

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.

D. 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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

E. 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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

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: The above proposal be and hereby was adopted as proposed.

Voting Results		% of the total represented share present
Votes For:	89,351,403 votes (2,740 votes)	97.80%
Votes Against:	8 votes (8 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	2,008,643 votes (344,893 votes)	2.91%

*including votes casted electronically (numbers in brackets)

RESOLVED, that the above proposal be and hereby was approved as proposed.

F. Special Motion: None.

(The registered number of shareholder who raised questions was 6012. The questions and answers were omitted. Regarding the questions and relevant suggestions by the shareholder, the Chairman and related person had fully explained in detail in the meeting. The Company has also kept record of the questions and answers for future reference.)

G. Adjournment: This meeting is closed at 9:46 am.

(This meeting minutes is a summary of the meeting. Video records may be referenced for details of the event, the procedures, and shareholder statements.)

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	Receivables turnover (number of times)	13.81	13.35

Items		Year	2017	2018
capacity	Average number of cash received days		26.43	27.34
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 2019 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.)



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 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)

	December 31, 2018		December 31, 2017	
	Amount	%	Amount	%
Assets				
Current assets:				
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>
Non-current assets:				
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>
Total assets	\$ <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 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>
Liabilities and Equity					
Current liabilities:					
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>
Non-Current liabilities:					
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>
	Total liabilities	<u>686,866</u>	<u>28</u>	<u>719,508</u>	<u>29</u>
Equity attributable to owners of parent (note 6(j)):					
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
	Total equity	<u>1,790,907</u>	<u>72</u>	<u>1,750,117</u>	<u>71</u>
	Total liabilities and equity	<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 Operating revenues (note 6(l), (m) and 7)	\$ 1,161,786	100	1,095,731	100
5000 Operating costs (notes 6(c), (d), (g), (h), (n) and 7)	<u>940,536</u>	<u>81</u>	<u>890,772</u>	<u>81</u>
Gross profit from operations	<u>221,250</u>	<u>19</u>	<u>204,959</u>	<u>19</u>
Operating expenses (notes 6(c), (d), (g), (h), (n) and 7):				
6100 Selling expenses	112,016	10	87,026	8
6200 Administrative expenses	<u>67,826</u>	<u>6</u>	<u>56,613</u>	<u>5</u>
Operating expenses	<u>179,842</u>	<u>16</u>	<u>143,639</u>	<u>13</u>
Operating income	<u>41,408</u>	<u>3</u>	<u>61,320</u>	<u>6</u>
Non-operating income and expenses (notes 6(c), (d), (o) and 7):				
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>(1)</u>
	<u>(4,373)</u>	<u>-</u>	<u>(10,739)</u>	<u>(1)</u>
7900 Profit before income tax	37,035	3	50,581	5
7950 Less: income tax expenses (gains) (note 6(i))	<u>(3,755)</u>	<u>-</u>	<u>2,140</u>	<u>-</u>
Profit	<u>40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
8300 Other comprehensive income, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8500 Comprehensive income	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
Profit, attributable to:				
8610 Owners of parent	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
Comprehensive income attributable to:				
8710 Owners of parent	<u>\$ 40,790</u>	<u>3</u>	<u>48,441</u>	<u>5</u>
Earnings per share (note 6(k))				
9710 Basic earnings per share (NT dollars)	<u>\$ 0.37</u>		<u>0.51</u>	
9810 Diluted earnings per share (NT dollars)	<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		
Balance on January 1, 2017	\$ 537,669	148,508	-	(106,506)	579,671	579,671	579,671
Profit for the year ended December 31, 2017	-	-	-	48,441	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	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	1,122,005
Balance on December 31, 2017	1,097,283	604,393	-	48,441	1,750,117	1,750,117	1,750,117
Profit for the year ended December 31, 2018	-	-	-	40,790	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	40,790
Appropriation and distribution of retained earnings:	-	-	-	-	-	-	-
Legal reserve	-	-	4,844	(4,844)	-	-	-
Balance on December 31, 2018	\$ 1,097,283	604,393	4,844	84,387	1,790,907	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>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 37,035	50,581
Adjustments:		
Adjustments to reconcile profit:		
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
Total adjustments to reconcile (profit) loss	<u>165,036</u>	<u>158,499</u>
Changes in operating assets and liabilities:		
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
Total changes in operating assets and liabilities	<u>13,328</u>	<u>17,916</u>
Total adjustments	<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)
Net cash flows from operating activities	<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>
Cash flows from (used in) investing activities:		
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
Net cash flows used in investing activities	<u>(263,773)</u>	<u>(392,440)</u>
Cash flows from (used in) financing activities:		
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
Net cash flows from (used in) financing activities	<u>(40,000)</u>	<u>492,711</u>
Net (decrease) increase in cash and cash equivalents	<u>(92,798)</u>	<u>312,243</u>
Cash and cash equivalents at beginning of period	<u>399,588</u>	<u>87,345</u>
Cash and cash equivalents at end of period	<u>\$ 306,790</u>	<u>399,588</u>

