	–	2,000	4,463,256	6,251,897	11,228,516	21,945,669
Shareholding ratio	–	0.01%	20.34%	28.49%	51.17%	100.00%

(III) Distribution of shareholdings

April 20, 2024

Range of shareholding	Number of shareholders	Number of shareholding	Shareholding ratio (%)
1 to 999	1,075	124,520	0.57
1,000 to 5,000	198	345,316	1.57
5,001 to 10,000	27	186,775	0.85
10,001 to 15,000	11	129,315	0.59
15,001 to 20,000	10	183,103	0.83

20,001 to 30,000	10	256,162	1.17
30,001 to 40,000	7	258,848	1.18
40,001 to 50,000	1	44,000	0.20
50,001 to 100,000	13	878,779	4.00
100,001 to 200,000	6	864,802	3.94
200,001 to 400,000	8	2,294,432	10.46
400,001 to 600,000	2	1,077,723	4.91
600,001 to 800,000	2	1,486,733	6.77
800,001 to 1,000,000	-	-	-
Over 1,000,001	3	13,815,161	62.95
Total	1,373	21,945,669	100.00

(IV)List of major shareholders

As of April 20, 2024

Name of major shareholders	Shares	Number of shareholdings	Shareholding ratio (%)
H.I.S. Hotel Holdings Co., Ltd.		11,192,291	51.00
Shenyang Investment Co., Ltd.		1,586,100	7.23
Hsieh, Hsien-Chih		1,036,770	4.72
Nian Fu Investment Co., Ltd.		795,318	3.62
Yu Shan-Ni		691,415	3.15
Cheng, Ya-Ying		547,723	2.50
BAO MA ASSET DEVELOPMENT & MANAGEMENT CO., LTD		530,000	2.42
Yiyuan Investment Co., Ltd.		362,359	1.65
Lai, Ching-Kung		320,000	1.46
Peng, Wan-Ting		348,400	1.59

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

Unit: NT\$/1000 shares

Items		Year	2022	2023	As of March 31, 2024
Market price per share	Highest		14.50	60.8	56.40
	Lowest		7.52	6.11	47.05
	Average		11.67	37.67	51.30
Net value per share	Before distribution		12.07	14.34	Note 2
	After distribution		12.07	14.34	Note 2
Earnings per share	Weighted average shares		21,945,669	21,945,669	21,945,669
	Earnings per share (Note 3)		(10.28)	2.26	Note 2
Dividends per share	Cash dividends		Note 1	Note 1	Note 2
	Non-compensated distribution	Earnings distribution	Note 1	Note 1	Note 2
		Capital surplus distribution	Note 1	Note 1	Note 2
	Accumulated unpaid dividends		Note 1	Note 1	Note 2
Return on investment analysis	Price-earnings ratio (Note 3)		(1.14)	16.67	Note 2
	Price-dividend ratio		Note 1	Note 1	Note 2
	Cash dividend yield		Note 1	Note 1	Note 2

Note 1: The earning distribution will be finalized after the resolution of the general shareholders' meeting in 2024 is approved.

Note 2: The CPA-reviewed financial statements for Q1 2024 were not available as of the publication date of the annual report.

(VI) The dividend policy and implementation status:

1. Dividends policy stipulated in the Company's Articles of Incorporation

If the company's annual final accounts have a surplus, it should first be reserved to pay taxes and cover the losses in the past, and then 10% should be reserved for the statutory surplus reserve. However, it is not limited to the statutory surplus reserve that has reached the company's paid-in capital. Moreover, it depends on the operational needs and statutory requirements whether to reserve or reverse the special surplus reserves. The remaining surplus and the undistributed surplus at the beginning of the period will be distributed upon the resolution of the meeting of shareholders proposed by the board of directors. Article 23 of the Company's Articles of Incorporation: When distributing dividends, the cash dividends will be given priority as the Company considers the future operation and the cash flow demands

of the company, and the ratio of surplus distribution in cash shall not be less than 20% of the shareholders' dividends in the current year.

2. Distribution of dividends for the year: on March 13, 2024 the Board of Directors proposed that no dividends be distributed to shareholders in 2023, and it was proposed to the shareholders' meeting in 2024.

(VII) The impact of the proposed non-compensated shares distribution on the company's business performance, earnings per share and return on shareholders' investment: Not applicable.

(VIII) Remuneration to employees and directors:

1. The percentage or range of remuneration to employees and directors as set forth in the Company's Articles of Incorporation:

Article 22 of the Articles of Incorporation:

If the company has profit in the current year, it shall reserve 0.7% to 10% for the employee's remuneration and the directors and supervisors' remuneration shall not be more than 1%. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

The employees' remuneration mentioned in the preceding paragraph refers the shares or cash paid to the employees, including employees of subsidiaries meeting certain specific requirements.

Article 22-1 of the Articles of Incorporation:

If the company's annual final accounts have a surplus, it should first be reserved to pay taxes and cover the losses in the past, and then 10% should be reserved for the statutory surplus reserve. However, it is not limited to the statutory surplus reserve that has reached the company's paid-in capital. Moreover, it depends on the operational needs and statutory requirements whether to reserve or reverse the special surplus reserves. The remaining surplus and the undistributed surplus at the beginning of the period will be distributed upon the resolution of the shareholders meeting proposed by the board of directors.

2. In the current period, if there is a difference between the estimated number of shares and the estimated amount of the remuneration for the employees, directors, and supervisors, the calculated cash amount based on the number of shares and the actual distribution amount, the handling of accounting is: Not applicable.

3. The distribution of remuneration approved by the Board of Directors:

(1) Amount of remuneration for employees, directors and supervisors paid in cash or stock option. If there is any discrepancy between the amount and the estimated amount of the expense recognized, the discrepancy, cause and treatment shall be disclosed:

On March 23, 2023, the Board of Directors approved the remuneration of employees and directors for 2022 as follows:

Unit: NTD

Items	The board had resolved to distribute	The annual estimated amount of recognized expenses	Amount of difference
Employee remuneration	0	0	-
Directors Remuneration	0	0	-

4. The actual distribution of remuneration to employees, directors, and supervisors in the previous (2021) year (including the number of shares, amount, and price of shares) and, if any, discrepancy from the recognized remuneration to employees, directors and supervisors, the amount, causes and actions taken:

Unit: NTD

Items	Recognized expense amount	Actual distributed amount	Amount of difference
Employee remuneration	0	0	-
Directors Remuneration	0	0	-

(IX) Shares repurchased by the Company: None.

II. The status of corporate bonds: None.

III. The status of preferred shares: None.

IV. Overseas depository receipts: None.

V. The status of employee stock option subscription and restriction on employee's entitlement to new shares: not available.

VI. The status of acquiring or transferring new shares of other company: not available.

VII. The Implementation status of the fund utilization plan: not available.

Five.Operational overview

I.Business content

(I)Business scope

1.The company's resisted businesses are as follows:

- (1) F401010 International Trade.
- (2) JE01010 Rental and Leasing.
- (3) F601010 Intellectual Property Rights.
- (4) I199990 Other Consulting Service.
- (5) I301010 Information Software Services.
- (6) IZ99990 Other Industrial and Commercial Services.
- (7) J202010 Industry Innovation and Incubation Services.
- (8) J901020 Regular Hotel .
- (9) J701020 Amusement Parks .
- (10)J701040 Recreational Activities Venues .
- (11)JA03010 Laundry .
- (12)I103060 Management Consulting .
- (13)JZ99080 Beauty and Hairdressing Services .
- (14)F102050 Wholesale of Tea Leaves .
- (15)F102170 Wholesale of Foods and Groceries .
- (16)F201010 Retail Sale of Agricultural Products .
- (17)F203010 Retail Sale of Food, Grocery and Beverage .
- (18)F206020 Retail Sale of Daily Commodities.
- (19)F501030 Beverage Shops .
- (20)F501060 Restaurants.
- (21)G202010 Parking Area Operators .
- (22)H703090 Real Estate Business .
- (23)H703100 Real Estate Leasing .
- (24)F203020 Retail Sale of Tobacco and Alcohol .
- (25)F399040 Retail Sale No Storefront.
- (26)J901011 Tourist Hotel.
- (27)ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Operating percentage

Unit: NT\$1,000; %

Items \ Year	FY2022		2023	
	Amount	Percentage of revenue (%)	Amount	Percentage of revenue (%)
Hotel room revenue	500,265	91.57	897,150	91.70
Hotel catering services revenue	37,849	6.93	67,347	6.88
Hotel management consultant revenue	0	0	0	0
Lease revenue	8,165	1.5	13,849	1.42
Retail product service	0	0	0	0
Total	546,279	100.00	978,346	100.00

3. Current products (services)

In 2023, the operating revenue was mainly from the revenue of providing hotel rooms in the hotels. The company currently has the following hotels:

District in Taipei City	Branch	Related information
Ximending Shopping District Wanhua Shopping District	New World Hotel	Address: No.141, Kunming St., Wanhua Dist., Taipei City 108, Taiwan (R.O.C.) Tel: 02-23118863
Ximending Shopping District Taipei Main Station Shopping District	Green World Station	Address: No. 21, Section 1, Chongqing South Road, Zhongzheng District, Taipei City Tel: 02-23819199
Ximending Shopping District Taipei Main Station Shopping District	Green World Hotel ZhongHua	Address: 13F., No. 41, Section 1, Zhonghua Road, Zhongzheng District, Taipei City Tel: 02-23705158
Ximending Shopping District Taipei Main Station Shopping District	Green World Flora Division	Address: No. 36, Section 1, Hankou Street, Zhongzheng District, Taipei City, Taiwan (R.O.C.) Tel: 02-23123811
Nangang Financial Area Shopping District	Green World Grand Nanjing	Address: No.8, Sec. 3, Nanjing E. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) Tel: 02-25098882
Nangang Financial Area Shopping District	Green World Jianpei	Address: No.140, Sec. 1, Jianguo N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) Tel: 02-25095151
Nangang Financial Area Shopping District	Green World Mai Nanjing	Address: No. 163, Section 2, Nanjing East Rd., Zhongshan District, Taipei City Tel: 02-25035511
Linsen North Road Shopping District	Green-World-Linsen Branch Office	Address: No.617, Linsen N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) Tel: 02-25955225

Zhongshan N. Rd Shopping District Linsen North Road Shopping District	Green-World- Sansui Green-World- Qingtian Green-World-Xiemei	Address: No.181, Sec. 2, Zhongshan N. Rd., Zhongshan Dist., Taipei City 104, Taiwan (R.O.C.) Tel: 02-25971281
Eastern District of Taipei	Green World Zhongxiao	Address: 1F., No.180, Sec. 4, Zhongxiao E. Rd., Daan Dist., Taipei City 106, Taiwan (R.O.C.) Tel: 02-27116869
Raohe Street Shopping District	Green World Songshan Branch Office	Address: 1F., No.149, Yucheng St., Nangang Dist., Taipei City 115, Taiwan (R.O.C.) Tel: 02-27837088
Nankang Railway Station Nankang Economic and Trade Park	Green World NanGang	Address: No.528, Sec. 7, Zhongxiao E. Rd., Nangang Dist., Taipei City 115, Taiwan (R.O.C.) Tel: 02-27893009
Taipei Arena Songshan Cultural and Creative Park	Green World Triplebeds Branch Office	Address : No.16, Sec. 4, Bade Rd., Songshan Dist., Taipei City 105, Taiwan (R.O.C.) Tel: 02-27630555

4. New products (services) planned to be developed

After 1,197 days of the COVID-19 pandemic, the Central Epidemic Command Center was officially decommissioned on May 1, 2023 and COVID-19 was downgraded from a category 5 communicable disease to a category 4 communicable disease. In line with the lifting of border control restrictions and the Tourism Bureau's policy of revitalizing tourism, the Company plans to develop a niche packaged group tour clientele, launch online marketing strategy and a new tourism strategy, strengthen domestic cross-industry cooperation, and leverage government resources to increase the Company's revenue.

(II) Overview of the industry

1. The current situation and development of the tourism industry in Taiwan

With the continued impact of the COVID-19 pandemic, travel restrictions are still enforced in most countries. Even in Taiwan, where the epidemic is relatively well controlled, the hotel industry is in a difficult situation due to a sharp drop in overseas travelers. The overall occupancy rate of Taiwan's hotel industry even dropped to a low of 20.4% in April 2020, when the impact of the epidemic was most severe. Although the occupancy rate stabilized in the second half of 2020 thanks to the popularity of domestic travel, the hotel industry's revenue as a whole was still unable to withstand the huge impact of the epidemic. The overall scale of the industry shrank by 37.49% compared to 2019.

The gradual lifting of lockdown restrictions in the second half of 2020, buoyed by the distribution of domestic travel subsidies on July 1, has led to an explosive growth in the number of domestic travelers. The number of hotel room occupancies in Taiwan grew by 20.03 million in 2020, an 845% annual increase, setting a record high for the number of hotel occupancies rates in Taiwan. However, the number of overseas visitors collapsed to 1.38 million in 2020, with an annual decline of 88.39%, still posing a serious challenge to the overall hotel industry in Taiwan.

With a surge in the outbreak of COVID-19 in mid-May 2021, the country was put on a

Level 3 Epidemic Alert, and the intensity of border control rose again, making it difficult for the industry to see an improvement in foreign arrivals in the short term. The most significant obstacles to tourism recovery are the uneven supply of vaccines and low vaccination rates in many countries, as well as stringent immigration controls, slow control of the epidemic, lack of public confidence in travel, and poor economic conditions that make it difficult for tourism to recover quickly.

With the increase in the national vaccination rate and the opening of Taiwan's borders on October 13, 2022, Taiwan's tourism industry has shown a slow recovery and business conditions are expected to return to those before the pandemic as soon as possible.

