

Stock Code: 8077



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

Handbook for the 2021 Annual General Meeting of Shareholders

Meeting date and time: 9:00 a.m. on May 28, 2021

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

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

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Green World Hotels Co., Ltd.

Procedures of the 2021 Annual General Meeting of Shareholders

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

Green World Hotels Co., Ltd.

Agenda of the 2021 Annual General Meeting of Shareholders

Time: 9:00 a.m., Friday, May 28, 2021

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

One. Call the Meeting to Order

Two. Remarks by the Chairperson

Three. Report Items

- I. The Company's 2020 annual business report.
- II. Supervisor's review report on the 2020 financial statements
- III. 2020 report on the distribution of compensation for employees and directors.
- IV. Status Report of the accumulated losses reach one-half of paid-in capital.

Four. Report on the accumulated losses reach one-half of paid-in capital. Ratification Items

- I. Ratification of the Company's 2020 Business Report and financial statements.
- II. Ratification of the Company's 2020 Deficit Compensation Proposal.

Five. Discussion Items

- I. Amendment to the "Rules of Procedure for Meeting of shareholders"

Six. Extraordinary Motions

Seven. Adjournment

[Report Items]

Report 1

Report: Review of the Company's 2020 business report.

Explanation: Please refer to Annex 1 of this Handbook for the Company's 2020 Business Report.

Report 2

Report: Audit Committee's Review Report on the 2020 Financial Statements.

Explanation: Please refer to Annex 2 of this Handbook for the Audit Committee's Review Report on the Company's 2020 financial statements.

Report 3

Report: Review of the report on the 2020 distribution of compensation for employees and directors/supervisors.

Explanation:

- I. With respect to Article 22, paragraph 1, of the Articles of Incorporation, if there is profit during the year, the Company shall appropriate 0.7-10% of such profit as the remuneration for employees and not more than 1% as remuneration for directors and supervisors. However, if the Company still has accumulated losses, the amount shall be reserved in advance.
- II. The Company does not plan to distribute compensation to employees and directors in 2020, as it still has accumulated deficit in 2020.

Report 4

Report: Status Report of the accumulated losses reach one-half of paid-in capital.

Explanation:

- I. Based on the audited financial statements by accountants, the accumulated deficit of the Company in 2020 was 857,650 thousand NTD, which was over one-half of the paid-in capital of NTD 1,097,283,430 on December 31, 2020.
- II. Report to the meeting of shareholders according to Article 211 of the Company Act.

[Ratification Items]

Report 1

[Proposed by the Board of Directors]

Proposal: Adoption of the 2020 Business Report and financial statements.

Explanation:

- I. The Company's 2020 individual financial statements and the consolidated financial statements were approved by the board of directors on February 24, 2021 and audited and certified by certified public accountant Chang Shuying and Chih Shihchin of KPMG Taiwan.
- II. The Company's 2020 business report and financial statements have been submitted to and verified by the supervisors.
- III. Please refer to Annex 1, Annex 2, and Annex 3 of this Handbook for the abovementioned 2020 financial statements of the Company.
- IV. Please ratify.

Resolution:

Report 2

[Proposed by the Board of Directors]

Proposal: Ratification of the 2020 Deficit Compensation Proposal

Explanation:

- I. The company has no distributable earnings in 2020, hence no dividend will be distributed this year. Please refer to Annex 4 of this Handbook for the Deficit Compensation Table.
- II. Please ratify.

Resolution:

[Discussion Items]

Report 1

[Proposed by the Board of Directors]

Proposal: Amendment to the “Rules of Procedures for Meeting of Shareholders”

Explanation:

- I. The Company’s “Rules of Procedures for Meetings of shareholders” are amended with respect to Letter Jin-Guan-Cheng-Zi No. 1100001446 of the Financial Supervisory Commission dated January 28, 2021.
- II. Please refer to Annex 5 of this Handbook for the cross reference of the amendment to the Company’s “Rules of Procedures for Meeting of Shareholders.”
- III. Please discuss and verify.

Resolution:

[Extraordinary Motions]

[Adjournment]

Business Report

Since the outbreak of Coronavirus (COVID-19) in January 2020, the pandemic has spread from Asia to Europe, Americas, New Zealand, Australia, and Africa in just 2 months. The pandemic is all over the world. Many countries have announced related restrictions such as the closure of borders, control of border entry/exit, and suspension of non-necessary visas to stop or delay the epidemic from spreading. In view of the rapid increase in infected cases around the world in late March, the Central Epidemic Command Center announced the restriction on entry of non-authorized foreigners starting on March 19, and all border entry passengers must undergo home isolation or quarantine for 14 days, regardless of their nationalities. It seems that the prosperity of Taiwan's tourism industry in 2019 will not be seen again in the short term.

All of our Company's hotels are located in Taipei City, which is considered to be a seriously affected area with the pandemic. The Company shut down three hotels, including Green World Songjiang, Green World Flora Main, and Flora Hotel Main Station. We owned 16 hotels (including Sky 8 and Shye Mei) at the end of 2020 and the total revenue in 2020 was 441,242 thousand NTD, and the net deficit after tax was (857,827) thousand NTD, with a decrease of 64% and 1,530% compared to 2019, respectively.

The 2020 annual business report of the Company is as follows:

I. The 2020 annual consolidated financial report: (in thousand NTD)

(I) The 2020 business implementation results

Items	Year	
	2019	2020
Operating revenue	1,218,871	441,242
Operating costs	890,473	676,657
Operating gross or loss profit	328,398	(235,415)
Operating gain or loss	135,258	(320,477)
Non-operating gain or loss	(76,332)	(481,940)
Net profit (loss) before tax	58,926	(802,417)
Net profit (loss) of the current period	59,983	(857,827)

(II) The status of budget execution in 2020: the Company did not make any financial forecasts and thus, this does not apply to the Company.

(III) The 2020 financial analysis

Items	Year		
	2019	2020	
Financial structure	Ratio of debts to assets	70.65%	80.32%
	Percentage of long-term funds to real property, plant and equipment	419.33%	374.14%
Solvency	Current ratio	78.79%	45.06%
	Quick ratio	76.73%	43.11%
Management capacity	Receivables turnover (number of times)	14.34	8.47
	Average number of cash received days	25.45	43.09
Profitability	Return on assets	2.19%	(15.62%)

Items	Year	2019	2020
	Return on equity		3.57%
Ratio of net profit before tax to paid-up capital		5.37%	(73.13%)
Profit margin		4.92%	(194.41%)
Earnings per share (dollars)		0.55	(7.82)

(IV) Status of research and development

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

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

With the impact of the COVID-19 pandemic in 2020, Taiwan began to strengthen control of border entry/exit in late March 2020. Foreign businessmen and tourists have been banned from traveling to the nation as Taiwan closed its borders. The absence of foreign tourists is devastatingly harmful to Taiwan's tourism industry.

The number of tourists traveling to Taiwan in 2020 was 1,377,861, which decreased 88.39% compared to 2019. The detailed data of the main tourists traveling to Taiwan in 2020 are as follows.

