

2023 Annual Shareholders' Meeting Minutes

(Translation)

- Time and Date: 9:00 A.M., June 16 (Friday), 2023
- 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 2023 Annual General Meeting was 18,316,554 shares (including 11,231,518 votes casted electronically). Percentage of total outstanding GWHs shares (21,945,669) present in person or by proxy is 83.46%.
- Directors Present: Hsieh, Hsien-Chih, Hoshi.Yasuhiko, Liu, Tang-Kun
- Independent director: Liu, Shui-Sheng (Chairman of Audit Committee), Zhang,Yu
- Others:Moore – Lin-Fang, Wu, lawyer –Hong Yaoqin.
- Chairman: Hsieh, Hsien-Chih 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. Report Items

Report 1

Report: Review of the Company's 2022 business report.

Explanation: Please refer to Annex 1 of this Handbook for the Company's 2022 Business Report.

Report 2

Report: Audit Committee's Review Report on the 2022 Financial Statements.

Explanation: Please refer to Annex 2 of this Handbook for the Audit Committee's Review Report on the Company's 2022 financial statements.

Report 3

Report: Review of the report on the 2022 distribution of compensation for employees and directors.

Explanation:

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

- II. The Company does not plan to distribute compensation to employees and directors in 2022, as it still has accumulated deficit in 2022.

Report 4

Report: Status of Business Plan of Capital Reduction in 2022.

Explanation:

- I. In accordance with the Letter Zheng-Gui-Jian-Zi No. 1110012999 dated December 15, 2022 from Taipei Exchange (TPEX) and Letter Zheng-Bao-Fa-Zi No. 1110004415 dated October 21, 2022 from the Securities and Futures Investors Protection Center (SFIPC), the implementation of the sound operating plan will be reported to the Board of Directors for control and reported to the shareholders' meeting on a quarterly basis.
- II. The base date of the capital reduction was set on December 21, 2022, and the period of FY2022 capital reduction for sound operations plan is the fourth quarter of 2022. Please refer to Attachment V of this handbook for the implementation report.

D. Ratification Items

Case 1

[Proposed by the Board of Directors]

Proposal: Adoption of the 2022 Business Report and financial statements.

Explanation:

- I. The Company were approved by the board of directors on March 23, 2023 and audited and certified by certified public accountant Lin-Fang, Wu and Wen-Hsin, Lo of Moore Stephens DaHua (Taiwan) CPAs.
- II. The Company's 2022 business report and financial statements have been submitted to and verified by an audit committee.
- III. Please refer to Annex 1, Annex 2, and Annex 3 of this Handbook for the abovementioned 2022 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:	18,290,193 votes (11,217,157 votes)	99.85%
Votes Against:	4,830 votes (4,830 votes)	0.02%
Votes Invalid:	none	0.00%
Votes Abstained:	21,531 votes (9,531 votes)	0.11%

*including votes casted electronically (numbers in brackets)

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

Proposal: Ratification of the 2022 Deficit Compensation Proposal

Explanation:

- I. Please refer to Annex 4 of this Handbook for the Deficit Compensation Table.
- II. The company has no distributable earnings in 2022, hence no dividend will be distributed this year.
- III. Please ratify.

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

Voting Results		% of the total represented share present
Votes For:	18,289,993 votes (11,216,957 votes)	99.85%
Votes Against:	5,030 votes (5,030 votes)	0.02%
Votes Invalid:	none	0.00%
Votes Abstained:	21,531 votes (9,531 votes)	0.11%

*including votes casted electronically (numbers in brackets)

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

E. Discussion Items

Proposal: Amendments to the "Regulations for Election of Directors and Supervisors"

Explanation:

- I. The Company has established an Audit Committee to replace the Supervisors, amended the name of the "Procedures of Election of Directors and Supervisors" to "Procedures for Election of Directors" in accordance with the law, and deleted the wording and related contents of the supervisors.
- II. Please refer to Attachment 6 of this Handbook for the cross reference of the amendment.
- 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:	18,289,993 votes (11,216,957 votes)	99.85%
Votes Against:	5,030 votes (5,030 votes)	0.02%
Votes Invalid:	none	0.00%
Votes Abstained:	21,531 votes (9,531 votes)	0.11%

*including votes casted electronically (numbers in brackets)

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

F. Elections

Full-re-election of the company directors.

