

Stock Code: 8077



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

Handbook for the 2024 Annual General Meeting of Shareholders

Meeting date and time: 9:00 a.m. on June 18, 2024

Meeting place: No. 528, Section 7, Zhongxiao East Road, Nangang District,
Taipei City

(Conference Room, 1F, Green World Hotel Nangang)

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Green World Hotels Co., Ltd.
Procedures of the 2024 Annual General Meeting of Shareholders

- I. Call the Meeting to Order
- II. Remarks by the Chairperson
- III. Report Items
- IV. Ratification Items
- V. Extraordinary Motions
- VI. Adjournment

Green World Hotels Co., Ltd.

Agenda of the 2024 Annual General Meeting of Shareholders

Time: 9:00 a.m., Tuesday, June 16, 2024

Place: No. 528, Section 7, Zhongxiao East Road, Nangang District, Taipei City
(Conference Room, 1F, Green World Hotel Nangang)

The way the meeting is held: Physical shareholders' meeting.

One. Call the Meeting to Order

Two. Remarks by the Chairperson

Three. Report Items

- I. The Company's 2023 annual business report.
- II. Audit Committee's Review Report on the 2023 financial statements
- III. 2023 report on the distribution of compensation for employees and directors.
- IV. Status of Business Plan of Capital Reduction in 2023.

Four. Ratification Items

- I. Ratification of the Company's 2023 Business Report and financial statements.
- II. Distribution of the 2023 annual earnings ◦

Five. Extraordinary Motions

Six. Adjournment

[Report Items]

Report 1

Report: Review of the Company's 2023 business report.

Explanation: Please refer to Annex 1 of this Handbook for the Company's 2023 Business Report.

Report 2

Report: Audit Committee's Review Report on the 2023 Financial Statements.

Explanation: Please refer to Annex 2 of this Handbook for the Audit Committee's Review Report on the Company's 2023 financial statements.

Report 3

Report: Review of the report on the 2023 distribution of compensation for employees and directors.

Explanation:

- I. With respect to Article 22, paragraph 1, of the Articles of Incorporation, if there is profit during the year, the Company shall appropriate 0.7-10% of such profit as the remuneration for employees and not more than 1% as remuneration for directors and supervisors. However, if the Company still has accumulated losses, the amount shall be reserved in advance.
- II. In 2023, the Company distributed employee remuneration of NT\$437,312 and director remuneration of NT\$0, which were paid in cash.

Report 4

Report: Status of Business Plan of Capital Reduction in 2023.

Explanation:

- I. In accordance with the Letter Zheng-Gui-Jian-Zi No. 1110012999 dated December 15, 2022 from Taipei Exchange (TPEX) and Letter Zheng-Bao-Fa-Zi No. 1110004415 dated October 21, 2022 from the Securities and Futures Investors Protection Center (SFIPC), the implementation of the sound operating plan will be reported to the Board of Directors for control and reported to the shareholders' meeting on a quarterly basis.
- II. For the implementation status of the Company's plan of capital reduction for solid operation, please refer to Attachment 5 of this Handbook.

[Ratification Items]

Case 1

[Proposed by the Board of Directors]

Proposal: Adoption of the 2023 Business Report and financial statements.

Explanation:

- I. The Company's parent company only financial statements and consolidated financial statements for 2023 have been verified and approved by CPAs Wu, Kun-yi and Wu, Hsian-en of MOORE Taiwan, and an unqualified audit report has been issued and filed together with the business report, and submitted to the Audit Committee for review.
- II. Please refer to Annex 1 and Annex 3 of this Handbook for the abovementioned 2023 financial statements of the Company.
- III. Please ratify.

Resolution:

Case 2

[Proposed by the Board of Directors]

Proposal: Distribution of the 2023 annual earnings

Explanation:

- I. Please refer to Attachment 4 of this Handbook for the Company's 2023 profit distribution schedule.
- II. No dividends are planned to be distributed for this year.
- III. Please ratify.

Resolution:

[Extraordinary Motions]

[Adjournment]

Business Report

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

Unit: NT\$1,000

Item	Year	2022	2023
	Operating revenue		546,279
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

(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:

Unit: %

Items		Year	
		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 general 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 Funnor, 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 increased 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.

Green World Hotels Co., Ltd.

Chairman and General Manager: Hsieh Hsien-Chih

CAO: Peng Fei-xiu

Green World Hotels Co., Ltd. The Audit Committee's Review Report

The company's board of directors has prepared and submitted the 2023 business report, the profit distribution table, and the individual financial statements and consolidated financial statements audited by accountants Wu, Kun-yi and Wu, Hsian-en of Moore Stephens DaHua (Taiwan) CPAs. We, as Audit Committee's of Green World Hotels Co., Ltd., hereby declare that we have reviewed and verified the abovementioned documents and that they are in compliance with the provisions of Article 219 of the Company Act and relevant laws and regulations. For your honor's verification.