See accompanying notes to consolidated financial statements.



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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	%
	Current assets:				
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>
	Non-current assets:				
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>
	Total assets	\$ <u>2,442,024</u>	<u>100</u>	<u>2,433,382</u>	<u>100</u>

(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>
Liabilities and Equity				
Current liabilities:				
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>
Non-Current liabilities:				
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>
Equity attributable to owners of parent (note 6(k)):				
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>
Total liabilities and equity	<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
Balance on January 1, 2017	\$ 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)	-	-
Balance on December 31, 2018	\$ 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>
Cash flows from (used in) operating activities:		
Profit before tax	\$ 37,047	48,441
Adjustments:		
Adjustments to reconcile profit:		
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
Total adjustments to reconcile profit (loss)	<u>143,909</u>	<u>129,973</u>
Changes in operating assets and liabilities:		
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
Total changes in operating assets and liabilities	<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)	-
Net cash flows from operating activities	<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>
Cash flows from (used in) investing activities:		
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
Net cash flows used in investing activities	<u>(262,577)</u>	<u>(501,113)</u>
Cash flows from (used in) financing activities:		
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
Net cash flows from (used in) financing activities	<u>(40,000)</u>	<u>605,390</u>
Net (decrease) increase in cash and cash equivalents	<u>(103,464)</u>	<u>298,746</u>
Cash and cash equivalents at beginning of period	<u>370,789</u>	<u>72,043</u>
Cash and cash equivalents at end of period	<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

Item	Amount	Remarks
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>	<p>This is a new article</p>	<p>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.</p>

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>	

Amendments	Current regulations	Description
<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>	

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<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"> 1. The trading of <u>domestic</u> government bonds. 2. The trading of bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies. 3. Acquisition or disposal of assets such as machinery 	<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"> 1. The trading of government bonds. 2. The trading of bonds with the repurchase and resale agreements, or subscription or redemption of funds issued by the domestic securities investment companies. 3. Acquisition or disposal of assets such as machinery equipment for business use, the transaction counterparty is not a related party and the 	

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"> 1. A company that has inter-company business transactions with the Company. 2. A company that requires an inter-company short-term financing facility with the Company. <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"> 1. The short-term financing facility of loaning funds is necessary for a company that the Company has more than 50% of its shares. 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. 3. Other borrowers that are approved by the board of directors of the Company. 	<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"> (1) The necessity and reasonableness of loaning funds to others. (2) Determine if the loan and the amount of funds are necessary to the loan counterparty based on its financial status. (3) Whether the cumulated amount of loan is still within the limit. (4) The impact on the Company’s business operations, financial condition and shareholders’ equity. (5) Whether collateral must be obtained and appraisal of the value thereof. (6) Attach the credit check and the risk assessment record of the loan counterparty. <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>(1) <u>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>(2) <u>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>(3) <u>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"> 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. 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. 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. 	<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"> 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> 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> 	<p>Article 8: Announcement and report:</p> <ol style="list-style-type: none"> 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. 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"> (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. (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. 	<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. <u>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 balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>Article 2: Application scope of these Regulations</p> <ol style="list-style-type: none"> 1. Financing endorsements or guarantees, including: <ol style="list-style-type: none"> (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 security for the loan of other companies. 	<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>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"> 1. A company which it does business with. 2. A company in which the Company directly and indirectly holds more than 50% of the voting shares. 3. A company that directly and indirectly holds more than 50% of the voting shares in the Company. 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. <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 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>	<p>This article is amended according to the "Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies."</p>
<p><u>Article 4: Counterparty of endorsement or guarantee</u></p> <p><u>1. The company may make endorsement or guarantee for the following companies:</u></p> <p><u>(1) A company which it does business with.</u></p>	<p>Article 4: The maximum amount for endorsements or guarantees</p> <ol style="list-style-type: none"> 1. The Company's aggregate amount of endorsements and guarantees shall not exceed 40% of the Company's 	<p>This article is amended according to the "Regulations</p>