[Proposed by the Board of Directors]

Explanation:

- I. As the term of present directors and supervisors will expire on June 14, 2023, shall be proposed to re-elect of the company directors at the Annual General Meeting of Shareholders.
- II. Seven (7) directors (including three (3) independent directors) are proposed to be elected at the annual shareholders' meeting under a candidate nomination system.
- III. The term of newly elected directors is three years, commencing on June 16, 2023 and ending on June 15, 2026. The term of the present directors and supervisors will end at the inauguration of the new directors elected at the present annual shareholders' meeting.
- IV. Please refer to Annex 7 for the List of Candidates for Directors and Independent Directors.

Election Results:

No.	Title	Shareholder's number (or ID number)	Name	Votes received
1	Director	5868	Shenyan Investment Co., Ltd. Corporate investor representative: Hsieh, Hsien-Chih	19,460,852
2	Director	6234	H.I.S. Hotel Holdings Co., Ltd. Corporate investor representative: Hoshi.Yasuhiko	18,892,435
3	Director	5868	Shenyan Investment Co., Ltd. Corporate Investor Representative: Chang, Shi-Feng	17,905,376
4	Director	5869	Yiyaun Investment Co., Ltd. Corporate Investor Representative: Liu, Tang-Kun	17,905,391
5	Independent director	G1XXXXXX76	Liu, Shui-Sheng	17,905,824
6	Independent director	E1XXXXXX73	Wu, Yi-Tsai	17,905,824
7	Independent director	T1XXXXXX41	Zhang, Yu	17,905,825

G. Other Proposals

Case 1

[Proposed by the Board of Directors]

Proposal: Motion to terminate the non-competition restrictions imposed on the new directors.

Explanation:

- I. With respect to Article 209 of the Company Act: "A director, who does anything for himself or on behalf of another person that is within the scope of the company's business, shall explain to the meeting of shareholders the essential contents of such an act and secure its approval."
- II. If any of the new directors elected at the Company's 2023 annual shareholders' meeting engage in any practices as described in Article 209 of the Company Act, it is proposed that the annual shareholders' meeting resolve to release the Company's directors and their representatives

from the restrictions on engaging in any of the practices described in Article 209 of the Company Act, provided that the Company's interests are not prejudiced against.

III. Please refer to Attachment VIII of this Handbook for details of the new directors and their representatives who engage in competitive behavior.

IV. 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:	18,290,314 votes (11,217,278 votes)	99.85%
Votes Against:	5,044 votes (5,044 votes)	0.02%
Votes Invalid:	none	0.00%
Votes Abstained:	21,196 votes (9,196 votes)	0.11%

*including votes casted electronically (numbers in brackets)

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

H. Extraordinary Motions : None

I. Adjournment : This meeting is closed at 9:24 am.

※ There were no questions from shareholders at the meeting.

Business Report

2022 marks the third year of the COVID-19 pandemic since 2020. The tourism industry has been suffering for more than three years as the pandemic has spread from Asia to Europe, the Americas, New Zealand, Australia, and Africa, and many countries have announced border closures, entry and exit controls, and suspension of non-essential visas in order to stop or delay the spread of the pandemic. In mid-May 2021, the nationwide COVID-19 alert was raised to Level 3 and epidemic restrictions in all areas of Taiwan were tightened and expanded accordingly. The Central Epidemic Command Center announced a ban on unauthorized foreigners entering the country. In addition, all travelers arriving in Taiwan must undergo home isolation or quarantine for 14 days, regardless of their nationalities. With the increase in the national vaccination rate and the opening of Taiwan's borders on October 13, 2022, Taiwan's tourism industry has shown a slow recovery, and business conditions are expected to return to those before the pandemic as soon as possible.

All of our Company's hotels are located in Taipei City, which is considered the area most seriously affected by the pandemic. As of the end of 2022, we own and operate a total of 15 hotels (including Sky 8 and Shye Mei), which generated a total revenue of 546,279 thousand NTD in 2022. This marks an increase of 39% compared to the previous year. The net deficit after tax in 2022 and 2021 amounted to 225,524 thousand NTD and 362,481 thousand NTD, respectively.