Region	Number of tourists visiting Taiwan in 2019	Number of tourists visiting Taiwan in 2020	Increase or decrease %	Increase or decrease number
Southeast Asia	2,593,392	435,383	(83.21%)	(2,158,009)
South Korea	1,242,598	178,911	(85.60%)	(1,063,687)
Hong Kong and Macau	1,758,006	177,654	(89.89%)	(1,580,352)
Japan	2,167,952	269,659	(87.56%)	(1,898,293)
Mainland China	2,714,065	111,050	(95.91%)	(2,603,015)

In terms of hotel supply, the total number of legal hotels in Taipei City and New Taipei City had increased by six in 2020

and the number of rooms had increased by 988; the number of tourist hotels has decreased by two and the number of rooms has decreased by 152; the total number of rooms has increased by 836. The number of tourists dropped tremendously due to the impact of the COVID-19 pandemic and the competition from illegal accommodation providers, which were huge challenges that hotel business operations had to face due to the COVID-19 pandemic in 2020.

III. Summary of the 2021 business plan and future development strategy of the Company:

【Foreword】

The outbreak of COVID-19 pandemic worldwide since the beginning of 2020 has caused a devastating impact on the global tourism industry. As of now, the COVID-19 pandemic shows no signs of slowing down and transnational tourism will not be any time soon. It is very difficult to plan a strategy for current business operations.

The following will be carried out in order regarding the business operations after the year 2021.

- ① During the pandemic period of COVID-19, we have put much effort into preventing cash loss to maintain a robust financial condition.
- ② After the COVID-19 pandemic is suppressed, we will reform the organization and systems in order to increase the profits to even higher than the time before the pandemic.

[Countermeasures during the COVID-19 pandemic]

The business operations are tremendously difficult before the country's lockdown is lifted. Non-emergency investments will be suspended in order to minimize cash expenditures. Our business operations will be conducted mainly on the three strategies: "sales strategy," "cost reduction strategy," and "fund management strategy."

① Sales strategy

(1) Gain more domestic accommodation demands

The domestic accommodation demands for Taiwanese travelers in Taipei mainly include two types: tourism and business trips.

As business travelers stay over in hotels more often, we will focus on enhancing the loyalty of our previous hotel guests. Particular actions such as "sending messages via LINE@", "promoting the plan for business travelers on official website" and so on.

In addition to the high percentage of online reservations, the percentage of our guests making reservations through our official website is also very high. By implementing the database and points system for members, the reservation rate via the official website can be enhanced.

Comparing August 2020 with August 2019, the revenue of Taiwanese guests increased by 239%. Our goal is to enhance the domestic demands for Taiwanese travelers.

(2) Gain more temporary rest demands

For sales of temporary rest, we will enhance the cooperation with various online booking platforms led by FUNNOW.

At the same time, we will strengthen the vacancy adjustments in order to increase the number of walk-in customers (especially the particularly low vacancy on Friday and Saturday nights). By establishing a late-night housekeeping mechanism for all hotels on Friday and Saturday nights, to enhance the bed turnover rates of temporary rest on Friday and Saturday.

The revenue of temporary rest in August 2020 was more than 7.5 times than in January (before the COVID-19 pandemic), and we will continue to increase the business revenue.

(3) Operation of quarantine hotel

Although the COVID-19 pandemic is gradually slowing down and transnational traveling will be reinitiated, the current 14 days of quarantine for border entry is still required.

With the increasing demand for quarantine hotels, our Company has already converted Green World Station and Green World Linsen into quarantine hotels.

We will cautiously observe the variation in the number of quarantine requirements in the future. If the demand for quarantine increases, we will evaluate adding more quarantine hotels.

On the other hand, we are also prepared for the future lifting of the country's lockdown and the reducing number of people in quarantine. We will then assess canceling the registration to be a quarantine hotel as soon as possible so that Green

World Station and Green World Linsen will return to regular business operations.

We will always be aware of the needs of a quarantine hotel and make flexible measures to maximize the profits as a quarantine hotel.

(4) Maximization of other incomes

On the basis of food service business and space rental business, our goal is to maximize profits.

For the food service business, we are currently developing our own bento brand that was created in July 2020. The revenue has gone up successfully, and our subsequent goal is to maximize the business revenue.

For the space rental business, we currently make flexible use of the existing facilities for providing conference rooms, restaurant rentals, and rentals of advertising wall. The revenue has gone up successfully and we may expand the scale for rental in the future, as we are committed to maximizing the profits.

② Cost reduction strategy

(1) Cutting personnel cost

After the outbreak of the COVID-19 pandemic, our staff was cut, which was about 40% less compared to the manpower before the outbreak.

Since the number of staff has been reduced, the group's business is maintained with a minimum number of staff. It is difficult to implement more staff cuts in the future.

However, if the epidemic significantly worsens in the future, further staff cuts may be necessary and implemented for the next phase.

If the situation is stable and more manpower is needed in the future, the plan for an increase of manpower will be implemented while controlling the expenditures.

(2) Cutting rental costs

After the outbreak of the COVID-19 pandemic, in addition to the contract cancellation of the stores in deficit (Green World Songjiang, Green World Flora Main, and Flora Hotel Main Station), and we also negotiated with the landlord about rent reduction for the Zhong branch contract.

In the future, we will continue to negotiate with the landlord for rent reductions.

(3) Cutting variable expense

Since the outbreak of the COVID-19 pandemic, we have continuously put effort into reducing all variable expenses.

In order to reduce variable expenses, the completed tasks such as improvement in the work process, and reduction in the contractual amount of using water, electricity and propane gas. In the future, we will continue to analyze variable expenses to ensure that they are not too high.

③ Fund management strategy

Negotiating the financing quotas with various financial institutions

In view of a possible long-time worsened situation, we are preparing sufficient financing quotas to prevent the risk of bankruptcy.

[Reform after the COVID-19 pandemic is suppressed]

Once the COVID-19 pandemic is suppressed, the country's lockdown will be gradually lifted. Then the following reforms will be implemented in order to reach higher profits than the time before the outbreak of COVID-19.

① Organizational reform

(1) Establish a hotel on-site management system

We currently have 16 hotels in business operations, with a total of six vice

presidents who are in charge of hotel operations.

The number of vice presidents who are in charge of hotel operations will be reduced, as the operations can be conducted with fewer vice presidents. The pace of business growth is expected to increase with the dedication of vice presidents to their new missions.

(2) Effective communication between the headquarters and on-site hotels

At present, there are many ineffective communications between the headquarters and on-site hotels. With a clear definition of business scopes for the headquarters and on-site hotels, conduct staff cut according to the needs, reform the organization to enhance efficiency.

② Effectiveness and systematization of the work process

At present, most of the hotels' on-site counters and the accounting department of the headquarters are labor intensive, which requires a large number of staff.

The work process should be reviewed and standards for new work process should be stipulated. At the same time, the introduction of an automated system based on RPA is able to integrate the system, and it is expected to continue business operation with a system without requiring more manpower after the COVID-19 pandemic.

The abovementioned will be achieved and implemented based on projects of the Group.

③ Implementation of the membership system.

Green World Hotels Co., Ltd.

