

Stock code: 8077



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

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# **Handbook for the 2019 Annual General Meeting of Shareholders**

Meeting Date and Time: 9:00 A.M. on June 28, 2019

Location: 13F., No. 95, Section 2, Zhongxiao East Rd., Zhongzheng District,  
Taipei City (Conference room in the Mega Securities Building)

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# **Green World Hotels Co., Ltd.**

## **2019 Annual General Shareholders' Meeting Procedures**

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

# **Green World Hotels Co., Ltd.**

## **2019 Annual General Shareholders' Meeting Agenda**

Date and Time: 9:00 A.M., June 28 (Tuesday), 2019

Location: 13F., No. 95, Section 2, Zhongxiao East Rd., Zhongzheng District, Taipei City (Conference room in the Mega Securities Building)

1. Call the Meeting to Order
2. Remarks by the Chairman
3. Report Items
  - I. The Company's 2018 annual business report.
  - II. Supervisor's review report on the 2018 financial statements
  - III. 2018 report on the distribution of compensation of employees and directors.
  - IV. The assessment opinion issued by the securities firm that conducted the private placements of common stock in 2012.
4. Ratification Items
  - I. Ratification of the Company's 2018 financial statements.
  - II. Ratification of the Company's 2018 profit distribution plan.
5. Discussion items
  - I. Amendment to the "Articles of Incorporation."
  - II. Amendment to the "Procedures for acquisition or disposition of assets."
  - III. Amendment to the "Operational Procedures for Loaning Funds to Others" and "Implementation Measures for Endorsements and Guarantees."
  - IV. The case of waiving the directors' non-competition restriction.
6. Extraordinary Motions
7. Adjournment

## **[Report Items]**

### Case 1

Case: The Company's 2018 business report submitted for review.

Explanation: Please refer to Annex 1 of this handbook for the 2018 business report of the Company.

### Case 2

Case: Supervisor's review report on the 2018 financial statements.

Explanation: Please refer to Annex 2 of this handbook for the supervisor's review report on the 2018 financial statements.

### Case 3

Case: 2018 report on the distribution of compensation of employees and directors.

Explanation:

- I. The Company's profit before tax in 2018 is NT\$37,047 and the Company shall reserve 0.7% to 10% for the employee's remuneration and the directors and supervisors' remuneration shall not be more than 1%, according to Article 22, Paragraph 1 of the Articles of Incorporation. However, if the Company still has accumulated losses, the amount shall be reserved in advance.
- II. The Company plans to distribute NT\$261,159 to employees in cash for the 2018, and there will be no compensation distribution for directors and supervisors.

### Case 4

Case: The assessment opinion issued by the securities firm that conducted the private placements of common stock in 2012.

Explanation:

- I. The assessment opinion issued by the securities firm that conducted the private placements of common stock in 2012 according to the "Directions for Public Companies Conducting Private Placements of Securities," can be referred to Annex 3 of this handbook.
- II. The private placements of common stock and application of public offering conducted by the Company in 2012 was approved by the competent authority on December 27, 2018, with the letter of Jin-Guan-Zheng-Fa-Zi No. 1070347542. The company was officially listed on the OTC market on January 29, 2019.

## **[Ratification Items]**

Case 1

**[Proposed by the Board of Directors]**

Case: 2018 financial statements submitted for ratification

Explanation:

- I. The company's 2018 individual financial statements and the consolidated financial statement were audited by the certified public accountant Chang Shuying and Chih Shihchin of KPMG Taiwan, and the audit report is issued without reserved opinions.
- II. The company's 2018 business report and financial statements have been submitted and verified by the supervisors.
- III. Please refer to Annex 1, Annex 2 and Annex 4 of this handbook for the abovementioned 2018 financial statements of the Company,
- IV. Please ratify.

Resolution:

Case 2

**[Proposed by the Board of Directors]**

Case: 2018 profit distribution submitted for ratification.

Explanation:

- I. The Company's undistributed profit was 43,597 in thousand NTD in the beginning of the period, adding to the net profit after tax of 40,790 in thousand NTD in 2018 and 10% of the net profit after tax, 4,079 in thousand NTD, should be reserved for the statutory surplus reserve according to Article 22-1 of the Articles of Incorporation. As of the end of 2018, the available profit for distribution was 80,308 in thousand NTD. It is planned that no cash dividend will be distributed for shareholders this year, hence the undistributed profit at the end of the period is 80,308 in thousand NTD.
- II. Please refer to Annex 5 of this handbook for the 2018 profit distribution schedule of the Company.
- III. Please ratify.

Resolution:

**[Discussion Items]**

Case 1

**[Proposed by the Board of Directors]**

Case: Amendment to the “Articles of Incorporation.”

Explanation:

- I. To be in compliance with the Company Act announced by the Executive Yuan on October 26, 2018, with the Tai-Jing-Zi No. 1070037184, and to fulfill the Company’s operational requirements, it is proposed to amend some of the regulations in the Articles of Incorporation.
- II. Please refer to Annex 6 of this handbook for the comparison table of amendments to the “Articles of Incorporation” of the Company.
- III. Please discuss and verify.

Resolution:

Case 2

**[Proposed by the Board of Directors]**

Case: Amendment to the “Procedures for acquisition or disposition of assets.”

Explanation:

- I. Amendment to the “Procedures for acquisition or disposition of assets” of the Company was conducted in accordance with the “Guidelines for the Acquisition or Disposal of Assets of Public Offering Companies” announced by the Financial Supervisory Committee, with the Jin-Guan-Zheng-Fa-Zi No. 1070341072.
- II. Please refer to Annex 7 of this handbook for the comparison table of amendments to the “Procedures for acquisition or disposition of assets.”
- III. Please discuss and verify.

Resolution:

Case 3

**[Proposed by the Board of Directors]**

Case: Amendment to the “Operational Procedures for Loaning Funds to Others” and “Implementation Measures for Endorsements and Guarantees” are reported for discussion.

Explanation:

- I. It is planned to amend some regulations of the Company’s “Operational Procedures for Loaning Funds to Others” and “Implementation Measures for Endorsements and Guarantees,” in compliance with the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies” which was amended by the Financial Supervisory Committee on March 7, 2019 with the

Jin-Guan-Zheng-Shen-Zi Ord No. 1080304826.

- II. Please refer to Annex 8 and 9 of this handbook for the comparison table of amendments to the Company's "Operational Procedures for Loaning Funds to Others" and "Implementation Measures for Endorsements and Guarantees".
- III. Please discuss and verify.

Resolution:

Case 4

**[Proposed by the Board of Directors]**

Case: The case of waiving the directors' non-competition restriction is reported for discussion

Explanation:

- I. On the basis of Article 209 of the Company Act, directors shall explain the important content of their conduct to the shareholders' meeting and obtain permission for the conducts they engaged for themselves or others that are within the business scope of the Company, the shareholders' meeting shall explain the.
- II. The planned details of waiving the directors' non-competition restriction can be seen in Annex 10.
- III. Please discuss and verify.

Resolution:

**[ Extraordinary Motions]**

**[ Adjournment]**



## 2018 Business Report

In 2018, the number of tourists visiting Taiwan did not have significant growth, but the number of hotels in the market continues to increase, thus making competition in the hotel industry even more intensive. Especially in Taipei City, where the hotel industry is competitive and the market price is open and visible to consumers, the only way to maintain the profits and growth of the company is to adopt an effective marketing strategy and provide our hotel guests with high quality services. In addition to continuous investment in enhancing the value of the existing hotels, the Company's first hotel that combines technology, the Green World Triplebeds hotel, was acquired by the Company in 2018 and it had successfully attracted attention in the market. Furthermore, the Company progressively implements differential marketing based on various customer groups, and the fruitful result of this integrated marketing strategy is becoming more and more significant. This is also the reason that the Company was still able to maintain its profits in 2018, regardless of the continuously growing number of hotels and hotel rooms in Taipei City.

The Company continued to generate more than NT\$ 1 billion in revenue in 2018. The total revenue of the Company in 2018 was 1,161,786,000 NTD which is an increase of 6.03% from 2017, and the net profit after tax was 40,790,000 NTD. The 2018 annual business report of the Company is as follows:

### I. The 2018 annual consolidated financial report: (in thousand NTD)

#### (I) The 2018 business implementation results

Year \ Items	2017	2018
Operating revenue	1,095,731	1,161,786
Operating costs	890,772	940,536
Operating gross profit	204,959	221,250
Operating gain or loss	61,320	41,408
Non-operating gain or loss	(10,739)	(4,373)
Net profit before tax	50,581	37,035
Net profit (loss) of the current period	48,441	40,790

(II) The 2018 annual budget implementation status: The company did not have a financial forecast plan and therefore it does not apply to the company.

#### (III) The 2018 financial analysis:

Items	Year	2017	2018
Financial structure	Ratio of debts to assets	29.13	27.72
	Percentage of long-term funds to real property, factories and equipment	146.10	153.43
Solvency	Current ratio	88.01	104.94
	Quick ratio	84.91	100.74
Management capacity	Receivables turnover (number of times)	13.81	13.35
	Average number of cash received days	26.43	27.34

Items		Year	2017	2018
Profitability	Return on assets		2.3	1.79
	Return on equity		4.16	2.30
	Ratio of net profit before tax to paid-up capital		4.61	3.38
	Net profit rate		4.42	3.51
	Earnings per share (dollars)		0.51	0.37

(IV) Status of research and development

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

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

The number of tourists visiting Taiwan reached a new high in 2018, and the Japanese market, out of the main market sources, had a growth rate of 3.7%. On the basis of the statistics of the Tourism Bureau, the tourists from Southeast Asian countries had the highest growth rate, followed by tourists from Japan, while the number of tourists from mainland China, Hong Kong, Macao and South Korea all decreased throughout the year. However, with the significant growth of Southeast Asian tourists, the total number of tourists visiting Taiwan reached 11,066,707 in 2018, which is an increase of 3.05% from 2017. The detailed data is as follows.

Region	Number of tourists visiting Taiwan in 2017	Number of tourists visiting Taiwan in 2018	Increase or decrease %	Increase or decrease number
Southeast Asia	2,137,138	2,430,119	13.71	292,981
Japan	1,898,854	1,969,151	3.70	70,297
Hong Kong and Macau	1,692,063	1,653,654	(2.27)	(38,409)
Mainland China	2,732,549	2,695,615	(1.35)	(36,934)
Korea	1,054,708	1,019,441	(3.34)	(35,267)

As for the increased number of hotels in 2018, the total increased number of general and legal hotels in Taipei City and New Taipei City is 32, with the total increased rooms being 2,101. The number of tourism hotels increased by one, with the total increased rooms being 150. The total increased number of rooms in general hotels and tourism hotels was 2,257. In summary, looking forward to 2019, the hotel industry is still expecting challenges to some extent, due to the factors such as the number of tourists visiting Taiwan is not expected to have significant growth, the growth number of illegal accommodation business operators, and the reducing number of tourists from mainland China continues.

**III. Summary of the 2019 business plan and future development strategy of the company:**

The company's 2019 business plan summary and future company development strategy are as follows:

(I) Continue to reinforce the 2018 operational policies

1. Add an investment strategy that aims to enhance the value of the existing hotels.

2. Continue to integrate the marketing strategies.
  3. Strengthen the strategy of cost control.
- (II) Expansion of new hotels  
Including the expansion plan of new hotels outside of Taipei City.
- (III) Creating a high quality experience
1. Improve tourist's reception experience.
  2. Offer better breakfast.
  3. Improve interior decoration.
- (IV) Generate revenues other than accommodation  
Create added value and increase revenue other than accommodation through the large amount of hotel guests.

Although more hotel business operators are expected to join the industry in Taipei City and New Taipei City in 2019 and the number of hotels and hotel rooms are expected to continue to increase, the Company is expected to continue to maintain the profit and enhance shareholders' rights and interests, with its comprehensive development strategy.

**Chairman and General Manager:**  
**HSIEH,HSIEN-CHIH**

Green World Hotels Co., Ltd.

The supervisor's auditing report

The company's board of directors has prepared and submitted the 2018 annual report, the disposition of net earnings, and the individual financial statements and consolidated financial statement audited by accountant CHANG,SHU-YING and CHIH,SHIH-CHIN of the KPMG Taiwan. I, as a supervisor of the company, hereby declare that I 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 2018 general meeting of shareholders

Supervisor: LIU,TANG-KUN

Supervisor: LIU,CHIA-MING

Supervisor: KAO,YI-HSING

Green World Hotels Co., Ltd.

(The Company was formerly known as Kuanhua Technology Co., Ltd.)

The securities underwriter's assessment opinion on the necessity  
and reasonableness of the private placements of securities

Principal of the opinion report: Green World Hotels Co., Ltd.

Receiver of the opinion report: Green World Hotels Co., Ltd.

The purpose of the opinion report: It is only used for conducting the private placements of securities of Green World Hotels Co., Ltd. (the Company was formerly known as Kuanhua Technology Co., Ltd.) in 2012

Report type: The securities firm's assessment opinion on the necessity and reasonableness of the

Evaluation institution: Mega Securities Co., Ltd.

Representative: Chen Peijun

private placements of securities

(The content of this opinion report is only used as a reference for the proposal of conducting the private placements of securities of Green World Hotels Co., Ltd. in 2012, and it shall not be used for other purposes; in addition, this opinion report is based on the financial information provided by Green World Hotels Co., Ltd. and the information published on the website of "Market Observation Post System" and this opinion report will no longer be updated for any future changes in the Company's private placements plan or any other changes that may affect the content of this opinion report, and this opinion report is not responsible for any legal liability. )



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## Independent Auditors' Report

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

### Opinion

We have audited the consolidated financial statements of Green World Hotels Co., Ltd. and its subsidiaries ("the Group"), which comprise the consolidated statements of financial position as of December 31, 2018 and 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, 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 intangible assets, property, plant, and equipment:

Refer to Notes 4(h) "Property, plant, and equipment", 4(j) "Intangible assets", 6(c) "Property, plant, and equipment" and 6(d) "Intangible assets" to the consolidated financial statements for the accounting policies and the details of the information.



#### Description of key audit matter

As of December 31, 2018, the carrying amount of intangible assets, property, plant, and equipment constitute 63% of the total assets of the Group. The major part of intangible assets are originated from the acquisition of Green World Hotel Co., Ltd. in 2015. Since the aforementioned assets' operation performance are affected by industry competition, government policy, and economic environment, the estimated recoverable amount of future discounted cash flows is highly uncertain; hence, there is a risk of overestimate intangible assets, property, plant, and equipment. We pay more attention to the appropriateness of the assumptions, estimates and judgments of the future discounted cash flows during the audit process.

#### How the matter was addressed in our audit

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, profit margin, cash basis revenue, and cost increase rate). We verify the reasonability of the assumptions and accuracy of management's calculation based on available data.

#### **Other Matter**

We have also audited the financial statements of Green World Hotels Co., Ltd. as of and for the years ended December 31, 2018 and 2017, and have issued unqualified audit reports.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, interpretation as well as related guidance endorsed 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including the supervisors) are responsible for overseeing the Group's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

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





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

The engagement partners on the audit resulting in this independent auditors' report are Shu-Ying Chang and Shih-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)  
March 19, 2019

#### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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 consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets**  
**December 31, 2018 and 2017**  
**(Expressed in thousands of New Taiwan Dollars)**

	<b>December 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
<b>Assets</b>				
<b>Current assets:</b>				
1100 Cash and cash equivalents (note 6(a))	\$ 306,790	13	399,588	16
1150 Notes receivable, net (notes 6(b), (l) and 7)	27,940	1	34,669	2
1170 Accounts receivable, net (notes 6(b), (l) and 7)	58,174	2	53,246	2
1220 Current tax assets	193	-	-	-
1476 Other current financial assets (notes 6(a) and (e))	161,658	7	8,914	-
1479 Other current assets	<u>23,145</u>	<u>1</u>	<u>18,069</u>	<u>1</u>
	<u>577,900</u>	<u>24</u>	<u>514,486</u>	<u>21</u>
<b>Non-current assets:</b>				
1600 Property plant, and equipment (note 6(c))	1,256,031	51	1,290,266	52
1780 Intangible assets (note 6(d))	426,903	17	451,671	18
1840 Deferred tax assets (note 6(i))	59,378	2	50,339	2
1980 Other financial assets-non-current (notes 6(e), 7 and 8)	156,763	6	156,035	7
1990 Other non-current assets	<u>798</u>	<u>-</u>	<u>6,828</u>	<u>-</u>
	<u>1,899,873</u>	<u>76</u>	<u>1,955,139</u>	<u>79</u>
<b>Total assets</b>	<b>\$ <u>2,477,773</u></b>	<b><u>100</u></b>	<b><u>2,469,625</u></b>	<b><u>100</u></b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**

**Consolidated Balance Sheets (CONT'D)**

**December 31, 2018 and 2017**

(Expressed in thousands of New Taiwan Dollars)

		December 31, 2018		December 31, 2017	
		Amount	%	Amount	%
<b>Liabilities and Equity</b>					
<b>Current liabilities:</b>					
2100	Short-term borrowings (note 6(f))	\$ 430,000	18	470,000	19
2130	Current contract liabilities (note 6(l))	8,972	-	-	-
2150	Notes payable	4,150	-	11,995	1
2170	Accounts payable (note 7)	47,597	2	41,906	2
2200	Other payable (notes 6(c), (h), (n) and 7)	53,836	2	53,165	2
2230	Current tax liabilities (note 6(i))	4,360	-	426	-
2399	Other current liabilities	1,767	-	7,116	-
		<u>550,682</u>	<u>22</u>	<u>584,608</u>	<u>24</u>
<b>Non-Current liabilities:</b>					
2612	Long-term accounts payable (note 6(g))	135,356	6	134,072	5
2645	Guarantee deposits	828	-	828	-
		<u>136,184</u>	<u>6</u>	<u>134,900</u>	<u>5</u>
	<b>Total liabilities</b>	<u>686,866</u>	<u>28</u>	<u>719,508</u>	<u>29</u>
<b>Equity attributable to owners of parent (note 6(j)):</b>					
3100	Capital stock	1,097,283	44	1,097,283	44
3200	Capital surplus	604,393	25	604,393	25
3310	Legal reserve	4,844	-	-	-
3350	Unappropriated retained earnings	84,387	3	48,441	2
	<b>Total equity</b>	<u>1,790,907</u>	<u>72</u>	<u>1,750,117</u>	<u>71</u>
	<b>Total liabilities and equity</b>	<u>\$ 2,477,773</u>	<u>100</u>	<u>2,469,625</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2018 and 2017**  
(expressed in thousands of New Taiwan Dollars , except earnings per share)