The 2022 annual business report of the Company is as follows:

I. The 2022 annual consolidated financial report: (in thousand NTD)

(I) The 2022 business implementation results

Items	Year	
	2021	2022
Operating revenue	391,664	546,279
Operating costs	583,703	640,057
Operating gross or loss profit	(192,039)	(93,778)
Operating gain or loss	(249,958)	(166,586)
Non-operating gain or loss	(107,515)	(58,938)
Net profit (loss) before tax	(357,473)	(225,524)
Net profit (loss) of the current period	(362,481)	(225,524)

(II) The status of budget execution in 2022: the Company did not make any financial forecasts and thus, this does not apply to the Company.

(III) The 2022 financial analysis

Items	Year		
	2021	2022	
Financial structure	Ratio of debts to assets	86.85%	91.93%
	Percentage of long-term funds to real property, plant and equipment	361.44%	349.41%
Solvency	Current ratio	31.62%	35.12%
	Quick ratio	29.76%	33.83%
Management capacity	Receivables turnover (number of times)	20.41	28.70
	Average number of cash received days	17.88	12.71
Profitability	Return on assets	(7.61%)	(4.99%)

Items	Year	2021	2022
	Return on equity		(53.96%)
Ratio of net profit before tax to paid-up capital		(32.58%)	(102.76%)
Profit margin		(92.55%)	(41.28%)
Earnings per share (dollars)		(16.52)	(10.28)

(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 opening of Taiwan's borders on October 13, 2022, Taiwan's tourism industry has slowly but gradually recovered.

The number of tourists traveling to Taiwan in 2022 was 895,962 which increased 537.79% compared to 20210. The detailed data of the main tourists traveling to Taiwan in 2022 are as follows.

Region	Number of tourists visiting Taiwan in 2021	Number of tourists visiting Taiwan in 2022	Increase or decrease %	Increase or decrease number
Southeast Asia	65,309	484,041	641.16	418,732
Japan	10,056	87,616	771.28	77,560
South Korea	3,300	51,748	1,468.12	48,448
Hong Kong and Macau	10,760	32,621	203.17	21,861
Mainland China	13,267	24,378	83.75	11,111

In terms of hotel supply, the number of legal general hotels in Taipei City and New Taipei City decreased by 22 and the number of rooms by 904 in FY2022 compared to FY2021, while the number of tourist hotels decreased by 5 and the number of rooms by 1,422, and the total number of rooms decreased by 2,326. Significant decline in traveler numbers due to the impact of COVID-19 and competition from non-legal lodging operators. In summary, with the opening of the country's borders, business conditions are expected to return to pre-pandemic levels.

III. Summary of the 2023 business plan and future development strategy of the Company:

By improving the operational performance and the collaboration of the management team, the Company was able to recover quickly and grow steadily during the post-pandemic period.

(I) Short to Mid-term Strategy

1. To utilize and synergize existing resources to meet the needs of travelers from Japan, Korea, Singapore and Malaysia. The Company's largest shareholder is currently H.I.S., a leading Japanese travel agency group. Through H.I.S.'s vast global resources and ability to attract customers, the Company will be able to quickly acquire group and individual travelers.
2. Strengthen Domestic Market Before the COVID-19 outbreak, only about 10% of our clients were of Taiwanese nationality. During the pandemic, the Company developed its own membership system and combined it with Funnow, a world-renowned real-time entertainment platform, to provide diversified membership services. At the same time, the Company collaborated with Taiwan High Speed Rail to launch hotel combo tickets, which has greatly enhanced the official website booking. In the future, the Company shall continue this strategy, expand cross-industry cooperation, provide value-added services to local passengers, and maintain and continue to increase the percentage of local clients (travelers)

to 20%.