Foreign visitor arrivals and growth (decline) rate in the past 10 years:

Year \ Item	Visitors to Taiwan	Annual growth (decline) rate(%)
2013	8,016,280	9.64
2014	9,910,204	23.63
2015	10,439,785	5.34
2016	10,690,279	2.40
2017	10,739,601	0.46
2018	11,066,707	3.05
2019	11,864,105	7.21
2020	1,377,861	(88.39)
2021	140,479	(89.80)
2022	895,962	537.79
2023	6,486,951	624.02

Source: Tourism Administration, MOTC

Purposes of visitors to Taiwan in the last 3 years:

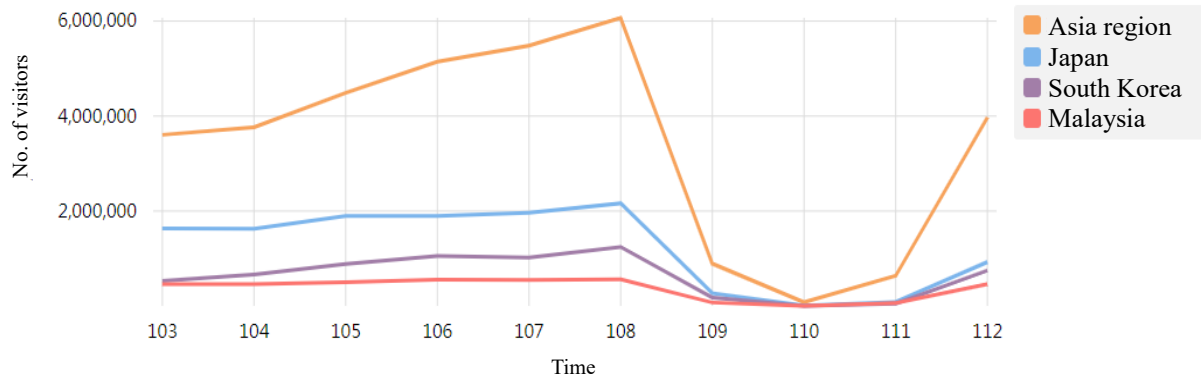
Year \ Purpose	2021		2022		2023	
	No. of visitors	%	No. of visitors	%	No. of visitors	%
Business activities	11,937	8.50	96,620	10.78	435,743	6.72
Sightseeing	156	0.11	254,686	28.43	4,316,832	66.55
Visiting family members	6,542	4.66	85,921	9.59	368,437	5.68
Meeting	102	0.07	5,893	0.66	41,130	0.63
Studying	7,644	5.44	14,269	1.59	43,557	0.67
Exhibition	29	0.02	1,666	0.19	19,943	0.31

Medical treatment	808	0.58	2,015	0.22	12,280	0.19
Others	113,261	80.62	434,892	48.54	1,249,029	19.25
Total	140,479	100.00	895,962	100	6,486,951	100

Source: Tourism

Administration, MOTC

Changes in the total number of visitors to Taiwan from Asia, Japan, South Korea, Malaysia, China and Hong Kong in the past ten years (2013 - 2013)



Source: Tourism

Administration, MOTC

2.Future development of the hotel industry

(1)Various types of hotels join the competition

Too many hotels have been built and operated across Taiwan, with an impending crisis of oversupply. This is not a problem in Taipei due to the large number of visitors, but poses a challenge to regions outside of Taipei. The types of hotels include hostels, low-budget hotels, hotel chains, business hotels and even upscale five-star hotels, and the prices also cover a wide range, from NT\$1,000 for a hostel to nearly NT\$10,000 for a general tourist hotel, which should fully demonstrate the characteristics of hotels in the future.

(2)New hotels to adopt lease and renovation model

Since it is difficult to obtain land in urban areas, the cost of constructing new buildings is high, and the construction lead time and investment required are huge, return on investment (ROI) periods for newly constructed hotels are long. Therefore, most of the new hotels in the metropolitan areas of Taiwan are operated in renovated buildings after leasing, which not only can effectively control the investment amount, but also have a shorter ROI period and can launch room products with competitive room rates.

(3)Alliances with travel agencies or online bookers to seek a stable flow of customers

Hotel sales and public relations personnel often have to visit companies or other organizations in order to get more customers, and adopt the method of signing long-term group contracts with companies or organizations to stabilize the customer base, or through large travel agencies to obtain a large number of reservations; usually these companies and agencies can enjoy quite favorable price discounts. Moreover, such large travel agencies excel in collecting intelligence and information in the market, and have more bargaining power than retail customers in terms of information on prices, costs and demand. In addition, the online booking operators, such as AGODA, BOOKING.COM, Expedia, etc. also have good bargaining positions.

(4)The current growth status of room supply in the metropolitan Taipei City

In terms of hotel supply, the number of legal general hotels in Taipei City and New Taipei City decreased by 22 and the number of rooms by 904 in 2022 compared to 2021, while the number of tourist hotels decreased by 5 and the number of rooms by 1,422, and the total number of rooms decreased by 2,326. Significant decline in traveler numbers due to the impact of COVID-19 and competition from non-legal lodging operators. In summary, with the opening of the country's borders, business conditions are expected to return to pre-pandemic levels.

A. Legal general hotel:

County/City	FY2022		2023		Increase or decrease	
	Number of hotels	Number of rooms	Number of hotels	Number of rooms	Number of hotels	Number of rooms
New Taipei City	233	13,028	230	12,936	(3)	(92)

Taipei City	575	30,960	574	31,659	(1)	699
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Source: Tourism Bureau, MOTC

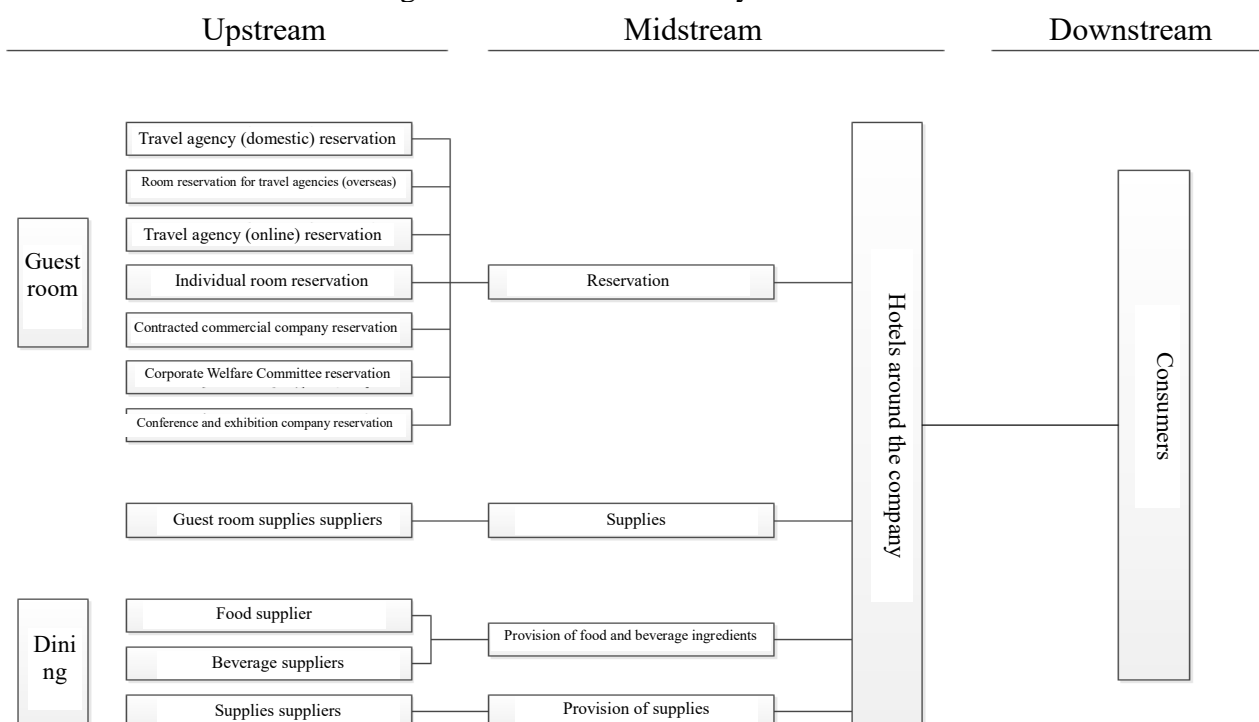
B. Tourist Hotel:

Year	Regions	International Tourist Hotel					General tourist hotel					Total				
		Number of hotels	Single room	Double Room	Suite room	Sub-total	Number of hotels	Single room	Double Room	Suite room	Sub-total	Number of hotels	Single room	Double Room	Suite room	Sub-total
2023	New Taipei City	4	162	700	72	934	4	173	195	21	389	8	335	895	93	1,323
	Taipei City	21	2,194	4,032	879	7,105	16	1,187	958	395	2,540	37	3,381	4,990	1,274	9,645
2022	New Taipei City	3	2,016	539	49	693	4	173	195	21	389	7	278	734	70	1,082
	Taipei City	21	2,194	4,032	879	7,105	15	889	915	320	2,124	36	3,083	4,947	1,199	9,229

Source: Tourism Administration, MOTC

3. Correlation between up-stream, mid-stream and down-stream of the industry

The hotel industry aims to provide safe and comfortable accommodations and catering services for travelers and the following are related to the industry:



4. Product development trends and competition

(1) Room reservation on the internet and intelligent reservation

With the popularity of smart phones nowadays, daily human activities rely on the Internet more and more. With the rapid development of AI, the traditional sales and reservation of hotel rooms has gradually been replaced by the virtual internet. Moreover, customers can easily find hotel accommodation information and compare hotel room prices on the internet, thus the online reservation business operators have already become close partners of the hotels. Therefore, obtaining a good online rating over other competitive companies in the hotel industry has become one of the key factors to succeed in the industry.

(2) Competition in the industry is getting more intense

2022 marks the third year of the COVID-19 pandemic since 2020. The tourism industry has been suffering for more than three years as the pandemic has spread from Asia to Europe, the Americas, New Zealand, Australia, and Africa and many countries have announced border closures, entry and exit controls, and suspension of non-essential visas in order to stop or delay the spread of the pandemic. In mid-May 2021, the nationwide COVID-19 alert was raised to Level 3 and epidemic restrictions in all areas of Taiwan were tightened and expanded accordingly. The Central Epidemic Command Center announced a ban on unauthorized foreigners entering the country. In addition, all travelers arriving in Taiwan must undergo home isolation or quarantine for 14 days, regardless of their nationalities. With the increase in vaccination coverage among Taiwanese people and the deregulation of Taiwan on October 13, 2022, the tourism industry in Taiwan has shown a slow recovery and the competition in the industry has intensified.

(3) In the face of competitive market conditions, but also full of opportunities, the company will strive to enhance brand awareness, strengthen the Group's marketing capabilities, reduce operating costs and make full use of the Group's resources to create higher returns.

(III) Overview of technology and R&D:

In the most recent year and as of the published date of the annual report, no investment in the research and development, technology and products.

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

1. Short-term business development plan:

- (1) To utilize and synergize existing resources to meet the needs of travelers from Japan, Korea, Singapore and Malaysia. The Company's largest shareholder is currently H.I.S., a leading Japanese travel agency group. Through H.I.S.'s vast global resources and ability to attract customers, the Company will be able to quickly acquire group and individual travelers.
- (2) Strengthen Domestic Market Before the COVID-19 outbreak, only about 10% of our clients were of Taiwanese nationality. During the pandemic, the Company developed its own membership system and combined it with Funnow, a world-renowned real-time entertainment platform, to provide diversified membership services. At the same time, the Company collaborated with Taiwan High Speed Rail to launch hotel combo tickets, which has greatly enhanced the official website booking. In the future, the Company shall continue this strategy, expand cross-industry cooperation, provide value-added services to local passengers, and maintain and continue to increase the percentage of local clients (travelers) to 20%.
- (3) Minimize Guest Room Inventory To reduce losses during the COVID-19 pandemic, the Company closed four locations, resulting in a reduction in the number of rooms in operation. In the future, the Company will implement efficient vacancy control measures to reduce the chance of vacant inventory, and through the joint reservation center, we will digitalize and ensure efficient room control processes, and make use of the joint operation of the branch offices to accept different levels of customers, so that we can achieve the goal of “zero low-season” strategy year round.
- (4) Workflow Efficiency and System Optimization At present, most of the hotels’ on-site counters and the accounting department of the headquarters are labor intensive, which requires a large number of staff. In addition to fundamentally re-examining the workflow and establishing new workflow standards, we also introduced RPA-led automation systems to standardize the system and reduce labor costs to increase profitability in the post-pandemic era.
- (5) Apply Experiences Gained During the Pandemic Prevention Period to Ensure Proper Operations Just because borders are open again, and travel is returning to normal, it doesn't mean infections won't happen. During the pandemic period, the Company operated 5 epidemic prevention (quarantine) hotels. We will make full use of our experience in epidemic prevention and adjust our on-site SOPs to reduce the risk of epidemic infection among tourists and staff, so as not to affect our normal operations due to epidemic prevention negligence.
- (6) Pay close attention to the trend of tourism development during the post-pandemic era and combine with KKday, My Taiwan Tour and other affiliated companies to package

localized and customized travel and lodging experiences to introduce Taiwan's rich customs and culture to the world and expand the global market.

- (7) Strengthen the training of talents, establish cooperation agreements with colleges and universities and foreign hotels of affiliated enterprises, provide domestic and foreign internship and work opportunities, and build a talent pool.

2. Long-term business development plan:

(1) Stable growth with diversified operations

- ① As the recovery of the hotel business continues, in addition to actively stabilizing hotel revenue, the additional income derived from investment in tourism-related industries is also an area that can be actively expanded in the future.
- ② Expand our presence in other cities and counties to increase our market share. In addition to Taipei City, we are evaluating the development of hotels in other counties to provide visitors with consistent high-quality services and customized accommodation experiences, establish a solid brand image while remaining affordable, and increase the return rate of guests.

(2) Effectiveness and systematization of the work process

Planning and designing new business models to increase revenue. The management team has formed an efficient and multi-tasking operations team to face the changing business dynamics and consider bringing in strategic investors to plan and design new business models to increase revenue.

II. Overview of the market, production and sales

(I) Market analysis

1. Target nationality

Unit: %

Year \ Target	FY2022	2023
Taiwan	67.80	32.81
Japan	3.60	16.25
Hong Kong	0.60	7.04
Singapore	1.70	5.97
USA	2.20	5.34
South Korea	0.80	4.97
Malaysia	1.00	3.51
Thailand	5.00	3.16
China	0.50	3.02
Others	16.80	17.93
Total	100.00	100.00

The company is in the hotel industry in Taipei City. The company currently does not have any overseas business location, hence the service areas are only limited to the domestic market.

2. Market share:

According to the statistics from the Tourism Bureau, the number of guest rooms of the Group accounts for 3.96% of the total number of hotel rooms in Taipei City. If the total number of hotel rooms in New Taipei City is added up, the number of guest rooms is 2.81%.

3. Future market supply, demand and growth

(1) Future supply and demand in the market

From 2017 to 2019, the occupancy rate of tourist hotels was over 73%, and the average room price was over NT\$4,300. In 2020, due to the impact of the COVID-19 pandemic, and strengthened border restrictions in March of the same year, the occupancy rate and average room price of tourist hotels in Taipei were 28.12% and NT\$3,482 respectively. The occupancy rate and average room price of tourist hotels were 24.63% and NT\$3,428 respectively in mid-May 2021, marking a record low in recent years. With the increase in the domestic vaccination rate and the opening of Taiwan's borders on October 13, 2022, Taiwan's tourism industry has shown a slow rebound, and occupancy rates and average room rates showed an upward trajectory in 2022.

In May 1, 2023, the CECC was formally decommissioned. COVID-19 was downgraded from a Category 5 to a Category 4 communicable disease. It is estimated that the occupancy rate of tourist hotels and the demand and supply of rooms will gradually return to pre-pandemic levels in 2020.

Taipei City Tourist Hotel occupancy rate and average room price, 2017 to 2023

Year	2017	2018	2019	2020	2021	2022	2023
Occupancy rate (%)	73.10	73.26	74.97	28.12	24.63	43.02	67.79

Average room price (NT\$)	4,384	4,537	4,385	3,482	3,428	3,778	4,960
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Source: 2023 Annual Report (Statistical) - Tourism Administration, M.O.T.C.

The analysis of tourists traveling to Taiwan:

Region	Number of tourists visiting Taiwan in 2022	Number of tourists visiting Taiwan in 2023	Increase or decrease %	Increase or decrease number
Southeast Asia	484,041	2,241,231	462.65	1,756,797
Japan	87,616	926,140	1,062.90	839,007
South Korea	51,748	745,885	1,448.88	694,405

Based on the above data and market conditions, the number of visitors to Taiwan in 2023 was 6,486,951, an increase of 624.02% over 2022.