Sincerely yours,

Green World Hotels Co., Ltd.; The 2024 Annual General Meeting of Shareholders

Chairman of Audit Committee: Liu, Shui-Sheng

Date: March 23, 2024

Independent Auditors' Report

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

1. **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.

2.

3. **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.

4. 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

(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.

Green World Hotels Co., Ltd.
Profit Distribution Table
2023

Unit: NTD

Item	Amount	Remarks
Beginning undistributed earnings	0	0
Add: Net income after tax of the year	49,628,686	
Less: 10% for legal reserve	(4,962,869)	44,665,817
Year-end undistributed retained earnings		44,665,817

Chairman: Hsieh Hsien-chih General Manager: Hsieh Hsien-chih CAO: Peng Fei-xiu

Green World Hotels Co., Ltd.

Status of Business Plan of Capital Reduction in 2022.

From January 1, 2023 to December 31, 2023

Unit: NT\$1,000

	Actual Number	Projected Number	Amount of difference	Variance %
Operating revenue	978,346	920,958	57,388	6
Operating costs	719,073	743,757	(24,684)	(3)
Gross operating profit (loss)	259,273	177,201	82,072	46
Operating expenses	149,827	124,173	25,654	21
Other gains and losses, net	1,522	0	1,522	NA
Operating net (loss) profit	110,968	53,028	57,940	109
Net non-operating gain or (expense)	(48,933)	(56,057)	7,124	13
Net (loss) profit before tax	62,035	(3,029)	65,064	2,148
Income tax expense (benefit)	12,407	0	12,407	NA
Net profit (loss) for the current period	49,628	(3,029)	52,657	1,738

The main reasons for the difference between the actual number and the budgeted number of the Company's sound business plan for 2023 are as follows:

I. Operating revenues and costs:

Since the border restrictions were lifted on October 13, 2022, international tourists have gradually recovered. In 2023, the number of visitors to Taiwan exceeded 6 million. Although the recovery was only about 55% compared to 2019, before the pandemic, it represented a significant growth compared to 2022 increased by 624%. Japan and China, the two main sources of tourists for the Company before the pandemic, have recovered relatively slowly due to the depreciation of the Japanese yen resulting in higher travel costs, and the cross-strait political tension, which has prevented Taiwan from allowing visitors from China to come to Taiwan, the Company's 2023 actual operating revenue increased by NTD 57,388 thousand over budget, or 6%.

The Company also exercises effective control over manpower, which accounts for the highest percentage of operating costs. In addition to adjusting the manpower replenishment plan based on the appointment status, the organizational efficiency is also improved by simplifying the work process. The manpower and other costs are effectively controlled and the Company is ranked fourth. The actual operating cost for the quarter was NTD 24,684 thousand lower than

the budget, or 3%.

II. Operating expenses:

During the epidemic, under border control and epidemic prevention measures, the hotel industry's revenue fell sharply. In order to reduce losses, it responded by reducing manpower. After the pandemic eased, the demand for travel rebounded rapidly. The hotel industry began to recruit employees again. However, the pace of replacement is far behind the growth of lodging demand, resulting in continued labor shortage. In order to meet the increase in lodging demand, we create more rooms for sale. Therefore, the cooperation with the housekeeping labor outsourcing company may increase the labor expenses higher than budgeted, but it does drive the revenue recovery. In addition, the outbreak of the e-commerce industry during the pandemic caused people to become accustomed to booking air tickets and lodging online. In addition, the recovery of the main customers of travel agencies in Japan and China was slower. As a result, the proportion of bookings made through the Internet has remained unchanged. For about 70% of these travelers, credit cards were used as payment method. As a result, commission expenses and credit card commission fees of the Company for 2023 were higher than budgeted. Actual operating expenses were NTD 25,654 thousand higher, or 21% , higher than budgeted.

III. Net non-operating gain or (expense):

The actual non-operating revenue in 2023 was higher than the budget mainly because the budget did not estimate interest revenue and other revenue. As a result, the actual net non-operating revenue (expense) decreased by NTD 7,124 thousand or 13% compared to the budget.

Appendices

Appendix 1

Green World Hotels Co., Ltd. Rules of Procedure for Meeting of Shareholders

Article 1 The rules of procedures for meetings of shareholders of the Company, except as otherwise provided by the laws, regulations or articles, shall be as provided in these Rules.