3. **Minimize Guest Room Inventory** To reduce losses during the COVID-19 pandemic, the Company closed four locations, resulting in a reduction in the number of rooms in operation. In the future, the Company will implement efficient vacancy control measures to reduce the chance of vacant inventory, and through the joint reservation center, we will digitalize and ensure efficient room control processes, and make use of the joint operation of the branch offices to accept different levels of customers, so that we can achieve the goal of “zero low-season” strategy year round.
4. **Workflow Efficiency and System Optimization** 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. In addition to fundamentally re-examining the workflow and establishing new workflow standards, we also introduced RPA-led automation systems to standardize the system and reduce labor costs to increase profitability in the post-pandemic era.
5. **Apply Experiences Gained During the Pandemic Prevention Period to Ensure Proper Operations** Just because borders are open again, and travel is returning to normal, it doesn't mean infections won't happen. During the pandemic period, the Company operated 5 epidemic prevention (quarantine) hotels. We will make full use of our experience in epidemic prevention and adjust our on-site SOPs to reduce the risk of epidemic infection among tourists and staff, so as not to affect our normal operations due to epidemic prevention negligence.
6. **Pay close attention to the trend of tourism development during the post-pandemic era and combine with KKday, My Taiwan Tour and other affiliated companies to package localized and customized travel and lodging experiences to introduce Taiwan's rich customs and culture to the world and expand the global market.**
7. **Strengthen the training of talents, establish cooperation agreements with colleges and universities and foreign hotels of affiliated enterprises, provide domestic and foreign internship and work opportunities, and build a talent pool.**

(II) Mid to Long-term Strategy

1. Stable growth with diversified operations

- (1) As the recovery of the hotel business continues, in addition to actively stabilizing hotel revenue, the additional income derived from investment in tourism-related industries is also an area that can be actively expanded in the future.
- (2) Expand our presence in other cities and counties to increase our market share. In addition to Taipei City, we are evaluating the development of hotels in other counties to provide visitors with consistent high-quality services and customized accommodation experiences, establish a solid brand image while remaining affordable, and increase the return rate of guests.

2. Management Infrastructure

Planning and designing new business models to increase revenue. The management team has formed an efficient and multi-tasking operations team to face the changing business dynamics and consider bringing in strategic investors to plan and design new business models to increase revenue.

Green World Hotels Co., Ltd.

Chairman and General Manager: Hsieh Hsien-Chih

CAO: Peng Fei-xiu

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

The company's board of directors has prepared and submitted the 2022 business report, the profit distribution table, and the individual financial statements and consolidated financial statements audited by accountants Lucas Wu and Grace Lo of Moore Stephens DaHua (Taiwan) CPAs. We, as Audit Committee's of Green World Hotels Co., Ltd., hereby declare that we have reviewed and verified the abovementioned documents and that they are in compliance with the provisions of Article 219 of the Company Act and relevant laws and regulations. For your honor's verification.

Sincerely yours,

Green World Hotels Co., Ltd.; The 2023 Annual General Meeting of Shareholders

Chairman of Audit Committee: Liu, Shui-Sheng

Date: March 23, 2023

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, 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the year 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, 2022, and its consolidated financial performance and its consolidated cash flows for the year 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 of opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 for the year ended December 31, 2022. 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 assets

Please refer to 4(8), 4(9) and 4(10) for the accounting policy on “Property, plant and equipment”, “Leases” and “Intangible assets”; 5(1) for the significant accounting assumptions and judgments; and 6(3), 6(4) and 6(5) for information on “Property, plant and equipment”, “Leases” and “Intangible assets”.

Description of key audit matters:

As of December 31, 2022, the carrying amount of right-of-use assets, intangible assets, property, plant and equipment constitute 87% of the total assets of the Group. 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.

2. Revenue recognition

Please refer to note 4(12) and 6(15)for accounting policy on “Revenue recognition” and details on “Revenue from contracts with customers”, respectively.

Description of key audit matters:

The Group mainly engages in hotel room service, where the most sources of its customers are individual tourists and travel agents. Having a large number of transactions and different unit prices, it usually in a lot of manual operations, which may result in the Financial Statements. Therefore, the room service revenue is one of our key audit matters.

How the matter was addressed in our audit:

We performed the following audit procedures to address the abovementioned key audit matter:

- (a) Understanding and testing the effectiveness of internal control procedures on room revenue recognition.
- (b) Obtaining daily operating reports from the Group, wherein we audit the reservation records and passenger registration cards of customers to verify whether the amounts of revenue are consistent with those of the room bills and invoices.
- (c) Ensuring the consistency of the amounts of revenue, receivables and daily operating report.
- (d) Analyzing the housing trends, including the information on room occupancy rates, average room prices, etc., to evaluate the reasonableness of room service revenue.
- (e) Conducting cut off test to confirm whether the timing of the revenue recognition is reasonableness.

