

Green World Hotels Co., Ltd.

2021 Annual Shareholders' Meeting Minutes

(Translation)

- Time and Date: 9:00 A.M., August 31 (Tuesday), 2021
- Location: No. 528, Section 7, Zhongxiao East Road, Nangang District, Taipei City (Conference Room, 1F, Green World Hotel Nangang)
- The total number of shares present in person or by Proxy in the 2021 Annual General Meeting was 91,357,347 shares (including 56,067,586 votes casted electronically). Percentage of total outstanding GWHs shares (109,728,343) present in person or by proxy is 83.25%.
- Directors Present: Ken Hsieh, Chang, Kodakamine Koji.
- Independent director: Liu, Shui-Sheng. Wu, Yi-Tsai. Huang , Chen-Chen.
- Others: KPMG – Yilien Han, lawyer –Hong Yaoqin.
- Chairman: Ken Hsieh
Recorder: Yamay Lee

A. The aggregate shareholding of the shareholders presents in person or by proxy constituted a quorum at 9:00am. The Chairman called the meeting to order.

B. Chairman's Address: omitted.

C. Reporting 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.

D. Ratification Items

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

Voting Results		% of the total represented share present
Votes For:	91,344.523votes (56,063,735 votes)	99.98%
Votes Against:	2,228 votes (2,228 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	10,623 votes (1,623 votes)	0.01%

*including votes casted electronically (numbers in brackets)

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

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

Voting Results		% of the total represented share present
Votes For:	91,344.523votes (56,063,735 votes)	99.98%
Votes Against:	2,272 votes (2,272 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	10,579 votes (1,579 votes)	0.01%

*including votes casted electronically (numbers in brackets)

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

E. Discussion Items

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

Voting Results		% of the total represented share present
Votes For:	91,344.523votes (56,063,735 votes)	99.98%
Votes Against:	2,272 votes (2,228 votes)	0.00%
Votes Invalid:	none	0.00%
Votes Abstained:	10,623 votes (1,623 votes)	0.01%

*including votes casted electronically (numbers in brackets)

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

F. Extraordinary Motions: None.

G. Adjournment: This meeting is closed at 9:12 am.

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%)
	Return on equity	3.57%	(66.92%)

Items	Year	
	2019	2020
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	Total equity
				Unappropriated retained earnings	Total equity attributable to owners of parent		
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)

		2020		2019	
		Amount	%	Amount	%
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	(235,492)	(53)	328,423	27
	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	115,005	26	192,903	16
6500	Net other income (expenses) (note (q))	30,083	7	-	-
	Operating income (expenses)	(320,414)	(72)	135,520	11
	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)	-
		(482,003)	(109)	(76,594)	(6)
	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)	(857,827)	(194)	59,983	5
8300	Other comprehensive income, net	-	-	-	-
	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)

	Capital stock	Capital surplus	Legal reserve	Retained earnings		Total equity
				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>

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<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 August 31, 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>