(2) Market growth in the future

Compared with 2019, the number of tourist arrivals in the Middle East increased by 22%, Europe reached 94% of the pre-pandemic level, Africa and the Americas recovered by 96% and 90% respectively; the Asia Pacific region is relatively slow, gradually growing from the beginning of 2023, but only recovering to 65% of the pre-pandemic level.

It is expected that the tourism boom of last year will continue into 2024. This is primarily due to rising travel demand, increased flight capacity, improved travel convenience, and the continued recovery of the Asian market and destinations. Furthermore, visa facilitation and marketing policies in many destinations are accelerating the growth of international tourism, making it more active. The latest survey by the UNWTO Panel of Experts also shows optimism. 67% of experts predict that the performance of 2024 will be better or better than that of 2023; 70% of people believe that international tourism has reached its pre-pandemic level or even better. However, 57% of experts pointed out that it will take until 2025 or later that the Asia Pacific region is expected to recover to the performance of 2019.

Although most people believe that the prospect of tourism recovery is optimistic, the global economic and geopolitical tensions may pose risks to the recovery of international tourism in 2024. The closure of Russia's airspace and the outbreak of the Russo-Ukrainian War will continue to affect these regions, as well as tourism between Europe and Asia; the Israel-Hamas conflict has also become a factor to be considered when traveling to the Middle East and Israel, with the number of tourists traveling to Israel dropping by 80% in December 2023; China and Taiwan and geopolitical tensions in Northeast Asia may affect the confidence of mutual travel between neighboring countries. In addition, the transportation and lodging prices may continue to rise due to inflation, and high interest rates will also affect the purchasing power and demand of consumers.

According to a research report by ForwardKeys, a travel analysis institution, travel preferences and behaviors in 2024 will develop toward the following seven major trends:

- ① Visitors reduce the number of trips and prefer more meaningful trips with longer stays
To sum up, due to the increase in travel costs, climate change has increased tourists' awareness of sustainable travel and a series of changes in the domestic travel trend during the pandemic, travelers' preference for travel has shifted from the multiple-time, shorter-stay vacation model to the more false one. More meaningful and in-depth travel experiences with longer stays. Compared with 2019, the proportion of trips with stays

of 1-3 nights worldwide dropped by 4%, compared to trips with stays of 4-13 nights and more than 14 nights.

- ② Rapid recovery of the group travel market
The family/group travel (i.e. 3-5 travelers traveling together) market has recovered rapidly worldwide, and the demand in the Americas in particular has exceeded the demand in 2019. The recovery of couples travel is not far behind. This is especially true from Asia Pacific and the Americas, which have the largest number of visitors to Taiwan. Couples travel is only slightly behind family travel and the growth continues.
- ③ The luxury experience of high-end consumption is not subject to economic constraints
The demand for luxury travel in the Asia Pacific region has rebounded rapidly due to the "revenge travel" effect after the pandemic. On the other hand, in the Americas and the Middle East and Africa, the demand for high-end cabin is still higher than that of economy class, which shows that even if the cost of living continues to rise, consumers with high income are not affected by the price pressure.
- ④ New flexible work patterns that drive off-season travel
With the rise and popularization of remote and hybrid work models, some groups are no longer restricted by work or school calendars, allowing them the freedom to travel throughout the year. They can take advantage of off-peak prices and avoid the crowds during peak seasons. Taking 2023 as an example, the travel performance of couples in the US during the off-season months (January-May and September-December) is better than the summer when it is regarded as the peak tourist season.
- ⑤ Return of pre-pandemic booking model
With the advent of the post-pandemic travel era, travel restrictions have been lifted in various markets, and travel booking behavior in Europe, the Middle East and Africa has returned to pre-pandemic levels, although the recovery in Asia Pacific and the Americas has been slightly inhibited by price pressures. The average lead time is about 5 days earlier than the epidemic, but the overall trend is balanced.
- ⑥ Digital is the future of travel agencies
During the pandemic, the trend of booking tickets directly with airline companies has grown significantly, but in 2023, the proportion of booking tickets through travel agencies will gradually recover. Based on the current data, it is impossible to say whether the proportion of travel agency booking services will continue to grow, but it is clear that the recovery of online travel agencies is better than that of physical travel agencies, reflecting a broader business trend.
- ⑦ Long-term impacts of climate change
Despite the occurrence of abnormal climate disasters such as extreme heat, forest fires, and heavy rains and floods in 2023, the impact of these events on travel is currently limited. However, in the long run, climate change will reshape travel preferences. As heat waves become the new normal, the demand for travel to hot destinations in summer will plummet, while regions with cooler climates will be more attractive.

The Company will also continue to pay attention to the above changes in travel behavior and adjust operating strategies based on future trends in a timely manner, in order to fully restore operating conditions to pre-pandemic levels.

4.The advantages, disadvantages, and countermeasures of competitiveness and development prospects

(1)Competitiveness

Since 2017, the Japanese H.I.S. Group had joined the business operations and the operating performance and financial structure have been significantly improved. With the

utilization of H.I.S. Group resources and integration of its hotel products, it is expected to have a more competitive edge in the market.

(2)Favorable factors in the development prospect

The company provides quality hotel rooms with affordable prices, increases investment in enhancing the value of existing hotels, adopts good marketing strategies, cultivates outstanding talents, and integrates pricing strategies. In addition, the company's hotels are located in Taipei City, which is the top location of tourists traveling to Taiwan, hence the impact on the company of the decreasing number in tourists traveling to Taiwan is relatively lower.

(3)Unfavorable factors in the development prospect

The main unfavorable factors are the severe impact of COVID-19 uneven supply and demand in the market, as well as the confusion of market price caused by illegal hotels and daily rental suites business operators. In addition, the declining birthrate is also an issue that will affect the supply of talents in the hotel industry in the future.

(4)Countermeasures

As for the sales aspect, in addition to increasing the investment in enhancing the value of the existing hotels, the utilization of H.I.S. Group resources and integration of its hotel products, implementation of the overall marketing strategy, diverse utilization of H.I.S. customers, and continual promotion of exclusive accommodation programs with cooperative business operators, and the implementation of the membership system to carry out the relevant membership operations.

As for the hotel talents, in addition to the continual cooperative training and training channels, the company also uses outsourcing manpower. In addition, after the first smart hotel - Green World Triplebeds - started its business operations, the hotel has effectively reduced the manpower demand of the hotel.

In terms of the cost control, the company utilizes technology to enhance the automation operations, increase efficiency and establish energy-saving hotels, and large quantity procurement is adopted for reducing the overall operational costs.

(II) Important use of main products and the production process

1.Important use of main products

The main products of the company are hotels and hotel services. Please refer to the following for details: The business scope - current products (services).

2.Production process

Provide accommodations and catering services to generate revenue.

(III) The supply status of main supply materials

The company is in the hotel industry, and the main supply materials are hotel room products, fresh food materials, etc., and the company has a good relationship with suppliers, thus supply status is very stable.

(IV)List of major customers in the last two years

1.The vendor that accounts for more than 10% of the total purchase amount in the most recent two years: None.

2.The customer that accounts for more than 10% of the total sales amount in the most recent two years:

Unit: NT\$1,000

Items	FY2022				2023			
	Name	Amount	Ratio of net annual sales amount [%]	Relations hip with the issuer	Name	Amount	Ratio of net annual sales amount [%]	Relations hip with the issuer
1	Travelers B customer	4,232	0.77	The chairman	Travelers B	70,294	7.18	The chairman

Items	FY2022				2023			
	Name	Amount	Ratio of net annual sales amount [%]	Relationship with the issuer	Name	Amount	Ratio of net annual sales amount [%]	Relationship with the issuer
				is the same person	customer			is the same person
2	Others	542,047	99.23		Others	908,052	92.82	
	Net sales amount	546,279	100		Net sales amount	978,346	100	

(V)The production quantity and sales quantity in the previous two years

1.Production quantity in the previous two years:

The Company is engaged in the business of hotel room rental and catering services. As it is not in a general manufacturing industry, thus there is no production and sales quantity.

2.Sales quantity in the previous two years:

Unit: NT\$1,000

Year Sales volume and value Main items (or department)	FY2022		2023	
	Amount	Value	Amount	Value
Hotel room service	Not applicable	500,265	Not applicable	897,150
Hotel catering services	Not applicable	37,849	Not applicable	67,347
Rental services	Not applicable	8,165	Not applicable	13,849
Total	Not applicable	546,279	Not applicable	978,346

III.Information of employees

Year		FY2022	2023	As of March 31, 2024
Number of employees	Direct employees	209	242	242
	Indirect employees	36	37	35
	Total	245	279	277
Average age		41.57	43.25	43.04
Average years of service		3.47 years	3.66 years	3.84 years
Education distribution ratio	PhD	0	0	0
	Master's degree	0.82%	0.72%	0.72%
	University and college	61.22%	56.99%	56.99%
	Senior high school	26.94%	32.97%	32.97%
	Below senior high school	11.02%	9.32%	9.32%

IV.Information on environmental protection expenditure

- (I) Total losses and disposition amount due to environmental pollution in the most recent year: None.
- (II) The countermeasures and possible expenses in the future: The sewage produced by the customers of the Company during the accommodation period is handled in accordance with the regulations. Currently, there is no pollution in violation of the regulations, thus major capital expenditures for environmental protection are not required.

V. Labor-management relations

- (I) Important labor-management agreement and implementation status
 - 1. Employee welfare

The Company's welfare for employees includes the welfare provided by the company and the welfare provided by the Employee Welfare Committee.

 - (1) Welfare provided by the company: In addition to the labor insurance and national health insurance for employees according to the laws, the company also provides a year-end bonus, 3 free accommodation for employees every year and 10 discount employee accommodations, coupon for employee discount accommodation in the hotels of the parent Japanese company, regular health checkups for current employees, and special checkup items for particular employees to their benefits.
 - (2) Welfare provided by the Employee Welfare Committee: In addition to the basic care for laborers according to the laws, the company has established the Employee Welfare Committee to take care of the employees and provide them with welfare benefits. The committee will coordinate the development of various employee welfare plans and is responsible for the planning and implementation of various employee welfare plans. The welfare offered includes festival and event subsidies, birthday gifts, wedding and funeral subsidies, educational subsidies, maternity subsidies, and hospitalization subsidies.
 - (3) Other descriptions: All are conducted in compliance with the relevant provisions of the Labor Standards Act, and the employee complaint channel is created to protect the legitimate rights of the employees. Automated External Defibrillators (AED) are also available and employees are instructed of their usage. The fire-fighting set is available at each hotel and regular drills are conducted to prevent any accident due to incidents.
 - 2. Additional studies, trainings, and the implementation status:

In addition to the required education and training for the job position, the appropriate education, training, technology, and experience for our employees at all levels will be provided to cultivate the company's employees and meet the needs of the company's development, so that the employee development plan will be able to progress with the company's growth. Therefore, it will not only enhance the competitiveness of the company but also motivate the employees' self-development.
 - 3. Retirement system and implementation status:

The company's pension system is conducted according to the Labor Pension Act. Every month, 6% of the employee's salary will be deposited into their personal account at the Labor Insurance Bureau. At present, all employees adopt the new retirement pension system.
 - 4. The status of the labor-management agreement:

The company adopts an open and two-way communication on policy promotion and employee opinions. Each hotel will conduct a monthly meeting to maintain a good relationship between employers and employees, and a labor-management meeting will be convened every three months for two-way communication.
- (II) Losses due to labor disputes in the previous three years, and reveal the estimated amount for now and the future, and the measures in response:
 - 1. The company's labor-management relations are harmonious and there is no loss due to labor

disputes. The possibility of losses due to labor disputes in the future is extremely low.
2. Measures in response: Not applicable.

VI. Information communication security management

(I) Describe the information communication security risk management framework, information communication security policies, specific management plans, and resources invested in information communication security management:

1. Information security risk management framework

- (1) The IT Department of the Company is responsible for planning, executing and promoting information security management matters and promoting information security awareness.
- (2) The Company's Audit Office is the audit unit for information security supervision. If any deficiencies are found during the audit, the audited unit is required to propose relevant improvement plans and submitted to the Board of Directors. The improvement results are regularly tracked to reduce internal information security risks.

2. Information security policy

- (1) Maintain the sustainable operation of each information system
- (2) Prevent hackers and various viruses from invading and destroying
- (3) Prevent improper and illegal use by human beings
- (4) Prevent leakage of sensitive data
- (5) Avoidance of human error
- (6) Maintain physical environment security

3. Specific management plan for information security

- (1) The Company's computer mainframes and various application servers are installed in dedicated computer rooms, and access records are kept for records.
- (2) Independent air-conditioning has been installed in the computer room to maintain the operation of computer equipment in an appropriate temperature environment; dry powder fire extinguishers are also set up to be suitable for fires caused by general or electrical appliances.
- (3) The main machine in the computer room is equipped with UPS and stabilized voltage equipment to prevent the system from crashing due to unexpected instantaneous power failure, or to ensure that the operation of the computer application system will not be interrupted during a temporary power failure.
- (4) Reminder: Employees are required to change system passwords regularly to maintain account security.
- (5) Information security promotion: Provide information security example documents for colleagues' reference.

(II) In the most recent year and up to the publication date of the annual report, the losses suffered as a result of major information and communication security incidents, the possible

impacts, and the responsive measures. If it cannot be reasonably estimated, please explain the fact that it cannot be reasonably estimated: None.