Emphasis of Matter

Due to the impact of government tourism policies and industry environment, the occupancy rate and average housing prices of the Group have both significantly decreased, resulting in significant operating losses. As the December 31, 2022, the Group's accumulated deficit had reached the capital stock of (259)%, and the debt ratio is 92%. The amount of current liabilities exceeds current assets of \$512,810 thousand. For relevant disclosures on liquidity risk, please refer to Note 6(20). Our opinion is not modified in respect of this matter.

Other Matter

The consolidated financial statements of the Group for the year ended December 31, 2021 were audited by another CPA, and an unqualified audit report with emphasis of matter or other matter paragraphs was issued on March 28, 2022, which is available for reference.

The Company has prepared its parent-company-only financial statements as of and for the year ended December 31, 2022, on which we have issued an unqualified opinion with emphasis of matter paragraph or other 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.

Auditors' 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 Lin-Fang, Wu and Wen-Hsin, Lo.

MOORE STEPHENS DaHua (Taiwan) CPAs

March 23 2023

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditor's audit report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditor's audit report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese)
GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES
Consolidated Balance sheet
December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollar)

Assets	December 31, 2022		December 31, 2021		Liabilities and Equity	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (Note6(1))	\$ 246,299	7	221,268	6	2100 Short-term borrowings (Note6(7) and 7)	\$ 350,000	11	390,000	10
1150 Notes receivable, net (Note6(2) (15) and 7)	319	-	424	-	2130 Current contract liabilities (Note6(15))	24,519	1	28,095	1
1170 Accounts receivable, net (Note6(2) (15) and 7)	19,669	1	17,649	-	2150 Notes payable	464	-	633	-
1220 Current tax assets	62	-	114	-	2170 Accounts payable (Note7)	26,364	1	22,250	1
1476 Other current financial assets (Note6(6))	1,035	-	1,022	-	2200 Other payable (Note6(3) and 7)	26,088	1	19,356	1
1479 Other current assets	10,187	-	15,035	-	2280 Current lease liabilities (Note6(9) and 7)	349,585	11	346,037	9
	<u>277,571</u>	<u>8</u>	<u>255,512</u>	<u>6</u>	2320 Current portion of long-term borrowings (Note6(8) and 7)	11,667	-	-	-
Non-current assets:					2399 Other current liabilities	1,694	-	1,649	-
1600 Property, plant and equipment (Note6(3))	714,040	22	808,617	22		<u>790,381</u>	<u>25</u>	<u>808,020</u>	<u>22</u>
1755 Right-of-use assets (Note6(4))	2,059,667	64	2,414,556	65	Non-current liabilities:				
1780 Intangible assets (Note6(5))	46,856	1	65,051	2	2540 Long-term borrowings (Note6(8) and 7)	198,333	6	50,000	1
1840 Deferred tax assets (Note6(12))	39,582	1	39,582	1	2580 Non-current lease liabilities (Note6(9) and 7)	2,030,053	61	2,380,546	64
1980 Other non-current financial assets (Note6(6) 7 and 8)	147,603	4	147,344	4	2645 Guarantee deposits	1,588	-	1,608	-
	<u>3,007,748</u>	<u>92</u>	<u>3,475,150</u>	<u>94</u>		<u>2,229,974</u>	<u>67</u>	<u>2,432,154</u>	<u>65</u>
Total assets	\$ 3,285,319	100	3,730,662	100	Total liabilities	<u>3,020,355</u>	<u>92</u>	<u>3,240,174</u>	<u>87</u>
					Equity attributable to owners of parent (Note6(13))				
					3100 Capital stock	219,457	7	1,097,283	30
					3200 Capital surplus	604,393	18	604,393	16
					3310 Legal reserve	8,943	-	8,943	-
					3350 Accumulated deficit	(567,829)	(17)	(1,220,131)	(33)
					Total equity	<u>264,964</u>	<u>8</u>	<u>490,488</u>	<u>13</u>
					Total liabilities and equity	<u>\$ 3,285,319</u>	<u>100</u>	<u>3,730,662</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD. AND SUBSIDIARIES