Chairman: Hsieh Hsien-Chih

General Manager: YOHEI FUKAI

CAO: Peng Fei-xiu

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

The company's board of directors has prepared and submitted the 2020 business report, the profit distribution table, and the individual financial statements and consolidated financial statements audited by accountants Chang, Shu-Ying and Chih, Shih-Chin of the KPMG Taiwan. We, as Audit Committee's of Green World Hotels Co., Ltd., hereby declare that we have reviewed and verified the abovementioned documents and that they are in compliance with the provisions of Article 219 of the Company Act and relevant laws and regulations. For your honor's verification.

Sincerely yours,

Green World Hotels Co., Ltd.; The 2021 Annual General Meeting of Shareholders

Chairman of Audit Committee: Liu, Shui-Sheng

Date: April 15, 2021

Representation Letter

The entities that are required to be included in the combined financial statements of Green World Hotels Co., Ltd. as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Green World Hotels Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Company name: Green World Hotels Co., Ltd.

Chairman: Hsien-Chih Hsieh

Date: February 24, 2021

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.(“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, 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 of December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (“IFRSs”), International Accounting Standards (“IASs”), Interpretations developed by the International Financial Reporting Interpretations Committee (“IFRIC”) or the former Standing Interpretations Committee (“SIC”) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits 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 of 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 right-of-use assets, intangible assets , property, plant and equipment:

Refer to Notes 4(i) “Leases” , 4(h), “Property, plant and equipment” , 4(j) “Intangible assets” , 6(d) “Right-of-use assets” , 6(c) “Property, plant and equipment” and 6(e) “Intangible assets” to the consolidated financial statements for the accounting policy and the details of the information.

Description of key audit matter

As of December 31 2020, the carrying amounts of right-of-use assets, intangible assets, property, plant and equipment, constitute 88% of the total assets of the Group. Since the aforementioned assets are affected by industry competition, government policy, and economic environment, as well as the COVID-19 pandemic in the beginning of 2020, the estimated recoverable amount of future discounted cash flows is highly uncertain; hence, there is a risk of overestimating the carrying amount of right-of-use assets, 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 assessing 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-based revenue, and cost increase rate). We verify the reasonableness of the assumptions and the accuracy of management's calculation based on available data.

Emphasis of Matter

As stated in Note 6(c), (e), and 10 to the consolidated financial statements, the COVID-19 pandemic has led to the decrease of the Group's occupancy rates and average room rates, thereby influencing its operation. Therefore, as of December 31, 2020, the management recognized the impairment losses of property, plant, and equipment, and intangible assets, amounting to \$120,730 thousand and \$319,823 thousand, respectively. Our opinion is not modified in respect of this matter.

Other Matter

The Company has prepared its parent-company-only financial statements as of and for the years ended December 31, 2020 and 2019, on which we have issued an unqualified opinion with emphasis of matter paragraph.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the 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 remain solely responsible for our audit opinion.

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

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

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

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)

February 24, 202

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 303,112	7	334,636	6
1150	Notes receivable, net (note 6(b), (n) and 7)	569	-	29,277	1
1170	Accounts receivable, net (note 6(b), (n) and 7)	19,731	-	54,521	1
1220	Current tax assets	95	-	234	-
1476	Other current financial assets (note 6(a) and (f))	1,040	-	251,191	4
1479	Other current assets	14,677	-	17,926	-
		<u>339,224</u>	<u>7</u>	<u>687,785</u>	<u>12</u>
Non-current assets:					
1600	Property, plant and equipment (note 6(c))	957,037	22	1,181,816	20
1755	Right-of-use assets (note 6(d))	2,756,253	64	3,278,251	56
1780	Intangible assets (note 6(e))	83,286	2	414,287	7
1840	Deferred tax assets (note 6(k))	44,590	1	100,000	2
1980	Other non-current financial assets (note 6(f), 7 and 8)	153,171	4	166,504	3
1990	Other non-current assets	-	-	71	-
		<u>3,994,337</u>	<u>93</u>	<u>5,140,929</u>	<u>88</u>
Total assets		\$ 4,333,561	100	5,828,714	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets (CONT'D)

December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

		<u>December 31, 2020</u>		<u>December 31, 2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (note 6(g) and 7)	\$ 350,000	8	390,000	7
2130	Current contract liabilities (note 6(n))	13,324	-	10,587	-
2150	Notes payable	480	-	1,242	-
2170	Accounts payable (note 7)	22,445	1	49,212	1
2200	Other payable (note 6(c), (o) and 7)	25,084	1	55,473	1
2280	Current lease liabilities (note 6(h) and 7)	340,867	8	365,054	6
2399	Other current liabilities	681	-	1,411	-
		<u>752,881</u>	<u>18</u>	<u>872,979</u>	<u>15</u>
Non-Current liabilities:					
2580	Non-current lease liabilities (note 6(h) and 7)	2,726,583	63	3,243,711	56
2645	Guarantee deposits	1,128	-	1,228	-
		<u>2,727,711</u>	<u>63</u>	<u>3,244,939</u>	<u>56</u>
Total liabilities		<u>3,480,592</u>	<u>81</u>	<u>4,117,918</u>	<u>71</u>
Equity attributable to owners of parent (notes 6(l)):					
3100	Capital stock	1,097,283	25	1,097,283	19
3200	Capital surplus	604,393	14	604,393	10
3310	Legal reserve	8,943	-	8,923	-
3350	Unappropriated retained earnings (accumulated deficit)	(857,650)	(20)	197	-
Total equity		<u>852,969</u>	<u>19</u>	<u>1,710,796</u>	<u>29</u>
Total liabilities and equity		<u>\$ 4,333,561</u>	<u>100</u>	<u>5,828,714</u>	<u>100</u>

(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, 2020 and 2019

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

		2020		2019	
		Amount	%	Amount	%
4000	Operating revenues (note 6(n) and 7)	\$ 441,242	100	1,218,871	100
5000	Operating costs (note 6(c), (d), (e), (j) and 7)	676,657	153	890,473	73
	Gross profit from operations	(235,415)	(53)	328,398	27
	Operating expenses (note 6(c), (d), (e), (h), (j) and 7):				
6100	Selling expenses	66,288	15	122,616	10
6200	Administrative expenses	48,857	11	70,524	6
	Operating expenses	115,145	26	193,140	16
6500	Net other income (expenses)(note 6(p))	30,083	7	-	-
	Operating income(expenses)	(320,477)	(72)	135,258	11
	Non-operating income and expenses (note 6(c), (e), (q) and 7):				
7100	Interest income	3,158	1	3,329	-
7020	Other gains and losses, net	(404,661)	(92)	8,245	1
7050	Finance costs	(80,437)	(18)	(87,906)	(7)
		(481,940)	(109)	(76,332)	(6)
7900	Profit (loss) before income tax	(802,417)	(181)	58,926	5
7950	Less: Income tax expenses (gains) (note 6(k))	55,410	13	(1,057)	-
	Profit (Loss)	(857,827)	(194)	59,983	5
8300	Other comprehensive income, net	-	-	-	-
8500	Comprehensive income	<u>\$ (857,827)</u>	<u>(194)</u>	<u>59,983</u>	<u>5</u>
	Profit attributable to:				
8610	Owners of parent	<u>\$ (857,827)</u>	<u>(194)</u>	<u>59,983</u>	<u>5</u>
	Comprehensive income attributable to:				
8710	Owners of parent	<u>\$ (857,827)</u>	<u>(194)</u>	<u>59,983</u>	<u>5</u>
	Basic earnings per share (note 6(m))				
9710	Basic earnings (loss) per share (NT dollars)	<u>\$ (7.82)</u>		<u>0.55</u>	
9810	Diluted earnings (loss) per share (NT dollars)	<u>\$ (7.82)</u>		<u>0.55</u>	