	<u>2018</u>		<u>2017</u>	
	Amount	%	Amount	%
4000	<b>Operating revenues (note 6(l), (m) and 7)</b>			
	\$ 1,161,786	100	1,095,731	100
5000	<b>Operating costs (notes 6(c), (d), (g), (h), (n) and 7)</b>			
	<u>940,536</u>	<u>81</u>	<u>890,772</u>	<u>81</u>
	<b>Gross profit from operations</b>			
	<u>221,250</u>	<u>19</u>	<u>204,959</u>	<u>19</u>
	<b>Operating expenses (notes 6(c), (d), (g), (h), (n) and 7):</b>			
6100	Selling expenses	112,016	10	87,026
6200	Administrative expenses	<u>67,826</u>	<u>6</u>	<u>56,613</u>
	<b>Operating expenses</b>	<u>179,842</u>	<u>16</u>	<u>143,639</u>
	<b>Operating income</b>			
	<u>41,408</u>	<u>3</u>	<u>61,320</u>	<u>6</u>
	<b>Non-operating income and expenses (notes 6(c), (d), (o) and 7):</b>			
7010	Other income	1,661	-	1,304
7020	Other gains and losses, net	(1,540)	-	(639)
7050	Finance costs	<u>(4,494)</u>	<u>-</u>	<u>(11,404)</u>
		<u>(4,373)</u>	<u>-</u>	<u>(10,739)</u>
7900	<b>Profit before income tax</b>			
	37,035	3	50,581	5
7950	<b>Less: income tax expenses (gains) (note 6(i))</b>			
	<u>(3,755)</u>	<u>-</u>	<u>2,140</u>	<u>-</u>
	<b>Profit</b>			
	<u>40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
8300	<b>Other comprehensive income, net</b>			
	-	-	-	-
8500	<b>Comprehensive income</b>			
	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
	<b>Profit, attributable to:</b>			
8610	<b>Owners of parent</b>			
	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
	<b>Comprehensive income attributable to:</b>			
8710	<b>Owners of parent</b>			
	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
	<b>Earnings per share (note 6(k))</b>			
9710	<b>Basic earnings per share (NT dollars)</b>			
	<u>\$ 0.37</u>		<u>0.51</u>	
9810	<b>Diluted earnings per share (NT dollars)</b>			
	<u>\$ 0.37</u>		<u>0.51</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Changes in Equity**

For the years ended December 31, 2018 and 2017

(expressed in thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Total equity attributable to owners of parent	Total equity
	Capital stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total equity attributable to owners of parent		
<b>Balance on January 1, 2017</b>	\$ 537,669	148,508	-	(106,506)	579,671	579,671	
Profit for the year ended December 31, 2017	-	-	-	48,441	48,441	48,441	
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	-	-	
Comprehensive income for the year ended December 31, 2017	-	-	-	48,441	48,441	48,441	
Capital surplus used to offset accumulated deficits	-	(106,506)	-	106,506	-	-	
Capital issue by cash	559,614	562,391	-	-	1,122,005	1,122,005	
Balance on December 31, 2017	1,097,283	604,393	-	48,441	1,750,117	1,750,117	
Profit for the year ended December 31, 2018	-	-	-	40,790	40,790	40,790	
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	-	-	
Comprehensive income for the year ended December 31, 2018	-	-	-	40,790	40,790	40,790	
Appropriation and distribution of retained earnings:	-	-	-	-	-	-	
Legal reserve	-	-	4,844	(4,844)	-	-	
<b>Balance on December 31, 2018</b>	\$ 1,097,283	604,393	4,844	84,387	1,790,907	1,790,907	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows**

For the years ended December 31, 2018 and 2017

(expressed in thousands of New Taiwan Dollars)

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 37,035	50,581
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	129,029	115,905
Amortization expense	27,508	29,086
Provision for bad debt expense	-	10
Interest expense	4,494	11,404
Interest income	(1,661)	(1,304)
Impairment loss on non-financial assets	4,382	2,735
Gain on reversal of long-term accounts payable	-	(540)
Lease expense	1,284	1,203
<b>Total adjustments to reconcile (profit) loss</b>	<u>165,036</u>	<u>158,499</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	6,729	(6,534)
Accounts receivable	(4,928)	(10,738)
Other current assets	(5,033)	6,108
Other financial assets	(244)	(303)
Contract liabilities	2,984	-
Notes payable	(7,845)	5,582
Accounts payable	5,691	18,759
Other payable	15,335	3,336
Other current liabilities	639	1,706
<b>Total changes in operating assets and liabilities</b>	<u>13,328</u>	<u>17,916</u>
<b>Total adjustments</b>	<u>178,364</u>	<u>176,415</u>
Cash inflow generated from operations	215,399	226,996
Interest received	1,661	1,304
Interest paid	(4,499)	(12,669)
Income taxes paid	(1,586)	(3,659)
<b>Net cash flows from operating activities</b>	<u>210,975</u>	<u>211,972</u>

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES**

**Consolidated Statements of Cash Flows (CONT'D)**

**For the years ended December 31, 2018 and 2017**

**(expressed in thousands of New Taiwan Dollars)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of property plant, and equipment	(110,445)	(370,115)
Proceeds from disposal of property, plant, and equipment	-	676
Increase in other financial assets	(153,228)	(23,155)
Acquisition of intangible assets	(100)	(1,434)
Proceeds from disposal of intangible assets	-	44
Decrease in other non-current assets	-	1,544
<b>Net cash flows used in investing activities</b>	<u>(263,773)</u>	<u>(392,440)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	280,000	470,000
Decrease in short-term loans	(320,000)	(56,250)
Decrease in short-term notes	-	(80,000)
Repayments of long-term debt	-	(540,044)
Decrease in other payables to related parties	-	(423,000)
Capital increase by cash	-	1,122,005
<b>Net cash flows from (used in) financing activities</b>	<u>(40,000)</u>	<u>492,711</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(92,798)</u>	<u>312,243</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>399,588</u>	<u>87,345</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 306,790</u>	<u>399,588</u>

See accompanying notes to consolidated financial statements.



安侯建業聯合會計師事務所  
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## Independent Auditors' Report

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

### Opinion

We have audited the financial statements of Green World Hotel Co., Ltd. ("the Company"), which comprise the balance sheets as of December 31, 2018 and 2017, and the statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2018 and 2017, 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 at and its financial performance and its cash flows for the years then ended December 31, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification 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 for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, 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 intangible assets, property, plant, and equipment:

Refer to Notes 4(h) "Property, plant, and equipment", 4(j) "Intangible assets", 6(d) "Property, plant, and equipment" and 6(e) "Intangible assets" to the financial statements for the accounting policies and the details of the information.

#### Description of key audit matters:

As of December 31, 2018, the carrying amount of intangible assets, property, plant, and equipment constitute 63% of the total assets of the Company. The major part of intangible assets are originated from the acquisition of Green World Hotel Co., Ltd. in 2015. Since the aforementioned assets' operation performance are affected by uncertainties of industry competition, government policy, and economic environment, the estimated recoverable amount of future discounted cash flows is highly uncertain; hence, there is a risk of overestimate of intangible assets, property, plant, and equipment. We pay more attention to the appropriateness of the assumptions, estimates and judgments of the future discounted cash flows during the audit process.



How the matter was addressed in our audit:

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, profit margin, cash basis revenue, and cost increase rate). We verify the reasonability of the assumptions and accuracy of management's calculation based on available data.

**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 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 supervisors) 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 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 on the basis of 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit.

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 Shu-Ying Chang and Shih-Chin Chih.

KPMG

Taipei, Taiwan (Republic of China)  
March 19, 2019

#### Notes to Readers

The accompanying financial statements are intended only to present the statement of 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' report and the accompanying financial statements are the partial 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.

(English Translation of Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTEL CO., LTD.**

**Balance Sheets**

**December 31, 2018 and 2017**

(expressed in thousands of New Taiwan Dollars)

	Assets	December 31, 2018		December 31, 2017	
		Amount	%	Amount	%
	<b>Current assets:</b>				
1100	Cash and cash equivalents (note 6(a))	\$ 267,325	11	370,789	15
1150	Notes receivable, net (notes 6(b) and 7)	27,844	1	34,226	2
1170	Accounts receivable, net (notes 6(b) and 7)	53,955	2	47,870	2
1476	Other current financial assets (notes 6(a), (f) and 7)	161,975	7	8,901	-
1479	Other current assets	<u>22,363</u>	<u>1</u>	<u>16,657</u>	<u>1</u>
		<u>533,462</u>	<u>22</u>	<u>478,443</u>	<u>20</u>
	<b>Non-current assets:</b>				
1550	Investments accounted for using equity method, net (note 6(c))	177,078	8	182,924	8
1600	Property plant, and equipment (note 6(d))	1,126,744	46	1,147,058	47
1780	Intangible assets (note 6(e))	419,720	17	444,470	18
1840	Deferred tax assets (note 6(j))	54,016	2	45,913	2
1980	Other non-current financial assets (notes 6(f), 7 and 8)	130,208	5	129,481	5
1990	Other non-current assets	<u>796</u>	<u>-</u>	<u>5,093</u>	<u>-</u>
		<u>1,908,562</u>	<u>78</u>	<u>1,954,939</u>	<u>80</u>
	<b>Total assets</b>	<b>\$ <u>2,442,024</u></b>	<b><u>100</u></b>	<b><u>2,433,382</u></b>	<b><u>100</u></b>

(English Translation of Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTEL CO., LTD.**

**Balance Sheets (CONT'D)**  
**December 31, 2018 and 2017**  
**(expressed in thousands of New Taiwan Dollars)**

	<u>December 31, 2018</u>		<u>December 31, 2017</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Liabilities and Equity</b>				
<b>Current liabilities:</b>				
2100	\$ 430,000	18	470,000	19
2130	8,590	-	-	-
2150	3,627	-	10,692	-
2170	43,523	2	37,298	2
2200	50,063	2	50,445	2
2230	4,360	-	-	-
2399	1,579	-	5,959	-
	<u>541,742</u>	<u>22</u>	<u>574,394</u>	<u>23</u>
<b>Non-Current liabilities:</b>				
2612	108,547	4	108,043	4
2645	828	-	828	-
	<u>109,375</u>	<u>4</u>	<u>108,871</u>	<u>4</u>
	<u>651,117</u>	<u>26</u>	<u>683,265</u>	<u>27</u>
<b>Equity attributable to owners of parent (note 6(k)):</b>				
3100	1,097,283	45	1,097,283	46
3200	604,393	25	604,393	25
3310	4,844	-	-	-
3350	84,387	4	48,441	2
	<u>1,790,907</u>	<u>74</u>	<u>1,750,117</u>	<u>73</u>
<b>Total liabilities and equity</b>	<u>\$ 2,442,024</u>	<u>100</u>	<u>2,433,382</u>	<u>100</u>

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)  
GREEN WORLD HOTEL CO., LTD.

Statements of Comprehensive Income

For the years ended December 31, 2018 and 2017

(expressed in thousands of New Taiwan Dollars , except earnings per share)

	2018		2017	
	Amount	%	Amount	%
4000 Operating revenues (notes 6(m), (n) and 7)	\$ 1,043,301	100	973,770	100
5000 Operating costs (notes 6(d), (e), (h), (i) and 7)	<u>841,332</u>	<u>81</u>	<u>791,930</u>	<u>81</u>
Gross profit from operations	<u>201,969</u>	<u>19</u>	<u>181,840</u>	<u>19</u>
Operating expenses (notes 6(d), (e), (h), (i) and 7):				
6100 Selling expenses	100,273	10	77,439	8
6200 Administrative expenses	<u>63,185</u>	<u>6</u>	<u>56,273</u>	<u>6</u>
Operating expenses	<u>163,458</u>	<u>16</u>	<u>133,712</u>	<u>14</u>
Operating income	<u>38,511</u>	<u>3</u>	<u>48,128</u>	<u>5</u>
Non-operating income and expenses (notes 6(d), (e), (p) and 7):				
7010 Other income	1,359	-	1,015	-
7020 Other gains and losses, net	(1,689)	-	(730)	-
7050 Finance costs	(4,494)	-	(9,699)	(1)
7070 Share of profit of subsidiaries accounted for using equity method, net	<u>3,360</u>	<u>-</u>	<u>9,727</u>	<u>1</u>
	<u>(1,464)</u>	<u>-</u>	<u>313</u>	<u>-</u>
7900 Profit before income tax	37,047	3	48,441	5
7950 Less: income tax gains (note6 (j))	<u>(3,743)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Profit	<u>40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
8300 Other comprehensive income, net	-	-	-	-
Comprehensive income	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
Earnings per share (note 6(l))				
9750 Basic earnings per share (NT dollars)	<u>\$ 0.37</u>		<u>0.51</u>	
9850 Diluted earnings per share (NT dollars)	<u>\$ 0.37</u>		<u>0.51</u>	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTEL CO., LTD.**

**Statements of Changes in Equity**  
**For the years ended December 31, 2018 and 2017**  
**(expressed in thousands of New Taiwan Dollars)**

	Capital stock	Capital surplus	Legal reserve	Retained earnings		
				Unappropriated retained earnings	Total retained earnings	Total equity
<b>Balance on January 1, 2017</b>	\$ 537,669	148,508	-	(106,506)	(106,506)	579,671
Profit for the year ended December 31, 2017	-	-	-	48,441	48,441	48,441
Other comprehensive income for the year ended December 31, 2017	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2017	-	-	-	48,441	48,441	48,441
Capital surplus used to offset accumulated deficits	-	(106,506)	-	106,506	106,506	-
Capital increase by cash	559,614	562,391	-	-	-	1,122,005
Balance on December 31, 2017	1,097,283	604,393	-	48,441	48,441	1,750,117
Profit for the year ended December 31, 2018	-	-	-	40,790	40,790	40,790
Other comprehensive income for the year ended December 31, 2018	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2018	-	-	-	40,790	40,790	40,790
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	4,844	(4,844)	-	-
<b>Balance on December 31, 2018</b>	\$ 1,097,283	604,393	4,844	84,387	89,231	1,790,907

See accompanying notes to financial statements.



(English Translation of Financial Statements Originally Issued in Chinese)  
**GREEN WORLD HOTEL CO., LTD.**

**Statements of Cash Flows**

**For the years ended December 31, 2018 and 2017**

**(expressed in thousands of New Taiwan Dollars)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 37,047	48,441
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	113,491	101,474
Amortization expense	25,757	26,915
Provision for bad debt expense	-	10
Interest expense	4,494	9,699
Interest income	(1,359)	(1,015)
Share of profit of subsidiaries accounted for using equity method	(3,360)	(9,727)
Impairment loss on non-financial assets	4,382	2,735
Gain on reversal of long-term accounts payable	-	(540)
Lease expense	504	422
<b>Total adjustments to reconcile profit (loss)</b>	<u>143,909</u>	<u>129,973</u>
<b>Changes in operating assets and liabilities:</b>		
Notes receivable	6,382	(6,393)
Accounts receivable	(6,085)	(10,405)
Other current assets	(5,663)	5,678
Other financial assets	(574)	(290)
Contract liabilities	3,676	-
Notes payable	(7,065)	5,778
Accounts payable	6,225	17,482
Other payable to related parties	14,704	5,163
Other current liabilities	534	1,583
<b>Total changes in operating assets and liabilities</b>	<u>12,134</u>	<u>18,596</u>
Cash inflow generated from operations	193,090	197,010
Interest received	1,359	1,015
Dividends received	9,206	7,160
Interest paid	(4,499)	(10,716)
Income taxes paid	(43)	-
<b>Net cash flows from operating activities</b>	<u>199,113</u>	<u>194,469</u>

(English Translation of Financial Statements Originally Issued in Chinese)

**GREEN WORLD HOTEL CO., LTD.****Statements of Cash Flows (CONT'D)****For the years ended December 31, 2018 and 2017****(expressed in thousands of New Taiwan Dollars)**

	<u>2018</u>	<u>2017</u>
<b>Cash flows from (used in) investing activities:</b>		
Acquisition of investments accounted for using equity method	-	(120,000)
Acquisition of property plant, and equipment	(109,250)	(358,788)
Proceeds from disposal of property plant, and equipment	-	676
Acquisition of intangible assets	(100)	(1,434)
Proceeds from disposal of intangible assets	-	44
Increase in other financial assets	(153,227)	(23,155)
Decrease in other non-current assets	-	1,544
<b>Net cash flows used in investing activities</b>	<u>(262,577)</u>	<u>(501,113)</u>
<b>Cash flows from (used in) financing activities:</b>		
Increase in short-term loans	280,000	470,000
Decrease in short-term loans	(320,000)	(56,250)
Decrease in short-term notes	-	(80,000)
Repayments of long-term debt	-	(510,365)
Decrease in other payables to related parties	-	(340,000)
Capital increase by cash	-	1,122,005
<b>Net cash flows from (used in) financing activities</b>	<u>(40,000)</u>	<u>605,390</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<u>(103,464)</u>	<u>298,746</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>370,789</u>	<u>72,043</u>
<b>Cash and cash equivalents at end of period</b>	<u>\$ 267,325</u>	<u>370,789</u>

See accompanying notes to financial statements.