Article 2 The Company shall specify in the notices of meeting of shareholders the time during which shareholder attendance registrations will be accepted, the place to register for attendance, and other matters for attention.

As stated in the preceding paragraph, the time during which shareholder attendance registrations will be accepted shall be at least 30 minutes prior to the time the start of meeting time; the place at which attendance registrations are accepted shall be clearly marked and a sufficient number of suitable personnel assigned to handle the registrations.

Shareholders or their entrusted agents (hereinafter referred to as the shareholders) shall attend meetings of shareholders based on attendance cards, sign-in cards, or other certificates of attendance. The company may not arbitrarily add requirements for other documents beyond those showing eligibility to attend presented by shareholders. The soliciting agents shall also bring identification documents for verification.

The company shall prepare an attendance book for the attending shareholders to sign, or attending shareholders may hand in a sign-in card.

The company shall provide the attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be attached.

When the government or a corporate person is a shareholder, it may be represented by more than one representative at a meeting of shareholders. When a corporate person is entrusted to attend as proxy, it may designate only one person to represent it in the meeting.

Article 3 The voting for resolution at a meeting of shareholders shall be calculated based the number of shares.

With respect to the resolutions of the meeting of shareholders, the number of shares held by a shareholder with no voting rights shall not be calculated as part of the total number of issued shares. When a shareholder is an interested party in relation to an agenda item of the meeting and that such a relationship would prejudice the interests of the Company, that shareholder may not vote on that item and may not exercise voting rights as proxy for other shareholders.

The number of shares for which voting rights may not be exercised mentioned in the preceding paragraph, shall not be calculated as part of the voting represented by the attending shareholders. Except for a trust enterprise or a shareholder services agent approved by the competent authority, when one person is concurrently appointed as proxy by two or more shareholders, the voting rights represented by that proxy may not exceed 3% of the voting rights represented by the total issued shares. If that percentage is exceeded, the voting rights in excess of 3% shall not be included in the calculation.

Article 4 The location for a meeting of shareholders shall be the premises of the Company or a

place that is easily accessible to the shareholders and suitable for a meeting of shareholders. The meeting time may not be earlier than 9 a.m. and later than 3 p.m. and it shall take into full consideration for the opinions of the independent directors with respect to the place and time of the meeting.

Article 5 If a meeting of shareholders is convened by the board of directors, the meeting shall be chaired by the chairman of the board. The meeting shall be attended by a majority of the directors, and at least one member of each functional committee on behalf of the committee and the attendance shall be recorded in the meeting minutes. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as chair. If a managing director or a director serves as chair, as mentioned in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business status of the Company. The same shall be applied for a representative of a corporate person director that serves as chair.

If a meeting of shareholders is convened by a party other than the board of directors, the convening party shall chair the meeting. When there are two or more such convening parties, they shall select a chairman from among themselves.

The company may appoint its attorneys, accountants, or related persons to attend a meeting of shareholders without the voting capacity.

Article 6 The staff members handling administrative affairs at a meeting of shareholders shall wear identification cards or armbands.

The chairman may direct the proctors or securities to help maintain order at the meeting venue. The proctors or securities help maintain order at the meeting place shall wear an identification card or armband bearing the word "Proctor."

At the venue of a meeting of shareholders, if a shareholder attempts to speak through any device other than the public equipment set up by the Company, the chairman may stop the shareholder from so doing.

If shareholders violate the rules of procedure and defies the chairman's correction, obstructing the proceedings and refusing to heed calls to stop, the chairman may direct the proctors or securities to escort the shareholder from the meeting.

Article 7 The company shall make an uninterrupted audio and video recording of the entire meeting of shareholders, and the recorded materials shall be retained for at least one year.

The recorded audio and video materials of the preceding paragraph shall be retained for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

Article 8 Attendance at meetings of shareholders shall be calculated based on number of shares. The attended number of shares shall be calculated according to the shares indicated by the attendance book and sign-in cards handed in plus the number of shares whose voting rights are exercised by correspondence or electronically.

The chairman shall call the meeting to order at the appointed meeting time, as well as announce relevant information such as the number of people with non-voting rights and the number of attended shares at the same time. If the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, providing that no more than two such postponements and for a combined total of no more than one hour may be made. If after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.

If the quorum is not met after two postponements as referred to in the preceding paragraph, but the attending shareholders represent one third or more of the total number of issued shares, a tentative resolution may be adopted according to Article 175, Paragraph 1 of the Company Act. And all shareholders shall be notified of the tentative resolution and another meeting of shareholders shall be held within one month.