(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, 2020 and 2019
 (expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent					
	Capital stock	Capital surplus	Legal reserve	Retained earnings		Total equity attributable to owners of parent
				Unappropriated retained earnings	Total equity	
Balance on January 1, 2019 (restated)	\$ 1,097,283	604,393	4,844	(55,707)	1,650,813	1,650,813
Profit for the year ended December 31, 2019	-	-	-	59,983	59,983	59,983
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2019	-	-	-	59,983	59,983	59,983
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	4,079	(4,079)	-	-
Balance on December 31, 2019	1,097,283	604,393	8,923	197	1,710,796	1,710,796
(Loss) for the year ended December 31, 2020	-	-	-	(857,827)	(857,827)	(857,827)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2020	-	-	-	(857,827)	(857,827)	(857,827)
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	20	(20)	-	-
Balance on December 31, 2020	\$ 1,097,283	604,393	8,943	(857,650)	852,969	852,969

(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, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

	2020	2019
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (802,417)	58,926
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	487,027	512,439
Amortization expense	19,735	22,029
Interest expense	80,437	87,906
Interest income	(3,158)	(3,329)
Impairment loss on non-financial assets	440,553	150
Loss (gain) on lease termination	(27,891)	-
Loss (gain) from disposal of property, plant and equipment	(1,862)	-
Loss (gain) from disposal of intangible assets	129	-
Rent concessions	(62,211)	-
Total adjustments to reconcile profit	932,759	619,195
Changes in operating assets and liabilities:		
Notes receivable	28,708	(1,337)
Accounts receivable	34,790	3,653
Other current assets	(947)	5,219
Other financial assets	151	467
Contract liabilities	2,737	1,615
Notes payable	(762)	(2,908)
Accounts payable	(26,767)	1,615
Other payable	(28,270)	633
Other current liabilities	(730)	(356)
Total changes in operating assets and liabilities	8,910	8,601
Total adjustments	941,669	627,796
Cash inflow generated from operations	139,252	686,722
Interest received	3,158	3,329
Interest paid	(80,437)	(88,271)
Income taxes paid	139	(6,954)
Net cash flows from operating activities	62,112	594,826

(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, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

	<u>2020</u>	<u>2019</u>
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(19,370)	(56,307)
Proceeds from disposal of property, plant and equipment	2,857	-
Acquisition of intangible assets	(4,419)	(8,686)
Decrease (increase) in other financial assets	263,333	(99,741)
Net cash flows from (used) in investing activities	<u>242,401</u>	<u>(164,734)</u>
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(40,000)	(40,000)
(Decrease) increase in guarantee deposits received	(100)	400
Payment of lease liabilities	(295,937)	(362,646)
Net cash flows from (used in) financing activities	<u>(336,037)</u>	<u>(402,246)</u>
Net (decrease) increase in cash and cash equivalents	(31,524)	27,846
Cash and cash equivalents at beginning of period	<u>334,636</u>	<u>306,790</u>
Cash and cash equivalents at end of period	<u>\$ 303,112</u>	<u>334,636</u>

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, 2020 and 2019, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our 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 of 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 right-of-use assets, intangible assets, property, plant and equipment:

Refer to Notes 4(i) "Leases" , 4(h) "Property, plant and equipment" , 4(j) "Intangible assets" , 6(e) "Right-of-use assets" , 6(d) "Property, plant and equipment" and 6(f) "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, 2020, the carrying amount of right-of-use assets, intangible assets, property, plant and equipment constitute 88% of the total assets of the Company. Since the aforementioned assets are affected by industry competition, government policy, and economic environment, as well as the COVID-19 pandemic in the beginning of 2020, the estimated recoverable amount of future discounted cash flows is highly uncertain; hence, there is a risk of overestimating the carrying amount of right-of-use assets, 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 reasonableness of the assumptions and accuracy of management's calculation based on available data.

Emphasis of Matter

As stated in Note 6(d), (f), and 10 to the independent financial statements, the COVID-19 pandemic has led to the decrease of the Company's occupancy rates and average room rates, thereby influencing its operation. Therefore, as of December 31, 2020, the management recognized the impairment losses of property, plant, and equipment, and intangible assets, amounting to \$120,730 thousand and \$319,823 thousand, respectively. Our opinion is not modified in respect of this matter.

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 Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements 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 and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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)

February 24, 2021

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTEL CO., LTD.

Balance Sheets

December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

Assets		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Current assets:					
1100	Cash and cash equivalents (note 6(a))	\$ 301,388	7	332,879	6
1150	Notes receivable, net (notes 6(b), (o) and 7)	569	-	29,277	1
1170	Accounts receivable, net (notes 6(b), (o) and 7)	19,731	-	54,521	1
1220	Current tax assets	95	-	234	-
1476	Other current financial assets (notes 6(a) and (g))	1,040	-	251,181	4
1479	Other current assets	14,677	1	17,864	-
		<u>337,500</u>	<u>8</u>	<u>685,956</u>	<u>12</u>
Non-current assets:					
1550	Investments accounted for using equity method, net (note 6(c))	4,724	-	4,789	-
1600	Property, plant and equipment (note 6(d))	957,037	22	1,181,816	20
1755	Right-of-use assets (notes 3(a) and 6(e))	2,756,253	64	3,278,251	56
1780	Intangible assets (note 6(f))	83,286	2	414,287	7
1840	Deferred tax assets (note 6(l))	44,590	1	100,000	2
1980	Other non-current financial assets (notes 6(g), 7 and 8)	150,171	3	163,504	3
1990	Other non-current assets	-	-	71	-
		<u>3,996,061</u>	<u>92</u>	<u>5,142,718</u>	<u>88</u>
Total assets		\$ 4,333,561	100	5,828,674	100

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTEL CO., LTD.