Consolidated Statements of comprehensive income

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenues (Note6(15) and 7)	\$ 546,279	100	391,664	100
5000 Operating costs (Note6(3) 、(4) 、(5) 、(11) and 7)	640,057	117	583,703	149
Gross loss from operations	<u>(93,778)</u>	<u>(17)</u>	<u>(192,039)</u>	<u>(49)</u>
Operating expenses (Note6(3) 、(4) 、(5) 、(9) 、(11) and 7) :				
6100 Selling expenses	61,971	11	53,049	14
6200 Administrative expenses	36,976	7	39,209	10
Operating expenses	<u>98,947</u>	<u>18</u>	<u>92,258</u>	<u>24</u>
6515 Net other income (expenses) (Note6(17))	26,139	5	34,339	9
Operating income (expenses)	<u>(166,586)</u>	<u>(30)</u>	<u>(249,958)</u>	<u>(64)</u>
Non-operating income and expenses (Note6(3) 、(5) 、(9) 、(18) and 7)				
7100 Total interest income	1,478	-	1,095	-
7020 Other gains and losses, net	2,879	1	(39,113)	(10)
7050 Finance costs	(63,295)	(12)	(69,497)	(18)
	<u>(58,938)</u>	<u>(11)</u>	<u>(107,515)</u>	<u>(28)</u>
7900 Loss before income tax	(225,524)	(41)	(357,473)	(92)
7950 Less: Income tax expenses (Note6(12))	-	-	5,008	1
Loss	<u>(225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
8300 Other comprehensive income, net	-	-	-	-
8500 Comprehensive income	<u>\$ (225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
Profit attributable to:				
8610 Owners of parent	<u>\$ (225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
Comprehensive income attributable to:				
8710 Owners of parent	<u>\$ (225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
Loss per share(Note6(14))				
9710 Basic loss per share (NT dollars)	<u>\$ (10.28)</u>		<u>(16.52)</u>	
9810 Diluted loss per share (NT dollars)	<u>\$ (10.28)</u>		<u>(16.52)</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(English Translation of 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, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

	Equity attributable to owners of parent					Total equity
	Capital stock	Capital surplus	Retained earnings		Total equity attributable to owners of parent	
			Legal reserve	accumulated deficit		
Balance on January 1, 2021	\$ 1,097,283	604,393	8,943	(857,650)	852,969	852,969
Loss for the year ended December 31, 2021	-	-	-	(362,481)	(362,481)	(362,481)
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2021	-	-	-	(362,481)	(362,481)	(362,481)
Balance on December 31, 2021	\$ 1,097,283	604,393	8,943	(1,220,131)	490,488	490,488
Balance on January 1, 2022	\$ 1,097,283	604,393	8,943	(1,220,131)	490,488	490,488
Loss for the year ended December 31, 2022	-	-	-	(225,524)	(225,524)	(225,524)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2022	-	-	-	(225,524)	(225,524)	(225,524)
Capital Reduction	(877,826)	-	-	877,826	-	-
Balance on December 31, 2022	\$ 219,457	604,393	8,943	(567,829)	264,964	264,964

The accompanying notes are an integral part of the consolidated financial statements.

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

Consolidated Statements of Cash Flows
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollar)