VII.Important contracts

Nature of contract	The party	Start date of the contract	Main content	Restriction
Lease contract	(Green-World- Sansui) Lee O O et al.	2020/01/01- 2029/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Station) Baisi Asset Management Co., Ltd.	2013/06/15- 2028/06/14	Lease for hotel and hotel operations	None
Lease contract	(Hotel ZhongHua) WANHWA ENTERPRISE COMPANY	2013/07/20- 2027/07/19	Lease for hotel and hotel operations	None
Lease contract	(Hotel Jianpei) Tokyo Marine Insurance Co., Ltd.	2013/10/16- 2028/10/15	Lease for hotel and hotel operations	None
Lease contract	(Hotel Linsen) Green World Co., Ltd.	2024/01/01- 2030/12/31	Lease for hotel and hotel operations	None
Lease contract	(Hotel Nanjing) Foundation of Taiwan Sugar Association, Green World Co., Ltd.	2019/10/01- 2034/02/28 2014/03/01- 2034/02/28	Lease for hotel and hotel operations	None
Lease contract	(New World Hotel) Chen O O et al.	2014/01/01- 2029/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Songshan) Fentai Investment Co., Ltd., Liu OO et al	2014/08/01- 2034/07/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Zhongxiao) Jifu ZhongHua Investment Co., Ltd.	2014/11/15- 2029/11/14	Lease for hotel and hotel operations	None
Lease contract	(Green World Mai – Nanjing Branch Office) Guangxing Asset Management Co., Ltd.	2023/08/01- 2033/07/31	Lease for hotel and hotel operations	None
Lease contract	(Green World Flora Division) Green World Co., Ltd.	2016/10/01- 2026/12/31	Lease for hotel and hotel operations	None
Lease contract	(Green World NanGang) Minkai Construction Co., Ltd. and National Petroleum Co., Ltd.	2017/03/01- 2031/05/31	Lease for hotel and hotel operations	None
Lease contract	(Head Office) Green World Co., Ltd.	2024/01/01- 2030/12/31	Lease of office space for the head office	None

Nature of contract	The party	Start date of the contract	Main content	Restriction
Lease contract	(Green World Triplebeds) Green World Co., Ltd.	2018/03/01- 2038/12/31	Lease for hotel and hotel operations	None
Loan contract	Sumitomo Mitsui Banking Corporation	2023/05/31- 2024/05/31	The short-term loan contract of one year	None
Loan contract	Mega Bank Zhongxiao Branch	2021/08/03- 2027/01/04	Five-year medium-term and long-term loan agreement	None
Lease contract	(Green-World- Sansui) Lee O O et al.	2020/01/01- 2029/12/31	Lease for hotel and hotel operations	None

Six. Overview of Financial Status

I. The condensed balance sheet and comprehensive income statement in the most recent five years

(I) Condensed consolidated balance sheet

Unit: NT\$1,000

Items	Year	Financial information for the most recent five years				2023 (Note 1)
		2019	2020	2021	2022	
Current assets		687,785	339,224	255,512	277,571	
Real property, factories, and equipment		1,181,816	957,037	808,617	714,040	
Intangible assets		414,287	83,286	65,051	46,856	
Other assets		3,544,826	2,954,014	2,601,482	2,246,852	
Total assets		5,828,714	4,333,561	3,730,662	3,285,319	
Current liabilities	Before distribution	872,979	752,881	808,020	790,381	
	After distribution	872,979	752,881	808,020	Not yet distribution	
Non-current liabilities		3,244,939	2,727,711	2,432,154	2,229,974	
Total liabilities	Before distribution	4,117,918	3,480,592	3,240,174	3,020,355	
	After distribution	4,117,918	3,480,592	3,240,174	Not yet distribution	
Rights and interests to the owners of the parent company		1,710,796	852,969	490,488	264,964	
Share capital		1,097,283	1,097,283	1,097,283	219,457	
Capital reserves		604,393	604,393	604,393	604,393	
Retained earnings	Before distribution	9,120	(848,707)	(1,211,188)	(558,886)	
	After distribution	9,120	(848,707)	(1,211,188)	Not yet distribution	
Other rights		-	-	-	-	
Treasury stock		-	-	-	-	
Non-controlling interest		-	-	-	-	
Total equity	Before distribution	1,710,796	852,969	490,488	264,964	
	After distribution	1,710,796	852,969	490,488	Not yet distribution	

Note 1: No consolidated balance sheet is required for 2023.

(II) Condensed parent company only balance sheet

Unit: NT\$1,000

Year		Financial information for the most recent five years				
		2019	2020	2021	2022	2023
Items						
Current assets		685,956	337,500	255,512	277,571	392,131
Real property, factories, and equipment		1,181,816	957,037	808,617	714,040	617,727
Intangible assets		414,287	83,286	65,051	46,856	28,957
Other assets		3,546,615	2,955,738	2,601,482	2,246,852	2,017,255
Total assets		5,828,674	4,333,561	3,730,662	3,285,319	3,056,070
Current liabilities	Before distribution	872,939	752,881	808,020	790,381	831,604
	After distribution	872,939	752,881	808,020	790,381	Not yet distribution
Non-current liabilities		3,244,939	2,727,711	2,432,154	2,229,974	1,909,874
Total liabilities	Before distribution	4,117,878	3,480,592	3,240,174	3,020,355	2,741,478
	After distribution	4,117,878	3,480,592	3,240,174	3,020,355	Not yet distribution
Rights and interests to the owners of the parent company		1,710,796	852,969	490,488	264,964	314,592
Share capital		1,097,283	1,097,283	1,097,283	219,457	219,457
Capital reserves		604,393	604,393	604,393	604,393	45,507
Retained earnings	Before distribution	9,120	(848,707)	(1,211,188)	(558,886)	49,628
	After distribution	9,120	(848,707)	(1,211,188)	(558,886)	Not yet distribution
Other rights		-	-	-	-	
Treasury stock		-	-	-	-	
Non-controlling interest		-	-	-	-	
Total equity	Before distribution	1,710,796	852,969	490,488	264,964	314,592
	After distribution	1,710,796	852,969	490,488	264,964	Not yet distribution

(III) Condensed consolidated statement of comprehensive income

Unit: NT\$1,000

Items	Year	Financial information in the most recent five years				
		2019	2020	2021	2022	2023 (Note 1)
Operating revenue		1,218,871	441,242	391,664	564,279	
Operating gross profit (loss)		328,398	(235,415)	(192,039)	(93,778)	
Operating gain or loss		135,258	(320,477)	(249,958)	(166,586)	
Non-operating gains and expenses		(76,332)	(481,940)	(107,515)	(58,938)	
Net profit (loss) before tax		58,926	(802,417)	(357,473)	(225,524)	
Net profit of the continual business unit in the current period		59,983	(857,827)	(362,481)	(225,524)	
Loss of not in-business unit		-	-	-	-	
Net profit (loss) of the current period		59,983	(857,827)	(362,481)	(225,524)	
Other comprehensive profit and loss in the period (net value after tax)		-	-	-	-	
Total comprehensive income in the current period		59,983	(857,827)	(362,481)	(225,524)	
Net profit belonging to the business owner of the parent company		59,983	(857,827)	(362,481)	(225,524)	
Net profit belonging to non-controlling interest		-	-	-	-	
Total comprehensive income belonging to the business owner of the parent company		59,983	(857,827)	(362,481)	(225,524)	
Total comprehensive income belonging to the non-controlling interest		-	-	-	-	
Earnings (losses) per share		2.73	(39.09)	(16.52)	(10.28)	

Note 1: It is not necessary to prepare a consolidated statement of comprehensive income for 2023.

(IV) Condensed parent company only comprehensive income statement

Unit: NT\$1,000

Items	Year	Financial information in the most recent five years				
		2019	2020	2021	2022	2023
Operating revenue		1,218,896	441,165	391,664	546,279	978,346
Operating gross profit (loss)		328,423	(235,492)	(192,039)	(93,778)	259,273
Operating gain or loss		135,520	(320,414)	(249,958)	(166,586)	110,968
Non-operating gains and expenses		(76,594)	(482,003)	(107,515)	(58,938)	(48,933)
Net profit (loss) before tax		58,926	(802,417)	(357,473)	(225,524)	62,035
Net profit of the continual business unit in the current period		59,983	(857,827)	(362,481)	(225,524)	62,035
Loss of not in-business unit		-	-	-		
Net profit (loss) of the current period		59,983	(857,827)	(362,481)	(225,524)	49,628
Other comprehensive profit and loss in the period (net value after tax)		-	-	-		
Total comprehensive income in the current period		59,983	(857,827)	(362,481)	(225,524)	49,628
Net profit belonging to the business owner of the parent company		59,983	(857,827)	(362,481)	(225,524)	49,628
Net profit belonging to non-controlling interest		-	-	-		
Total comprehensive income belonging to the business owner of the parent company		59,983	(857,827)	(362,481)	(225,524)	49,628
Total comprehensive income belonging to the non-controlling interest		-	-	-		
Earnings (losses) per share		2.73	(39.09)	(16.52)	(10.28)	2.26

(V) Names and audit opinions of CPAs in the last 5 years

Year	Name of the accounting firm	Name of certified public accountant	Comment
2019	KPMG Taiwan	CHANG, SHU-YING and CHIH, SHIH-CHIN	The audit report with no reserved comment and paragraphs of the emphasized matters
2020	KPMG Taiwan	CHANG, SHU-YING and CHIH, SHIH-CHIN	Unqualified opinion plus emphasis of matter paragraphs or other matter paragraphs in the audit report
2021	KPMG Taiwan	HAN, YI-LIAN and HUANG, HSIN-TING	Unqualified opinion plus emphasis of matter paragraphs or other matter paragraphs in the audit report

2022	Moore Stephens DaHua (Taiwan) CPAs	Wu, Lin-Fang; Luo, Wen-Hsin	Unqualified opinion plus emphasis of matter paragraphs or other matter paragraphs in the audit report
2023	Moore Stephens DaHua (Taiwan) CPAs	WU, KUN-YI and WU, HSIEN-EN	Audit Report with Unqualified Opinion

II. Financial analysis of the most recent five years

(D) Consolidated financial analysis

Analysis item		Year	Financial analysis for the most recent five years				
			2019	2020	2021	2022	2023 (Note 1)
Financial structure	Liabilities to assets ratio (%)		70.65	80.32	86.85	91.93	
	Long-term capital to property, plant and equipment (%)		419.33	374.14	361.44	349.41	
Solvency	Current ratio (%)		78.79	45.06	31.62	35.12	
	Quick ratio (%)		76.73	43.11	29.76	33.83	
	Times interest earned (times)		167.03	(897.57)	(414.37)	(256.31)	
Management capacity	Receivables turnover (number of times)		14.34	8.47	20.41	28.70	
	Average number of cash received days		25.45	43.09	17.88	12.71	
	Inventory turnover rate (times)		NA	NA	NA	NA	
	Payable turnover rate (times)		17.42	18.44	25.48	25.75	
	Average sales days		NA	NA	NA	NA	
	Real property, factories, and equipment turnover rate (times)		0.99	0.41	0.44	0.71	
	Total asset turnover rate (times)		0.21	0.09	0.10	0.16	
Profitability	Return on assets (%)		2.19	(15.62)	(7.61)	(4.99)	
	Return on equity (%)		3.57	(66.92)	(53.96)	(59.71)	
	Ratio of income before tax to paid-in capital (%)		5.37	(73.13)	(32.58)	(102.76)	
	Net profit margin (%)		4.92	(194.41)	(92.55)	(41.28)	
	Earnings per share (dollars)		2.73	(39.09)	(16.52)	(10.28)	
Cash flow	Ratio of cash flow (%)		68.14	8.25	12.69	26.86	
	Cash Flow Adequacy Ratio (%)		98.36	209.79	271.52	785.51	
	Cash reinvestment ratio (%)		11.66	1.49	2.78	6.27	
Leverage	Operating leverage (%)		11.04	(1.89)	(2.14)	(4.36)	
	Financial leverage (%)		2.86	0.80	0.78	0.72	
<p>Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)</p> <p>Note 1: No consolidated balance sheet and consolidated statement of comprehensive income need to be prepared in 2023, so consolidated financial analysis is not required.</p>							

(II) Parent company only financial analysis

Analysis item		Year	Financial analysis for the most recent five years				
		2019	2020	2021	2022	2023	
Financial structure	Liabilities to assets ratio (%)	70.65	80.32	86.85	91.93	89.71	
	Long-term capital to property, plant and equipment (%)	419.33	374.14	361.44	349.41	360.11	
Solvency	Current ratio (%) (Note 1)	78.58	44.83	31.62	35.12	47.15	
	Quick ratio (%) (Note 1)	76.53	42.88	29.76	33.83	45.83	
	Interest coverage ratio (times) (Note 2)	167.03	(897.57)	(414.37)	(256.31)	202.30	
Management capacity	Receivables turnover (number of times)	14.34	8.47	20.41	28.70	25.97	
	Average number of cash received days	25.45	43.09	17.88	12.71	14.05	
	Inventory turnover rate (times)	NA	NA	NA	NA	NA	
	Payable turnover rate (times)	17.42	18.44	25.48	25.75	18.60	
	Average sales days	NA	NA	NA	NA	NA	
	Property, plant and equipment turnover (time) (Note 3)	0.99	0.41	0.44	0.71	1.46	
	Total asset turnover (times) (Note 3)	0.21	0.09	0.10	0.16	0.31	
Profitability	Return on assets (%) (Note 4)	2.24	(15.57)	(7.61)	(4.99)	3.10	
	Return on equity (%) (Note 4)	3.57	(66.92)	(53.96)	(59.71)	17.13	
	EBT to paid-in capital ratio (%) (Note 5)	5.37	(73.13)	(32.58)	(102.76)	28.27	
	Net profit margin (%) (Note 6)	4.92	(194.45)	(92.55)	(41.28)	5.07	
	Earnings per share (NTD) (Note 4)	2.73	(39.09)	16.52	(10.28)	2.26	
Cash flow	Cash flow ratio (%) (Note 7)	68.17	8.25	12.69	26.86	61.34	
	Cash flow adequacy ratio (%) (Note 7)	100.59	221.18	271.52	785.51	1,615.60	
	Cash reinvestment ratio (%) (Note 7)	11.67	1.49	2.78	6.27	15.78	
Leverage	Operating leverage (%) (Note 8)	11.02	(1.89)	(2.14)	(4.36)	11.22	
	Financial leverage (%) (Note 8)	2.85	0.80	0.78	0.72	2.21	

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

1. Current ratio and quick ratio: due to the increase in cash and cash equivalents, notes receivable, accounts receivable and other financial assets in 2023.
2. Debt service coverage ratio: mainly due to the increase of pre-tax net profit in 2023.
3. Property, plant, and equipment turnover rate and total assets turnover rate: mainly due to the increase in operating revenue in 2023.
4. Return on assets, return on equity, earnings per share: mainly due to the increase in net income after tax in 2023.
5. Ratio of pre-tax net profit to paid-in capital: mainly due to the increase of pre-tax net profit in 2023.
6. Net profit margin: This is mainly due to the increase in operating revenues and net profits after tax in 2023.
7. Cash flow ratio, cash flow adequacy ratio, and cash flow reinvestment ratio: mainly due to the increase in net cash inflow from operating activities in 2023.
8. Operating leverage and financial leverage: mainly due to the increase in operating income in 2023.

III. Audit Committee's Report on Financial Statements of the Most Recent Fiscal Year

Green World Hotels Co., Ltd.

Audit Committee's Review Report

The Company's board of directors prepared the 2023 business report and the earnings distribution table and the financial statements audited by CPA Wu, Kun-Yi and CPA Wu, Hsien-En of the CPA firm, Moore Stephens DaHua (Taiwan) CPAs, and the Audit Committee concluded that they are in compliance with the Company Act and other relevant laws and regulations. Hereby present for review the Company in accordance with Article 219 of the Company Act.

Sincerely yours,

Green World Hotels Co., Ltd. 2024 General Shareholders' Meeting

Audit Committee Convener: Liu, Shui-Sheng

March 13, 2024

IV. The consolidated annual financial report in the most recent year: It includes the independent auditor's report, comparison balance sheet of two years, comprehensive income statement, statement of changes in equity, statement of cash flows and the notes or annexes: please refer to Appendix 1 for details.

V. The individual financial report in the most recent year that is audited by the accountant: please refer to Appendix 2 for details.

VI. If the company and its affiliated companies have encountered financial turnover difficulty in the most recent year and as of the published date of the annual report, the impact on the financial status of the company should be stated: Not available.

Seven. Financial position and financial performance

I. Financial status

Unit: NT\$1,000

Items \ Year	FY2022	2023	Increase (or decrease) amount	Change ratio
Total assets	3,285,319	3,056,070	(229,249)	(6.98)
Total liabilities	3,020,355	2,741,478	(278,877)	(9.23)
Total shareholders' equity	264,964	314,592	49,628	18.73

Analysis and explanation of the main reasons for the changes of more than 20% between the previous and the current period, and the amount of the changes is more than NTD 10 million:
Not applicable.