Prior to conclusion of the meeting, if the attending shareholders represent a majority of the total number of issued shares, the chairman may resubmit the tentative resolution for a resolution by the meeting of shareholders according to Article 174 of the Company Act.

Article 9 If a meeting of shareholders is convened by the board of directors, the meeting agenda shall be made by the board of directors. Related proposals (including extraordinary motions and the amendment of existing proposals) shall be voted individually. The meeting shall proceed in the order set by the agenda, which may not be changed without a resolution of the meeting of shareholders.

The regulations of the preceding paragraph may be applied to a meeting of shareholders convened by a party that is not the board of directors.

Except by a resolution of the meeting, the chairman may not declare the meeting adjourned prior to completion of deliberation on the meeting agenda of the preceding two paragraphs (including extraordinary motions). If the chairman declares the meeting adjourned in violation of the rules of procedure, the other members of the board of directors shall promptly assist the attending shareholders in electing a new chairman according to the regulations, by a consent of the shareholders representing a majority of voting, and then continue the meeting.

The chair shall allow ample opportunity during the meeting for explanation and discussion of proposals and of amendments or extraordinary motions put forward by the shareholders; when the chair is of the opinion that a proposal has been discussed sufficiently to put it to a vote, the chair may announce the discussion closed and call for a vote, and arrange adequate time for voting.

Article 10 Before the attending shareholders speak, they must write down on a speaker's slip the subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be determined by the chairman.

A shareholder in attendance who has submitted a speaker's slip but does not actually speak shall be regarded as does not speak. When the content of the speech does not match to the subject given on the speaker's slip, the spoken content shall prevail.

A shareholder may not speak more than twice on the same proposal, except with the agreement of the chairman, and a single speech may not exceed 5 minutes. However, if the shareholder's speech violates the rules or exceeds the scope of the agenda item, the chairman may terminate the speech.

When an attending shareholder is speaking, other shareholders may not speak or interrupt unless they have obtained the agreement of the chairman and the speaking shareholder, and the chairman shall stop any violation.

If a corporate person shareholder appoints two or more representatives to attend the meeting of shareholders, only one of the representatives may speak on the same proposal.

After an attending shareholder has spoken, the chairman may respond in person or direct relevant personnel to respond.

Article 11 The meetings of shareholders of the Company shall be convened by the board of directors, unless otherwise stipulated by other laws or regulations.

The company shall prepare electronic version of the meeting of shareholders notice and proxy forms and the case origins and description materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors, and upload them to the website of the Market Observation Post System at least 30 days before the date of a regular meeting of shareholders or at least 15 days before the date of a special meeting of shareholders. The company shall prepare an electronic version of the shareholders' meeting of agenda and supplemental meeting materials and upload them to the website of the Market Observation Post System at least 21 days before the date of the regular meeting of shareholders or at least 15 days before the date of the special meeting of shareholders. Moreover, at least 15 days before the date of the meeting of shareholders, the Company shall also have prepared the agenda of the shareholders' meeting of and supplemental meeting materials for shareholders' review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional share affairs services agent designated as well as being distributed on-site at the meeting venue.

The reason for convening a meeting of shareholders shall be specified in the meeting notice and announcement; and the meeting notice may be given in electronic form with the consent of the party.

Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, application for cessation of public offering, waiver of non-compete duty for directors, capitalization of retained earnings, capitalization of capital reserves, the dissolution, merger or demerger of the Company or any matter under Article 185, paragraph 1, of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the main contents shall be outlined in the notice of the reasons for convening the meeting of shareholders. None of the above matters shall be raised by an extraordinary motion.

If a full re-election of directors and their term have been stated in the notice of a meeting of shareholders, after the re-election is completed in that meeting of shareholders, the term of such directors or supervisors shall be changed by an extraordinary motion or any means.

A shareholder holding one percent or more of the total number of issued shares may submit to this Company a written proposal for discussion at a general meeting of shareholders. Such proposals, however, are limited to one item only and no proposal containing more than one item will be included in the meeting agenda. However, the board of directors should include in the agenda proposals with recommendations for promoting public interest or fulfilling corporate social responsibilities. In addition, when the circumstances of any subparagraph of Article 172-1, paragraph 4 of the

Company Act apply to a proposal put forward by a shareholder, the board of directors may exclude it from the agenda.

Prior to the book closure date before a general meeting of shareholders is held, the Company shall publicly announce the recruitment of shareholder proposals, the methods of submission, written or electronic versions, and the location and time period for submission; the period for submission of shareholder proposals shall not be less than 10 days.

Each shareholder proposal is limited to 300 words and no proposal containing more than 300 words will be included in the meeting agenda. The shareholder making the proposal shall be present in person or by proxy at the general meeting of shareholders and take part in the discussion of the proposal.