**Green World Hotels Co., Ltd.**profit distribution table  
Year 2018

Unit : NTD

<b>Item</b>	<b>Amount</b>	<b>Remarks</b>
Undistributed profit at the beginning of the period	43,596,691	
Plus: 2018 net profit after-tax	40,790,003	
Minus: reserve 10% for the statutory surplus reserve	4,079,000	
Undistributed profit at the end of the period	80,307,694	

## Green World Hotels Co., Ltd.

## Comparison table of amendments to the Articles of Incorporation

Amendments	Current regulations	Description
<p><u>Article 7-4</u></p> <p><u>The treasury stocks purchased by the Company according to the Company Act may include employees of subsidiaries or affiliated companies meeting certain specific requirements.</u></p> <p><u>The Company's issuance of stock option certificates for employees may include employees of subsidiaries or affiliated companies meeting certain specific requirements.</u></p> <p><u>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.</u></p> <p><u>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.</u></p>	This is a new article	This article is added according to the Company Act published by the Executive Yuan on October 26, 2018, with the Tai-Jing-Zi No. 1070037184.

Amendments	Current regulations	Description
<p>Article 15</p> <p>The Company has 5-7 directors and 2-3 supervisors, and the term of office is three years. Directors and supervisors are elected or re-elected at the shareholders from shareholders who have behavioral competence. <u>The shareholders meeting can elect directors from the list of candidates for directors according to the nomination system for candidates in Article 192-1 of the Company Act.</u></p> <p>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-fifth of the number of directors.</p> <p>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.</p> <p><u>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</u></p>	<p>Article 15</p> <p>The Company has 5-7 directors and 2-3 supervisors, and the term of office is three years. Directors and supervisors are elected or re-elected at the shareholders from shareholders who have behavioral competence.</p> <p>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-fifth of the number of directors. <u>The shareholders meeting can elect independent directors from the list of candidates for independent directors according to the nomination system for candidates in Article 192 of the Company Act.</u></p> <p>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.</p> <p>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</p>	<p>This Article is amended in accordance with the regulations for mandatory audit committee in Article 14-4 of the Securities and Exchange Act published on December 19, 2018, with Jin-Guan-Zheng-Fa-Zi No. 10703452331.</p>

Amendments	Current regulations	Description
<p><u>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.</u></p> <p>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.</p> <p>The Company may purchase liability insurance for the Company’s directors and supervisors.</p>	<p>Director and Supervisor Share Ownership Ratios at Public Companies” announced by the competent authority.</p> <p>The Company may purchase liability insurance for the Company’s directors and supervisors.</p>	
<p>Article 21</p> <p>At the end of each fiscal year, the board of directors shall prepare the following:</p> <p>(I) Business report.</p> <p>(II) Financial statements.</p> <p>(III) Proposal for distribution of profits or compensation of losses.</p> <p>The various reports and financial statements shall be submitted to the supervisor for review 30 days before the general meeting of shareholders, and submitted to the shareholders</p>	<p>Article 21</p> <p>At the end of each fiscal year, the board of directors shall prepare the following:</p> <p>(I) Business report.</p> <p>(II) Financial statements.</p> <p>(III) Proposal for distribution of profits or compensation of losses.</p> <p>The various reports and financial statements shall be submitted to the supervisor for review 30 days before the general meeting of shareholders, and submitted to the</p>	<p>This Article is amended in accordance with the regulations of Company Act published by the Executive Yuan on October 26, 2018, with the Tai-Jing-Zi No. 1070037184.</p>

Amendments	Current regulations	Description
<p>meeting for ratification.</p> <p><u>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 shareholders meeting.</u></p>	<p>shareholders meeting for ratification.</p>	
<p>Article 22</p> <p>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.</p> <p>The employees' remuneration mentioned in the preceding paragraph refers the shares or cash paid to the employees, which <u>may</u> include the employees of the <u>controlled</u> or affiliated companies meeting certain specific requirements.</p>	<p>Article 22</p> <p>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.</p> <p>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.</p>	<p>This Article is amended in accordance with the regulations of Company Act published by the Executive Yuan on October 26, 2018, with the Tai-Jing-Zi No. 1070037184.</p>
<p>Article 26</p> <p>This regulation was stipulated on July 19, 1994.</p> <p>(Omitted)</p> <p><u>The Article 29 was amended on June 28, 2019.</u></p>	<p>Article 26</p> <p>This regulation was stipulated on July 19, 1994.</p> <p>(Omitted)</p>	<p>The amendment date was added to this article.</p>

**Green World Hotels Co., Ltd.**  
**Comparison table of amendments to the “Procedures for acquisition or disposition of assets”**

Amendments	Current regulations	Description
<p>Article 2 Definition</p> <p>I. The term "assets" as used in these Procedures includes the following:</p> <p>(I) Securities: including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities and asset-backed securities.</p> <p>(II) Real estate (including lands, houses and buildings, investment property, and construction enterprise inventory) and equipment.</p> <p>(III) Memberships.</p> <p>(IV) Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p><u>(V) Right-of-use assets.</u></p> <p>(VI) Creditor's rights of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p><u>(VII) Derivatives.</u></p> <p><u>(VIII) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the laws.</u></p> <p><u>(IX) Other important assets.</u></p> <p>II. The derivatives in these Procedures refer to forward contracts, options contracts, futures contracts, leverage</p>	<p>Article 2 Definition</p> <p>I. The term "assets" as used in these Procedures includes the following:</p> <p>(I) Securities: including stocks, government bonds, corporate bonds, financial bonds, securities representing interest in a fund, depositary receipts, call (put) warrants, beneficial interest securities and asset-backed securities.</p> <p>(II) Real estate (including lands, houses and buildings, investment property, <u>right-of-use assets</u> and construction enterprise inventory) and equipment.</p> <p>(III) Memberships.</p> <p>(IV) Patents, copyrights, trademarks, franchise rights, and other intangible assets.</p> <p>(V) Creditor's rights of financial institutions (including receivables, bills purchased and discounted, loans, and overdue receivables).</p> <p>(VI) Derivatives.</p> <p>(VII) Assets acquired or disposed of in connection with mergers, demergers, acquisitions, or transfer of shares in accordance with the laws.</p> <p>(VIII) Other important assets.</p> <p>II. The derivatives in these Procedures refer to forward contracts, options contracts, futures contracts,</p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng -Fa-Zi No. 1070341072.</p>

Amendments	Current regulations	Description
<p>contracts, or swap contracts, whose value is derived from assets, interest rates, exchange rates, indices or other profitable products, and the composite contract with a combination of the above-mentioned products. The term forward contract does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>III. The “assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” in these Procedures refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156-3 of the Company Act.</p> <p>IV. The “related party” in these Procedures shall be based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>V. The “subsidiary” in these Procedures shall be based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>VI. The “professional appraiser” in these</p>	<p>leverage contracts, or swap contracts, whose value is derived from assets, interest rates, exchange rates, indices or other profitable products, and the composite contract with a combination of the above-mentioned products. The term forward contract does not include insurance contracts, performance contracts, after-sales service contracts, long-term leasing contracts, or long-term purchase (sales) contracts.</p> <p>III. The “assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law” in these Procedures refer to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter referred to as "transfer of shares") under Article 156, paragraph 6 of the Company Act.</p> <p>IV. The “related party” in these Procedures shall be based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>V. The “subsidiary” in these Procedures shall be based on the Regulations Governing the Preparation of</p>	

Amendments	Current regulations	Description
<p>Procedures refers to a real estate appraiser or other person duly authorized by law to engage in the value appraisal of real estate or equipment.</p> <p>VII. The “date of occurrence” in these Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction (whichever date is earlier). However, the investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>VIII. The “Mainland China area investment” in these Procedures refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for the <u>engaged</u> Investment or Technical Cooperation in the Mainland Area.</p>	<p>Financial Reports by Securities Issuers.</p> <p>VI. The “professional appraiser” in these Procedures refers to a real estate appraiser or other person duly authorized by law to engage in the value appraisal of real estate or equipment.</p> <p>VII. The “date of occurrence” in these Procedures refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, dates of boards of directors resolutions, or other date that can confirm the counterpart and monetary amount of the transaction (whichever date is earlier). However, the investment for which approval of the competent authority is required, the earlier of the above date or the date of receipt of approval by the competent authority shall apply.</p> <p>VIII. The “Mainland China area investment” in these Procedures refers to investments in the mainland China area approved by the Ministry of Economic Affairs Investment Commission or conducted in accordance with the provisions of the Regulations Governing Permission for Investment or Technical Cooperation in the Mainland Area.</p>	
<p>Article 3 Exclusion of related parties The professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall meet the</u></p>	<p>Article 3 Exclusion of related parties The professional appraisers and their officers, certified public accounts, attorneys, and securities underwriters that provide the Company with appraisal reports, certified public accountant's opinions, attorney's opinions, or underwriter's opinions <u>shall not be a</u></p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory</p>



Amendments	Current regulations	Description
<p><u>following requirements:</u></p> <p><u>I. May not have previously received a final sentence to imprisonment for one year or longer for a violation of the Procedures, the Company Act, the Banking Act, the Insurance Act, the Financial Holding Company Act, or the Business Entity Accounting Act, or for fraud, breach of trust, embezzlement, forgery of documents, or occupational crime. However, this does not apply if three years have already passed since completion of service of the sentence, since expiration of the period of a suspended sentence, or since a pardon was received.</u></p> <p><u>II. May not be a related party of any party to the transaction.</u></p> <p><u>III. If the Company is required to obtain appraisal reports from two or more professional appraisers, the different professional appraisers or appraisal officers may not be a related party or related parties of each other, or a related party of any party.</u></p> <p><u>When the personnel referred to in the preceding paragraph issuing an appraisal report or opinion, the personnel shall comply with the following:</u></p> <p><u>I. They shall prudently assess their own professional capabilities, practical experience, and independence prior to accepting a case.</u></p> <p><u>II. When examining a case, they shall appropriately plan and execute adequate working procedures, in order to produce a conclusion and use the conclusion as the basis for issuing the report or opinion; and the related working procedures, information collected, and conclusion shall be fully and accurately specified in the working papers.</u></p> <p><u>III. They shall undertake an item-by-item evaluation of the comprehensiveness, accuracy, and reasonableness of the</u></p>	<p><u>related party with the Company.</u></p>	<p>Commission on November 26, 2018, with Jin-Guan-Zheng -Fa-Zi No. 1070341072.</p>

Amendments	Current regulations	Description
<p><u>sources of information, the parameters, and the information, as the basis for issuance of the appraisal report or the opinion.</u></p> <p><u>IV. They shall issue a statement attesting to the professional competence and independence of the personnel who prepared the report or opinion, and that they have evaluated and found that the information used is reasonable and accurate, and that they have complied with applicable laws and regulations.</u></p>		
<p>Article 7 The assessment report for acquired or disposed of real estate, equipment or <u>right-of-use assets</u></p> <p>Information required to be publicly announced and reported acquiring or disposing of real estate, equipment, or <u>right-of-use assets</u> where the transaction amount reaches 20% of the Company's paid-in capital or 300 million NTD or more, the Company, unless transacting with a <u>domestic</u> government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of <u>equipment or right-of-use assets</u> held for business usage, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following regulations:</p> <p>I. If it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price due to special circumstances, the transaction shall be submitted for approval by the board of directors in advance, and <u>the same</u> procedure shall also be followed whenever there is any <u>subsequent</u> change to the terms and conditions of the transaction.</p> <p>II. If the transaction amount is over NT 1 billion dollars, appraisals from two or more professional appraisers shall be obtained.</p>	<p>Article 7 Appraisal report for acquiring or disposing of real estate and equipment</p> <p>Information required to be publicly announced and reported acquiring or disposing of real estate or equipment where the transaction amount reaches 20% of the Company's paid-in capital or 300 million NTD or more, the Company, unless transacting with a government agency, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of machinery equipment held for business usage, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following regulations:</p> <p>I. If it is necessary to give a limited price, specified price, or special price as a reference basis for the transaction price due to special circumstances, the transaction shall be submitted for approval by the board of directors in advance, and the preceding procedure shall also be followed whenever there is any change to the terms and conditions of the transaction in the future.</p> <p>II. If the transaction amount is over NT 1 billion dollars, appraisals from two or more professional appraisers shall be obtained.</p> <p>III. unless all the appraisal results for the</p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Amendments	Current regulations	Description
<p>III. unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal for any one of the following circumstances applies with respect to the professional appraiser's appraisal results, in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal results and the transaction amount is over 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results of two or more professional appraisers is over 10% of the transaction amount.</p> <p>IV. The time shall not be more than 3 months between the date of the appraisal report issued by a professional appraiser and the contract execution date; however, if the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	<p>assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal for any one of the following circumstances applies with respect to the professional appraiser's appraisal results, in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ROC Accounting Research and Development Foundation (hereinafter referred to as the Accounting Research and Development Foundation) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>(I) The difference between the appraisal results and the transaction amount is over 20% of the transaction amount.</p> <p>(II) The difference between the appraisal results of two or more professional appraisers is over 10% of the transaction amount.</p> <p>IV. The time shall not be more than 3 months between the date of the appraisal report issued by a professional appraiser and the contract execution date; however, if the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.</p>	
<p>Article 8 Transaction with a related party</p> <p>I. When engaging in any acquisition or disposal of assets from or to a related party, in addition to ensuring that the necessary resolutions are</p>	<p>Article 8 Transaction with a related party</p> <p>I. When engaging in any acquisition or disposal of assets from or to a related party, in addition to</p>	<p>It is amended in accordance with the regulations published by the</p>

Amendments	Current regulations	Description
<p>adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding article.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the regulations of Article 10-1.</p> <p>II. When acquiring or disposing of real estate <u>or right-of-use assets</u> from or to a related party, or when it intends to acquire or dispose of assets other than real estate <u>or right-of-use assets</u> from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT 300 million dollars or more, except in trading of <u>domestic</u> government bonds or bonds with the repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following matters shall be approved by the board of directors and recognized by the supervisors before the Company proceed to enter into a transaction contract or make a payment until:</p> <p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the related party as a counterparty for transaction.</p>	<p>ensuring that the necessary resolutions are adopted and the reasonableness of the transaction terms is appraised, if the transaction amount reaches 10% or more of the Company's total assets, the Company shall also obtain an appraisal report from a professional appraiser or a certified public accountant's opinion in compliance with the provisions of the preceding article.</p> <p>The calculation of the transaction amount referred to in the preceding paragraph shall be made in accordance with the regulations of Article 10-1.</p> <p>II. When acquiring or disposing of real estate from or to a related party, or when it intends to acquire or dispose of assets other than real estate from or to a related party and the transaction amount reaches 20% or more of paid-in capital, 10% or more of the Company's total assets, or NT 300 million dollars or more, except in trading of government bonds or bonds with the repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises, the following matters shall be approved by the board of directors and recognized by the supervisors before the Company proceed to enter into a transaction contract or make a payment until:</p> <p>(I) The purpose, necessity and anticipated benefit of the acquisition or disposal of assets.</p> <p>(II) The reason for choosing the</p>	<p>Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Amendments	Current regulations	Description
<p>(III) With respect to the acquisition of real estate <u>or right-of-use assets</u> from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 of this article.</p> <p>(IV) The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year from the anticipated month of signing of the contract and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a certified public accountant's opinion obtained according to the preceding article.</p> <p>(VII) The transaction restrictions and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made according to Article 14, paragraph 2, and the term within the preceding year as used herein refers to the year preceding the date of occurrence of the current transaction, and items that have been approved by the board of directors and recognized by the supervisors need not be counted toward the transaction amount.</p> <p>When acquiring or disposing of machinery equipment held for business</p>	<p>related party as a counterparty for transaction.</p> <p>(III) With respect to the acquisition of real estate from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with paragraph 3 and 4 of this article.</p> <p>(IV) The date and price at which the related party originally acquired the real estate, the original transaction counterparty, and that transaction counterparty's relationship to the Company and the related party.</p> <p>(V) Monthly cash flow forecasts for the year from the anticipated month of signing of the contract and evaluation of the necessity of the transaction, and reasonableness of the funds utilization.</p> <p>(VI) An appraisal report from a professional appraiser or a certified public accountant's opinion obtained according to the preceding article.</p> <p>(VII) The transaction restrictions and other important stipulations associated with the transaction.</p> <p>The calculation of the transaction amounts referred to in the preceding paragraph shall be made according to Article 14, paragraph 2, and the term within the preceding year as used herein refers to the year preceding the date of occurrence of the current transaction, and items that have been approved by the board of directors and recognized</p>	

Amendments	Current regulations	Description
<p>use between the Company and its parent or subsidiaries, the Company's board of directors may be based on Article 6 to delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>After the independent directors of the Company has been created, when the transaction for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into consideration each independent director's opinions. If an independent directors object to or express reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.</p> <p>III. When acquiring real estate <u>or right-of-use assets</u> from a related party shall evaluate the reasonableness of the transaction costs by the following approaches (where lands and structures are combined as a single property purchased <u>or leased</u> in one transaction, the transaction costs for the lands and structures may be separately appraised according to either of the following approaches):</p> <p>(I) According to the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The term necessary interest on funding refers to the weighted average interest rate on borrowing in the year the Company purchases the</p>	<p>by the supervisors need not be counted toward the transaction amount.</p> <p>When acquiring or disposing of machinery equipment held for business use between the Company and its parent or subsidiaries, the Company's board of directors may be based on Article 6 to delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>After the independent directors of the Company has been created, when the transaction for the acquisition and disposal of assets are submitted for discussion by the board of directors pursuant to the preceding paragraph, the board of directors shall take into consideration each independent director's opinions. If an independent directors object to or express reservations about any matter, it shall be recorded in the meeting minutes of the board of directors meeting.</p> <p>III. When acquiring real estate from a related party shall evaluate the reasonableness of the transaction costs by the following approaches (where lands and structures are combined as a single property purchased in one transaction, the transaction costs for the lands and structures may be separately appraised according to either of the following approaches):</p> <p>(I) According to the related party's transaction price plus necessary interest on funding and the costs to be duly borne by the buyer. The term necessary interest on funding</p>	