Balance Sheets (CONT'D)

December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

		December 31, 2020		December 31, 2019	
		Amount	%	Amount	%
Liabilities and Equity					
Current liabilities:					
2100	Short-term borrowings (note 6(h))	\$ 350,000	8	390,000	7
2130	Current contract liabilities (note 6(o))	13,324	-	10,587	-
2150	Notes payable	480	-	1,242	-
2170	Accounts payable(note 7)	22,445	1	49,212	1
2200	Other payable (notes 6(d), (p) and 7)	25,084	1	55,433	1
2280	Current lease liabilities (notes 6(i) and 7)	340,867	8	365,054	6
2399	Other current liabilities	681	-	1,411	-
		<u>752,881</u>	<u>18</u>	<u>872,939</u>	<u>15</u>
Non-current liabilities:					
2580	Non-current lease liabilities (notes 6(i) and 7)	2,726,583	63	3,243,711	56
2645	Guarantee deposits	1,128	-	1,228	-
		<u>2,727,711</u>	<u>63</u>	<u>3,244,939</u>	<u>56</u>
	Total liabilities	<u>3,480,592</u>	<u>81</u>	<u>4,117,878</u>	<u>71</u>
Equity attributable to owners of parent (notes 6(m)):					
3100	Capital stock	1,097,283	25	1,097,283	19
3200	Capital surplus	604,393	14	604,393	10
3310	Legal reserve	8,943	-	8,923	-
3350	Unappropriated retained earnings (accumulated deficit)	(857,650)	(20)	197	-
	Total equity	<u>852,969</u>	<u>19</u>	<u>1,710,796</u>	<u>29</u>
	Total liabilities and equity	<u>\$ 4,333,561</u>	<u>100</u>	<u>5,828,674</u>	<u>100</u>

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

Statements of Comprehensive Income

For the years ended December 31, 2020 and 2019

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

		<u>2020</u>		<u>2019</u>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
4000	Operating revenues (notes 6(o) and 7)	\$ 441,165	100	1,218,896	100
5000	Operating costs (notes 6(d), (e), (f), (k) and 7)	676,657	153	890,473	73
	Gross profit from operations	<u>(235,492)</u>	<u>(53)</u>	<u>328,423</u>	<u>27</u>
	Operating expenses (notes 6(d), (e), (f), (i), (k) and 7):				
6100	Selling expenses	66,243	15	122,436	10
6200	Administrative expenses	48,762	11	70,467	6
	Operating expenses	<u>115,005</u>	<u>26</u>	<u>192,903</u>	<u>16</u>
6500	Net other income (expenses) (note (q))	30,083	7	-	-
	Operating income (expenses)	<u>(320,414)</u>	<u>(72)</u>	<u>135,520</u>	<u>11</u>
	Non-operating income and expenses (notes 6(d), (f), (r) and 7):				
7100	Total interest income	3,129	1	3,314	-
7020	Other gains and losses, net	(404,630)	(92)	8,209	1
7050	Finance costs	(80,437)	(18)	(87,906)	(7)
7070	Share of loss of subsidiaries accounted for using equity method, net	(65)	-	(211)	-
		<u>(482,003)</u>	<u>(109)</u>	<u>(76,594)</u>	<u>(6)</u>
	Profit (loss) before income tax	(802,417)	(181)	58,926	5
7950	Less: Income tax expenses (gains) (note 6(l))	55,410	13	(1,057)	-
	Profit (Loss)	<u>(857,827)</u>	<u>(194)</u>	<u>59,983</u>	<u>5</u>
8300	Other comprehensive income, net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Comprehensive income	<u>\$ (857,827)</u>	<u>(194)</u>	<u>59,983</u>	<u>5</u>
	Earnings per share (note 6(n))				
9750	Basic earnings (loss) per share (NT dollars)	<u>\$ (7.82)</u>		<u>0.55</u>	
9850	Diluted earnings (loss) per share (NT dollars)	<u>\$ (7.82)</u>		<u>0.55</u>	

(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, 2020 and 2019
(expressed in thousands of New Taiwan Dollar)

	Retained earnings					Total equity
	Capital stock	Capital surplus	Legal reserve	Unappropriated retained earnings	Total retained earnings	
Balance on January 1, 2019 (restated)	\$ 1,097,283	604,393	4,844	(55,707)	(50,863)	1,650,813
Profit for the year ended December 31, 2019	-	-	-	59,983	59,983	59,983
Other comprehensive income for the year ended December 31, 2019	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2019	-	-	-	59,983	59,983	59,983
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	4,079	(4,079)	-	-
Balance on December 31, 2019	1,097,283	604,393	8,923	197	9,120	1,710,796
(Loss) for the year ended December 31, 2020	-	-	-	(857,827)	(857,827)	(857,827)
Other comprehensive income for the year ended December 31, 2020	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2020	-	-	-	(857,827)	(857,827)	(857,827)
Appropriation and distribution of retained earnings:						
Legal reserve appropriated	-	-	20	(20)	-	-
Balance on December 31, 2020	\$ 1,097,283	604,393	8,943	(857,650)	(848,707)	852,969

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

Statements of Cash Flows

For the years ended December 31, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

	2020	2019
Cash flows from (used in) operating activities:		
(Loss) profit before tax	\$ (802,417)	58,926
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	487,027	512,439
Amortization expense	19,735	22,029
Interest expense	80,437	87,906
Interest income	(3,129)	(3,314)
Share of loss of subsidiaries accounted for using equity method	65	211
Impairment loss on non-financial assets	440,553	150
Loss (gain) on lease termination	(27,891)	-
Loss (gain) from disposal of property, plant and equipment	(1,862)	-
Loss (gain) from disposal of intangible assets	129	-
Rent concessions	(62,211)	-
Total adjustments to reconcile profit	932,853	619,421
Changes in operating assets and liabilities:		
Notes receivable	28,708	(1,337)
Accounts receivable	34,790	3,653
Other current assets	(1,009)	5,281
Other financial assets	141	477
Contract liabilities	2,737	1,615
Notes payable	(762)	(2,908)
Accounts payable	(26,767)	1,615
Other payable	(28,230)	593
Other current liabilities	(730)	(356)
Total changes in operating assets and liabilities	8,878	8,633
Cash inflow generated from operations	139,314	686,980
Interest received	3,129	3,314
Interest paid	(80,437)	(88,271)
Income taxes paid	139	(6,954)
Net cash flows from operating activities	62,145	595,069

(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, 2020 and 2019

(expressed in thousands of New Taiwan Dollar)

	2019	2018
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	-	(5,000)
Acquisition of property, plant and equipment	(19,370)	(56,307)
Proceeds from disposal of property plant, and equipment	2,857	-
Acquisition of intangible assets	(4,419)	(8,686)
Decrease (increase) in other financial assets	263,333	(96,741)
Net cash flows from (used in) investing activities	242,401	(166,734)
Cash flows from (used in) financing activities:		
Decrease in short-term borrowings	(40,000)	(40,000)
(Decrease) increase in guarantee deposits received	(100)	400
Payment of lease liabilities	(295,937)	(362,646)
Net cash flows from (used in) financing activities	(336,037)	(402,246)
Net increase (decrease) in cash and cash equivalents	(31,491)	26,089
Cash and cash equivalents at beginning of period	332,879	306,790
Cash and cash equivalents at end of period	\$ 301,388	332,879

Green World Hotels Co., Ltd.
Profit and Deficit Compensation Table
2020

Unit: NTD

Item	Amount	Remarks
Beginning undistributed earnings	177,079	
Add: Net income after tax of the year	(857,826,852)	
Deficit to be offset at the end of the period	(857,649,773)	