Prior to the date of issuance of the notice for a meeting of shareholders, this Company shall inform the shareholders who have submitted proposals for the meeting of the proposal screening results, and shall list in the meeting notice the proposals that conform to the provisions of this article. At the meeting of shareholders, the board of directors shall explain the reasons for exclusion of any shareholder proposals not included in the agenda.

Article 12 The shareholders may appoint a proxy to attend the meeting by providing the proxy form issued by the Company and stating the scope of the proxy's authorization.

A shareholder may issue only one proxy form and appoint only one proxy for any meeting of shareholders, and the proxy form shall be delivered to the Company at least 5 days before the date of the meeting of shareholders. When more than one proxy form is delivered, the one received earliest shall prevail. Unless a declaration is made to cancel the previously received proxy form.

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation is required to be submitted to the Company at least two business days before the meeting date; if the cancellation notice is submitted after that time, the vote cast by the proxy at the meeting shall prevail.

Article 13 The matters with regards to the election of directors at a meeting of shareholders shall be held according to the applicable election and appointment rules adopted by the Company and the voting results shall be announced on the spot, including the names of those elected as directors.

The ballots for the abovementioned election in the preceding paragraph shall be sealed with the signatures of the monitoring personnel and kept in proper custody for at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

Article 14 The resolution matters of a meeting of shareholders shall be recorded in the meeting minutes. The meeting minutes shall be signed or sealed by the chairman of the meeting and it shall be distributed to each shareholder within 20 days after the meeting date. The meeting minutes may also be produced and distributed in electronic form.

The Company may distribute the meeting minutes of the preceding paragraph by uploading to the website of Market Observation Post System as a public announcement.

The meeting minutes shall accurately record the year, month, day, and place of the meeting; the chair's full name, the methods by which resolutions are adopted and a summary of the deliberations and voting results (including the weights for statistics).

If an election of directors is held, the number of votes for each candidate shall also be disclosed. The meeting minutes shall be retained for the duration of the existence of this Company.

Article 15 The Company shall compile in the prescribed format a statistical statement of the number of shares obtained by solicitors through solicitation and the number of shares represented by proxies on the day of a meeting of shareholders, and shall make an express disclosure of the same at the venue of the meeting of shareholders.

If the resolution matters at a meeting of shareholders constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Company (Taipei Exchange; TPEx) regulations, the Company shall upload the content of such resolution to the website of Market Observation Post System within the prescribed time period.

Article 16 When a meeting is in progress, the chairman may announce a break based on time considerations. If a force majeure event occurs, the chairman may rule the meeting temporarily suspended and announce a time when the meeting will be resumed, depending on the circumstances.

If the meeting venue is no longer available for continued use and not all of the items (including extraordinary motions) on the meeting agenda have been concluded, the meeting of shareholders may resolve to resume the meeting at another venue.

A resolution may be adopted at a meeting of shareholders to defer or resume the meeting within five days according to Article 182 of the Company Act.

Article 17 Each shareholder shall be entitled to one vote for each share held, except when the shares are restricted as non-voting shares under Article 179, paragraph 2 of the Company Act.

When the Company holds a meeting of shareholders, shareholders shall be allowed to exercise voting rights by electronic means or may exercise such rights by correspondence. When exercising voting rights by correspondence or electronic means, the method of exercise shall be stated in the notice of meeting of shareholders. A shareholder exercising voting rights by correspondence or electronic means will be deemed to have attended the meeting in person. But it will also be regarded to have waived the rights with respect to the extraordinary motions and amendments to original proposals of the meeting. This Company should avoid making extraordinary motions and amendments to original proposals.

A shareholder intending to exercise his/her voting rights by correspondence or electronic method in the preceding paragraph shall deliver a written declaration of intent to the Company at least 2 days before the date of the meeting of shareholders. When duplicate declarations of intent are delivered, the one received earliest shall prevail. Unless otherwise a declaration is made to cancel the earlier declaration of intent.

After a shareholder has exercised the voting rights by correspondence or electronic method, in the event the shareholder intends to attend the meeting of shareholders in person, a written declaration of intent to retract the voting rights already exercised under the preceding paragraph shall be made known to the Company, by which the voting rights were exercised, at least two business days before the date of the meeting of shareholders; and if the notice of retraction is submitted after that time, the voting rights already exercised by correspondence or electronic method shall prevail. When a shareholder has exercised the voting rights by correspondence or electronic method as well as by appointing a proxy to attend a meeting of shareholders, the voting

rights exercised by the proxy in the meeting shall prevail.