II. Financial performance

Unit: NT\$1,000

Items \ Year	FY2022	2023	Increase (or decrease) amount	Change ratio
Net operating revenue	546,279	978,346	432,067	79.09
Operating profit (loss)	(166,586)	110,968	277,554	166.61
Net profit (loss) before tax	(225,524)	62,035	287,559	127.51

(I) Analysis and description of the rate of increased or decreased change: (the rate of increased or decreased change is 20% or more, or the amount of change reaches 10 million dollars)

1. Net operating revenue: This is mainly due to the increase in occupancy rate and average house price as a result of the over 6 million visitors to Taiwan in 2023, and the significant growth in operating revenue.
2. Operating profit (loss): mainly due to the increase in operating revenue in 2023, resulting in an increase in operating profit.
3. Net profit (loss) before tax: due to the increase in operating revenue and operating profit in 2023, resulting in an increase in net profit before tax in the current period.

(II) The expected sales quantity and its reference, and the possible impact on the company's future financial operations and its plan in response

The Company intended to achieve more comprehensive development by integrating group resources, strengthening the domestic market, reducing room inventory, investing in peripheral income, expanding operations to other counties and cities and developing new business models. These steps are designed to ensure that the Company can respond quickly and adapt to the competitive market environment.

III. Cash flow

(I) Analysis of change in cash flows in the current year

Unit: NT\$1,000

Cash balance at the initial stage	Net cash flow of business operations throughout the year	Annual total of cash inflow (outflow)	Remaining (insufficient) amount of cash	Remedial measures for insufficient cash
246,299	510,111	18,164	264,463	None

The Company's net cash inflow from operating activities in 2023 was NTD 510,111 thousand, mainly due to an increase in turnover and no shortage of funds has occurred.

(II) Current analysis and improvement plan for insufficient current: The improvement plan for cash shortage is not applicable.

(III) Analysis of cash flow for the coming year

As of the first quarter of 2024, the Company's cash equivalent is estimated to be NTD 351,392 thousand, which is expected to be used for daily operating expenses. There will be no major equipment investment or expansion of operations in the next year, therefore insufficient cash flow is projected.

IV. Effect of material capital expenditures in the most recent year on financial operations: No material capital expenditures in the most recent year.

V. The main reason for the profit or loss of the reinvestment policy in the most recent year and the improvement plan and investment plan for the next year:

The recent annual loss was mainly caused by the Covid-19 pandemic. Non-emergency investments will be suspended in order to minimize cash expenditures. Our business operations will be conducted mainly on the three strategies: "sales strategy," "cost reduction strategy," and "fund management strategy." There will be no re-investment in the next year.

VI. Risk assessment

(I) The impact of interest rate, exchange rate, and inflation on the company's profit and loss and the adopted response measures in the future

1. The impact of changes in interest rate on the company's profit and loss and the adopted response measures in the future

(1) The impact of changes in interest rate on the company's profit and loss

Despite the severe shortage of workers in various industries due to the impact of the COVID-19 pandemic, the Company has been actively increasing revenue and reducing expenditure to maintain steady growth in the Company's revenue and sufficient funds. Since the relief loan has been repaid regularly since November 2022, the debt ratio has decreased from 92% in 2022 to 90% in 2023 and the impact of interest rates on the current profit and loss of the Company is relatively low.

(2) Future countermeasures for interest rate changes: prudent evaluation of investment decisions, improvement of operating efficiency, avoidance of excessive debt investment and effective reduction of liabilities.

2. The impact of exchange rate changes on the company's operations and revenue, and the response measures in the future

(1) The impact of exchange rate changes on the company's operations and revenue

The company offers foreign currency exchange service to hotel guests according to the exchange rate provided by the Bank of Taiwan. However, the exchange amount is not large, hence it does not have a significant impact on the company's operations and revenue.

(2) The specific measures adopted by the company to respond to the changes in exchange rate:

The foreign currency purchased by the company will be exchanged to Taiwanese currency in a short period of time. Therefore, the amount of foreign currency remaining on the account is not very high and the changes in exchange rate do not have a significant impact on the company.

3. The impact of inflation on the company's profit and loss and future response measures

The government in Taiwan has a good control over the inflation condition, thus there is no inflation-related issue at present. If inflation occurs, the company will stipulate response measures depending on the circumstances in the future.

(II) The main reasons and future response measures for engaging the high-risk investment, high-leverage investment, loans to others, endorsement guarantees, and trading of derivative commodities.

The Company does not engage in any high-risk investments, high-leverage investments, loans to others, endorsement guarantees, and trading of derivative commodities.

(III) The future R&D plan and the estimated expenditures for R&D

The Company is in the hotel business. Other than investing in smart hotels, the Company currently does not have any R&D plans.

(IV) The impact of domestic or international amendment of the important policies and laws, on the company's financial operations and its measures in response

The company always pays close attention to the domestic and international amendment of important policies and laws that may affect the company's operations, and the company will consult relevant legal experts in necessary. As of the published date of the annual report, the changes in the relevant laws and regulations have no significant impact on the Company.

(V) Impacts of changes in technology (including information communication security risks) and industry changes on the Company's financial operations, and responsive measures

1. The impact of changes in the technology and industry on the company's financial operations

The cross-strait relations will affect the number of Chinese tourists traveling to Taiwan.

Although the company has adopted a diverse business strategy for the sources of hotel guests, the impact is still inevitable.

2. The measures in response to the changes in the technology and industry

In addition to actively developing the Southeast Asia market and the Muslim market to increase revenue for shareholders, we also invest in intelligent hotels to reduce the manpower costs and actively enhance the operational efficiency of the official website.

(VI) The impact of corporate image changes on the corporate crisis management and the measures in response

The corporate image shall be ethical and illegal interests shall be avoided. The culture of the company has always been focusing on this principle. Therefore, the integrity of corporate governance has become the essence of the company.

(VII) Expected benefits and possible risks of mergers and acquisitions, and countermeasures

During the most recent year and as of the printing date of this annual report, the Company did not have any merger or acquisition plan. However, should there be any merger or acquisition plan in the future, the Company will proceed with it in accordance with the "Procedure for the Acquisition or Disposal of Assets" and carefully evaluate whether the merger will bring concrete and synergistic effects to the Company in order to ensure the protection of the Company's interests and shareholders' rights and interests.

(VIII) Expected benefits and possible risks associated with any plant expansion and

countermeasures

The Company currently does not have a plan for factory expansion, thus it is not applicable.

(IX) The risk encountered for the high quantity of incoming or outgoing products, and the measures in response

1. Risks associated with concentration of purchases or sales

The Company's main source of revenue is hotel room sales. The sales channels are scattered through travel agencies, OTA channels and the official website. However, before the pandemic, customers based on nationality were the major source of Japan, which was a risk of sales.

The company's main purchased products include the hotel room supplies and fresh foods. The supply status is very stable and there are many hotel room supply vendors, thus there is no risk for the purchase of hotel room supplies.

2. The risk encountered for the high quantity of outgoing products and the countermeasures
Develop customer groups other than in the Japanese market and use various sales channels to reduce the risk of customers coming from the same region.

(X) The impact of a large transfer or replaced amount of shares on the company, by the directors, supervisors, or major shareholders holding more than 10% of the total issued shares of the company and the risk and countermeasures: None.

(XI) The impact of changes in management on the company, and risk and measures in response: None.

(XII) Litigation or non-litigation incident

1. The major litigation, non-litigation, or administrative disputes with determined judgment for the directors, supervisors, general manager of the Company, or major shareholders holding more than 10% of the total issued shares of the company in the current year: None.
2. The company's major litigation, non-litigation, or administrative disputes in the process: None.

(XIII) Other important risks, and mitigation measures being or to be taken:

The following information security goals have been established in line with the Company's information security policy, taking into account applicable information security requirements, and the results of risk assessment and risk treatment:

- Protect the Company's business-critical information from unauthorized access.
- To maintain the continuous operations of the core information system to ensure that the Company has an information environment that allows the continuous operation of its business.
- Organize information security training to promote employees' information security awareness and strengthen their understanding of related responsibilities.

VII. Other important matters: None.

Eight.Special notes or remarks

I.Information on affiliates: not applicable

II.The status of the privately placed securities in the most recent year and as of the published date of the annual report: None

III.The status of the company holding or disposing of the company's shares in the most recent year and as of the published date of the annual report: not applicable.

IV.Other matters and supplementary explanations: None

Nine. The occurrence of matters that have a significant impact on shareholders' rights and interests or the price of securities, as stipulated in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act: None

Declaration

The Company's affiliation reports for the year ended December 31, 2023 (January 1, 2023 to December 31, 2023) have been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" and the information disclosed did not conform to the relevant information disclosed in the notes to the financial statements of the preceding period.

We hereby declare

Company name: Green World
Hotels Co., Ltd.

Chairman: Hsieh, Hsien-Chih

Date: March 13, 2024

Stock Code:8077

GREEN WORLD HOTELS CO., LTD.
Financial Statements
with Independent Auditors' Report
For the Years Ended December 31, 2023, and 2022

Address: 3F., No. 69, Sec. 2, Nanjing E. Rd.,
Zhongshan Dist., Taipei City 104,
Taiwan (R.O.C.)
Telephone: (02)2562-0018

The independent auditors' report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and financial statements, the Chinese version shall prevail.

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Independent Auditors' Report

To the Board of Directors of Green World Hotels Co., Ltd.:

Opinion

We have audited the financial statements of Green World Hotels Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2023, and 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the year ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis of opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters are addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Impairment of assets

Please refer to 4(10) for the accounting policy; 5 for the significant accounting assumptions and judgments; and 6(3), 6(4) and 6(5) for information on “Property, plant and equipment”, “Leases” and “Intangible assets”.

Description of key audit matters:

As of December 31, 2023, the carrying amount of right-of-use assets, intangible assets, property, plant, and equipment constitute 81% of the total assets of the Company. The management is required to assess the impairment of the aforementioned assets in accordance with International Financial Reporting Standards (IFRS). Due to the significant assessment involved, the auditors consider the impairment of assets to be a key audit matter.

How the matter was addressed in our audit:

Regarding the key audit matter mentioned above, the executed response procedures include: We cast professional skepticism on management’s impairment assessment model. The work includes evaluating whether management has identified all cash generating units which might have impairments and considering whether all the assets which need to be tested have been included in the impairment assessment.

We also review the main parameters used by management to estimate future cash flow (e.g. expected growth rate, discount rate, cash-basis revenue, and cost increase rate). We verify the reasonableness of the assumptions and accuracy of management’s calculation based on available data.

2. Revenue recognition

Please refer to note 4(11) and 6(15) for accounting policy on “Revenue recognition” and details on “Revenue from contracts with customers”, respectively.

Description of key audit matters:

The Company mainly engages in hotel room service, where the most sources of its customers are individual tourists and travel agents. The revenue from room services constitutes 92% of the total revenue in 2023, which is significant for the financial statements. Therefore, the revenue from room services is a key audit matter.

How the matter was addressed in our audit:

We performed the following audit procedures to address the abovementioned key audit matter:

- (a) Understanding and testing the effectiveness of internal control procedures on room revenue recognition.
- (b) Obtaining daily operating reports from the Company, wherein we audit the reservation records and passenger registration cards of customers to verify whether the amounts of revenue are consistent with those of the room bills and invoices.
- (c) Ensuring the consistency of the amounts of revenue, receivables, and daily operating report.

- (d) Analyzing the housing trends, including the information on room occupancy rates, average room prices, etc., to evaluate the reasonableness of room service revenue.
- (e) Conducting cut off test to confirm whether the timing of the revenue recognition is reasonableness.

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

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

In preparing the 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 Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the 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 based on these financial statements. As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Company'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 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 report to the related disclosures in the 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 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 financial statements, including the footnote disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations.

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 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.

The engagement partners on the audit resulting in this independent auditors' report are Kuen-Yi Wu and Hsien-En Wu.

MOORE STEPHENS DaHua (Taiwan) CPAs
March 13, 2024

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Balance sheet

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	December 31, 2023		December 31, 2022			December 31, 2023		December 31, 2022			
	Amount	%	Amount	%		Amount	%	Amount	%		
Assets					Liabilities and Equity						
Current assets:					Current liabilities:						
1100	Cash and cash equivalents (Note6(1))	\$ 264,463	9	246,299	7	2100	Short-term borrowings (Note6(7) and 7)	\$ 310,000	10	350,000	11
1160	Notes receivable from related parties (Note6(2) · (15) and 7)	12,510	-	319	-	2130	Current contract liabilities (Note6(15))	29,599	1	24,519	1
1170	Accounts receivable, net (Note6(2) · (15))	32,096	1	18,545	1	2150	Notes payable	324	-	464	-
1180	Accounts receivable from related parties (Note6(2) · (15) and 7)	10,733	-	1,124	-	2170	Accounts payable (Note7)	50,132	2	26,364	1
1200	Other receivable	1,123	-	1,035	-	2200	Other payable (Note6(3) and 7)	29,249	1	26,088	1
1220	Current tax assets	190	-	62	-	2280	Current lease liabilities (Note6(9) and 7)	340,365	11	349,585	11
1476	Other current financial assets (Note6(6))	60,000	2	-	-	2320	Current portion of long-term borrowings (Note6(8) and 7)	70,000	2	11,667	-
1479	Other current assets	11,016	-	10,187	-	2399	Other current liabilities	1,935	-	1,694	-
		392,131	12	277,571	8			831,604	27	790,381	25
Non-current assets:					Non-current liabilities:						
1600	Property, plant and equipment (Note6(3))	617,727	20	714,040	22	2540	Long-term borrowings (Note6(8) and 7)	128,333	4	198,333	6
1755	Right-of-use assets (Note6(4))	1,821,106	60	2,059,667	64	2580	Non-current lease liabilities (Note6(9) and 7)	1,779,042	59	2,030,053	61
1780	Intangible assets (Note6(5))	28,957	1	46,856	1	2645	Guarantee deposits	2,499	-	1,588	-
1840	Deferred tax assets (Note6(12))	27,175	1	39,582	1			1,909,874	63	2,229,974	67
1980	Other non-current financial assets (Note6(6) · 7 and 8)	168,974	6	147,603	4		Total liabilities	2,741,478	90	3,020,355	92
		2,663,939	88	3,007,748	92		Equity (Note6(13))				
						3100	Capital stock	219,457	7	219,457	7
						3200	Capital surplus	45,507	1	604,393	18
						3310	Legal reserve	-	-	8,943	-
						3350	Unappropriated earnings (accumulated deficit)	49,628	2	(567,829)	(17)
							Total equity	314,592	10	264,964	8
Total assets		\$ 3,056,070	100	3,285,319	100	Total liabilities and equity		\$ 3,056,070	100	3,285,319	100

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

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Statements of comprehensive income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