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

**Cross Reference of Amendments to the
“Rules of Procedure for Meetings of shareholders”**

Amendments	Current Version	Description
<p>Article 2</p> <p>The company shall provide the attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors, pre-printed ballots shall also be attached.</p> <p>Omitted below</p>	<p>Article 2</p> <p>The company shall provide the attending shareholders with the meeting agenda book, annual report, attendance card, speaker’s slips, voting slips, and other meeting materials. Where there is an election of directors <u>or supervisors</u>, pre-printed ballots shall also be attached.</p> <p>Omitted below</p>	<p>The Company’s 2020 to establish an audit committee in lieu of a supervisor</p>
<p>Article 5</p> <p>If a meeting of shareholders is convened by the board of directors, the meeting shall be chaired by the chairman of the board. The meeting shall be attended by a majority of the directors, in person, and at least one member of each functional committee on behalf of the committee and the attendance shall be recorded in the meeting minutes. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors shall select one person from</p>	<p>Article 5</p> <p>If a meeting of shareholders is convened by the board of directors, the meeting shall be chaired by the chairman of the board. The meeting shall be attended by a majority of the directors <u>at least one supervisor</u> in person, and at least one member of each functional committee on behalf of the committee and the attendance shall be recorded in the meeting minutes. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors</p>	<p>The Company’s 2020 to establish an audit committee in lieu of a supervisor</p>

Amendments	Current Version	Description
<p>among themselves to serve as chair.</p> <p>Omitted below</p>	<p>shall select one person from among themselves to serve as chair.</p> <p>Omitted below</p>	
<p>Article 8</p> <p>Paragraphs I omitted.</p> <p>The chairman shall call the meeting to order at the appointed meeting time, <u>as well as announce relevant information such as the number of people with non-voting rights and the number of attended shares at the same time.</u></p> <p>If the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, providing that no more than two such postponements and for a combined total of no more than one hour may be made. If after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>Omitted below</p>	<p>Article 8</p> <p>Paragraphs I omitted.</p> <p>The chairman shall call the meeting to order at the appointed meeting time, however, if the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, providing that no more than two such postponements and for a combined total of no more than one hour may be made. If after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.</p> <p>Omitted below</p>	<p>Paragraph 2 was amended with respect to Letter in-Guan-Cheng-Zi No. 1100001446 of the Financial Supervisory Commission dated January 28, 2021.</p>
<p>Article 11</p> <p>Paragraphs I omitted.</p> <p>The company shall prepare electronic version of the meeting of shareholders notice and proxy forms and the case origins and description materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors, and upload them to the website of the Market Observation Post System at least 30 days before the date</p>	<p>Article 11</p> <p>Paragraphs I omitted.</p> <p>The company shall prepare electronic version of the meeting of shareholders notice and proxy forms and the case origins and description materials relating to all proposals, including proposals for ratification, matters for discussion, or the election or dismissal of directors <u>or supervisors</u>, and upload them to the website of the Market Observation Post System at least 30</p>	<p>Paragraph 4 was amended with respect to Letter in-Guan-Cheng-Zi No. 1100001446 of the Financial Supervisory Commission dated January 28, 2021.</p>

Amendments	Current Version	Description
<p>of a regular meeting of shareholders or at least 15 days before the date of a special meeting of shareholders. The company shall prepare an electronic version of the shareholders' meeting of agenda and supplemental meeting materials and upload them to the website of the Market Observation Post System at least 21 days before the date of the regular meeting of shareholders or at least 15 days before the date of the special meeting of shareholders. Moreover, at least 15 days before the date of the meeting of shareholders, the Company shall also have prepared the agenda of the shareholders' meeting of and supplemental meeting materials for shareholders' review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional share affairs services agent designated as well as being distributed on-site at the meeting venue.</p> <p>Paragraphs III omitted.</p> <p>Election or dismissal of directors, amendments to the articles of incorporation, capital reduction, application for cessation of public offering, waiver of non-compete duty for directors, capitalization of retained earnings, capitalization of capital reserves, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1, of the Company Act, Articles</p>	<p>days before the date of a regular meeting of shareholders or at least 15 days before the date of a special meeting of shareholders. The company shall prepare an electronic version of the shareholders' meeting of agenda and supplemental meeting materials and upload them to the website of the Market Observation Post System at least 21 days before the date of the regular meeting of shareholders or at least 15 days before the date of the special meeting of shareholders. Moreover, at least 15 days before the date of the meeting of shareholders, the Company shall also have prepared the agenda of the shareholders' meeting of and supplemental meeting materials for shareholders' review at any time. The meeting agenda and supplemental materials shall also be displayed at the Company and the professional share affairs services agent designated as well as being distributed on-site at the meeting venue.</p> <p>Paragraphs III omitted.</p> <p>Election or dismissal of directors <u>or supervisors</u>, amendments to the articles of incorporation, capital reduction, application for cessation of public offering, waiver of non-compete duty for directors, capitalization of retained earnings, capitalization of capital reserves, the dissolution, merger, or demerger of the corporation, or any matter under Article 185, paragraph 1, of the Company Act, Articles</p>	

Amendments	Current Version	Description
<p>26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the main contents shall be outlined in the notice of the reasons for convening the meeting of shareholders. None of the above matters shall be raised by an extraordinary motion.</p> <p>If a full re-election of directors and their term have been stated in the notice of a meeting of shareholders, after the re-election is completed in that meeting of shareholders, the term of such directors or supervisors shall be changed by an extraordinary motion or any means.</p> <p>Omitted below</p>	<p>26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing the Offering and Issuance of Securities by Securities Issuers shall be set out and the main contents shall be outlined in the notice of the reasons for convening the meeting of shareholders. None of the above matters shall be raised by an extraordinary motion. <u>The main contents of such matters may be announced on the website(s) designated by the securities competent authorities or the corporation, and the URL of the website(s) shall be indicated in the meeting notice.</u></p> <p>If a full re-election of directors <u>and supervisors</u> and their term have been stated in the notice of a meeting of shareholders, after the re-election is completed in that meeting of shareholders, the term of such directors or supervisors shall be changed by an extraordinary motion or any means.</p> <p>Omitted below</p>	
<p>Article 13</p> <p>The matters with regards to the election of directors at a meeting of shareholders shall be held according to the applicable election and appointment rules adopted by the Company and the voting results shall be announced on the spot, including the names of those elected as directors.</p> <p>Omitted below</p>	<p>Article 13</p> <p>The matters with regards to the election of directors <u>or supervisors</u> at a meeting of shareholders shall be held according to the applicable election and appointment rules adopted by the Company and the voting results shall be announced on the spot, including the names of those elected as directors <u>and supervisors and the numbers of votes with which they were elected.</u></p> <p>Omitted below</p>	<p>Paragraph 1 was amended with respect to Letter in-Guan-Cheng-Zi No. 1100001446 of the Financial Supervisory Commission dated January 28, 2021.</p>