The passage of a proposal shall require an affirmative vote of a majority of the voting rights represented by the attending shareholders, unless otherwise stipulated in the Company Act and in the Articles of Incorporation of the Company.

If there is an amendment or an alternative to a proposal, the chairman shall decide the order in which they will be put to a vote. When any one of the cases is passed, the other proposals will then be regarded as rejected, so that no further voting shall be required.

Vote monitoring and counting personnel on a proposal shall be appointed by the chairman, providing that all monitoring personnel shall be shareholders of the Company.

Vote counting for the proposals of meeting of shareholders or elections shall be conducted in public at the venue of the meeting of shareholders, and immediately after vote counting has been completed, the results of the voting, including the statistical numbers of votes, shall be announced on the spot at the meeting, and a record of the vote shall be made. And on the same day the meeting is held, the results for each proposal, based on the numbers of votes for and against and the number of abstentions, shall be uploaded to the website of Market Observation Post System.

Article 18 These Rules shall be implemented after the approval of the meeting of shareholders. The same shall apply to the amendments thereof.

Approved by the extraordinary meeting of shareholders on December 9, 1997.

1st amendment made at the AGM on May 15, 2002.

2nd amendment made at the AGM on June 22, 2012.

3rd amendment made at the AGM on June 21, 2013.

4th amendment made at the AGM on June 26, 2015.

5th amendment made at the AGM on June 15, 2020.

6th amendment made at the AGM on May 28, 2021.

Green World Hotels Co., Ltd.
Articles of Incorporation

Chapter 1 General Provisions

- Article 1 The Company is organized according to the Company Act and the name of the Company is 洛基實業股份有限公司.
(The Company's English name is Green World Hotels Co., Ltd.)
- Article 2 The Company shall conduct business in the following areas:
1. F401010 International trade industry.
 2. JE01010 Rental industry.
 3. F601010 Intellectual property rights industry.
 4. I199990 Other consultancy services industry.
 5. I301010 IT software services industry.
 6. IZ99990 Other commercial services industry.
 7. J202010 industrial cultivation industry.
 8. J901020 General hotel industry.
 9. J701020 Amusement park industry.
 10. J701040 Recreational activity industry.
 11. JA03010 Laundry industry.
 12. I103060 Management consultancy industry.
 13. JZ99080 Beauty salon services industry.
 14. F102050 Tea wholesales industry.
 15. F102170 Food and wholesale industry.
 16. F201010 Agricultural product retail industry.
 17. F203010 Food and beverage retail industry.
 18. F206020 Daily commodities retail business industry.
 19. F501030 Beverage shop industry.
 20. F501060 Restaurant industry.
 21. G202010 Parking lot management industry.
 22. H703090 Real estate business.
 23. H703100 Real estate leasing industry.
 24. F203020 Tobacco and liquor retail industry.
 25. F399040 No storefront retail industry.
 26. J901011 Tourism hotel industry
 27. ZZ99999 In addition to the licensed business, it can operate businesses that are not prohibited or restricted by the laws.
- Article 3 The head office of the Company is located in Taipei City, and if it is necessary, the Company may establish domestic or overseas branch companies with the approval of the board of directors and the competent authority.
- Article 4 The total amount of all reinvested businesses of the Company may exceed 40% of the paid-up capital of the Company. The board of directors is authorized for making the strategic business decision of the reinvested business.

Article 5 The company may make the external endorsement or guarantee; the regulations for endorsements and guarantees will be implemented upon the approval of the meeting of shareholders, and the same shall be applied to the amendments.

Article 6 The company's announcement is conducted in accordance with Article 28 of the Company Act.

Chapter 2 Shares

Article 7 The total capital of the Company shall be NT\$2.5 billion, divided as 250 million shares with a par value of NT\$10 per share, and of which 10 million shares are reserved for stock option certificates, and the rest can be used for the issuance of preferred shares and some shares can be reserved for the conversion of convertible bonds. Authorize the board of directors to issue by installments.

Article 7-1 (This article is deleted)

Article 7-2 (This article is deleted)

Article 7-3 (This article is deleted)

Article 7-4 The treasury stocks purchased by the Company according to the Company Act may include employees of subsidiaries or affiliated companies meeting certain specific requirements.
The Company's issuance of stock option certificates for employees may include employees of subsidiaries or affiliated companies meeting certain specific requirements.
When issuing new shares, the acquired shares for the employees of the Company may include employees of subsidiaries or affiliated companies meeting certain specific requirements.
When issuing new shares with restriction on the employees' rights, the acquired shares for the employees of the Company may include employees of subsidiaries or affiliated companies meeting certain specific requirements.