		2023		2022	
		Amount	%	Amount	%
4000	Operating revenues (Note6(15) and 7)	\$ 978,346	100	546,279	100
5000	Operating costs (Note6(3) 、(4) 、(5) 、(11) and 7)	719,073	73	640,057	117
	Gross profit (loss) from operations	259,273	27	(93,778)	(17)
	Operating expenses (Note6(3) 、(4) 、(5) 、(9) 、(11) and 7) :				
6100	Selling expenses	108,678	11	61,971	11
6200	Administrative expenses	41,149	4	36,976	7
	Operating expenses	149,827	15	98,947	18
6515	Net other income (expenses) (Note6(17))	1,522	-	26,139	5
	Operating income (expenses)	110,968	12	(166,586)	(30)
	Non-operating income and expenses (Note6(3) 、(5) 、(9) 、(18) and 7)				
7100	Total interest income	3,300	-	1,478	-
7020	Other gains and losses, net	8,410	1	2,879	1
7050	Finance costs	(60,643)	(6)	(63,295)	(12)
	Total non-operating income and expenses	(48,933)	(5)	(58,938)	(11)
7900	Income (loss) before income tax	62,035	7	(225,524)	(41)
7950	Less: Income tax expenses (Note6(12))	12,407	1	-	-
	Net income (loss)	49,628	6	(225,524)	(41)
8300	Other comprehensive income, net	-	-	-	-
8500	Comprehensive income	\$ 49,628	6	(225,524)	(41)
	Earnings (loss) per share(Note6(14))				
9750	Basic earnings (loss) per share (NT dollars)	\$ 2.26		(10.28)	
9810	Diluted earnings (loss) per share (NT dollars)	\$ 2.26		(10.28)	

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

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	Capital stock	Capital surplus	Retained earnings		Total equity
			Legal reserve	Unappropriated earnings (accumulated deficit)	
Balance on January 1, 2022	\$ 1,097,283	604,393	8,943	(1,220,131)	490,488
Loss for the year ended December 31, 2022				(225,524)	(225,524)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-
Comprehensive income for the year ended December 31, 2022	-	-	-	(225,524)	(225,524)
Capital Reduction for cover accumulated deficit	(877,826)	-	-	877,826	-
Balance on December 31, 2022	\$ 219,457	604,393	8,943	(567,829)	264,964
Balance on January 1, 2023	\$ 219,457	604,393	8,943	(567,829)	264,964
Net income for the year ended December 31, 2023				49,628	49,628
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-
Comprehensive income for the year ended December 31, 2023	-	-	-	49,628	49,628
Legal reserve for cover accumulated deficit	-	-	(8,943)	8,943	-
Capital surplus for cover accumulated deficit	-	(558,886)	-	558,886	-
Balance on December 31, 2023	\$ 219,457	45,507	-	49,628	314,592

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

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollar)

	2023	2022
Cash flows from operating activities:		
Income (loss) before tax	\$ 62,035	(225,524)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	431,071	435,652
Amortization expense	18,260	18,314
Interest expense	60,643	63,295
Interest income	(3,300)	(1,478)
Impairment loss on non-financial assets	-	41
Rent concessions	-	(22,627)
Total adjustments to reconcile profit	506,674	493,197
Changes in operating assets and liabilities:		
Notes receivable from related parties	(12,191)	105
Accounts receivable	(13,551)	(1,284)
Accounts receivable from related parties	(9,609)	(736)
Other receivable	(88)	(13)
Other current assets	(829)	4,848
Contract liabilities	5,080	(3,576)
Notes payable	(140)	(169)
Accounts payable	23,768	4,114
Other payable	6,091	2,771
Other current liabilities	241	45
Total changes in operating assets and liabilities	(1,228)	6,105
Total adjustments	505,446	499,302
Cash inflow generated from operations	567,481	273,778
Interest received	3,300	1,478
Interest paid	(60,542)	(63,025)
Income taxes (paid) refunded	(128)	52
Net cash flows from operating activities	510,111	212,283
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(7,313)	(4,291)
Acquisition of intangible assets	(361)	(119)
Increase in refundable deposits	(21,371)	(259)
Other financial assets	(60,000)	-
Net cash used in investing activities	(89,045)	(4,669)
Cash flows from (used in) financing activities:		
Decrease in short-term loans	(40,000)	(40,000)
Increase (decrease) in guarantee deposits received	911	(20)
Increase in long-term loans	-	160,000
Repayments of long-term loans	(11,667)	-
Payment of lease liabilities	(352,146)	(302,563)
Net cash used in financing activities	(402,902)	(182,583)
Net increase in cash and cash equivalents	18,164	25,031
Cash and cash equivalents at beginning of year	246,299	221,268
Cash and cash equivalents at end of year	\$ 264,463	246,299

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

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Notes to financial statements

For the years ended December 31, 2023, and 2022

(Expressed in thousands of New Taiwan dollars)

1. History and organization

Green World Hotels Co., Ltd. (the “Company”), which was originally named U Chain Technology Co., Ltd. The Company was established in accordance with the Company Act of the Republic of China and began running business on July 22, 1994. The Company changed its organization type to a company limited by shares in January 1996, and changed its name to “Applied Vacuum Coating Technologies Co., Ltd.” in May 1997. The Company’s common shares were listed on the Taipei Exchange (TPEX) on December 6, 2004.

A resolution was passed during the general shareholders’ meeting held on June 26, 2015, for changing its name to “Green World Hotel Co., Ltd.”, and a resolution of short form merger with the subsidiary Green World Hotel Co., Ltd. was passed during the meeting of Board of Directors held on August 11, 2015. The two parties merged in accordance with the Business Mergers and Acquisitions Act, the date of merger was set on October 1, 2015. After the merger, the Company is the survival one, and the subsidiary is eliminated.

The short-form merger was completed and approved in accordance with Ruling No.10401220100 issued by the Ministry of Economy on December 7, 2015.

A resolution of short-form merger with subsidiary, Green World Hotel ZhongHua Co., Ltd., was passed during the meeting of Board of Directors held on August 8, 2019, with the Company being the sole surviving entity. The date of merger was set on October 1, 2019, and the related registration procedure was completed and approved in accordance with Ruling No. 10801146200 issued by the Ministry of Economy on November 18, 2019.

The major business activities of the Company is Hotels and Restaurants Operation.

2. The date of authorization for issuance of the financial statements and procedures for authorization

The financial statements were authorized for issuance by the Board of Directors on March 13, 2024.

3. New standards, amendments and interpretations adopted

(1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The following new amendments, effective January 1, 2023, do not have a significant impact on the Company’s financial statements:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from A Single Transaction”

The following new amendments, effective May 23, 2023, do not have a significant impact on the Company’s financial statements:

- Amendments to IAS 12 “International Tax Reform-Pillar Two Model Rules”

(2) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its

financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9-Comparative Information”
- IAS 21 “Lack of Exchangeability”

4. Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(1) Compliance statement

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as “the Regulations”) and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

(2) Basis of preparation

A. Basis of measurement

The financial statements have been prepared on a historical cost basis.

B. Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- A. an investment in equity securities designated as at fair value through other comprehensive income;
- B. a financial liability designated as a hedge of the net investment in a foreign operation to the

extent that the hedge is effective; or
C. qualifying cash flow hedges to the extent that the hedges are effective.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.:

- A. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- B. It is held primarily for the purpose of trading
- C. It is expected to be realized within twelve months after the reporting period; or
- D. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current:

- A. It is expected to be settled in the normal operating cycle;
- B. It is held primarily for the purpose of trading;
- C. It is due to be settled within twelve months after the reporting period; or
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(6) Financial instruments

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(a) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is

not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(b) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivables, other receivable and other financial assets).

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL.

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward- looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Company considers a financial asset to be in default when the financial asset is more than 180 days past due.

The Company considers time deposits to have low credit risk, since the counterparties are financial institutions with good rating.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ‘ credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 180 days past due;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is 90 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities to comply with the Company’s procedures for recovery of amounts due.

(c) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities and equity instruments

(a) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(b) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(c) Financial liabilities

Financial liabilities are classified as measured at amortized cost. Financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(d) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(e) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset, and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Property, plant, and equipment

A. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses. If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

- Buildings 21 years
- Transportation equipment 8 years

- Leasehold improvements 2~19 years
- Other equipment 2~12 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(8) Lease

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

A. As a lease

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as expenses on a straight-line basis over the lease term.

As a practical expedient, the Company elects not to assess all rent concessions that meets all the conditions as follows are lease modifications or not:

- (a) the rent concessions occurring as a direct consequence of the COVID19 pandemic;
- (b) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (c) any reduction in lease payments affects only payments originally due on or before 30 June 2022; and
- (d) there is no substantive change to other terms and conditions of the lease.

In accordance with the practical expedient, the effect of the change in the lease liability is reflected in profit or loss in the period in which the event or condition that triggers the rent concession occurs.

B. As a lessor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(9) Intangible assets

A. Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets, including customer relationships and trademarks, that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

C. Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The estimated useful lives for current and comparative periods are as follows:

- Trademark 10 years
- Customer relationships 10 years
- Computer software 1~5 years

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(10) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. If it is not possible to estimate the recoverable amount of individual assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable basis.

The recoverable amount is the higher of its fair value less costs of disposal and its value in use. If the recoverable amount of an asset or the cash-generating units is less than its carrying amount, the carrying amount shall be reduced to its recoverable amount. That reduction is an impairment loss.

When impairment losses are reversed, the carrying amount of the asset, cash-generating unit, or related contract asset shall be increased to the recoverable amount, only if the increased carrying amount shall not exceed the carrying amount which has been determined regarding the amount of impairment losses of asset, cash-generating units, and related contract asset that had not been recognized in previous years (net of amortization or depreciation). The reversal of impairment losses shall be recognized in loss.

Goodwill acquired in a business combination shall, from the acquisition date, be recognized at the amount determined as goodwill, and it is measured at cost less accumulated impairment losses.

For the impairment testing purposes, Goodwill is allocated to cash-generating units or groups of cash-generating units within the company which is expected to benefit from the combination.

A cash-generating unit to which goodwill has been allocated shall be tested for impairment annually, and whenever there is an indication that the unit may be impaired, by comparing the

carrying amount of the unit, including the goodwill, with the recoverable amount of the unit. If goodwill allocated to a cash-generating unit is acquired through a business combination in the current year, an impairment test shall be conducted before the end of the year. If the recoverable amount from the cash-generating unit to which goodwill has been allocated is less than the carrying amount of the unit, the impairment loss shall reduce the carrying amount of any goodwill allocated to the cash-generating unit, and then to the other assets of the unit proportionate on the basis of the carrying amount of each asset in the unit. Any impairment loss shall be recognized as a current loss. An impairment loss recognized for goodwill shall not be reversed in a subsequent period.

When disposing of an operation within a cash-generating unit to which goodwill has been allocated, the goodwill associated with that operation shall be included in the carrying amount of the operation when determining the gain or loss on disposal.

(11) Revenue recognition

The Company provides catering, room accommodation, leasing, and business management services to customers. Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a service to a customer. If the services rendered by the Company exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(12) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than the above-stated, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(13) Government grants and government assistance

The Company recognizes an unconditional government grant related to operation in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received, and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(14) Employee benefits

A. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive

obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(15) Income Tax

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore accounted for them under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

- A. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
- B. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- C. taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

- A. the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and
- B. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (a) the same taxable entity; or
 - (b) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

5. Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In the application of the accounting policies, management is required to make judgments, estimations, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company incorporates consideration of effects from inflation and market interest rate fluctuations into the estimation of cash flows, growth rates, discount rates, profitability, and other relevant significant estimates when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

(1) Evaluation of impairment of assets

In the process of evaluating the potential impairment of right-of-use assets, property, plant and equipment, and intangible assets, the main parameters used by management to estimate future cash flow (e.g. expected growth rate, discount rate, cash based revenue, and cost increase rate) are affected by uncertainties of industry competition, government policy, and economic environment, and the estimated recoverable amount of future discounted cash flows is highly uncertain; hence, there is a risk of overestimating the carrying amount of property, plant and equipment, right-of-use assets and intangible assets. Please refer to note 6(3), (4), and (5) for further description of recoverable amount and impairment assessment.

6. Details of significant accounts

(1) Cash and cash equivalents

	<u>2023.12.31</u>	<u>2022.12.31</u>
Cash and petty cash	\$ 1,012	1,262
Demand deposits	263,451	245,037
	<u>\$ 264,463</u>	<u>246,299</u>

Please refer to note 6(19) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Company.

(2) Note and Account receivables

	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivables (including related parties)	\$ 12,510	319
Account receivables (including related parties)	42,829	19,669
Less: Loss allowance	-	-
	<u>\$ 55,339</u>	<u>19,988</u>

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, account receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information.

The loss allowance provisions were determined as follows:

	2023.12.31		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 55,339	0%	
Less than 60 days past due	-	0%	-
	\$ 55,339		-

	2022.12.31		
	Gross carrying amount	Weighted- average loss rate	Loss allowance provision
Current	\$ 19,970	0%	-
Less than 60 days past due	18	0%	-
	\$ 19,988		-

As of December 31, 2023, and 2022, the Company didn't provide any receivables as collateral for its borrowings.

(3) Property, plant, and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023, and 2022, were as follows:

	Land	Buildings and construction	Leasehold improvement and other facilities	Construction in progress	Total
Cost or deemed cost:					
Balance on January 1, 2023	\$ 105,621	12,223	1,532,586	106	1,650,536
Additions	-	-	4,386	-	4,386
Reclassifications	-	-	-	(106)	(106)
Balance on December 31, 2023	\$ 105,621	12,223	1,536,972	-	1,654,816
Balance on January 1, 2022	\$ 105,621	12,223	1,524,575	135	1,642,554
Additions	-	-	7,024	958	7,982
Reclassifications	-	-	987	(987)	-
Balance on December 31, 2022	\$ 105,621	12,223	1,532,586	106	1,650,536
Depreciation and impairments loss:					
Balance on January 1, 2023	\$ -	4,613	931,883	-	936,496
Depreciation	-	558	100,035	-	100,593
Balance on December 31, 2023	\$ -	5,171	1,031,918	-	1,037,089
Balance on January 1, 2022	\$ -	4,055	829,882	-	833,937

Depreciation	-	558	101,960	-	102,518
Impairment loss	-	-	41	-	41
Balance on December 31, 2022	\$ -	<u>4,613</u>	<u>931,883</u>	-	<u>936,496</u>
Carrying amounts:					
Balance on December 31, 2023	\$ <u>105,621</u>	<u>7,052</u>	<u>505,054</u>	-	<u>617,727</u>
Balance on December 31, 2022	\$ <u>105,621</u>	<u>7,610</u>	<u>600,703</u>	<u>106</u>	<u>714,040</u>

A. As of December 31, 2023, and 2022, the payments for adding property, plant and equipment due to hotel operation, the Company recognized other payables amounting to \$1,070 thousand and \$3,997 thousand, respectively.

B. As of December 31, 2023, and 2022, the property, plant and equipment of the Company had not been pledged as collateral for borrowings.