Amendments	Current regulations	Description
<p>property. However, it may not be higher than the highest non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(II) If the related party has previously created a mortgage on the property as security for a loan, the total loan value appraisal from a financial institution. However, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this does not apply to the financial institution which is a related party of one of the transaction counterparties.</p> <p>IV. When acquiring real estate <u>or right-of-use assets</u> from a related party and appraises the cost of the real estate <u>or right-of-use assets</u> in accordance with the preceding paragraph shall also engage a certified public accountant to check the appraisal and express a specific opinion.</p> <p>V. When acquiring real estate <u>or right-of-use assets</u> from a related party and one of the following circumstances exists, the acquisition shall be conducted according to paragraph 2, and the preceding two paragraphs do not apply:</p> <p>(I) The related party acquired the real estate <u>or right-of-use assets</u> through inheritance or as a gift.</p> <p>(II) The time has over 5 years since the time the related party signed</p>	<p>refers to the weighted average interest rate on borrowing in the year the Company purchases the property. However, it may not be higher than the highest non-financial industry lending rate announced by the Ministry of Finance.</p> <p>(II) If the related party has previously created a mortgage on the property as security for a loan, the total loan value appraisal from a financial institution. However, the actual cumulative amount loaned by the financial institution shall have been 70% or more of the financial institution's appraised loan value of the property and the period of the loan shall have been 1 year or more. However, this does not apply to the financial institution which is a related party of one of the transaction counterparties.</p> <p>IV. When acquiring real estate from a related party and appraises the cost of the real estate in accordance with the preceding paragraph shall also engage a certified public accountant to check the appraisal and express a specific opinion.</p> <p>V. When acquiring real estate from a related party and one of the following circumstances exists, the acquisition shall be conducted according to paragraph 2, and the preceding two paragraphs do not apply:</p> <p>(I) The related party acquired the real estate through inheritance</p>	

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<p>the contract to obtain the real estate <u>or right-of-use assets</u> to the signing date for the current transaction.</p> <p>(III) The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on rented land.</p> <p>(IV) <u>The real estate right-of-use assets for the use of business are acquired by the listed company with its parent or subsidiaries, or by its subsidiaries in which it directly or indirectly holds 100% of the issued shares or authorized capital.</u></p> <p>VI. When acquiring real estate <u>or right-of-use assets</u> from a related party and the results of appraisals conducted according to paragraph 3 of this article are uniformly lower than the transaction price, it shall be conducted according to paragraph 7: However, the objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a certified public accountant have been obtained due to the following circumstances, this restriction shall not apply:</p> <p>(I) If the related party acquired undeveloped or leased lands for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where the undeveloped land</p>	<p>or as a gift.</p> <p>(II) The time has been over 5 years since the time the related party signed the contract to obtain the real estate to the signing date for the current transaction.</p> <p>(III) The real estate is acquired through signing of a joint development contract with the related party, or through engaging a related party to build real estate, either on the Company's own land or on rented land.</p> <p>VI. When acquiring real estate from a related party and the results of appraisals conducted according to paragraph 3 of this article are uniformly lower than the transaction price, it shall be conducted according to paragraph 7. However, the objective evidence has been submitted and specific opinions on reasonableness have been obtained from a professional real estate appraiser and a certified public accountant have been obtained due to the following circumstances, this restriction shall not apply:</p> <p>(I) If the related party acquired undeveloped or leased lands for development, it may submit proof of compliance with one of the following conditions:</p> <p>1. Where the undeveloped land is appraised based on the method in the preceding article and structures based on the related party's construction cost plus reasonable construction profit are valued in excess of</p>	



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<p>is appraised based on the method in the preceding article and structures based on the related party's construction cost plus reasonable construction profit are valued in excess of the actual transaction price. The term reasonable construction profit shall be the average gross operating profit margin of the related party's construction division over the recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever value is lower.</p> <p>2. The <u>transaction</u> cases by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices according to the standard property market sale or <u>leasing</u> practices.</p> <p>3. The leasing cases by unrelated parties within the preceding year involving other floors of the same property, after calculation of reasonable price discrepancies in floor or area land prices according to the standard property market</p>	<p>the actual transaction price. The term reasonable construction profit shall be the average gross operating profit margin of the related party's construction division over the recent three years or the gross profit margin for the construction industry for the most recent period as announced by the Ministry of Finance, whichever value is lower.</p> <p>2. The completed transaction cases by unrelated parties within the preceding year involving other floors of the same property or neighboring or closely valued parcels of land, where the land area and transaction terms are similar after calculation of reasonable price discrepancies in floor or area land prices according to the standard property market sale practices.</p> <p>3. The leasing cases by unrelated parties within the preceding year involving other floors of the same property, after calculation of reasonable price discrepancies in floor or area land prices according to the standard property market leasing practices.</p> <p>(II) When acquiring real estate from a related party provides evidence that the terms of the completed cases are similar to the terms of completed transactions involving neighboring</p>	

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<p>leasing practices.</p> <p>(II) When acquiring real estate, <u>or obtaining real estate right-of-use assets through leasing</u>, from a related party provides evidence that the terms of the <u>transaction</u> cases are similar to the terms of completed transactions involving neighboring or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(III) The <u>transaction</u> cases involving neighboring or closely valued parcels of land in paragraph (I) and (II) refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; the <u>transaction</u> cases involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate <u>or the right-of-use assets</u>.</p> <p>VII. When acquiring real estate <u>right-of-use assets</u> from a related party and the results of appraisals conducted according to paragraph 3 and 6 of this article are uniformly lower than the transaction price, the following shall be conducted:</p> <p>(I) A special reserve shall be set</p>	<p>or closely valued parcels of land of a similar size by unrelated parties within the preceding year.</p> <p>(III) The completed transactions involving neighboring or closely valued parcels of land in paragraph (I) and (II) refer to parcels on the same or an adjacent block and within a distance of no more than 500 meters or parcels close in publicly announced current value; the completed transactions involving similarly sized parcels in principle refers to transactions completed by unrelated parties for parcels with a land area of no less than 50% of the property in the planned transaction; within the preceding year refers to the year preceding the date of occurrence of the acquisition of the real estate.</p> <p>VII. When acquiring real estate from a related party and the results of appraisals conducted according to paragraph 3 of this article are uniformly lower than the transaction price, the following shall be conducted:</p> <p>(I) A special reserve shall be set aside according to Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real estate transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the</p>	

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<p>aside according to Article 41, paragraph 1 of the Securities and Exchange Act against the difference between the real estate <u>right-of-use assets</u> transaction price and the appraised cost, and may not be distributed or used for capital increase or issuance of bonus shares. Where the Company uses the equity method to account for its investment in another company, then the special reserve called for under Article 41, paragraph 1 of the Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the listed company's equity stake in the other company.</p> <p>(II) Supervisors shall comply with Article 218 of the Company Act, <u>where an audit committee has been established according to the regulations of the Securities and Exchange Act, the preceding part of this subparagraph shall apply to the independent director members of the audit committee.</u></p> <p>(III) Actions taken pursuant to the subparagraph (I) and (II) shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment handbook.</p> <p><u>(IV) The Company that has set aside a special reserve under the preceding paragraph (I), (II) and (III) may not utilize the special reserve until it has</u></p>	<p>Securities and Exchange Act shall be set aside pro rata in a proportion consistent with the share of the listed company's equity stake in the other company. The Company that has set aside a special reserve under the preceding paragraph may not utilize the special reserve until it has recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and with the approval of the Financial Supervisory Commission.</p> <p>(II) Supervisors shall comply with Article 218 of the Company Act.</p> <p>(III) Actions taken pursuant to the subparagraph (I) and (II) shall be reported to the shareholders meeting, and the details of the transaction shall be disclosed in the annual report and any investment handbook.</p>	

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<p><u>recognized a loss on decline in market value of the assets it purchased at a premium, or they have been disposed of, or adequate compensation has been made, or the status quo ante has been restored, or there is other evidence confirming that there was nothing unreasonable about the transaction, and with the approval of the Financial Supervisory Commission.</u></p> <p><u>(V) If a listed company obtains real estate or right-of-use assets from a related party, it shall be conducted according to the (I) to (IV) if there is other evidence indicating that the acquisition was an unconventional transaction.</u></p>		
<p>Article 10 Acquire or dispose of intangible assets <u>or right-of-use assets or memberships</u></p> <p>When acquiring or disposing intangible assets <u>or right-of-use assets or memberships</u> and the transaction amount reaches 20% or more of paid-in capital or NT 300 million dollars or more, other than the transactions with a <u>domestic</u> government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to report an opinion on the reasonableness of the transaction price. The certified public accountant shall comply with the regulations of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.</p>	<p>Article 10 Acquire or dispose of memberships or intangible assets</p> <p>When acquiring or disposing memberships or intangible assets and the transaction amount reaches 20% or more of paid-in capital or NT 300 million dollars or more, other than the transactions with a government agency, the Company shall engage a certified public accountant prior to the date of occurrence of the event to report an opinion on the reasonableness of the transaction price. The certified public accountant shall comply with the regulations of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation.</p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>
<p>Article 12 Engage in derivatives transactions</p> <p>I. The transaction principles and</p>	<p>Article 12 Engage in derivatives transactions</p> <p>I. The transaction principles and</p>	<p>It is amended in accordance with the regulations</p>

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<p>guidelines: conducted according to the "Operating procedures for engaging in derivatives transactions" of the Company.</p> <p>II. Risk management measures:</p> <p>(I) The risk management scope shall be conducted according to the "Operating procedures for engaging in derivatives transactions" of the Company.</p> <p>(II) The personnel who are engaged in derivatives transactions may not serve concurrently in other operations such as confirmation and settlement.</p> <p>(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the operations of confirmation and settlement, and shall report to the board of directors or senior managements without having the responsibility for transactions or position decision-making.</p> <p>(IV) Derivatives transaction positions held shall be evaluated at least once per week. However, the hedge transaction positions required by business shall be evaluated at least twice per month. The evaluation reports <u>shall be submitted</u> to the senior management personnel authorized by the board of directors.</p> <p>(V) Other important risk management measures.</p> <p>III. When engaging in derivatives transaction, its board of directors shall faithfully supervise and manage such transaction according</p>	<p>guidelines: conducted according to the "Operating procedures for engaging in derivatives transactions" of the Company.</p> <p>II. Risk management measures:</p> <p>(I) The risk management scope shall be conducted according to the "Operating procedures for engaging in derivatives transactions" of the Company.</p> <p>(II) The personnel who are engaged in derivatives transactions may not serve concurrently in other operations such as confirmation and settlement.</p> <p>(III) Risk measurement, monitoring, and control personnel shall be assigned to a different department that the personnel in the operations of confirmation and settlement, and shall report to the board of directors or senior managements without having the responsibility for transactions or position decision-making.</p> <p>(IV) Derivatives transaction positions held shall be evaluated at least once per week. However, the hedge transaction positions required by business shall be evaluated at least twice per month. The evaluation reports shall be submitted to the senior management personnel authorized by the board of directors.</p> <p>(V) Other important risk management measures.</p> <p>III. When engaging in derivatives</p>	<p>published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

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<p>to the following principles:</p> <p>(I) Designate senior managerial officers to pay attention to monitoring and controlling derivatives transaction risk.</p> <p>(II) Periodically evaluate whether derivatives transaction performance is consistent with the stipulated operational strategy and whether the risk undertaken is within the Company's scope of tolerance.</p> <p>(III) Penalties for personnel violating these operating procedures for engaging in derivatives transactions</p> <p>IV. The senior managerial officers authorized by the board of directors shall manage derivatives transaction according to the following principles:</p> <p>(I) Evaluate the risk management measures currently employed are appropriate and are faithfully conducted on a regular basis, according to these operating procedures and the procedures for engaging in derivatives transaction stipulated by the Company.</p> <p>(II) In the course of supervising transaction and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors for any irregular circumstances found; and independent directors shall be present at the meeting and express an opinion.</p> <p>V. The Company shall report to the most recent meeting of the board of</p>	<p>transaction, its board of directors shall faithfully supervise and manage such transaction according to the following principles:</p> <p>(I) Designate senior managerial officers to pay attention to monitoring and controlling derivatives transaction risk.</p> <p>(II) Periodically evaluate whether derivatives transaction performance is consistent with the stipulated operational strategy and whether the risk undertaken is within the Company's scope of tolerance.</p> <p>(III) Penalties for personnel violating these operating procedures for engaging in derivatives transactions</p> <p>IV. The senior managerial officers authorized by the board of directors shall manage derivatives transaction according to the following principles:</p> <p>(I) Evaluate the risk management measures currently employed are appropriate and are faithfully conducted on a regular basis, according to these operating procedures and the procedures for engaging in derivatives transaction stipulated by the Company.</p> <p>(II) In the course of supervising transaction and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors for any irregular circumstances found; and</p>	

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<p>directors after it authorizes the relevant personnel to conduct the derivative transaction.</p> <p>VI. The Company engages in derivatives transaction shall establish a log book in which details of the types and amounts of derivatives transaction engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 2, subparagraph 4 and paragraph 3, subparagraph 2, as well as paragraph 4, subparagraph 1 of the this Article and it shall be recorded in detail in the log book.</p> <p>VII. Internal audit system: The Company's internal audit personnel shall periodically evaluate the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives transaction by the trading department adheres to the procedures for engaging in derivatives transaction and prepare an audit report. And all supervisors <u>and independent directors</u> shall be notified in writing for any major violation found.</p>	<p>independent directors shall be present at the meeting and express an opinion.</p> <p>V. The Company shall report to the most recent meeting of the board of directors after it authorizes the relevant personnel to conduct the derivative transaction.</p> <p>VI. The Company engages in derivatives transaction shall establish a log book in which details of the types and amounts of derivatives transaction engaged in, board of directors approval dates, and the matters required to be carefully evaluated under paragraph 2, subparagraph 4 and paragraph 3, subparagraph 2, as well as paragraph 4, subparagraph 1 of the this Article and it shall be recorded in detail in the log book.</p> <p>VII. Internal audit system: The Company's internal audit personnel shall periodically evaluate the suitability of internal controls on derivatives and conduct a monthly audit of how faithfully derivatives transaction by the trading department adheres to the procedures for engaging in derivatives transaction and prepare an audit report. And all supervisors shall be notified in writing for any major violation found.</p>	
<p>Article 13 The Company's merger, demerger, acquisition and transfer of shares</p> <p>I. When conducting a merger, demerger, acquisition, or transfer of shares prior to the meeting of the board of directors to resolve on the matter, the Company shall engage a certified public accountant,</p>	<p>Article 13 The Company's merger, demerger, acquisition and transfer of shares</p> <p>I. When conducting a merger, demerger, acquisition, or transfer of shares prior to the meeting of the board of directors to resolve on the matter, the Company shall engage a certified public accountant,</p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-F</p>

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<p>attorney, or securities underwriter to report an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders and submit it to the board of directors for discussion and resolution. However, obtaining an abovementioned opinion on reasonableness issued by an expert may be exempted in the case of a merger by a listed company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the listed company directly or indirectly holds 100% of the subsidiaries' issued shares or authorized capital.</p> <p>II. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending the shareholders notification of the shareholders meeting for the reference on deciding whether the merger, demerger, or acquisition shall be approved. However, this restriction does not apply to where a provision of another laws and regulations exempt the Company from conducting a shareholders meeting to approve the merger, demerger, or acquisition. If the shareholders meeting of the Company fails to convene or pass a</p>	<p>attorney, or securities underwriter to report an opinion on the reasonableness of the share exchange ratio, acquisition price, or distribution of cash or other property to shareholders and submit it to the board of directors for discussion and resolution. However, obtaining an abovementioned opinion on reasonableness issued by an expert may be exempted in the case of a merger by a listed company of a subsidiary in which it directly or indirectly holds 100% of the issued shares or authorized capital, and in the case of a merger between subsidiaries in which the listed company directly or indirectly holds 100% of the subsidiaries' issued shares or authorized capital.</p> <p>II. The Company shall prepare a public report to shareholders detailing important contractual content and matters relevant to the merger, demerger, or acquisition prior to the shareholders meeting and include it along with the expert opinion referred to the preceding paragraph when sending the shareholders notification of the shareholders meeting for the reference on deciding whether the merger, demerger, or acquisition shall be approved. However, this restriction does not apply to where a provision of another laws and regulations exempt the Company from conducting a shareholders meeting to approve the merger, demerger, or acquisition. If the shareholders meeting of the Company fails to convene or pass a</p>	<p>a-Zi No. 1070341072.</p>



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<p>resolution due to insufficient attendance, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately explain the reason, the subsequent measures, and the expected date of the next shareholders meeting to the general public.</p> <p>III. The party who participates in the plan for merger, demerger, acquisition, or transfer of shares of the Company shall issue a written undertaking of confidentiality and may not reveal the content of the plan prior to public disclosure of the information and may not trade, in their name or under the name of others, in any stock or other equity security of the Company related to the plan for merger, demerger, acquisition, or transfer of shares.</p> <p>IV. When participating in a merger, demerger or acquisition, it is required to convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise by other laws or regulations, or the competent authority is notified in advance of extraordinary circumstances and grants consent. A board of directors meeting shall be called on the day of the transaction when participating in a transfer of shares, unless otherwise by other laws or regulations, or the competent authority is notified in advance of extraordinary circumstances and grants consent.</p>	<p>resolution due to insufficient attendance, insufficient votes, or other legal restriction, or the proposal is rejected by the shareholders meeting, the Company shall immediately explain the reason, the subsequent measures, and the expected date of the next shareholders meeting to the general public.</p> <p>III. The party who participates in the plan for merger, demerger, acquisition, or transfer of shares of the Company shall issue a written undertaking of confidentiality and may not reveal the content of the plan prior to public disclosure of the information and may not trade, in their name or under the name of others, in any stock or other equity security of the Company related to the plan for merger, demerger, acquisition, or transfer of shares.</p> <p>IV. When participating in a merger, demerger or acquisition, it is required to convene a board of directors meeting and shareholders meeting on the day of the transaction to resolve matters relevant to the merger, demerger, or acquisition, unless otherwise by other laws or regulations, or the competent authority is notified in advance of extraordinary circumstances and grants consent. A board of directors meeting shall be called on the day of the transaction when participating in a transfer of shares, unless otherwise by other laws or regulations, or the competent authority is notified in advance of extraordinary circumstances and grants consent.</p>	