Article 8 The shares of the Company shall be numbered and signed or stamped by three or more directors, and they can be issued upon the approval of competent authority or its certified issuance and registration authority.

Article 9 The shares of the Company are all registered shares. When issuing new shares, the Company may print out the total issued number of shares, or it may be conducted in a manner that is free of printed shares, in accordance with the regulations of the Company Act.

Article 10 The shareholders of the Company may transfer their shares, conduct a pledge of rights, report on loss, inheritance, gift and report on stamp loss or change, and change of address, etc.; they shall be conducted according to the "Regulations Governing the Administration of Shareholder Services of Public Companies," unless otherwise by the provisions of the securities laws and regulations.

Article 11 The change of shareholder's name in a register or stock transfer will be suspended within 60 days before the general meeting of shareholders, within 30

days before the special meeting of shareholders, or within five days before the record date of the Company's distribution of dividends or other benefits. The period mentioned in the preceding paragraph shall be from the meeting date or the record date.

Chapter 3 Meeting of Shareholders

- Article 12 The meeting of shareholders includes the general meeting of shareholders and extraordinary meetings of shareholders.
1. The general meeting of shareholders will be convened once a year. It is convened by the board of directors six months after the end of each fiscal year, in accordance with the laws.
 2. If necessary, the extraordinary meeting of shareholders will be convened in accordance with the laws.
The convening of shareholders meetings shall be subject to a board of directors resolution. The Company may convene shareholders meetings in physical, hybrid, or virtual-only form pursuant to the provisions set forth in Regulations Governing the Administration of Shareholder Services of Public Companies promulgated by the competent authority.

- Article 13 Each shareholder of the Company shall have a voting right for each share held, unless otherwise stipulated by the laws and regulations.
The voting rights may be exercised in writing or electronically at the meeting of shareholders of the Company. If the voting rights are to be exercised in writing or electronically, it shall be specified in the notice of the meeting of shareholders, and it shall be considered to have attended the meeting of shareholders in person. But it will also be regarded to have waived the rights with respect to the extraordinary motions and amendments to original proposals of the meeting. This Company should avoid making extraordinary motions and amendments to original proposals.

- Article 14 A resolution of a meeting of shareholders shall be adopted with a consent of the shareholders representing a majority of the voting rights at the meeting attended by shareholders holding a majority of the total issued shares, unless otherwise stipulated by the related laws and regulations.

Chapter 4 Directors and Audit committee

- Article 15 The Company has 5-9 directors, and the term of office is three years. Directors and supervisors are elected or re-elected by the meeting of shareholders among competent shareholders. Candidates for directors shall be nominated according to the candidate nomination system specified in Article 192-1 of the Company Act and elected from the list of candidates by the meeting of shareholders.
On the basis of Article 14-2 of the Securities and Exchange Act and the regulations of Article 183 of the Securities and Exchange Act, the Company shall have no less than two independent directors in the list of directors specified in the preceding paragraph, and the number of independent directors shall not be less than one-third of the number of directors.
If the directors' terms of office have expired but new directors are not re-elected, the directors' terms will be extended until the re-election and new directors take office.

The Company has created an audit committee at the 13th term of the Board of Directors according to Article 14-4 of the Securities and Exchange Law, and the audit committee is responsible for the implementation of the supervisors' duties under the Companies Act, the Securities and Exchange Law and other laws. The audit committee is consisted of all independent directors. The number of the members shall not be less than three, and one of them shall be the convener and at least one of them shall have expertise in the field of accounting or finance. The relevant rules of the organization shall be resolved by the board of directors. The total number of registered shares held by all directors of the Company shall be conducted according to the standards in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" announced by the competent authority. The Company may purchase liability insurance for the Company's directors.

Article 16 The Board of Directors consists of directors and the directors should attend the meeting of the board of directors in person. If the directors are unable to attend the meeting for any reason, they may entrust other directors to attend, but each director is limited to act for only one other director. When the meeting of the board of directors is called via video conference, the directors who participate in the video conference are regarded as attending the meeting in person. One chairman and one vice-chairman of the Company will be elected based on the consent of the directors representing a majority of the voting rights at the meeting of the board of directors attended by two-thirds of the directors or more. The chairman represents the Company externally. The meeting of the board of directors will be convened at least once every three months, but a special meeting may be called at any time for emergency circumstances. The meeting notice for the meeting of the board of directors can be in the form of written, fax or email notification.

Article 17 A resolution of the board of directors' meeting shall be adopted with a consent of the directors representing a majority of the voting rights at the meeting attended by more than half of the directors. The board of directors may establish a Remuneration Committee or other functional committees for the needs of business operations.