(4) Right-of-use assets

The cost and depreciation of the leased building were as follows:

	<u>Building</u>
Costs	
Balance on January 1, 2023	\$ 4,871,034
Additions	93,461
Rent Concession	(1,544)
Balance on December 31, 2023	<u>\$ 4,962,951</u>
Balance on January 1, 2022	\$ 4,892,789
Additions	2,423
Rent Concession	(24,178)
Balance on December 31, 2022	<u>\$ 4,871,034</u>
Accumulated depreciation	
Balance on January 1, 2023	\$ 2,811,367
Depreciation	330,478
Balance on December 31, 2023	<u>\$ 3,141,845</u>
Balance on January 1, 2022	\$ 2,478,233
Depreciation	333,134
Balance on December 31, 2022	<u>\$ 2,811,367</u>
Carrying amounts	
Balance on December 31, 2023	<u>\$ 1,821,106</u>
Balance on December 31, 2022	<u>\$ 2,059,667</u>

(5) Intangible assets

The cost, amortization and impairment of the intangible assets of the Company for the years ended December 31, 2023, and 2022, were as follows:

	<u>Trademarks</u>	<u>Customer relationship</u>	<u>Computer software</u>	<u>Total</u>
Costs:				
Balance on January 1, 2023	\$ 53,000	143,000	30,711	226,711
Additions	-	-	361	361
Balance on December 31, 2023	<u>\$ 53,000</u>	<u>143,000</u>	<u>31,072</u>	<u>227,072</u>
Balance on January 1, 2022	\$ 53,000	143,000	30,592	226,592
Additions	-	-	119	119
Balance on December 31, 2022	<u>\$ 53,000</u>	<u>143,000</u>	<u>30,711</u>	<u>226,711</u>
Accumulated amortization				

	<u>Trademarks</u>	<u>Customer relationship</u>	<u>Computer software</u>	<u>Total</u>
and impairment losses				
Balance on January 1, 2023	\$ 43,187	116,523	20,145	179,855
Amortization	3,798	10,249	4,213	18,260
Balance on December 31, 2023	\$ 46,985	126,772	24,358	198,115
Balance on January 1, 2022	\$ 39,388	106,274	15,879	161,541
Amortization	3,799	10,249	4,266	18,314
Balance on December 31, 2022	\$ 43,187	116,523	20,145	179,855
Carrying amounts:				
Balance on December 31, 2023	\$ 6,015	16,228	6,714	28,957
Balance on December 31, 2022	\$ 9,813	26,477	10,566	46,856

A. The amortization of intangible assets are included in the statements of comprehensive income:

	<u>2023</u>	<u>2022</u>
Cost of sales	\$ -	20
Operating expenses	18,260	18,294
	\$ 18,260	18,314

B. The recoverable amount of the cash generating units (CGUs) of hotel business is based on its value in use. After the revaluation of future cash flows in 2023 and 2022, all the hotels are determined to be higher than its recoverable amount. Therefore, an impairment loss of intangible assets of both \$0 thousand are recognized.

C. The key assumptions used in the estimation of value in use were as follows.

	<u>2023.12.31</u>	<u>2022.12.31</u>
Discount rate	5.84%	5.59%
Terminal value growth rate	1%~10%	1%~10%

As of December 31, 2023 and 2022, the discount rates were determined based on weighted average cost of capital of industry. The cash flow projections are based on five-year period financial budgets approved by the management. A long-term growth rate in perpetuity for cash flows in subsequent periods had been determined as constant.

The value in use of the CGUs had been determined by discounting the future cash flows that are generated from continuing use of the CGUs. Unless otherwise stated, the value in use of the CGUs and the key assumptions used had been applied consistently with those described in the financial statements for the year ended December 31, 2022.

- (a) The estimate of cash flow is based on experiences, operating results, and lease expiration date. Due to the long-term operating cycle of hotel business, the management believes that the above forecast period is reasonable.
- (b) Estimated revenues in financial budgets are based on experiences and conditions of operating results.
- (c) Estimated operating costs and expenses in financial budgets are based on experiences and various factors of operating costs and expenses.
- (d) The recoverable amount of the CGU was determined by a pre-tax discount rate.

The value of these key assumptions represents the management's assessment to the trends of hotel business with consideration of both external and internal (historical) information.

(6) Other financial assets

The other financial assets were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Current		
Certificates of deposit	\$ 60,000	-
Non-current		
Lease deposits	\$ 166,274	144,786
Other deposits	2,700	2,817
Subtotal	<u>168,974</u>	<u>147,603</u>
	<u>\$ 228,974</u>	<u>147,603</u>

As of December 31, 2023 and 2022, the assets of the Company had been pledged as collateral, please refer to note 8.

(7) Short-term borrowings

The short-term borrowings were summarized as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Unsecured bank loans	\$ 310,000	350,000
Unused short-term credit lines	\$ 70,000	70,000
Range of interest rates	<u>2.08%~2.12%</u>	<u>1%~2.04%</u>

A. The Company did not have any significant issuance, repurchase, or repayment of short-term loans between the years 2023 and 2022. Please refer to Note 6(18) for details on the interest expenses.

B. For the guarantee and endorsement from the ultimate parent company, please refer to note 7.

(8) Long-term borrowings

The details were as follows:

	<u>2023.12.31</u>			
	Currency	Rate	Maturity Year	Amount
Unsecured bank loans	NTD	1%~2.595%	2026	\$ 198,333
Less: current portion				70,000
Total				<u>128,333</u>
Unused long-term credit lines				\$ -

2022.12.31				
	Currency	Rate	Maturity Year	Amount
Unsecured bank loans	NTD	1%~1.845%	2026	\$ 210,000
Less: current portion				11,667
Total				<u>198,333</u>
Unused long-term credit lines				<u>\$ 29,980</u>

- A. The long-term borrowings are arranged in accordance with the COVID 19 Pandemic Relief Plan, which is with government credit guarantees.
- B. As of the years 2023 and 2022, there are no significant issuances, repurchases and repayments of long-term borrowings. Please refer to Note 6(18).
- C. Please refer to Note 7 for details on the Company's endorsement and guarantees provided by related parties to banks.

(9) Lease liabilities

The Company's lease liabilities were as follows:

	2023.12.31	2022.12.31
Current	\$ 340,365	349,585
Non-Current	1,779,042	2,030,053
	<u>\$ 2,119,407</u>	<u>2,379,638</u>

For the maturity analysis, please refer to note 6(19).

The amount recognized in profit or loss was as follows:

	2023	2022
Interest on lease liabilities	\$ 51,647	56,746
Income from sub-leasing right-of-use assets	\$ 13,849	8,165
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	\$ 3,577	2,833
Covid-19-related rent concessions (recognized as deduction of rent expenses)	\$ -	22,627

The amounts recognized in the statement of cash flows for the Company were as follows:

	2023	2022
Total cash outflow for leases	\$ 407,370	362,143

Real estate leases

The Company leases buildings for its hotel business. The leases typically run for a period of 3 to 17 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension options exercisable by the Company. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Company and not by the lessors. In which lessee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

(10) Operating lease

Leases as lessor

Non-cancellable operating lease rentals payable were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Less than one year	\$ 15,339	7,100
One to two years	13,571	7,127
Two to three years	8,886	6,737
Three to four years	8,483	4,046
Four to five years	7,632	3,531
Over five years	20,801	2,791
Total undiscounted lease payments	<u>\$ 74,712</u>	<u>31,332</u>

(11) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension costs incurred from the contribution to the Bureau of Labor Insurance amounted to \$6,968 thousand and \$6,089 thousand for the years ended December 31, 2023, and 2022, respectively.

(12) Income taxes

A. Income tax

The components of income tax in the years 2023 and 2022 were as follows:

	<u>2023</u>	<u>2022</u>
Current tax expense		
Current period	\$ -	-
Deferred tax expense		
Current period	12,407	-
Income tax expenses	<u>\$ 12,407</u>	<u>-</u>

Reconciliation of income tax and profit before tax for 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
Profit excluding income tax	<u>\$ 62,035</u>	<u>(225,524)</u>
Income tax using the Company's domestic tax rate	12,407	(45,105)
Non-deductible expenses	1,749	1,750
Impairment losses	-	8
Recognition of previously unrecognized tax losses	12,407	-
Current-year losses for which no deferred tax asset was recognized	(10,908)	51,519
Government grants	(304)	(5,228)
Others	(2,944)	(2,944)
	<u>\$ 12,407</u>	<u>-</u>

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax assets

Deferred tax assets have not been recognized in respect of the following items:

	<u>2023.12.31</u>	<u>2022.12.31</u>
The carryforward of unused tax losses	<u>\$ 266,147</u>	<u>285,663</u>

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the benefits therefrom.

(b) Recognized deferred tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax assets

	<u>Unused tax losses</u>
Balance on January 1, 2023	\$ 39,582
Recognized in profit or loss	(12,407)
Balance on December 31, 2023	<u>\$ 27,175</u>
Balance on January 1, 2022	\$ 39,582
Balance on December 31, 2022	<u>\$ 39,582</u>

(c) As of December 31, 2023, the information of the Company's unused tax losses for which no deferred tax assets were recognized are as follows:

<u>Year of loss</u>	<u>Unused tax loss</u>	<u>Expiry date</u>
2013	69,060	2023
2014	19,290	2024
2015	14,786	2025
2016	52,299	2026
2019	223,897	2029
2020	453,426	2030
2021	361,265	2031
2022	272,586	2032
	<u>\$ 1,466,609</u>	

C. Business income tax administrative remedies

The Company's income tax return for the year 2021 had been examined by the tax authorities.

(13) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares are both amounted to \$2,500,000 thousand, and the company's paid-in capital are both \$219,547 thousand (including private placement \$118,866 thousand). Each share has a par value of \$10, with a total amount of 21,946 thousand shares issued. All issued shares are paid up upon issuance.

A. Ordinary and preferred shares

On November 22, 2022, the Company passed a resolution at the shareholder meeting to reduce its ordinary shares amounted by \$877,826 thousand and cancel 87,782 thousand issued shares, which represents a reduction ratio of 80%, to strengthen its financial structure to make up for losses. This capital reduction plan has been approved by the Financial Supervisory Commission and was effective from December 21, 2022, with December 29, 2022, being the date of registration for the approved capital reduction.

As of December 31, 2023, and 2022, the ordinary shares under private placement are both 11,887 thousand. The aforementioned private placement of ordinary shares and the transfer of any subsequently obtained bonus shares would be subject to section 43(8) requirements under the Securities and Exchange Act. The Company can only apply for these shares to be traded on the Taiwan Stock Exchange after a three-year period has elapsed from the delivery date of the private placement securities, and after applying for a public offering with the Financial Supervisory Commission.

B. Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Share capital	<u>\$ 45,507</u>	<u>604,393</u>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

C. Retained earnings and dividend policy

The Company's Articles of Incorporation stipulate that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. For the details of the employee and director remuneration distribution, please refer to Note 6(16).

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

On June 16, 2023, the Corporation's board of directors approved the allocation of losses for the year 2022. The deficits are mitigated by \$8,943 thousand of legal reserve and \$558,886 thousand

of capital surplus.

On June 23, 2022, the Corporation's board of directors approved the allocation of losses for the year 2021. Due to the accumulated deficits, there were no profits available for distribution.

Regarding the profit distribution for the year 2023, the Corporation's board of directors will determine in the meeting scheduled to convene in 2024.

Information related to the distribution of profits for previous fiscal years of the Company can be found on the website of the Market Observation Post System.

(14) Earnings (loss) per share

The calculation of basic earnings per share and diluted earnings per share for the years ended December 31, 2023, and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Basic earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders of the Company	<u>\$ 49,628</u>	<u>(225,524)</u>
Weighted average number of ordinary shares on December 31	<u>21,946</u>	<u>21,946</u>
	<u>\$ 2.26</u>	<u>(10.28)</u>
	<u>2023</u>	<u>2022</u>
Diluted earnings (loss) per share		
Profit (loss) attributable to ordinary shareholders of the Company (diluted)	<u>\$ 49,628</u>	<u>(225,524)</u>
Weighted average number of ordinary shares on December 31	21,946	21,946
Effect of dilutive potential ordinary shares	9	-
Weighted average number of ordinary shares (diluted) on December 31 (diluted)	<u>21,955</u>	<u>21,946</u>
	<u>\$ 2.26</u>	<u>(10.28)</u>

(15) Revenue from contracts with customers

A. Disaggregation of revenue

	<u>2023</u>	<u>2022</u>
Primary geographical markets:		
Taiwan	<u>\$ 978,346</u>	<u>546,279</u>
Major products/ services lines:		
Hotel room service	\$ 897,150	500,265
Hotel catering service	67,347	37,849
Leasing services	13,849	8,165
	<u>\$ 978,346</u>	<u>546,279</u>

B. Contract balance

<u>2023.12.31</u>	<u>2022.12.31</u>	<u>2022.1.1</u>
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Notes and accounts receivable	\$	55,339	19,988	18,073
Less: allowance for impairment		-	-	-
Total	\$	<u>55,339</u>	<u>19,988</u>	<u>18,073</u>
Contract liabilities-hotel room service/ unearned revenue	\$	<u>29,599</u>	<u>24,519</u>	<u>28,095</u>

For details on accounts receivable and allowance for impairment, please refer to note 6(2). The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were \$21,520 thousand and \$19,651 thousand, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received. There were no other significant changes during 2023 and 2022.

(16) Employee compensation and directors' remuneration

In accordance with the Articles of Incorporation, the Company should contribute no less than 0.7%~10% of the profit as employee compensation and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2023, and 2022, the Company estimated its employee remuneration were \$437 and \$0 respectively, while directors' remuneration were both \$0. The estimated amounts mentioned above are calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Articles of Incorporation. These remunerations are expensed under operating costs or operating expenses during 2023 and 2022. Any remaining changes in amounts will be adjusted in the subsequent year after the publication of the annual financial report. The amount of remuneration distributed for employees and directors align with the financial report for the year 2022.

Related information would be available at the Market Observation Post System website.

(17) Net other income (expenses)

		<u>2023</u>	<u>2022</u>
Government grants	\$	<u>1,522</u>	<u>26,139</u>

(18) Non-operating income and expenses

A. Interest income

The details of interest income were as follows:

		<u>2023</u>	<u>2022</u>
Interest income from bank deposits	\$	1,807	636
Other interest income		1,493	842
Total interest income	\$	<u>3,300</u>	<u>1,478</u>

B. Other gains and losses

The details of other gains and losses were as follows:

	<u>2023</u>	<u>2022</u>
Tax refund	\$ 5,181	338
Penalty loss	(10)	(2)
Penalty income	-	381
Impairment loss on property, plant, and equipment	-	(41)
Others	3,239	2,203
	<u>\$ 8,410</u>	<u>2,879</u>

C. Financial costs

The details of finance costs were as follows:

	<u>2023</u>	<u>2022</u>
Interest expense of bank loans	\$ 8,996	6,549
Interest expense of lease liabilities	51,647	56,746
	<u>\$ 60,643</u>	<u>63,295</u>

(19) Financial instruments

A. Credit risk

(a) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(b) Concentration of credit risk

The cash and deposits are deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash and deposits do not have significant credit risk concentration.

The major business activities of the Company are management consultancy services and hotel business services. The major customers of the Company are centralized in the general customers and travel agencies. Since some of travel agencies are related parties, the Company believes that there is credit risk concentration. However, the Company periodically evaluates the possibility of collecting account receivables, and it doesn't expect to have significant loss in the future.

(c) Receivables

For credit risk exposure of note and trade receivables, please refer to note 6(2). Other financial assets at amortized cost include other receivables, time deposits and lease deposits.

All these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Both in the year 2023 and 2022, no provision for impairment losses was made.