Amendments	Current Version	Description
<p>Article 14</p> <p>Paragraphs I 、 II omitted.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting; the chair's full name, the methods by which resolutions are adopted and a summary of the deliberations and voting results (including the weights for statistics). If an election of directors is held, the number of votes for each candidate shall also be disclosed. The meeting minutes shall be retained for the duration of the existence of this Company.</p>	<p>Article 14</p> <p>Paragraphs I 、 II omitted.</p> <p>The meeting minutes shall accurately record the year, month, day, and place of the meeting; the chair's full name, the methods by which resolutions are adopted and a summary of the deliberations and voting results (including the weights for statistics). If an election of directors <u>or supervisors</u> is held, the number of votes for each candidate shall also be disclosed. The meeting minutes shall be retained for the duration of the existence of this Company.</p>	
<p>Article 18</p> <p>These Rules shall be implemented after the approval of the meeting of shareholders. The same shall apply to the amendments thereof.</p> <p>Approved by the extraordinary meeting of shareholders on December 9, 1997.</p> <p>1st amendment made at the AGM on May 15, 2002.</p> <p>2nd amendment made at the AGM on June 22, 2012.</p> <p>3rd amendment made at the AGM on June 21, 2013.</p> <p>4th amendment made at the AGM on June 26, 2015.</p> <p>5th amendment made at the AGM on June 15, 2020.</p> <p><u>6th amendment made at the AGM on May 28, 2021.</u></p>	<p>Article 18</p> <p>These Rules shall be implemented after the approval of the meeting of shareholders. The same shall apply to the amendments thereof.</p> <p>Approved by the extraordinary meeting of shareholders on December 9, 1997.</p> <p>1st amendment made at the AGM on May 15, 2002.</p> <p>2nd amendment made at the AGM on June 22, 2012.</p> <p>3rd amendment made at the AGM on June 21, 2013.</p> <p>4th amendment made at the AGM on June 26, 2015.</p> <p>5th amendment made at the AGM on June 15, 2020.</p>	<p>Revision of the amendment date.</p>

Appendices

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

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

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

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

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

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

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

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

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

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

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

percentage is exceeded, the voting rights in excess of 3% shall not be included in the calculation.

Article 4 The location for a meeting of shareholders shall be the premises of the Company or a place that is easily accessible to the shareholders and suitable for a meeting of shareholders. The meeting time may not be earlier than 9 a.m. and later than 3 p.m. and it shall take into full consideration for the opinions of the independent directors with respect to the place and time of the meeting.

Article 5 If a meeting of shareholders is convened by the board of directors, the meeting shall be chaired by the chairman of the board. The meeting shall be attended by a majority of the directors, at least one supervisor in person, and at least one member of each functional committee on behalf of the committee and the attendance shall be recorded in the meeting minutes. When the chairman of the board is on leave or for any reason unable to exercise the powers of chairman, the vice chairman shall act in place of the chairman; if there is no vice chairman or the vice chairman is also on leave or for any reason unable to exercise the powers of vice chairman, the chairman shall appoint one of the managing directors to act; however, if there are no managing directors, one of the directors shall be appointed to act as chair. If no appointment is made by the chairman, the managing directors or directors shall select one person from among themselves to serve as chair.

If a managing director or a director serves as chair, as mentioned in the preceding paragraph, the managing director or director shall be one who has held that position for six months or more and who understands the financial and business status of the Company. The same shall be applied for a representative of a corporate person director that serves as chair.

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

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

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

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

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

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

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

The recorded audio and video materials of the preceding paragraph shall be retained for

at least one year. However, if a shareholder files a lawsuit according to Article 189 of the Company Act, the recording materials shall be retained until the conclusion of the litigation.

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

The chairman shall call the meeting to order at the appointed meeting time, however, if the attending shareholders do not represent a majority of the total number of issued shares, the chairman may announce a postponement, providing that no more than two such postponements and for a combined total of no more than one hour may be made. If after two postponements and the attending shareholders still represent less than one third of the total number of issued shares, the chairman shall declare the meeting adjourned.

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

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

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

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

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

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

Article 10 Before the attending shareholders speak, they must write down on a speaker's slip the

subject of the speech, their shareholder account number (or attendance card number), and account name. The order in which shareholders speak will be determined by the chairman.

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

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

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

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

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

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

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

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

Election or dismissal of directors or supervisors, amendments to the articles of incorporation, capital reduction, application for cessation of public offering, waiver of non-compete duty for directors, capitalization of retained earnings, capitalization of capital reserves, the dissolution, merger or demerger of the Company or any matter under Article 185, paragraph 1, of the Company Act, Articles 26-1 and 43-6 of the Securities and Exchange Act, or Articles 56-1 and 60-2 of the Regulations Governing

the Offering and Issuance of Securities by Securities Issuers shall be set out and the main contents shall be outlined in the notice of the reasons for convening the meeting of shareholders. None of the above matters shall be raised by an extraordinary motion. The main contents of such matters may be announced on the website(s) designated by the securities competent authorities or the Company, and the URL of the website(s) shall be indicated in the meeting notice.

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

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

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

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

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

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

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

After a proxy form has been delivered to the Company, if the shareholder intends to attend the meeting in person or to exercise voting rights by correspondence or electronically, a written notice of proxy cancellation is required to be submitted to the

Company at least two business days before the meeting date; if the cancellation notice is submitted after that time, the vote cast by the proxy at the meeting shall prevail.

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

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

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

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

The meeting minutes shall accurately record the year, month, day, and place of the meeting; the chair's full name, the methods by which resolutions are adopted and a summary of the deliberations and voting results (including the weights for statistics). If an election of directors or supervisors is held, the number of votes for each candidate shall also be disclosed. The meeting minutes shall be retained for the duration of the existence of this Company.

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

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

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

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

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

Article 17 Each shareholder shall be entitled to one vote for each share held, except when the

shares are restricted as non-voting shares under Article 179, paragraph 2 of the Company Act.

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

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

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

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

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

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

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

Article 18 These Rules shall be implemented after the approval of the meeting of shareholders.

The same shall apply to the amendments thereof.

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

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

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

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

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

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

Green World Hotels Co., Ltd.
Articles of Incorporation

Chapter 1 General Provisions

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

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

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

Chapter 2 Shares

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

Article 7-1 (This article is deleted)

Article 7-2 (This article is deleted)

Article 7-3 (This article is deleted)

Article 7-4 The treasury stocks purchased by the Company according to the Company Act may include employees of subsidiaries or affiliated companies meeting certain specific requirements.

The Company's issuance of stock option certificates for employees may include employees of subsidiaries or affiliated companies meeting certain specific requirements.

When issuing new shares, the acquired shares for the employees of the Company may include employees of subsidiaries or affiliated companies meeting certain specific requirements.

When issuing new shares with restriction on the employees' rights, the acquired shares for the employees of the Company may include employees of subsidiaries or affiliated companies meeting certain specific requirements.

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

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

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

Article 11 The change of shareholder’s name in a register or stock transfer will be suspended within 60 days before the general meeting of shareholders, within 30 days before the special meeting of shareholders, or within five days before the record date of the Company’s distribution of dividends or other benefits.

The period mentioned in the preceding paragraph shall be from the meeting date or the record date.

Chapter 3 Meeting of Shareholders

Article 12 The meeting of shareholders includes the general meeting of shareholders and extraordinary meetings of shareholders.

1. The general meeting of shareholders will be convened once a year. It is convened by the board of directors six months after the end of each fiscal year, in accordance with the laws.
2. If necessary, the extraordinary meeting of shareholders will be convened in accordance with the laws.