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<p>V. The share exchange ratio or acquisition price may not be arbitrarily changed unless under the following circumstances, and the circumstances permitting alteration for the merger, demerger, acquisition, or transfer of shares shall be stipulated in the contract:</p> <p>(I) When conducting the increment of cash capital, issuance of convertible corporate bonds, or the issuance of bonus equity, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>(II) A disposal of major assets that affects the Company's financial operations.</p> <p>(III) A major disaster or major change in technology that affects the shareholder equity or price of stocks.</p> <p>(IV) Buy back treasury stock for an adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company.</p> <p>(V) An increase or decrease in the number of entities or companies that participate in the merger, demerger, acquisition, or transfer of shares.</p> <p>(VI) Other conditions stipulated on the contract that may be altered and that have been publicly disclosed.</p> <p>VI. The contract for participation in a merger, demerger, acquisition or transfer of shares shall record the related rights and obligations, as well as the following:</p>	<p>V. The share exchange ratio or acquisition price may not be arbitrarily changed unless under the following circumstances, and the circumstances permitting alteration for the merger, demerger, acquisition, or transfer of shares shall be stipulated in the contract:</p> <p>(I) When conducting the increment of cash capital, issuance of convertible corporate bonds, or the issuance of bonus equity, issuance of corporate bonds with warrants, preferred shares with warrants, stock warrants, or other equity based securities.</p> <p>(II) A disposal of major assets that affects the Company's financial operations.</p> <p>(III) A major disaster or major change in technology that affects the shareholder equity or price of stocks.</p> <p>(IV) Buy back treasury stock for an adjustment where any of the companies participating in the merger, demerger, acquisition, or transfer of shares from another company.</p> <p>(V) An increase or decrease in the number of entities or companies that participate in the merger, demerger, acquisition, or transfer of shares.</p> <p>(VI) Other conditions stipulated on the contract that may be altered and that have been publicly disclosed.</p> <p>VI. The contract for participation in a merger, demerger, acquisition or transfer of shares shall record the</p>	

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<p>(I) Breach of contract.</p> <p>(II) The principles for conducting the equity securities previously issued or treasury stock bought back by the Company that is extinguished in a merger or that is demerged.</p> <p>(III) The handling principles and the amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio.</p> <p>(IV) The handling measure for changes in the number of participating entities or companies.</p> <p>(V) The preliminary schedule for the implementation of the plan and the anticipated completion date.</p> <p>(VI) The anticipated date for holding the shareholders meeting and relevant procedures if the plan is overdue.</p> <p>VII. When the Company participates in the merger, demerger, acquisition, or transfer of another company's shares that intends to re-implement merger, demerger, acquisition, or share transfer <u>with another company</u> after public disclosure of the information, then all of the participating companies shall re-implement the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; other than that where the number of participating companies is decreased and a participating</p>	<p>related rights and obligations, as well as the following:</p> <p>(I) Breach of contract.</p> <p>(II) The principles for conducting the equity securities previously issued or treasury stock bought back by the Company that is extinguished in a merger or that is demerged.</p> <p>(III) The handling principles and the amount of treasury stock participating companies are permitted under law to buy back after the record date of calculation of the share exchange ratio.</p> <p>(IV) The handling measure for changes in the number of participating entities or companies.</p> <p>(V) The preliminary schedule for the implementation of the plan and the anticipated completion date.</p> <p>(VI) The anticipated date for holding the shareholders meeting and relevant procedures if the plan is overdue.</p> <p>VII. When the Company participates in the merger, demerger, acquisition, or transfer of shares that intends to re-implement merger, demerger, acquisition, or share transfer with another company after public disclosure of the information, then all of the participating companies shall re-implement the procedures or legal actions that had originally been completed toward the merger, demerger, acquisition, or share transfer; other than that where the number of participating companies</p>	

Amendments	Current regulations	Description
<p>company's shareholders meeting adopted a resolution to authorize the board of directors to change the authority, such a participating company may be exempted from conducting another shareholders meeting.</p> <p>VIII. If any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a listed company, the Company shall sign an agreement with such a company according to paragraph 3, 4 and 7 of this Article.</p> <p>When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following information and keep it for five years for reference:</p> <p>(I) Basic information for staff members: Information includes the job titles, names, and national identification card numbers (or passport numbers for foreigners) of all personnel involved in the planning or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of the information.</p> <p>(II) Dates of important events: These dates include the signing of any letter of intent or MOU, the entrustment of a financial or legal advisor, the signing of a contract and the board of directors meeting.</p> <p>(III) Important documents and meeting minutes: It includes merger, demerger, acquisition, and plan for share</p>	<p>is decreased and a participating company's shareholders meeting adopted a resolution to authorize the board of directors to change the authority, such a participating company may be exempted from conducting another shareholders meeting.</p> <p>VIII. If any of the companies participating in a merger, demerger, acquisition, or transfer of shares is not a listed company, the Company shall sign an agreement with such a company according to paragraph 3, 4 and 7 of this Article.</p> <p>When participating in a merger, demerger, acquisition, or transfer of shares, the Company shall prepare a full written record of the following information and keep it for five years for reference:</p> <p>(I) Basic information for staff members: Information includes the job titles, names, and national identification card numbers (or passport numbers for foreigners) of all personnel involved in the planning or implementation of any merger, demerger, acquisition, or transfer of shares prior to disclosure of the information.</p> <p>(II) Dates of important events: These dates include the signing of any letter of intent or MOU, the entrustment of a financial or legal advisor, the signing of a contract and the board of directors meeting.</p> <p>(III) Important documents and meeting minutes: It includes merger, demerger,</p>	

Amendments	Current regulations	Description
<p>transferring, any letter of intent or MOU, major contracts, and meeting minutes of board of directors meetings.</p> <p><u>A company that is listed on an exchange market or trades its shares on an OTC market</u>, and when such a company participates in a merger, demerger, acquisition or transfer of shares, it shall report the information in subparagraph 1 and 2 of the preceding paragraph to the Financial Supervisory Commission in the designated format and via the Internet information system within 2 days from the date of resolution by the board of directors.</p> <p>If any of the companies participating in a merger, demerger, acquisition, or transfer of shares are neither a listed company nor trades its shares on an OTC market, <u>the enterprise that is listed on an exchange market or trades its shares on an OTC market</u> shall sign an agreement with such a company and conduct relevant matters according to the preceding two paragraphs.</p>	<p>acquisition, and plan for share transferring, any letter of intent or MOU, major contracts, and meeting minutes of board of directors meetings.</p> <p>When participating in a merger, demerger, acquisition or transfer of shares, the Company shall report the information in subparagraph 1 and 2 of the preceding paragraph to the Financial Supervisory Commission in the designated format and via the Internet information system within 2 days from the date of resolution by the board of directors.</p> <p>When the Company participates in a merger, demerger, acquisition, or transfer of shares are neither a listed company nor trades its shares on an OTC market, the Company shall sign an agreement with such a company and conduct relevant matters according to paragraph 3 and 4.</p>	
<p>Article 14 Disclosure of information</p> <p>I. For any of the following circumstances when acquiring or disposing assets, the Company shall announce and report the relevant information on the website in the designated format according to the regulations within 2 days from the date of occurrence of the event:</p> <p>(I) When acquiring or disposing of real estate or <u>right-of-use assets</u> from or to a related party, or when acquiring or disposing of assets other than real estate or <u>right-of-use assets</u> from or to a related party where the</p>	<p>Article 14 Disclosure of information</p> <p>I. For any of the following circumstances when acquiring or disposing assets, the Company shall announce and report the relevant information on the website in the designated format according to the regulations within 2 days from the date of occurrence of the event:</p> <p>(I) When acquiring or disposing of real estate from or to a related party, or when acquiring or disposing of assets other than real estate from or to a related party where the transaction amount is over 20% of the</p>	<p>It is amended in accordance with the regulations published by the Financial Supervisory Commission on November 26, 2018, with Jin-Guan-Zheng-Fa-Zi No. 1070341072.</p>

Amendments	Current regulations	Description
<p>transaction amount is over 20% of the paid-in capital, 10% or more of the Company's total assets, or with an amount of more than NT 300 million dollars. However, this does not apply to the trading of <u>domestic</u> government bonds or bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies.</p> <p>(II) Conducting a merger, demerger, acquisition, or transfer of shares.</p> <p>(III) If the losses from derivatives transaction reaches the total limit on losses or the limit on losses stipulated on the individual contracts.</p> <p>(IV) The asset transactions, dispose of creditor's rights of financial institutions, or investment in the Mainland Area other than in the preceding subparagraph (I) to (III) and the transaction amount is over 20% of the paid-in capital or with an amount of more than NT 300 million dollars. However, this does not apply to the following:</p> <ol style="list-style-type: none"> <li>1. The trading of <u>domestic</u> government bonds.</li> <li>2. The trading of bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies.</li> <li>3. Acquisition or disposal of assets such as machinery</li> </ol>	<p>paid-in capital, 10% or more of the Company's total assets, or with an amount of more than NT 300 million dollars. However, this does not apply to the trading of government bonds or bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies.</p> <p>(II) Conducting a merger, demerger, acquisition, or transfer of shares.</p> <p>(III) If the losses from derivatives transaction reaches the total limit on losses or the limit on losses stipulated on the individual contracts.</p> <p>(IV) The asset transactions, dispose of creditor's rights of financial institutions, or investment in the Mainland Area other than in the preceding subparagraph (I) to (III) and the transaction amount is over 20% of the paid-in capital or with an amount of more than NT 300 million dollars. However, this does not apply to the following:</p> <ol style="list-style-type: none"> <li>1. The trading of government bonds.</li> <li>2. The trading of bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies.</li> <li>3. Acquisition or disposal of assets such as machinery equipment for business use, the transaction counterparty is not a related party and the</li> </ol>	

Amendments	Current regulations	Description
<p>equipment for business use <u>or right-of-use</u> assets, the transaction counterparty is not a related party and the transaction amount reaches the following condition:</p> <p>(1) A listed company with paid-in capital of less than NT 10 billion dollars or more and the transaction amount reaches NT 500 million dollars or more.</p> <p>(2) A listed company with paid-in capital of NT 10 billion dollars or more and the transaction amount reaches NT 1 billion dollars or more.</p> <p>(V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, <u>and the transaction counterparty is not a related party</u>, and the transaction amount reaches NT 500 million dollars or more. (based on the amount the Company expects to invest)</p> <p>II. The amount of transactions in the preceding paragraph shall be calculated as follows:</p> <p>(I) The amount of individual transactions.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of asset with the same transaction</p>	<p>transaction amount reaches the following condition:</p> <p>(1) A listed company with paid-in capital of less than NT 10 billion dollars or more and the transaction amount reaches NT 500 million dollars or more.</p> <p>(2) A listed company with paid-in capital of NT 10 billion dollars or more and the transaction amount reaches NT 1 billion dollars or more.</p> <p>(V) Where land is acquired under an arrangement on engaging others to build on the Company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and the transaction amount reaches NT 500 million dollars or more. (based on the amount the Company expects to invest)</p> <p>II. The amount of transactions in the preceding paragraph shall be calculated as follows:</p> <p>(I) The amount of individual transactions.</p> <p>(II) The cumulative transaction amount of acquisitions and disposals of the same type of asset with the same transaction counterparty within one year.</p> <p>(III) The cumulative transaction amount of acquisitions and disposals (cumulative amount of acquisitions and disposals, respectively) of real estate in the</p>	

Amendments	Current regulations	Description
<p>counterparty within one year.</p> <p>(III) The cumulative transaction amount of acquisitions and disposals (cumulative amount of acquisitions and disposals, respectively) of real estate <u>or right-of-use assets</u> in the same development project within one year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative amount of acquisitions and disposals, respectively) of the same security within one year.</p> <p>III. The term within one year as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. The items duly announced according to these Operating procedures do not need to be counted toward the transaction amount.</p> <p>IV. The Company shall compile prepare reports on the status of derivatives transaction engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic listed companies and upload the information in the designated format to the information website designated by the competent authority by the 10th of each month.</p> <p>V. If the public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be re-announced and re-reported in their entirety within two days from the date of knowing</p>	<p>same development project within one year.</p> <p>(IV) The cumulative transaction amount of acquisitions and disposals (cumulative amount of acquisitions and disposals, respectively) of the same security within one year.</p> <p>III. The term within one year as used in the preceding paragraph refers to the year preceding the date of occurrence of the current transaction. The items duly announced according to these Operating procedures do not need to be counted toward the transaction amount.</p> <p>IV. The Company shall compile prepare reports on the status of derivatives transaction engaged in up to the end of the preceding month by the Company and any subsidiaries that are not domestic listed companies and upload the information in the designated format to the information website designated by the competent authority by the 10th of each month.</p> <p>V. If the public announcement makes an error or omission in an item required by regulations to be publicly announced and so is required to correct it, all the items shall be re-announced and re-reported in their entirety within two days from the date of knowing of such error or omission.</p> <p>VI. When acquiring or disposing of assets, all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at</p>	



Amendments	Current regulations	Description
<p>of such error or omission.</p> <p>VI. When acquiring or disposing of assets, all relevant contracts, meeting minutes, log books, appraisal reports and certified public accountant, attorney, and securities underwriter opinions at the Company shall be kept for 5 years except where another act provides otherwise.</p> <p>VII. For any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days from the date of occurrence of the event:</p> <p>(I) Amendment, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date stipulated in the contract.</p> <p>(III) Amendment to the originally publicly announced and reported information.</p>	<p>the Company shall be kept for 5 years except where another act provides otherwise.</p> <p>VII. For any of the following circumstances occurs with respect to a transaction that the Company has already publicly announced and reported, a public report of relevant information shall be made on the information reporting website designated by the competent authority within 2 days from the date of occurrence of the event:</p> <p>(I) Amendment, termination, or rescission of a contract signed in regard to the original transaction.</p> <p>(II) The merger, demerger, acquisition, or transfer of shares is not completed by the scheduled date stipulated in the contract.</p> <p>(III) Amendment to the originally publicly announced and reported information.</p>	
<p>Article 17: Amendment information These operating procedures were stipulated on December 9, 1997. (Omitted) <u>The tenth amendment</u> <u>Approved by the meeting of the board of directors on March 19, 2019.</u> <u>Approved by the shareholders meeting on June 28, 2019.</u></p>	<p>Article 17: Amendment information These operating procedures were stipulated on December 9, 1997. (Omitted)</p>	<p>The amendment information was added to this article.</p>

**Green World Hotels Co., Ltd.**

Comparison table of amendments to the regulations of “Operational Procedures for  
Loaning Funds to Others”

Amendment	Current regulations	Description
<p>Article 1: <u>Purpose</u>  <u>If it is necessary for the Company to loan funds to other companies (hereinafter referred to as borrowers) due to the needs of business transaction, it must be conducted according to these operational procedures. For any matter that is not stipulated in these operational procedures, the matter shall be conducted according to the relevant laws and regulations.</u></p>	<p>Article 1: The loan counterparty:</p> <ol style="list-style-type: none"> <li>1. A company that has inter-company business transactions with the Company.</li> <li>2. A company that requires an inter-company short-term financing facility with the Company.</li> </ol> <p>The term “short-term” as used in the preceding paragraph means one year. However, if the Company’s operating cycle exceeds one year, one business cycle shall prevail.</p> <p>The so-called “financing amount” means the cumulative balance of the Company’s short-term financing.</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 2: <u>The laws and regulations foundation</u>  <u>These operational procedures are stipulated according to Article 15 of the Company Act, Article 36-1 of the Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies”.</u></p>	<p>Article 2: The reason and necessity of loaning funds to others.</p> <p>If the Company engages in financial loans with an inter-company or inter-firm business transaction, it shall be conducted according to the regulations of Article 3, Paragraph 2; and if it is necessary for a short-term financing facility of loaning funds, it is limited to the following circumstances:</p> <ol style="list-style-type: none"> <li>1. The short-term financing facility of loaning funds is necessary for a company that the Company has more than 50% of its shares.</li> <li>2. The short-term financing facility of loaning funds is necessary for a company or a firm due to the procurement of materials or operational turnover.</li> <li>3. Other borrowers that are approved by the board of directors of the Company.</li> </ol>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 3: <u>The Company’s Operational Procedures for Loaning Funds to Others are as follows:</u></p>	<p>Article 3: The aggregate amount of loans and the maximum amount permitted to a single</p>	<p>This article is amended</p>

Amendment	Current regulations	Description
<p><u>1. The loan counterparty</u></p> <p><u>(1) Companies or firms that have business transaction with the Company.</u></p> <p><u>(2) Companies or firms that require a short-term financing facility with the Company. However, such financing amount shall not exceed 25% of the Company’s net worth.</u></p> <p><u>The term “short-term” means one year or one business cycle. However, if the Company’s operating cycle exceeds one year, one business cycle shall prevail.</u></p> <p><u>The restriction in Article 3, paragraph 1, subparagraph 2 shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to the Company by any overseas company in which the Company holds, directly or indirectly, 100% of the voting shares. However, the Company shall still prescribe limits on the aggregate amount of such loans and on the maximum amount of such loans permitted to a single borrower, and shall specify the durations of such loans.</u></p> <p><u>When the owner of the Company violates paragraph 1 or the proviso of the preceding paragraph, the owner of the Company shall bear joint and several liabilities with the borrower for repayment; if the Company suffers harm, the owner of the Company also shall be liable for harms.</u></p> <p><u>2. Evaluation standards for loaning funds to others</u></p> <p><u>(1) Before loaning the funds to others, the accounting unit of the Company shall investigate, evaluate and make a written report on the business operations, financial status, solvency capability and credit, profitability and loan purpose of the loan counterparty.</u></p>	<p>borrower:</p> <p>1. The aggregate amount of loans shall not exceed 40% of the Company’s net worth. However, where an inter-company or inter-firm short-term financing facility is necessary, provided that such financing amount shall not exceed 25% of the Company’s net worth.</p> <p>2. The maximum amount permitted to a single company or firm that engages in business transaction with the Company shall not exceed the amount of business transaction between the two parties. The term business transaction amount means the higher amount of purchase or sales between the two parties.</p> <p>3. the object of obtaining loans and funds</p> <p>(1) The company or line number with which the Company has business dealings. (2) The company or line number necessary for the Company to have short-term financing funds, the financing amount shall not exceed 40% of the net value of the loan and the enterprise.</p>	<p>according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>(2) The assessment items shall include:</u></p> <p>1. <u>Where funds are loaned for reasons of business transactions, evaluation shall be carried out for determining whether the amount of a loan is commensurate to the total amount of transactions between the two companies.</u></p> <p>2. <u>Where short-term financing is needed, the reasons for and conditions of loans shall be listed.</u></p> <p>3. <u>The aggregate amount of loans and the maximum amount permitted to a single borrower</u></p> <p><u>(1) The maximum amount permitted to a company or firm that has business transaction with the Company is limited to the amount of business transactions between the two parties in the most recent year. The term business transaction amount means the higher amount of purchase or sales between the two parties.</u></p> <p><u>(2) The loan of funds for companies or firms that require a short-term financing facility with the Company shall not exceed 40% of the Company's net worth, and the amount of individual loan shall not exceed 10% of the Company's net worth.</u></p> <p>4. <u>Duration of loans and calculation of interest.</u></p> <p><u>(1) The duration of each loan shall not exceed one year. However, it may be extended depending on the actual circumstances upon the approval of the board of directors.</u></p> <p><u>(II) The calculation of interest shall refer to the benchmark interest rate of the Bank of Taiwan on the date of loan, which should be within a reasonable range and signed by the borrower and the lender in a written contract, however, the interest rate should not be lower than the</u></p>		