Amendment	Current regulations	Description
<p><u>(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.</u></p> <p><u>(3) A company that directly and indirectly holds more than 50% of the voting shares in the Company.</u></p> <p><u>2. 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><u>3. 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 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>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 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>Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</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</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</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and</p>

Amendment	Current regulations	Description
<p><u>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 be given at the shareholders meeting.</u></p> <p>4. <u>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></u></p>	<p>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 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>Making of Endorsements or Guarantees by Public Companies.”</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</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</p>	<p>This article is amended according to the “Regulations Governing</p>

Amendment	Current regulations	Description
<p><u>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 directors for ratification.</u></p> <p><u>2. 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><u>3. 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 expressing assent or dissent and their reasons</p>	<p>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 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"> (1) The necessity and reasonableness of endorsements or guarantees. (2) Determine whether the amount of endorsement by the endorsement or guarantee company is necessary according to its financial status. (3) Whether the cumulated amount of endorsements and guarantees is still within the limit. (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. (5) The impact on the Company's risk of business operations, financial status and shareholders' equity. (6) Whether collateral must be obtained and appraisal of the value thereof. (7) Attach the credit check and the risk assessment record of the endorsement or guarantee. <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 to the preceding</p>	<p>Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p>for dissent shall be included in the minutes of the board of directors' meeting.</p>	<p>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> <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></p>	<p>Article 7: Cancellation of endorsements or guarantees</p> <p>1. As for the cancellation of endorsements or guarantees</p>	<p>This article is amended</p>

Amendment	Current regulations	Description
<p>The company’s procedures for conducting endorsements or guarantees are as follows:</p> <p>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></p> <p>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></p> <p>(1) <u>The necessity and reasonableness of endorsements or guarantees.</u></p> <p>(2) <u>Determine whether the amount of endorsement by the endorsement or guarantee company is necessary according to its financial status.</u></p> <p>(3) <u>Whether the cumulated amount of 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</u></p>	<p>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.</p> <p>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>according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<p><u>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> <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</u></p>		

Amendment	Current regulations	Description
<p><u>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 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. <u>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.</u></p>	<p>Article 8: Internal control</p> <p>1. 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.</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>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>
<p>Article 9: <u>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</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</p>	<p>This article is amended according to the “Regulations Governing Loaning of Funds and</p>

Amendment	Current regulations	Description
<p><u>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 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>date of occurrence:</p> <ol style="list-style-type: none"> 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 financial statement. 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. 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. 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>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>Making of Endorsements or Guarantees by Public Companies.”</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 whose balance of endorsements or guarantees reaches one of the following levels shall announce and report such event within two days from the</u></p>	<p>Article 10: Procedures for safekeeping and using the corporate seals</p> <ol style="list-style-type: none"> 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 conducting the endorsements or guarantees according to the Company’s stipulated operational procedures, and 	<p>This article is amended according to the “Regulations Governing Loaning of Funds and Making of Endorsements or Guarantees by</p>

Amendment	Current regulations	Description
<p><u>date of occurrence:</u></p> <p>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></p> <p>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></p> <p>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></p> <p>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></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><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>the designated person shall be approved by the board of directors for appointment or changes.</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>Public Companies.”</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</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</p>	<p>This article is amended according to the “Regulations</p>

Amendment	Current regulations	Description
<p><u>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 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</u></p>	<p>Guarantees according to the regulations, and it shall conduct according to the stipulated regulations when making endorsements or guarantees.</p>	<p>Governing Loaning of Funds and Making of Endorsements or Guarantees by Public Companies.”</p>

Amendment	Current regulations	Description
<u>Company.</u>		
<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 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</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>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 their reasons for dissent shall be included in the minutes of the board of directors’ meeting.</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><u>Article 14: Implementation and amendment</u> 1. <u>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> 2. <u>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> 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 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</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>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><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>Article 14: 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>	<ol style="list-style-type: none"> 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.

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