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 1 year</u>	<u>1-5 years</u>	<u>Over 5 years</u>
December 31, 2023					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 79,705	79,705	79,705	-	-
Lease liabilities	2,119,407	2,313,626	385,216	1,228,384	700,026
Fixed rate instruments	508,333	515,118	384,434	130,684	-
	<u>\$ 2,707,445</u>	<u>2,908,499</u>	<u>849,355</u>	<u>1,359,068</u>	<u>700,026</u>
December 31, 2022					
Non-derivative financial liabilities					
Non-interest-bearing liabilities	\$ 52,916	52,916	52,916	-	-
Lease liabilities	2,379,638	2,605,143	398,027	1,319,076	888,040
Fixed rate instruments	560,000	568,699	366,386	202,313	-
	<u>\$ 2,992,554</u>	<u>3,226,758</u>	<u>817,329</u>	<u>1,521,389</u>	<u>888,040</u>

The Company does not anticipate significant changes in the timing or amount of cash flows from the maturity analysis.

As of December 31, 2023, although the company's current liabilities exceed current assets by \$439,473 thousand, the Management team maintains sufficient cash positions to support our operations and mitigate the impact of cash flow fluctuations. Bank borrowings are an important source of liquidity for the Company, and the Management team closely monitors the use of credit facilities and ensures compliance with loan contract terms and the preparation of future cash flow forecasts. Additionally, we actively seek the support of shareholders to mitigate liquidity risks associated with the inability to raise funds to fulfill contractual obligations.

Please refer to Note 6(7) and (8) for information on the Company's bank borrowings and unused credit facilities. The expiration dates and corresponding measures for unused credit facilities are as follows:

<u>Guarantor</u>	<u>Unused credit facilities</u>	<u>Expiration date of credit facilities</u>
H.I.S. Co., Ltd.	\$ <u>70,000</u>	April, 2024

C. Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Company's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis assumes that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Entity management's assessment of the reasonably possible

interest rate change.

If the interest rate had increased / decreased by 1% basis points, the Company's net income would have increased / decreased by \$2,108 thousand and \$1,960 thousand for the years ended December 31, 2023, and 2022 with all other variable factors remaining constant, respectively.

This is mainly due to the changes in the Company's variable-interest-rate deposits.

D. Fair value of financial instruments

(a) Types and fair values of financial instruments

The financial assets and financial liabilities of the Company are not measured at fair value, and the carrying amount of these financial instruments represents a reasonable approximation of their fair value, with the exception of lease liabilities, which are not required to disclose fair value information in accordance with regulations.

(b) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

(i) Financial assets and financial liabilities measured at amortized cost.

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(20) Financial risk management

A. Overview

The Company has exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies, and processes for measuring and managing the above-mentioned risks. For more disclosure's details, please refer to notes.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The management of the Company reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's audit committee oversee how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The

Company's supervisors are assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors and the audit committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers.

(a) Account receivable and other receivable

The Company's major business is hotel business service. The major customers are travel agencies. The management periodically evaluates the collections of account receivables from travel agencies and expects there would be no significant credit risk. The Company does not require any collaterals of account receivables and other receivables.

(b) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations. Therefore, there is no significant credit risk arising from these counterparties.

(c) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. As of December 31, 2023, and 2022, no other guarantees were outstanding.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

As of December 31, 2023, although the amount of current liabilities exceeded the current assets of \$439,473 thousand, and the debt ratio reaches to 90%, the management of the Company has maintained sufficient cash to support the operation to reduce the impact of volatility caused by cash flow.

Since bank loan is one of the important sources of liquidity of the Company, the Company had obtained the total credit line of \$290,000 thousand from different financial institutions through the government's tourism industry recovery and revitalization policy. Due to its financial situation, the Company is also actively soliciting the support of its shareholders; hence, a resolution was approved during the board meeting held on March 17, 2022, to authorize the parent company, H.I.S. Co., Ltd., to guarantee the amount of \$420,000 thousand for the Company.

As of 2023 and 2022, the unused credit lines were \$70,000 thousand and \$99,980 thousand, respectively. The management of the Group has strictly followed the terms of

the loan contract and prepared a forecast statement of future cash receipts and payments to monitor the use of the bank's financing line at any time. It is expected that there will be no liquidity that prevents the Company from raising funds to fulfill its contractual obligations risk.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, which affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(21) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares or sell assets to settle any liabilities.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

As of December 31, 2023, the Group's capital management strategy is consistent with the prior year as of December 31, 2022, and the gearing ratio is maintained stable so as to ensure financing at reasonable cost. The Group's debt-to-equity ratio at the end of the reporting period as of December 31, 2023, and 2022, is as follows:

	<u>2023.12.31</u>	<u>2022.12.31</u>
Total liabilities	\$ 2,741,478	3,020,355
Less: cash and cash equivalents	(264,463)	(246,299)
Net debt	<u>\$ 2,477,015</u>	<u>2,744,056</u>
Total equity	<u>\$ 314,592</u>	<u>264,964</u>
Total Adjusted capital	<u>\$ 2,791,607</u>	<u>3,039,020</u>
Debt-to-equity ratio	<u>88.73%</u>	<u>91.28%</u>

(22) Investing and financing activities not affecting current cash flow

The reconciliation of investing and financing activities not affecting current cash flow of the Company is as follows:

	<u>2023.1.1</u>	<u>Cash flow</u>	Non-cash flow		<u>2023.12.31</u>
			Lease payment changes	Others (Note)	
Lease liabilities	\$ 2,379,638	(352,146)	-	91,915	2,119,407
Liabilities from investing and financing activities	<u>\$ 2,379,638</u>	<u>(352,146)</u>	<u>-</u>	<u>91,915</u>	<u>2,119,407</u>

Note: The amount includes a new lease of \$93,461 thousand, and the decrease in right-of-use

assets of \$1,544 thousand.

	2022.1.1	Cash flow	Non-cash flow	Others	2022.12.31
			Lease	(note)	
			payment		
			changes		
Lease liabilities	\$ 2,726,583	(302,563)	-	(44,382)	2,379,638
Liabilities from investing and financing activities	\$ 2,726,583	(302,563)	-	(44,382)	2,379,638

Note: The amount includes a new lease of \$2,423 thousand, rental concessions of \$22,627 thousand and decrease in right-of-use assets of \$24,178 thousand.

7. Related party transactions

(1) Parent company and ultimate controlling company

H.I.S. Hotel Holdings Co., Ltd. is the parent company of the Company, holding 51% of all outstanding ordinary shares of the Company. The ultimate controlling party of the Company is H.I.S. Co., Ltd.

(2) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

<u>Name of related party</u>	<u>Relationship with the Company</u>
Sanpu Travel Service Co.,Ltd.(Sanpu Travel)	Same chairman with the Company
Tour Royale Service Co.,Ltd.	Same chairman with the Company
Star Light Co.,Ltd.	Same chairman with the Company
Cherry Tourist Co.,Ltd.	Same chairman with the Company
H.I.S. Sanken Travel Co.,Ltd.	Same chairman with the Company
Green World Co.,Ltd.	Same chairman with the Company
Nian Fu Investment Co., Ltd.	Same chairman with the Company
Honyi Transportation Co., Ltd.	The Chairman of the Company is also a member of the Board of Directors.
H.I.S. Hotel Holdings Co.,Ltd.	The Company's parent company
H.I.S. Co.,Ltd.	The Company's ultimate parent company
Other related party	Chairman and related party in substance

(3) Significant transactions with related parties

A. Sales

The amounts of significant sales by the Company to related parties are as follows:

	<u>2023</u>	<u>2022</u>
Hotel rooms and catering service revenue		
Sanpu Travel	\$ 70,294	4,232

Others	5,483	177
	<u>\$ 75,777</u>	<u>4,409</u>

The credit term for hotel room service and catering service is 45 days for related parties and 30 to 60 days for non-related parties. The Company negotiates with each travel agency according to the current market prices, and offers discount to those lease a constant level of accommodation. The terms of transaction with related parties are the same as those mentioned above, which are not significantly different with those offered to non-related parties.

B. Receivables from Related Parties

The receivables from related parties are as follows:

<u>Account</u>	<u>Relationship</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Notes receivable	Sanpu Travel	\$ 11,451	319
Notes receivable	Others	1,059	-
Accounts receivable	Sanpu Travel	10,117	1,093
Accounts receivable	Others	616	31
		<u>\$ 23,243</u>	<u>1,443</u>

C. Payables to Related Parties

The payables to related parties are as follows:

<u>Account</u>	<u>Relationship</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Other payables	Others	38	71
Other payables	Parent company	672	701
Other payables	The Company's main management	229	220
		<u>\$ 939</u>	<u>992</u>

D. The Company leased office buildings and hotels from other parties and signed lease agreements with reference to the rental market for offices in neighboring areas. The company acquired right-of-use assets amounted to \$1,301 thousand in 2023. In the years ended December 31, 2023, and 2022, the Company recognized interest expenses of \$7,622 thousand and \$9,121 thousand, respectively. As of December 31, 2023 and 2022, the balance of lease liabilities are \$339,719 thousand and \$396,565 thousand, respectively. The lease deposits are \$21,768 thousand and \$280 thousand respectively and are recorded as other non-current financial assets.

E. Guarantee

	<u>2023</u>	<u>2022</u>
H.I.S. Co., Ltd.	\$ 380,000	420,000
Other related parties	198,333	239,980
	<u>\$ 578,333</u>	<u>659,980</u>

F. Management consultant fee

The details of the payments made by the Company to the management consultant services are as follows:

	<u>2023</u>	<u>2022</u>
H.I.S. Hotel Holdings Co., Ltd.	\$ 2,770	2,775

(4) Key management personnel compensation

<u>2023</u>	<u>2022</u>
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Short-term employee benefits	\$	<u>1,911</u>	<u>1,781</u>
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8. Pledged assets

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>2023.12.31</u>	<u>2022.12.31</u>
Other financial asset-non-current	Guarantee for rental payment	\$ <u>35,500</u>	<u>35,500</u>

9. Commitments and contingencies

Please refer to Note 6(9) for more information on the lease agreements signed by the Company on December 31, 2023, and 2022. Additionally, the bills issued due to leasing were \$469,542 thousand and \$490,199 thousand, respectively.

10. Losses due to major disasters: None

11. Subsequent events :None.

12. Other

(1) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	109,256	21,834	131,090	85,037	18,991	104,028
Labor and health insurance	12,426	2,360	14,786	10,391	2,146	12,537
Pension	5,848	1,120	6,968	5,031	1,058	6,089
Remuneration of directors	-	900	900	-	850	850
Others	6,087	2,089	8,176	5,520	1,418	6,938
Depreciation	428,854	2,217	431,071	433,399	2,253	435,652
Amortization	-	18,260	18,260	20	18,294	18,314

As of December 31, 2023, and 2022, the additional information of the number of employees and employee benefits expense of the Company were as follows:

	<u>2023</u>	<u>2022</u>
Number of employees	<u>272</u>	<u>238</u>
Number of directors (excluding those are employees concurrently)	<u>6</u>	<u>6</u>
Average employee benefits	<u>605</u>	<u>559</u>
Average employee salary	<u>493</u>	<u>448</u>
Average adjustment of employee salary	<u>10.04%</u>	<u>12.85%</u>

The Company's remuneration policy information (including directors, managers, and employees) is as follows:

- A. When directors are performing their duties, regardless of the Company's profits and losses, their salaries will be handled by the Board of Directors in accordance with the same industry level and relevant legal provisions. For example, transportation allowance payments for attending the board meeting (a fixed payment of \$20 thousand per month for each non-executive director and \$10 thousand for each executive director). Please refer to note 6(16) for directors' remuneration regulations.
- B. The Company's policy for the remunerations to managers and employees, apart from base salary, is based on different job properties to facilitate the management and computation. Please refer to note 6(16) for employee remuneration regulations. The payroll system is as follows:
- Job allowance: based on different jobs; job allowances are paid every month.
 - Various allowance: based on different job requirements, night shift allowance, parental allowance, special bonus, and understaffing allowance will be offered.
 - Business meal expense: each person gets \$2,400 food allowance per month.
 - Overtime pay: computed and paid according to Article 24 of Labor Standards Act.
 - Performance bonus: paid extra bonus according to different work performances.

(2) Seasonality in Business Operations:

The Company's hotel business and other tourism-related operations are subject to seasonality fluctuations due to consecutive holidays. However, since 2020 when COVID-19 outbreak occurred, the occupancy rate and average room price have significantly dropped, leading to significant revenue losses for the Company. For the year 2023, the overall revenue increases compared to the year 2022, as a result from the easing of COVID-19 conditions as well as the implementation of government policies such as travel subsidies, and vouchers.

13. Other disclosures

(1) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

- A. Loans to other parties: None
- B. Guarantees and endorsements for other parties: None
- C. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures): None
- D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- E. Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- F. Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None
- G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT\$100 million or 20% of the capital stock :None
- H. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock: None
- I. Trading in derivative instruments: None

(2) Information on investees: None

(3) Information on investment in mainland China: None

(4) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
H.I.S. Hotel Holdings Co., Ltd.		11,192,291	50.99%
Sheng-Yang Investment Co., Ltd.		1,586,100	7.22 %

14. Segment information

General information:

The Company's hotel business is considered as operating segment, whose segment profit or loss, assets, and liabilities are similar to the report. Please refer to the balance sheets and the statements of comprehensive income.

GREEN WORLD HOTELS CO., LTD.
Statement of cash and cash equivalents
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(1).

Statement of changes property, plant, and equipment

Please refer to note 6(3).

Statement of right-of-use assets

Please refer to note 6(4).

GREEN WORLD HOTELS CO., LTD. Statement of long-term and short-term borrowings December 31, 2023 (Expressed in thousands of New Taiwan Dollars)

Type	Nature	Ending Balance	Contract Period	Interest rates	Credit Limit	Collateral
Sumitomo Mitsui Banking Co.	Credit	\$ 80,000	2023/5/31~2024/5/31	2.12%	80,000	Guarantor: H.I.S. Co., Ltd.
"	"	150,000	2023/12/1~2024/6/3	2.08%	150,000	"
"	"	80,000	2023/10/27~2024/4/26	2.08%	150,000	"
Total short-term borrowings	"	<u>310,000</u>			<u>380,000</u>	
Mega International Commercial Bank Co., Ltd.	Credit	\$ 198,333	2021/8/3~2026/9/30	1%~2.595%	198,333	Credit guarantee fund
Total long-term borrowings		<u>\$ 198,333</u>			<u>198,333</u>	

GREEN WORLD HOTELS CO., LTD.
Statement of lease liabilities
December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Please refer to note 6(9).

Statement of operating revenue
For the year ended December 31, 2023

Please refer to note 6(15).

GREEN WORLD HOTELS CO., LTD.
Statement of operating costs
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Depreciation expenses	\$ 428,854
Salary expenses	109,256
Utilities expenses	45,527
Food ingredients expenses	27,584
Others (Note)	107,852
	\$ 719,073

Note: The amount of each item in others does not exceeds 5% of the account balance.

GREEN WORLD HOTELS CO., LTD.
Statement of operating expenses
For the year ended December 31, 2023
(Expressed in thousands of New Taiwan Dollars)

Item	Selling expenses	Administrative expenses	Total
Commission fee	\$ 64,525	-	\$ 64,525
Salary expenses	4,295	18,439	22,734
Amortization expenses	16,350	1,912	18,262
Handling fee	16,272	1	16,273
Professional service fees	128	2,901	3,029
Others (Note)	7,108	17,896	25,004
Total	\$ 108,678	41,149	\$ 149,827

Note: The amount of each item in others does not exceeds 5% of the account balance.

Green World Hotels Co., Ltd.

Chairman : Hsieh, Hsien-Chih