Amendment	Current regulations	Description
<p><u>lowest interest rate of funds borrowing from the financial institution by the Company. The interest shall be calculated in a monthly basis, and it may be adjusted depending on the actual circumstances upon the approval of the board of directors.</u></p> <p><u>5. Procedures for conducting loans of funds.</u></p> <p><u>(1) Application</u></p> <p><u>1. When the Company conducts the loans of funds, the borrower shall attach the necessary company information and financial information, with the details of the amount, duration and purpose of the loan.</u></p> <p><u>2. Loans of funds between the Company and its subsidiaries, or between its subsidiaries, shall be submitted for a resolution by the board of directors pursuant to the preceding paragraph, and the chairman may be authorized, for a specific loan counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the loan counterparty.</u></p> <p><u>3. Where the Company has appointed independent directors, when it loans funds to others, the Company shall take into full consideration each independent director's opinions. The independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</u></p> <p><u>(2) Credit check</u></p> <p><u>1. For the first-time borrower, the borrower shall provide basic information and financial</u></p>		

Amendment	Current regulations	Description
<p><u>information for the accounting unit of the Company to conduct the credit check of the borrower.</u></p> <p>2. <u>As for the loan-extension borrower, the credit check shall be conducted once a year. If it is a major case, the credit check shall be conducted once every six months depending on the actual needs.</u></p> <p>3. <u>The Company shall also assess the impact on the Company's business operations, financial condition and shareholders' equity when conducting a credit check on the borrower.</u></p> <p><u>(3) Approval</u></p> <p>1. <u>If the credit evaluation of the borrower is not good or the purpose of the loan is not appropriate after the credit check or evaluation, the accounting unit shall issue a specific opinion of not approving loan and report to the general manager, and then notify the borrower.</u></p> <p>2. <u>If the credit evaluation of the borrower is good and the purpose of the loan is appropriate after the credit check or evaluation, the accounting unit shall attach the evaluation record and submit for approval, including the information stating the loan counterparty, reason, amount, duration and loan condition. And obtain collateral (the reason shall be stated if the collateral cannot be obtained) if necessary, and then submit to all levels for approval and it will be conducted upon the approval of the board of directors.</u></p> <p>3. <u>After the loan of fund has been approved, the financial unit will notify the borrower to conduct the matters regarding the loan. The details of the Company's loan terms,</u></p>		

Amendment	Current regulations	Description
<p><u>including the maximum, duration, interest rate, collateral and guarantor, etc. will be stated to the borrower, and the borrow shall complete the contract related matters before the deadline.</u></p> <p><u>(4) Guarantee</u></p> <p><u>1. If the amount of the loan is large, the responsible staff member shall prepare the terms of the agreement and submit to the supervisor for review, and then submit to the legal consultant to verify prior to the signing of the contract.</u></p> <p><u>2. The content of the agreement shall comply with the approved loan conditions. After the borrower and the joint guarantor sign the agreement, the responsible staff member shall conduct the verification process.</u></p> <p><u>(5) Appraisal of collateral and security for the creditor's rights</u></p> <p><u>In the case of a loan with collateral, the borrower shall conduct a pledge or mortgage as security for the loan. The Company will also assess the value of the collateral to ensure the creditor's rights.</u></p> <p><u>(6) Insurance</u></p> <p><u>1. Except for the land and securities, the collateral should have fire insurance and related insurance. The insurance amount should be no less than the pledge of collateral, and the insurance policy should state that the Company is the beneficiary. The subject's name, quantity, storage location, insurance condition, insurance sheet, etc. on the policy shall comply with the original granted loan condition of the Company.</u></p> <p><u>2. The responsible staff member should pay</u></p>		

Amendment	Current regulations	Description
<p><u>attention to expiry date of the insurance and notify the borrower to reinsure before the expiry date of the insurance.</u></p> <p><u>(7) Funds allocation</u></p> <p><u>After the loan condition is approved, the contract is signed by the borrower, conducting and registering a pledge or mortgage as security for the loan, and verifying all the procedures, the funds can be allocated.</u></p> <p><u>(8) Repayment</u></p> <p><u>1. After the loan is allocated, the attention should be paid to the borrower and guarantor's financial, business and credit condition. The attention should also be paid to the change of the guarantee value for the loan with collateral. It should notify the borrower to pay off the principal and interest one month before the expiry date of the loan.</u></p> <p><u>2. After the borrower repays the loan at the end of the duration of the loan, the repayment notes of the borrower such as the promissory note and certificate of indebtedness will be canceled and returned it to the borrower.</u></p> <p><u>3. If the borrower applies for the cancellation of the mortgage as security for the loan, it is necessary to first check the balance of the loan before conducting the application of the cancellation of the mortgage.</u></p> <p><u>4. It is necessary to create repayment date management and a proposed schedule for loaning funds to others, and to track the schedule regularly.</u></p> <p><u>(9) Extension and handling the delinquent creditor's rights.</u></p> <p><u>1. Before the expiry date of borrower's loan, if necessary, it shall be renewed one month</u></p>		



Amendment	Current regulations	Description
<p><u>prior to the expiry date of the loan; and the extension is limited to one time (one year) only. The related process may be reapplied upon the passage of a proposal by the board of directors of the Company.</u></p> <p><u>2. If the borrower's loan is overdue and the principal and interest is not repaid, the Company's responsible staff member should notify the management in a timely manner to take the measures of debt collection. If necessary, they should consult a legal consultant to adopt appropriate measures, or entrust a lawyer to take legal action to ensure the creditor's rights.</u></p> <p><u>(10) Registration and retain of the case</u></p> <p><u>1. The company shall prepare a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated under these operational procedures.</u></p> <p><u>2. After the allocation of the loan, the responsible staff member shall organize documentation including the agreement of repayment, the promissory note, the collateral certificate, the insurance policy and the transaction documents, etc., and place them in a custody bag and note the content of custody and the customer's name on the bag; the responsible staff member will submit them to the supervisor of the financial department for verification and the bag will be sealed, and the two parties are required to stamp or sign on the custody registration book.</u></p>		

Amendment	Current regulations	Description
<p>Article 4: <u>Internal Audit</u></p> <p>1. <u>The internal auditors of the Company shall audit the Operational Procedures for Loaning Funds to Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any material violation found.</u></p> <p>2. <u>As a result of a change in circumstances, if a loan counterparty does not meet the requirements of these procedures or the loan balance exceeds the limit, the audit unit shall urge the management unit to adopt rectification plans for collecting the over-limit loan and funds, and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.</u></p> <p>3. <u>Where the Company has appointed independent directors, it is necessary to notify the supervisors and the independent directors in writing according to the regulations of the first paragraph; and the improvement plans submitted to the supervisors according to the regulations of the second paragraph, shall be submitted to the independent directors as well.</u></p> <p>4. <u>Where the Company has established an audit committee, the provisions of the first and second paragraph for the supervisor can also be applied to the audit committee.</u></p>	<p>Article 4: Duration of loans and calculation of interest:</p> <p>1. The duration of each loan shall not exceed one year. However, the duration of the loan may be extended depending on the actual circumstances upon the approval of the board of directors.</p> <p>2. The interest rate of the loan should not be lower than the highest interest rate of the short-term borrowing from the financial institution by the Company. The calculation of the loan interest of the Company shall be based on the principle of monthly interest payment. In case of special circumstances, it may be adjusted according to the actual situation after the approval of the board of directors.</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 5: <u>The controlling of subsidiaries loaning funds to others</u></p> <p>1. <u>Where a subsidiary of the Company intends to make loans to others, it shall stipulate and conduct according to these Operational Procedures; however, the net value will be calculated based on the net value of the subsidiary.</u></p> <p>2. <u>The subsidiary company shall prepare the details of</u></p>	<p>Article 5: Operational procedures for loans:</p> <p>1. Credit check:</p> <p>When the Company conducts the loans of funds, the borrower shall attach the necessary company information and financial information and apply to the Company in writing for the financing loan.</p> <p>After accepting the application, the accounting</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and</p>

Amendment	Current regulations	Description
<p>funds loaning to other companies in the previous month before the 10th (excluding) of each month and submit it to the Company.</p>	<p>unit of the Company shall investigate, evaluate and make a written report on the business operations, financial status, solvency capability and credit, profitability and loan purpose of the loan counterparty.</p> <p>The financial unit shall conduct a detailed evaluation and review on the loan counterparty, and the assessment shall include the following:</p> <ol style="list-style-type: none"> <li>(1) The necessity and reasonableness of loaning funds to others.</li> <li>(2) Determine if the loan and the amount of funds are necessary to the loan counterparty based on its financial status.</li> <li>(3) Whether the cumulated amount of loan is still within the limit.</li> <li>(4) The impact on the Company’s business operations, financial condition and shareholders’ equity.</li> <li>(5) Whether collateral must be obtained and appraisal of the value thereof.</li> <li>(6) Attach the credit check and the risk assessment record of the loan counterparty.</li> </ol> <p>1. preservation:</p> <p>When the Company conducts a loan of funds, it shall obtain the same amount of the secured promissory note, and if necessary, it shall also conduct a pledge of chattel or real estate for the loan. For the guarantee of the creditor’s rights in the preceding paragraph, if the debtor provides a pledge of a person or a company’s capital and credit, instead of a pledge of collateral, the board of directors may conduct the matter referring to the credit report of the finance unit; if the debtor uses a company as the guarantor, it should pay attention to whether</p>	<p>Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
	<p>a guarantee clause is stipulated in its Articles of Incorporation.</p> <p>3. The scope of authorization:</p> <p>After the credit check by the financial unit of the Company, the matters regarding the loan will be submitted to the general manager for approval, and it will be conducted upon the approval of the board of directors. The other party may not be authorized for making a decision. It shall take into full consideration each independent director's opinions. The independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p> <p>Loans of funds between the Company and its subsidiaries, or between its subsidiaries, the chairman may be authorized, for a specific loan counterparty, within a certain monetary limit resolved by the board of directors, and within a period not to exceed one year, to give loans in installments or to make a revolving credit line available for the loan counterparty.</p> <p>The certain monetary limit mentioned in the preceding paragraph, other than the inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, 100% of the voting shares, the loans of the Company or any of its subsidiaries to any single entity shall not exceed 10% of the net worth on the most current financial statements of the lending company.</p>	
<p>Article 6: <u>Information disclosure</u></p> <p>1. <u>The Company shall upload the amount of loan of funds and balances of the Company and its subsidiaries in the previous month before the 10th of each month to</u></p>	<p>Article 6: The subsequent control measures for loans, and procedures for handling the delinquent creditor's rights.</p> <p>1. After the loan is allocated, the attention should be</p>	<p>This article is amended according to the</p>

Amendment	Current regulations	Description
<p><u>the website of Market Observation Post System.</u></p> <p>2. <u>If the Company’s loan of funds and balances meet one of the following standards, the information should be uploaded to the website of Market Observation Post System within two days from the date of occurrence.</u></p> <p><u>(1) The aggregate balance of loans to others by the Company and its subsidiaries reaches 20% or more of the Company’s net worth as stated in its latest financial statement.</u></p> <p><u>(2) The balance of loans by the Company and its subsidiaries to a single enterprise reaches 10% or more of the Company’s net worth as stated in its latest financial statement.</u></p> <p><u>(3) The amount of new loans of funds by the Company or its subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company’s net worth as stated in its latest financial statement.</u></p> <p><u>The date of occurrence in these operational procedures means the date of contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty and monetary amount of the loan of funds, whichever date is earlier.</u></p> <p>3. <u>The company shall announce and report on behalf of any subsidiary thereof that is not a domestically listed company that such subsidiary is required to announce and report pursuant to subparagraph 3 of the preceding paragraph.</u></p> <p>4. <u>On the basis of the Generally Accepted Accounting Principles, the Company shall assess the status of its loans of funds and reserve sufficient allowance for bad debts, and shall adequately disclose relevant information in its financial reports and provide certified public accountants with relevant information for implementation of necessary auditing procedures.</u></p>	<p>paid to the borrower and guarantor’s financial, business and relevant credit condition. The attention should also be paid to the change of the guarantee value for the loan with collateral. In the case of major changes, it should be notified immediately to the chairman and appropriate measures shall be conducted based on the instructions.</p> <p>2. When the borrower repays the loan before the expiry date of the loan, the interest payable shall be first calculated and the principal and interest shall be paid off before the cancellation of the promissory note or the cancellation of the mortgage as security for the loan can be carried out.</p> <p>3. When the date of loan expires, the borrower shall pay off the principal and interest immediately. If the loan is required to be extended as the repayment cannot be made before the expiry date, it is required to apply in advance and submit to the board of directors for approval. Each of the deferred repayment shall not exceed three months and it is limited to one time only, otherwise, the provided collateral or guarantor shall be disposed and recovered according to laws and regulations.</p>	<p>“Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p>Article 7: <u>Penalties</u></p> <p><u>When the Company’s managerial officers or the personnel in charge violate these Operational Procedures, they shall be reported and evaluated according to the personnel management rules of the Company, and they shall be punished depending on the circumstances.</u></p>	<p>Article 7: Internal control:</p> <ol style="list-style-type: none"> <li>1. The company shall create a memorandum book for its fund-loaning activities and truthfully record the following information: borrower, amount, date of approval by the board of directors, lending/borrowing date, and matters to be carefully evaluated according to the regulations.</li> <li>2. The company’s internal auditors shall audit based on the Operational Procedures for Loaning Funds to Others in a quarterly basis or more and prepare written records accordingly. They shall promptly notify all the supervisors in writing of any major violation found. If a major violation is discovered, the manager and the personnel in charge shall be disposed depending on the circumstances.</li> <li>3. As a result of a change in circumstances, if a loan counterparty does not meet the requirements of these procedures or the loan balance exceeds the limit, the Company shall adopt rectification plans, and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan, to reinforce the Company’s internal control.</li> </ol>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 8: <u>Implementation and amendment</u></p> <ol style="list-style-type: none"> <li>1. <u>The Company’s Operational Procedures for Loaning Funds to Others was approved by the board of directors and then submitted to the supervisors and reported to the shareholders’ meeting for approval. If any director expresses dissent and it is contained in the minutes or a written statement, the Company shall submit the dissenting information to each supervisor and for discussion by the shareholders’ meeting. The same shall apply to any amendments to the Procedures.</u></li> <li>2. <u>Where the Company has appointed independent directors, when it reports the Operational Procedures for Loaning Funds to Others to the board of directors’ meeting for discussion, the Company shall take into full consideration each independent director’s</u></li> </ol>	<p>Article 8: Announcement and report:</p> <ol style="list-style-type: none"> <li>1. The company shall announce and report the loan balances of previous month for the Company and subsidiaries by the 10th day of each month.</li> <li>2. The company whose loans of funds reach one of the following levels shall announce and report such event within two days from the date of occurrence: <ol style="list-style-type: none"> <li>(1) The aggregate balance of loans to others by the Company and subsidiaries reaches 20% or more of the Company’s net worth as stated in its latest financial statement.</li> <li>(2) The balance of loans by the Company and subsidiaries to a single enterprise reaches 10% or more of the Company’s net worth as stated in its latest financial statement.</li> </ol> </li> </ol>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>opinions. The independent directors' dissent or reserved opinions shall be included in the minutes of the board of directors' meeting.</u></p> <p>3. <u>Where the Company has established an audit committee according to the Securities and Exchange Act, when it adopts or amends the Operational Procedures for Loaning Funds to Others, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors.</u></p> <p>4. <u>If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, it may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be recorded in the minutes of the board of directors meeting.</u></p> <p>5. <u>The term of all audit committee members in Paragraph 3 and the term of all directors in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>	<p>(3) The loans by the Company to an enterprise due to the business relationship, and the balance of loan exceeds the total amount of business transaction with this enterprise in the most recent year.</p> <p>(4) The amount of new loans of funds by the Company or subsidiaries reaches NT\$10 million or more, and reaches 2% or more of the Company's net worth as stated in its latest financial statement.</p>	
<p>Article 9:  The first amendment was made on December 9, 1997.  The second amendment was made on June 30, 2003.  The third amendment was made on June 23, 2006.  The fourth amendment was made on June 19, 2009.  The fifth amendment was made on August 19, 2010.  The sixth amendment was made on June 21, 2013.  The seventh amendment was made on March 20, 2017.  The eighth amendment was made on June 28, 2019.</p>	<p>Article 9:  The first amendment was made on December 9, 1997.  The second amendment was made on June 30, 2003.  The third amendment was made on June 23, 2006.  The fourth amendment was made on June 19, 2009.  The fifth amendment was made on August 19, 2010.  The sixth amendment was made on June 21, 2013.  The seventh amendment was made on March 20, 2017.</p>	<p>The amendment date was added to this article.</p>