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

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

Chapter 4 Directors and Supervisors

Article 15 The Company has 5-7 directors and 2-3 supervisors, and the term of office is three years. Directors and supervisors are elected or re-elected by the meeting of shareholders among competent shareholders. Candidates for directors shall be

nominated according to the candidate nomination system specified in Article 192-1 of the Company Act and elected from the list of candidates by the meeting of shareholders.

On the basis of Article 14-2 of the Securities and Exchange Act and the regulations of Article 183 of the Securities and Exchange Act, the Company shall have no less than two independent directors in the list of directors specified in the preceding paragraph, and the number of independent directors shall not be less than one-fifth of the number of directors.

If the directors' terms of office have expired but new directors are not re-elected, the directors' terms will be extended until the re-election and new directors take office.

The Company has created an audit committee at the 13th term of the Board of Directors according to Article 14-4 of the Securities and Exchange Law, and the audit committee is responsible for the implementation of the supervisors' duties under the Companies Act, the Securities and Exchange Law and other laws. The audit committee is consisted of all independent directors. The number of the members shall not be less than three, and one of them shall be the convener and at least one of them shall have expertise in the field of accounting or finance. The relevant rules of the organization shall be resolved by the board of directors.

The total number of registered shares held by all directors of the Company shall be conducted according to the standards in the "Rules and Review Procedures for Director and Supervisor Share Ownership Ratios at Public Companies" announced by the competent authority.

The Company may purchase liability insurance for the Company's directors and supervisors.

Article 16

The Board of Directors consists of directors and the directors should attend the meeting of the board of directors in person. If the directors are unable to attend the meeting for any reason, they may entrust other directors to attend, but each director is limited to act for only one other director.

When the meeting of the board of directors is called via video conference, the directors who participate in the video conference are regarded as attending the meeting in person.

One chairman and one vice-chairman of the Company will be elected based on the consent of the directors representing a majority of the voting rights at the meeting of the board of directors attended by two-thirds of the directors or more. The chairman represents the Company externally.

The meeting of the board of directors will be convened at least once every three months, but a special meeting may be called at any time for emergency circumstances. The meeting notice for the meeting of the board of directors can be in the form of written, fax or email notification.

Article 17

A resolution of the board of directors' meeting shall be adopted with a consent of the directors representing a majority of the voting rights at the meeting

attended by more than half of the directors

The board of directors may establish a Remuneration Committee or other functional committees for the needs of business operations.

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

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

Chapter 5 Managers

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

Chapter 6 Accounting

Article 21 At the end of each fiscal year, the board of directors shall prepare the following:

(I) Business report.

(II) Financial statements.

(III) Proposal for distribution of profits or compensation of losses.

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

The distribution of cash dividends in the profit distribution will be based on the consent of the directors representing a majority of the voting rights at the meeting of the board of directors attended by two-thirds of the directors or more. All or part of the dividends and bonus should be distributed in cash and it shall be reported in the meeting of shareholders.

Article 22 If the Company has profits in the year, it should reserve 0.7% to 10% for the employees' remuneration and 1% or less for the directors' remuneration. However, if the Company still has accumulated losses, the amount shall be reserved in advance.

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

Article 22-1 If the company's annual final accounts have a surplus, it should first be reserved to pay taxes and cover the losses in the past, and then 10% should be reserved for the statutory surplus reserve. However, it is not limited to the statutory surplus reserve that has reached the company's paid-in capital. Moreover, it depends on

the operational needs and statutory requirements whether to reserve or reverse the special surplus reserves. The remaining surplus and the undistributed surplus at the beginning of the period will be distributed upon the resolution of the meeting of shareholders proposed by the board of directors.

Chapter 7 Supplementary Provisions

Article 23 When distributing dividends, the cash dividends will be given priority as the Company considers the future operation and the cash flow demands of the company, and the ratio of surplus distribution in cash shall not be less than 20% of the shareholders' dividends in the current year.

Article 24 The directors, supervisors and managerial officers of the Company shall not disclose or reveal confidential documents of the Company or the confidential information regarding technology, market or products that are involved in the business operations of the Company to others.

Article 25 For any matter that is not stipulated in these articles, the matter shall be conducted according to the Company Act.

Article 26 This regulation was stipulated on July 19, 1994.
The first amendment was made on October 15, 1994.
The second amendment was made on December 21, 1995.
The third amendment was made on April 1, 1996.
The fourth amendment was made on September 2, 1996.
The fifth amendment was made on March 17, 1997.
The sixth amendment was made on July 22, 1998.
The seventh amendment was made on December 18, 2000.
The eighth amendment was made on May 15, 2002.
The ninth amendment was made on June 30, 2003.
The tenth amendment was made on May 14, 2004.
The eleventh amendment was made on May 14, 2004.
The twelfth amendment was made on February 21, 2005.
The thirteenth amendment was made on June 23, 2006.
The fourteenth amendment was made on December 12, 2006.
The fifteenth amendment was made on June 15, 2007.
The sixteenth amendment was made on December 5, 2007.
The seventeenth amendment was made on June 13, 2008.
The eighteenth amendment was made on June 19, 2009.
The nineteenth amendment was made on June 22, 2012.
The twentieth amendment was made on June 21, 2013.
The twenty-first amendment was made on August 12, 2013.
The twenty-second amendment was made on December 30, 2013.
The twenty-third amendment was made on December 30, 2013.
The twenty-fourth amendment was made on June 25, 2014.
The twenty-fifth revision was made on June 26, 2015.
The twenty-sixth revision was made on made June 13, 2016.

The twenty-seventh amendment was on made December 15, 2016.
The twenty-eighth amendment was made on June 26, 2018.
The twenty-ninth amendment was made on June 28, 2019.

Green World Hotels Co., Ltd.

Chairman Hsieh, Hsien-Chih

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

Green World Hotels Co., Ltd.

Shareholdings of all directors

- I. The total paid-in capital of the Company: NT\$1,097,283,430
The total number of issued shares of the Company: 109,728,343 shares.
- II. The statutory shares of all directors: 8,000,000 shares
- III. As of the book closure date of the shareholders meeting, the shareholdings of all directors of the Company are as follows:

The record date: March 30, 2021

Title	Name	Elective Date	Term of office (year)	Number of shareholdings in the entries in the shareholders' roster as of the book closure date	Shareholding ratio
Chairman	Shenyan Investment Co., Ltd. Representative: Hsieh Hsien-Chih	2020.6.15	3	7,930,502	7.227%
Director	Shenyan Investment Co., Ltd. Representative: Chang, Shi-Feng	2020.6.15	3	7,930,502	7.227%
Director	Yiyaun Investment Co., Ltd. Representative: Liu, Tang-Kun	2020.6.15	3	1,811,798	1.651%
Director	HIS Hotel Holdings Co., Ltd. Representative: Kodakamine Koji	2020.6.15	3	55,961,455	51%
Independent director	Liu, Shui-Sheng	2020.6.15	3	0	0%
Independent director	Wu, Yi-Tsai	2020.6.15	3	0	0%
Independent director	Huang, Chen-Chen	2020.6.15		0	0%
Total shareholdings of all directors				65,703,755	59.878%