Article 18 When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the acting role shall be conducted in accordance with the provisions of Article 208 of the Company Act.

Article 19 Remunerations of all directors shall be discussed and determined at the board of directors meeting, and regardless of the profit or loss of the Company, they shall be paid based on the remuneration level in the industry.

Chapter 5 Managers

Article 20 The company shall have one general manager and several deputy general managers and managers, and its appointment, dismissal and remuneration shall be conducted according to Article 29 of the Company Act.

Chapter 6 Accounting

- Article 21 At the end of each fiscal year, the board of directors shall prepare the following:
(I) Business report.
(II) Financial statements.
(III) Proposal for distribution of profits or compensation of losses.
The various reports and financial statements shall be submitted to the audit committee for review 30 days before the general meeting of shareholders, and submitted to the meeting of shareholders for ratification.
The distribution of cash dividends in the profit distribution will be based on the consent of the directors representing a majority of the voting rights at the meeting of the board of directors attended by two-thirds of the directors or more. All or part of the dividends and bonus should be distributed in cash and it shall be reported in the meeting of shareholders.
- Article 22 If the Company has profits in the year, it should reserve 0.7% to 10% for the employees' remuneration and 1% or less for the directors' remuneration. 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 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.

Chapter 7 Supplementary Provisions

- Article 23 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.
- Article 24 The directors and managerial officers of the Company shall not disclose or reveal confidential documents of the Company or the confidential information regarding technology, market or products that are involved in the business operations of the Company to others.
- Article 25 For any matter that is not stipulated in these articles, the matter shall be conducted according to the Company Act.
- Article 26 This regulation was stipulated on July 19, 1994.
The first amendment was made on October 15, 1994.
The second amendment was made on December 21, 1995.
The third amendment was made on April 1, 1996.
The fourth amendment was made on September 2, 1996.

The fifth amendment was made on March 17, 1997.
The sixth amendment was made on July 22, 1998.
The seventh amendment was made on December 18, 2000.
The eighth amendment was made on May 15, 2002.
The ninth amendment was made on June 30, 2003.
The tenth amendment was made on May 14, 2004.
The eleventh amendment was made on May 14, 2004.
The twelfth amendment was made on February 21, 2005.
The thirteenth amendment was made on June 23, 2006.
The fourteenth amendment was made on December 12, 2006.
The fifteenth amendment was made on June 15, 2007.
The sixteenth amendment was made on December 5, 2007.
The seventeenth amendment was made on June 13, 2008.
The eighteenth amendment was made on June 19, 2009.
The nineteenth amendment was made on June 22, 2012.
The twentieth amendment was made on June 21, 2013.
The twenty-first amendment was made on August 12, 2013.
The twenty-second amendment was made on December 30, 2013.
The twenty-third amendment was made on December 30, 2013.
The twenty-fourth amendment was made on June 25, 2014.
The twenty-fifth revision was made on June 26, 2015.
The twenty-sixth revision was made on made June 13, 2016.
The twenty-seventh amendment was on made December 15, 2016.
The twenty-eighth amendment was made on June 26, 2018.
The twenty-ninth amendment was made on June 28, 2019.
The thirty amendment was made on June 23, 2022.

Green World Hotels Co., Ltd.
Chairman Hsieh, Hsien-Chih

Green World Hotels Co., Ltd.

Shareholdings of all directors

- I. The total paid-in capital of the Company: NT\$219,456,690
The total number of issued shares of the Company: 21,945,669 shares.
- II. The statutory shares of all directors: 2,633,480 shares
- III. As of the book closure date of the shareholders meeting, the shareholdings of all directors of the Company are as follows:

Book closure date: April 20, 2024

Title	Name	Elective Date	Term of office (year)	Number of shareholdings in the entries in the shareholders' roster as of the book closure date	Shareholding ratio
Chairman	Shenyan Investment Co., Ltd. Representative: Hsieh Hsien-Chih	2023.6.16	3	1,586,100	7.23%
Director	Shenyan Investment Co., Ltd. Representative: Chang, Shi-Feng	2023.6.16	3	1,586,100	7.23%
Director	Yiyaun Investment Co., Ltd. Representative: Liu, Tang-Kun	2023.6.16	3	362,359	1.65%
Director	HIS Hotel Holdings Co., Ltd. Representative: Xin, Kang-Yen	2023.6.16	3	11,192,291	51%
Independent director	Liu, Shui-Sheng	2023.6.16	3	0	0%
Independent director	Wu, Yi-Tsai	2023.6.16	3	0	0%
Independent director	Chang, Yu	2023.6.16	3	0	0%
Total shareholdings of all directors				13,140,750	59.88%