**Green World Hotels Co., Ltd.**  
**Comparison Table of Amendments to the “Endorsements or Guarantees Operations”**

Amendment	Current regulations	Description
<p>Article 1: <u>Purpose</u>  <u>These operational procedures are stipulated for conducting the Company’s endorsements and guarantees, as well as to reinforce the financial management of the endorsements and guarantees and reduce the operational risks.</u></p>	<p>Article 1: The matters of company in regard to the endorsements or guarantees are conducted according to the regulations of these operational procedures.</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 2: <u>The laws and regulations foundation</u>  1. <u>These operational procedures are stipulated in accordance with the relevant regulations of Article 36-1 of the Securities and Exchange Act and the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies” announced by the Financial Supervisory Commission (hereinafter referred to as the Commission).</u>  2. The subsidiaries and parent company as referred to in these Regulations shall be as determined in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. If the Company’s financial reports are prepared according to the International Financial Reporting Standards, the term net worth in these Regulations refers to the</p>	<p>Article 2: Application scope of these Regulations  1. Financing endorsements or guarantees, including:  (1) Bill discount financing.  (2) Endorsement or guarantee made to meet the financing needs of another company.  (3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company.  2. Customs duty guarantee: meaning an endorsement or guarantee for the Company or another company with respect to customs duty matters.  3. Other endorsements or guarantees: refer to endorsements or guarantees beyond the scope of the preceding two subparagraphs.  4. Any creation by the Company of a pledge or mortgage on its chattel or real estate as</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>



Amendment	Current regulations	Description
<p>balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p>	<p>security for the loan of other companies.</p>	
<p><u>Article 3: Scope of application</u></p> <p><u>1. Financing endorsements or guarantees, including:</u></p> <p><u>(1) Bill discount financing.</u></p> <p><u>(2) Endorsement or guarantee made to meet the financing needs of another company.</u></p> <p><u>(3) Issuance of a separate negotiable instrument to a non-financial enterprise as security to meet the financing needs of the Company.</u></p> <p><u>2. Customs duty endorsement or guarantee: meaning an endorsement or guarantee for the Company or another company with respect to customs duty matters.</u></p> <p><u>3. Other endorsements or guarantees: refer to endorsements or guarantees beyond the scope of the preceding two subparagraphs.</u></p> <p><u>4. Any creation by the Company of a pledge or mortgage on its chattel or real estate as security for the loan of other companies shall also comply with these Regulations.</u></p>	<p>Article 3:</p> <p>Except for that the Company fulfills its contractual obligations by providing mutual endorsements or guarantees for other companies in the same industry or for joint builders for purposes of undertaking a construction project, the counterparty for endorsement or guarantee is limited to the following companies:</p> <ol style="list-style-type: none"> <li>1. A company which it does business with.</li> <li>2. A company in which the Company directly and indirectly holds more than 50% of the voting shares.</li> <li>3. A company that directly and indirectly holds more than 50% of the voting shares in the Company.</li> <li>4. Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsement or guarantee for each other, and the amount of endorsement or guarantee may not exceed 10% of the net worth of the Company. However, this restriction shall not apply to the endorsement or guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</li> </ol> <p>The subsidiaries and parent company as referred shall be as determined in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</p> <p>The company's financial reports are prepared</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
	according to the International Financial Reporting Standards, and the term net worth in these Regulations refers to the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.	
<p>Article 4: <u>Counterparty of endorsement or guarantee</u></p> <p>1. <u>The company may make endorsement or guarantee for the following companies:</u></p> <p>(1) <u>A company which it does business with.</u></p> <p>(2) <u>A company in which the Company directly and indirectly holds more than 50% of the voting shares.</u></p> <p>(3) <u>A company that directly and indirectly holds more than 50% of the voting shares in the Company.</u></p> <p>2. <u>Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsement or guarantee for each other, and the amount of endorsement or guarantee may not exceed 10% of the net worth of the Company. However, this restriction shall not apply to the endorsement or guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>3. <u>The company fulfills the contractual obligations by providing mutual endorsements or guarantees for other companies in the same industry or for joint builders for purposes of undertaking a construction project, or where all capital</u></p>	<p>Article 4: The maximum amount for endorsements or guarantees</p> <p>1. The Company's aggregate amount of endorsements and guarantees shall not exceed 40% of the Company's net worth in the current period, and the amount of its endorsements or guarantees for any single enterprise shall not exceed 10% of the Company's net worth in the current period. However, the companies in which the Company directly holds 90% or more of the shares shall not exceed 20% of the Company's net worth in the current period. The Company and its subsidiaries' aggregate amount of endorsements and guarantees shall not exceed 40% of the Company's net worth, and the amount of its endorsements or guarantees for any single enterprise shall not exceed 10% of the Company's net worth. The Company's net worth is based on the financial statements in the most recent period that are verified or audited by an accountant.</p> <p>2. If the endorsement or guarantee is conducted for reasons of business transactions, in addition to the abovementioned regulations, the maximum amount permitted to a single company that engages in business transaction with the</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies."</p>

Amendment	Current regulations	Description
<p><u>contributing shareholders make endorsement or guarantee for their jointly invested company in proportion to their shareholding percentages, or where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other, such endorsement or guarantee may be made without the restriction of the preceding two paragraphs.</u></p>	<p>Company shall not exceed the amount of business transaction between the two parties. The term business transaction amount means the higher amount of purchase or sales between the two parties.</p>	
<p>Article 5: <u>The maximum amount for endorsements or guarantees</u></p> <p>1. <u>The Company's aggregate amount of endorsements and guarantees shall not exceed 50% of the Company's net worth in the latest financial statement, and the amount of its endorsements or guarantees for any single enterprise shall not exceed 20% of the Company's net worth in the latest financial statement.</u></p> <p>2. <u>The Company and its subsidiaries' aggregate amount of endorsements and guarantees shall not exceed 50% of the Company's net worth in the latest financial statement, and the amount of its endorsements or guarantees for any single enterprise shall not exceed 30% of the Company's net worth in the latest financial statement.</u></p> <p>3. <u>If the aggregate amount of endorsements and guarantees of the Company and its subsidiaries reaches 50% or more of the net worth of the Company in the latest financial statement, an explanation of the necessity and reasonableness thereof shall</u></p>	<p>Article 5: Decision-making and authorization level</p> <p>1. The endorsement or guarantee of company shall be conducted upon the resolution of the board of directors. Where the Company has appointed independent directors, it shall take into full consideration each independent director's opinions. The independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting. The board of directors may authorize the chairman to make a decision for the cases that are within the limit of NT\$20 million according to the relevant regulations of this operational regulation, and report afterwards to the board of directors for ratification; and the relevant matters shall be reported to the shareholders meeting for future reference.</p> <p>2. If the Company needs to exceed the limits for endorsements and guarantees set out in these Measures to satisfy its business</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies."</p>

Amendment	Current regulations	Description
<p><u>be given at the shareholders meeting.</u></p> <p>4. If the endorsement or guarantee is made for reasons of business transactions, in addition to the abovementioned regulations, the maximum amount permitted to a single company that engages in business transaction with the Company shall not exceed the amount of business transaction between the two parties. <u>The term business transaction amount means the higher amount of purchase or sales between the two parties.</u></p>	<p>requirements, and where the conditions set out in these Operational Procedures are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement or guarantee. It shall also amend the Operational Regulations for Endorsements or Guarantees accordingly and submit to the shareholders meeting for ratification. If the meeting of shareholders does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</p> <p>Where the Company has appointed independent directors, it shall take into full consideration each independent director's opinions. The independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	
<p>Article 6: <u>Decision-making and authorization level</u></p> <p>1. <u>The matters that the Company engages in regard to endorsements or guarantees should be carefully evaluated the risk and conducted upon the approval of the board of directors. However, for the requirement of effectiveness, the board of directors may authorize the chairman to make a decision for the cases that are within the limit of NT\$30 million according to the relevant regulations of this operational regulation, and report afterwards to the board of</u></p>	<p>Article 6: Procedures for conducting endorsements or guarantees</p> <p>1. When the Company conducts endorsements or guarantees, the endorsement or guarantee counterparty shall submit an application to the financial unit of the Company. The financial unit shall conduct a credit check on the endorsement or guarantee counterparty to evaluate the risk and prepare an evaluation record. After the review and verification, it shall be submitted to the general manager and the chairman for approval, and if necessary, the</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies."</p>

Amendment	Current regulations	Description
<p><u>directors for ratification.</u></p> <p>2. <u>The subsidiaries in which the Company holds, directly or indirectly, 90% or more of the voting shares may make endorsement or guarantee for each other, but the endorsement or guarantee should be reported to the board of directors of the Company for approval prior to the implementation. However, this restriction shall not apply to the endorsement or guarantee made between companies in which the Company holds, directly or indirectly, 100% of the voting shares.</u></p> <p>3. <u>If the Company needs to exceed the limits for endorsements and guarantees set out in these Operational Procedures to satisfy its business requirements, and where the conditions set out in these Operational Procedures are complied with, it shall obtain approval from the board of directors and half or more of the directors shall act as joint guarantors for any loss that may be caused to the Company by the excess endorsement or guarantee. It shall also amend the Operational Regulations for Endorsements or Guarantees accordingly and submit to the shareholders meeting for ratification. If the meeting of shareholders does not give consent, the Company shall adopt a plan to discharge the amount in excess within a given time limit.</u></p> <p>Where the Company has appointed independent directors, it shall take into full consideration each independent director's opinions in the discussion of the board of directors' meeting. The independent directors' opinions specifically</p>	<p>collateral shall be obtained.</p> <p>2. The financial unit shall conduct a credit check on the endorsement or guarantee counterparty and carry out a risk assessment. The assessment shall include the following:</p> <ol style="list-style-type: none"> <li>(1) The necessity and reasonableness of endorsements or guarantees.</li> <li>(2) Determine whether the amount of endorsement by the endorsement or guarantee company is necessary according to its financial status.</li> <li>(3) Whether the cumulated amount of endorsements and guarantees is still within the limit.</li> <li>(4) If the endorsement or guarantee is made due to business transaction, it is necessary to evaluate whether the amount of the endorsement or guarantee and the business transaction is still within the limit.</li> <li>(5) The impact on the Company's risk of business operations, financial status and shareholders' equity.</li> <li>(6) Whether collateral must be obtained and appraisal of the value thereof.</li> <li>(7) Attach the credit check and the risk assessment record of the endorsement or guarantee.</li> </ol> <p>3. The financial unit shall create a memorandum book for the endorsement or guarantee counterparty and truthfully record the following information: borrower, amount, date of approval by the board of directors, the endorsement or guarantee date, and matters to be carefully evaluated according</p>	

Amendment	Current regulations	Description
<p>expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>to the preceding paragraph.</p> <p>4. The financial unit shall evaluate or record the contingent loss for endorsements or guarantees, and shall adequately disclose information on endorsements or guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures and issue a review report.</p> <p>5. For circumstances in which an entity for which the Company or the subsidiaries makes any endorsement or guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, the financial unit of the Company shall track the financial status on the endorsement or guarantee counterparty quarterly. If an abnormal status is found, it shall be reported in writing of the suggestions and response measures.</p> <p>6. As a result of changes of condition the entity for which an endorsement or guarantee counterparty originally comply with the implementation regulation but afterwards not comply with the regulation, or the amount of the endorsement or guarantee is over the limit due to the change in the basis of calculation, the Company shall adopt rectification plans for the amount of endorsement or guarantee or the overrun portion before the expiry date of the contract, and submit the rectification plans to all the supervisors and report to the board of directors, and shall complete the rectification according to the timeframe set out in the plan.</p>	

Amendment	Current regulations	Description
	<p>7. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under paragraph 11 of this article, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	
<p>Article 7: <u>Procedures for conducting endorsements or guarantees</u>  <u>The company's procedures for conducting endorsements or guarantees are as follows:</u>  1. <u>When the Company conducts endorsements or guarantees, the endorsement or guarantee counterparty shall provide its detailed financial information and submit an application to the financial unit of the Company. The financial unit shall conduct a credit check on the endorsement or guarantee counterparty to evaluate the risk. After the review and verification, it shall be submitted to the general manager and the chairman for approval and submit to the board of directors for approval or ratification.</u>  2. <u>The financial unit shall conduct a review and evaluate on the endorsement or guarantee application and carry out a risk assessment. The assessment shall include the following:</u>  (1) <u>The necessity and reasonableness of endorsements or guarantees.</u>  (2) <u>Determine whether the amount of endorsement by the endorsement or guarantee company is necessary according to its financial status.</u>  (3) <u>Whether the cumulated amount of</u></p>	<p>Article 7: Cancellation of endorsements or guarantees  1. As for the cancellation of endorsements or guarantees for the relevant documents or bills due to the debt settlement or renewal of extension, the endorsement or guarantee company shall prepare an official letter and submit the original endorsement or guarantee related documents to the financial unit of the Company for stamping "cancellation" on these documents and the application letter will be kept for future reference.  2. The financial unit shall record the cancellation of endorsements or guarantees to the endorsement and guarantee memorandum book to reduce the amount of endorsements and guarantees.</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies."</p>

Amendment	Current regulations	Description
<p><u>endorsements and guarantees is still within the limit.</u></p> <p>(4) <u>If the endorsement or guarantee is made due to business transaction, it is necessary to evaluate whether the amount of the endorsement or guarantee and the business transaction is still within the limit.</u></p> <p>(5) <u>The impact on the Company's risk of business operations, financial status and shareholders' equity.</u></p> <p>(6) <u>Whether collateral must be obtained and appraisal of the value thereof.</u></p> <p>(7) <u>Attach the credit check and the risk assessment record of the endorsement or guarantee, except for the subsidiaries.</u></p> <p>3. <u>The financial unit shall create a memorandum book for the endorsement or guarantee counterparty and truthfully record the following information: borrower, amount, date of approval by the board of directors, the endorsement or guarantee date, acquisition of collateral, the criteria and date for the cancellation of the endorsement or guarantee, and matters to be carefully evaluated according to the preceding paragraph.</u></p> <p>4. <u>The Company shall evaluate or record the contingent loss for endorsements or guarantees, and shall adequately disclose information on endorsements or guarantees in its financial reports and provide certified public accountants with relevant information for implementation of necessary audit procedures.</u></p>		



Amendment	Current regulations	Description
<p>5. <u>As a result of changes of condition the entity for which an endorsement or guarantee counterparty originally comply with the implementation regulation but afterwards not comply with the regulation, or the amount of the endorsement or guarantee is over the limit due to the change in the basis of calculation, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors and report to the board of directors, and shall complete the rectification according to the timeframe set out in the plan.</u></p> <p>6. <u>For circumstances in which an entity for which the Company makes any endorsement or guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, in addition to carefully reviewing the necessity, reasonableness and risk assessment of the endorsement or guarantee in accordance with the regulations, it shall pay attention to its subsequent financial and business status. Any abnormality found should be reported to the chairman immediately to take necessary measures. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation according to the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u></p>		
<p>Article 8: <u>Cancellation of endorsements or guarantees</u></p> <p>1. <u>As for the cancellation of endorsements or</u></p>	<p>Article 8: Internal control</p> <p>1. The internal auditors of the Company shall audit the Operational Procedures for</p>	<p>This article is amended according to</p>

Amendment	Current regulations	Description
<p><u>guarantees for the relevant documents or bills due to the debt settlement or renewal of extension, the endorsement or guarantee company shall prepare an official letter and submit the original endorsement or guarantee related documents to the financial and accounting unit of the Company for stamping “cancellation” on these documents and the application letter will be kept for future reference.</u></p> <p>2. <u>The financial and accounting unit shall record the cancellation of endorsements or guarantees to the endorsement and guarantee memorandum book to reduce the amount of endorsements and guarantees.</u></p> <p>3. If the financial institution requests to endorse a new bill and return the old bill when renewing the extension of bills, it is required to record the detailed repayment reminder records and recover the old bill for cancellation in a timely manner.</p>	<p>Endorsements or Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall immediately notify all the supervisors in writing of any major violation found.</p> <p>2. The company shall conduct the endorsements and guarantees according to the stipulated procedures. Depending on the actual circumstances, the managerial officers or the personnel in charge will be punished for any major violation discovered.</p>	<p>the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p><u>Article 9: Procedures for safekeeping and using the corporate seals</u></p> <p>1. <u>The company shall use the corporate seals registered with the Ministry of Economic Affairs as its dedicated seals for endorsements or guarantees. The corporate seals shall be kept in the custody of a designated person approved by the board of directors and the person must be different from the custodian of the bills; and the same shall be applied for any changes. The corporate seals or issuance of the bills can be used for conducting the endorsements or guarantees according to</u></p>	<p>Article 9: Announcement and report of procedures</p> <p>The company shall announce and report the previous month’s balance of endorsements or guarantees of the Company and its subsidiaries by the 10th day of each month. The company whose balance of endorsements or guarantees reaches one of the following levels shall announce and report such event within two days from the date of occurrence:</p> <p>1. The aggregate balance of endorsements or guarantees by the Company and its subsidiaries reaches 50% or more of the Company’s net worth as stated in its latest</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>the Company's stipulated operational procedures, and they shall be approved by the supervisor in charge depending on authority of approval.</u></p> <p>2. When making a guarantee for an overseas company, the Company shall have the guarantee agreement signed by a person authorized by the board of directors.</p>	<p>financial statement.</p> <p>2. The balance of endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</p> <p>3. The balance of endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements or guarantees for long-term investment, and balance of loans to such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</p> <p>4. The amount of new endorsements or guarantees made by the Company and its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</p> <p>The company shall announce and report on behalf of any subsidiary thereof that is not a <u>domestically</u> listed company that such subsidiary is required to announce and report according to subparagraph 4 of the preceding paragraph.</p>	
<p>Article 10: <u>Announcement and report of procedures</u></p> <p><u>After the Company became a listed company, it shall conduct announcements and reports according to the following procedures:</u></p> <p><u>The company shall announce and report the previous month's balance of endorsements or guarantees of the Company and its subsidiaries by the 10th day of each month. The company</u></p>	<p>Article 10: Procedures for safekeeping and using the corporate seals</p> <p>1. The company shall use the corporate seals registered with the Ministry of Economic Affairs as its dedicated seals for endorsements or guarantees. The corporate seals shall be kept in the custody of a designated person. The corporate seals or issuance of the bills can be used for</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of</p>

Amendment	Current regulations	Description
<p><u>whose balance of endorsements or guarantees reaches one of the following levels shall announce and report such event within two days from the date of occurrence:</u></p> <ol style="list-style-type: none"> <li>1. <u>The aggregate balance of endorsements or guarantees by the Company and its subsidiaries reaches 50% or more of the Company's net worth as stated in its latest financial statement.</u></li> <li>2. <u>The balance of endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches 20% or more of the Company's net worth as stated in its latest financial statement.</u></li> <li>3. <u>The balance of endorsements or guarantees by the Company and its subsidiaries for a single enterprise reaches NT\$10 million or more and the aggregate amount of all endorsements or guarantees for carrying value of investment with the Equity Method, and balance of loans to such enterprise reaches 30% or more of the Company's net worth as stated in its latest financial statement.</u></li> <li>4. <u>The amount of new endorsements or guarantees made by the Company or its subsidiaries reaches NT\$30 million or more, and reaches 5% or more of the Company's net worth as stated in its latest financial statement.</u></li> </ol> <p>The company shall announce and report on behalf of any subsidiary thereof that is not a <u>domestically</u> listed company that such subsidiary is required to announce and report according to subparagraph 4 of the preceding paragraph.</p>	<p>conducting the endorsements or guarantees according to the Company's stipulated operational procedures, and the designated person shall be approved by the board of directors for appointment or changes.</p> <ol style="list-style-type: none"> <li>2. When making a guarantee for an overseas company, the Company shall have the guarantee agreement signed by a person authorized by the board of directors.</li> </ol>	<p>Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>The date of occurrence in these operational procedures refers to the date of contract signing, date of payment, dates of boards of directors’ resolutions, or other date that can confirm the counterparty of endorsement or guarantee, whichever date is earlier.</u></p>		
<p>Article 11: <u>Internal control</u></p> <p>1. <u>The internal auditors of the Company shall audit the Operational Procedures for Endorsements or Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall immediately notify all the supervisors in writing of any major violation found.</u></p> <p>2. <u>As a result of changes of condition the entity for which an endorsement or guarantee is made no longer meets the requirements of these operational regulations, or the amount of endorsement or guarantee exceeds the limit, the Company shall adopt rectification plans and submit the rectification plans to all the supervisors, and shall complete the rectification according to the timeframe set out in the plan.</u></p> <p>3. <u>Where the Company has appointed independent directors, it is necessary to notify the supervisors and the independent directors in writing according to the regulations of the first paragraph; and the improvement plans submitted to the supervisors according to the regulations of the second paragraph, shall be submitted to the independent directors as well.</u></p> <p>4. <u>Where the Company has established an audit committee, the provisions of the first and</u></p>	<p>Article 11: If a subsidiary of the Company intends to make endorsements or guarantees for others, the Company shall instruct it to stipulate its own Operational Procedures for Endorsements or Guarantees according to the regulations, and it shall conduct according to the stipulated regulations when making endorsements or guarantees.</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>second paragraph for the supervisor can also be applied to the audit committee.</u></p> <p>5. <u>The financial unit shall create a memorandum book for the guarantee matters and truthfully record the following information: enterprise of the endorsement or guarantee, amount of the endorsement or guarantee, the criteria and date for the cancellation of the endorsement or guarantee, and the matters regarding the cancellation.</u></p> <p>6. <u>The company shall conduct the endorsements and guarantees according to the stipulated procedures. The managerial officers or the personnel in charge will be punished for any major violation discovered, in accordance with the relevant regulations of the Company.</u></p>		
<p>Article 12: <u>Procedures for subsidiaries' endorsements and guarantees.</u></p> <p>1. <u>If a subsidiary of the Company intends to make endorsements or guarantees for others, it is also required to stipulate these Operational Procedures and conduct according to the stipulated regulations when making endorsements or guarantees. However, the net value will be calculated based on the net value of the subsidiary.</u></p> <p>2. <u>The subsidiary company shall prepare its previous month's endorsements and guarantees for others in details before the 10th (excluding) of each month and submit to the Company.</u></p> <p>3. <u>The internal auditors of the subsidiaries shall audit the Operational Procedures for Endorsements or Guarantees for Others and the implementation thereof no less frequently than quarterly and prepare written records accordingly. They shall</u></p>	<p>Article 12: Any incompleteness of the regulations should be conducted in accordance with the relevant laws and regulations, and the relevant regulations of the Company.</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>immediately notify all the supervisors in writing of any major violation found.</u></p> <p>4. <u>When the auditors of the Company audit the subsidiaries based on the annual audit plan, they should also understand the implementation status of the subsidiary's Operational Procedures for Endorsements or Guarantees. For any matters need to be improved, the auditors should continue to verify the improvement status and make a follow-up report to submit to the chairman.</u></p> <p>5. <u>For circumstances in which an entity for which the Company or the subsidiaries makes any endorsement or guarantee is a subsidiary whose net worth is lower than half of its paid-in capital, in addition to the need of review the endorsement or guarantee in details, it is also necessary to make relevant risk analysis report at least once a month and submit to the general manager. Moreover, the auditors should also reinforce the audit operations. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation according to the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u></p>		
<p><u>Article 13: Penalties</u>  <u>Any violation of the employees of the Company to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies" or the operational procedures, will be reported based on the Company's reward, punishment and performance assessment regulations, and the employees will be punished according to the circumstances of violation.</u></p>	<p>Article 13:  Once these operational regulations are approved by the board of directors, it shall be submitted to the supervisors and the shareholders meeting for approval. If a director expresses objection and has a record or written declaration, the Company shall send the objection to the supervisors and to the shareholders' meeting for discussion. The same should be applied to the amendment.  When the Company reports these operational regulations to the board of directors' meeting for discussion according to the preceding paragraph, the independent directors' opinions specifically expressing assent or dissent and</p>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees</p>

Amendment	Current regulations	Description
	their reasons for dissent shall be included in the minutes of the board of directors' meeting.	by Public Companies.”
<p><u>Article 14: Implementation and amendment</u></p> <p><u>1. The Company's Operational Procedures for Endorsements or Guarantees was approved by the board of directors and then submitted to the supervisors and reported to the shareholders' meeting for approval. If a director expresses objection and has a record or written declaration, the Company shall send the objection to the supervisors and to the shareholders' meeting for discussion. The same should be applied to the amendment.</u></p> <p><u>2. Where the Company has appointed independent directors, and when the Operational Procedures for Endorsements or Guarantees is reported to the board of directors' meeting for discussion, it shall take into full consideration each independent director's opinions. The independent directors' opinions specifically expressing assent or dissent and their reasons for dissent shall be included in the minutes of the board of directors' meeting.</u></p> <p><u>3. Where the Company has established an audit committee according to the Securities and Exchange Act, when it adopts or amends the Operational Procedures for Endorsements or Guarantees, the procedures or amended procedures shall require the approval of one-half or more of all audit committee members, and furthermore shall be submitted for a resolution by the board of directors.</u></p> <p><u>4. If the approval of one-half or more of all audit committee members as required in the preceding paragraph is not obtained, it may be implemented if approved by two-thirds or more of all directors, and the resolution of the audit committee shall be</u></p>		<p>This article was added in accordance with the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>



Amendment	Current regulations	Description
<p><u>recorded in the minutes of the board of directors meeting.</u></p> <p>5. <u>The term of all audit committee members in Paragraph 3 and the term of all directors in the preceding paragraph shall be counted as the actual number of persons currently holding those positions.</u></p>		
<p><u>Article 15:</u>  The first amendment was made on December 9, 1997.  The second amendment was made on June 30, 2003.  The third amendment was made on June 23, 2006.  The fourth amendment was made on June 19, 2009.  The fifth amendment was made on August 19, 2010.  The sixth amendment was made on June 21, 2013.  <u>The seventh amendment was made on June 28, 2019.</u></p>	<p><u>Article 14:</u>  The first amendment was made on December 9, 1997.  The second amendment was made on June 30, 2003.  The third amendment was made on June 23, 2006.  The fourth amendment was made on June 19, 2009.  The fifth amendment was made on August 19, 2010.  The sixth amendment was made on June 21, 2013.</p>	<p>1. This article was originally the article 14 and it was amended to article 15 to comply with the new added regulations.  2. The amendment date was added.</p>

**Green World Hotels Co., Ltd.**  
**The details of waiving the non-competition restriction**

Position title	Name	Conduct of competition
Chairman	Representative of Shenyan Investment Co., Ltd.: Hsieh, Hsien-Chih	Chairman of Green World Hotel ZhongHua 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 Mingyang Frozen Food Co., Ltd. Director of Honyi Transportation Co., Ltd. Director of Huandaolian Travel Co., Ltd.
Director	Yiyaun Investment Co., Ltd. Representative: Hirabayashi Akira	Chairman of JHAT CO., LTD. Director of GreenTree Hospitality Group Ltd.
Director	Shenyan Investment Co., Ltd. Representative: Hsieh Hsiu-Mei	Director of Green World Hotel ZhongHua Co., Ltd. Director of Sanpu Travel Group Director of H.I.S. Taiwan Co., Ltd. Director of Sinri Travel Co., Ltd. Director of Sakura Travel Co., Ltd.
Director	H.I.S. Hotel Holdings Co., Ltd Representative: Kodaka Kouji	H.I.S. Director of Hotel Holdings

# Appendix

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

Article 1 The rules of procedures for shareholders' meetings 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 shareholders meeting 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 shareholders' meetings 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 or supervisors, 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 shareholders meeting. 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 shareholders meeting 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 shareholders meeting shall be the premises of the Company or a place that is easily accessible to the shareholders and suitable for a shareholders meeting. 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 shareholders meeting 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, at least one supervisor in person, 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 shareholders meeting 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 shareholders meeting without the voting capacity.

Article 6 The staff members handling administrative affairs at a shareholders meeting 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 shareholders meeting, 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 shareholders meeting, 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 shareholders' meetings 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, however, 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 shareholders meeting 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 shareholders meeting according to Article 174 of the Company Act.

Article 9 If a shareholders meeting is convened by the board of directors, the meeting agenda shall be made by the board of directors. The meeting shall proceed according to the agenda, which may not be changed without a resolution of the shareholders meeting.

The regulations of the preceding paragraph may be applied to a shareholders meeting 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 chairman shall allow opportunity during the meeting for explanation and

discussion of proposals and of amendments or extraordinary motions put forward by the shareholders. If the chairman is of the opinion that a proposal has been discussed sufficiently to put it to a vote, then the chairman may announce the discussion closed and call a vote for resolution.

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 shareholders meeting, 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 shareholders' meetings 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 shareholders meeting 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 or supervisors, and upload them to the website of the Market Observation Post System at least 30 days before the date of a regular shareholders meeting or at least 15 days before the date of a special shareholders meeting. The company shall prepare electronic version of the shareholders meeting 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 shareholders meeting or at least 15 days before the date of the special shareholders meeting. Moreover, at least 15 days before the date of the shareholders meeting, the Company shall also have prepared the shareholders meeting agenda 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 shareholders meeting 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 or supervisors, amendments to the Articles of Incorporation, the dissolution, acquisition, 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 listed in the notice of the reasons for convening the shareholders meeting, and none of the above matters should be raised by extraordinary motions.

Any shareholder holding 1% or more of the total number of issued shares may submit to the Company a written proposal for discussion at a general shareholders meeting. However, the proposal is limited to one item only, and no proposal containing more than one item will be included in the meeting agenda. Furthermore, if a proposal put forward by a shareholder is in regard to any subparagraph of Article 172-1, paragraph 4 of the Company Act, the board of directors may exclude it from the agenda.

The company shall publicly announce that it will receive shareholder proposals prior to the book closure date before a general shareholders meeting is held, as well as the location and time period for their submission; the accepting period for submission of shareholder proposals may not be less than ten days.

The submitted proposals by shareholders are 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 shareholders meeting and take part in discussion of the proposal.

Prior to the date for notice issuance of a shareholders meeting, the Company shall inform the shareholders who submitted proposals of the proposal handling results, and the proposals that conform to the regulations of this article shall be listed in the meeting notice. The board of directors shall explain at the shareholders meeting, the reasons for exclusion of any shareholders' proposals that are 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 shareholders meeting, and the proxy form shall be delivered to the Company at least 5 days before the date of the shareholders meeting. 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 in regard to the election of directors or supervisors at a shareholders meeting 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 and supervisors and the numbers of votes with which they were elected.

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 shareholders meeting 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 record the year, month, day, and location of the meeting, the chairman's full name, the resolution methods, and a summary of the discussion and the results, and shall be retained for the duration of the existence of the 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 shareholders meeting, and shall make an express disclosure of the same at the venue of the shareholders meeting.

If the resolution matters at a shareholders meeting constitute material information under applicable laws or regulations or under Taiwan Stock Exchange Corporation (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 shareholders meeting may resolve to resume the meeting at another venue.

A resolution may be adopted at a shareholders meeting 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 shareholders meeting, it may allow the shareholders to exercise voting rights by correspondence or electronic method. And when the voting rights are exercised by correspondence or electronic method, the method of exercise shall be specified in the shareholders meeting notice. A shareholder exercising the voting rights by correspondence or electronic method will be regarded 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.

A shareholder intending to exercise the 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 shareholders meeting. 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 shareholders meeting 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 shareholders meeting; 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 shareholders meeting, 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 shareholders meeting or elections shall be conducted in public at the venue of the shareholders meeting, 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 and any amendments shall be implemented upon the approval of shareholders' meetings.

It was passed by the special meeting of shareholders on December 9, 1997.

The first amendment was made by the general meeting of shareholders held on May 15, 2002.

The second amendment was made by the general meeting of shareholders held on June 22, 2012.

The third amendment was made by the general meeting of shareholders held on June 21, 2013.

The fourth amendment was made by the general meeting of shareholders held on June 26, 2015.

**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 Green World Hotels Co., Ltd.  
(The Company's English name is Green World Hotels Co., Ltd.)
- Article 2           The company's resisted businesses are as follows:
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 shareholders meeting, 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 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 shareholders meeting, 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 Shareholders' Meeting

Article 12 The shareholders' meeting includes the general meetings and special meetings:

1. The shareholders' meeting 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 special shareholders meeting will be convened in accordance with the laws.

Article 13 Each shareholder of the Company shall have a voting right for each share they hold, unless otherwise stipulated by the laws and regulations. The voting rights may be exercised in writing or electronically at the shareholders meeting of the Company. If the voting rights are to be exercised in writing or electronically, it shall be specified in the notice of the shareholders meeting, and it shall be considered to have attended the shareholders 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.

Article 14 A resolution of a shareholders meeting 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 Supervisors

Article 15 The company has 5-7 directors and 2-3 supervisors, and the term of office is three years. Directors and supervisors are elected or re-elected at the shareholders from shareholders who have behavioral competence. 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-fifth of the number of directors. The shareholders meeting can elect independent directors from the list of candidates for independent directors according to the nomination system for candidates in

Article 192 of the Company Act.

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 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 and supervisors.

- 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 create 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 and supervisors 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:

- (1) Business report.
- (2) Financial Statements.
- (3) Proposal for distribution of profits or compensation of losses.

The various reports and financial statements shall be submitted to the supervisor for review 30 days before the general meeting of shareholders, and submitted to the shareholders meeting for ratification.

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 account has profit, the profit should be first reserved to pay taxes and cover the losses in the past, and then 10% of the profit 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, depending on the operational needs and statutory requirements 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.

## Chapter 7 Supplementary Provisions

Article 23 The Company considers the operational scale of the Company and the demand for cash flow in the future, thus the cash dividends will be given priority when distributing dividends; moreover, the proportion of cash distribution of profit will be no less than 20% of the shareholders' dividends in the current year.



- Article 24 The directors, supervisors 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 These articles were created 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, 1999.  
The eighth amendment was made on May 15th, 2002.  
The ninth amendment was made on June 30, 2003.  
The tenth amendment was made on May 14th, 2004.  
The eleventh amendment was made on May 14th, 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 20th 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.

Green World Hotels Co., Ltd.

Chairman Hsieh, Hsien-Chih

### Appendix 3

The effect of stock dividend distributions on the Company's business performance, earnings per share and shareholders' returns on investment: Not applicable

## Green World Hotels Co., Ltd.

### Shareholdings of all directors and supervisors

- I. The total paid-in capital of the Company: NT\$1,097,283,430.  
The total number of issued shares of the Company: 109,728,343 shares.
- II. The statutory shareholding percentage of all directors: 7.5% (the number will be multiplied by 80% if the Company has an independent director)  
The statutory shares of all directors: 6,583,701 shares  
The statutory shareholding percentage of all supervisors: 0.75% (the number will be multiplied by 80% if the Company has an independent director)  
The statutory shares of all directors: 658,371 shares
- III. As of the book closure date of the shareholders meeting, the shareholdings of all directors and supervisors of the Company are as follows:

The record date: April 30, 2019

Position title	Name	Elective date	Term of office (year)	Number of shareholding in the entries in the shareholders' roster as of the book closure date	Shareholding ratio
Chairman	Shenyan Investment Co., Ltd. Representative: Hsieh Hsien-Chih	2017.06.22	3	7,930,502	7.227%
Director	Shenyan Investment Co., Ltd. Representative: Hsieh Hsiu-Mei	2017.06.22	3	7,930,502	7.227%
Director	Yiyaun Investment Co., Ltd. Representative: Hirabayashi Akira	2017.06.22	3	1,811,798	1.651%
Director	HIS Hotel Holdings Co., Ltd. Representative: Kodaka Kouji	2017.06.22	3	55,961,455	51%
Director	HIS Hotel Holdings Co., Ltd. Representative: Not yet appointed	2017.06.22	3	55,961,455	51%
Independent director	Liu Shuisheng	2017.06.22	3	0	0%
Independent director	Wu Yichai	2017.06.22	3	0	0%
Total shareholding of all directors				65,703,755	59.878%
Supervisor	Liu Tangkun	2017.06.22	3	0	0%
Supervisor	Liu Jiamin	2017.06.22	3	2,855,667	2.602%

Supervisor	Gao Yixing	2017.06.22	3	0	0%
Total shareholding of all supervisors				2,855,667	2.602%