	2022	2021
Cash flows from operating activities:		
Loss before tax	\$ (225,524)	(357,473)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	435,652	454,519
Amortization expense	18,314	18,834
Interest expense	63,295	69,497
Interest income	(1,478)	(1,095)
Impairment loss on non-financial assets	41	40,639
Loss from disposal of property, plant and equipment	-	127
Loss from disposal of intangible assets	-	115
Gain on lease termination	-	(27)
Rent concessions	(22,627)	(65,388)
Total adjustments to reconcile profit	493,197	517,221
Changes in operating assets and liabilities:		
Notes receivable	105	145
Accounts receivable	(2,020)	2,082
Other current assets	4,848	(2,996)
Other financial assets	(13)	18
Contract liabilities	(3,576)	14,771
Notes payable	(169)	153
Accounts payable	4,114	(195)
Other payable	2,771	(3,699)
Other current liabilities	45	968
Total changes in operating assets and liabilities	6,105	11,247
Total adjustments	499,302	528,468
Cash inflow generated from operations	273,778	170,995
Interest received	1,478	1,095
Interest paid	(63,025)	(69,497)
Income taxes (paid) refunded	52	(19)
Net cash flows from operating activities	212,283	102,574
Cash flows from (used in) investing activities:		
Acquisition of property, plant and equipment	(4,291)	(4,444)
Acquisition of intangible assets	(119)	(1,611)
Other financial assets	(259)	5,827
Net cash (used in) generated from investing activities	(4,669)	(228)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(40,000)	40,000
Increase (decrease) in guarantee deposits received	(20)	480
Proceeds from long-term debt	160,000	50,000
Payment of lease liabilities	(302,563)	(274,670)
Net cash used in financing activities	(182,583)	(184,190)
Net increase (decrease) in cash and cash equivalents	25,031	(81,844)
Cash and cash equivalents at beginning of year	221,268	303,112
Cash and cash equivalents at end of year	\$ 246,299	221,268

The accompanying notes are an integral part of the consolidated financial statements.

Independent Auditors' Report

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

Opinion

We have audited the financial statements of Green World Hotels Co., Ltd. (“the Company”), which comprise the balance sheets as of December 31, 2022, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, and its financial performance and its cash flows for the year then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis of opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Company in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2022. 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 assets

Please refer to 4(8), 4(9) and 4(10) for the accounting policy on “Property, plant and equipment”, “Leases” and “Intangible assets”; 5(1) for the significant accounting assumptions and judgments; and 6(4), 6(5) and 6(6) for information on “Property, plant and equipment”, “Leases” and “Intangible assets”.

Description of key audit matters:

As of December 31, 2022, the carrying amount of right-of-use assets, intangible assets, property, plant and equipment constitute 87% of the total assets of the Company. 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.

2. Revenue recognition

Please refer to note 4(12) and 6(16) for accounting policy on “Revenue recognition” and details on “Revenue from contracts with customers”, respectively.

Description of key audit matters:

The Company mainly engages in hotel room service, where the most sources of its customers are individual tourists and travel agents. Having a large number of transactions and different unit prices, it usually in a lot of manual operations, which may result in the Financial Statements. Therefore, the room service revenue is one of our key audit matters.

How the matter was addressed in our audit:

We performed the following audit procedures to address the abovementioned key audit matter:

- (a) Understanding and testing the effectiveness of internal control procedures on room revenue recognition.
- (b) Obtaining daily operating reports from the Company, wherein we audit the reservation records and passenger registration cards of customers to verify whether the amounts of revenue are consistent with those of the room bills and invoices.
- (c) Ensuring the consistency of the amounts of revenue, receivables, and daily operating

report.

- (d) Analyzing the housing trends, including the information on room occupancy rates, average room prices, etc., to evaluate the reasonableness of room service revenue.
- (e) Conducting cut off test to confirm whether the timing of the revenue recognition is reasonableness.

Emphasis of Matter

Due to the impact of government tourism policies and industry environment, the occupancy rate and average housing prices of the Company have both significantly decreased, resulting in significant operating losses. As the December 31, 2022, the Company's accumulated deficit had reached the capital stock of (259)%, and the debt ratio is 92%. The amount of current liabilities exceed current assets of \$512,810 thousand. For relevant disclosures on liquidity risk, please refer to Note 6(21). Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of the Company for the year ended December 31, 2021 were audited by another CPA, and an unqualified audit report with emphasis of matter or other matter paragraphs was issued on March 28, 2022, which is available for reference.

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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the footnote disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentations.
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 the 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 Lin-Fang, Wu and Wen-Hsin, Lo.

MOORE STEPHENS DaHua (Taiwan) CPAs
March 23, 2023

Notes to Readers

The accompanying financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and financial statements, the Chinese version shall prevail.

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

Balance sheet

December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

Assets	December 31, 2022		December 31, 2021		Liabilities and Equity	December 31, 2022		December 31, 2021	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
1100 Cash and cash equivalents (Note6(1))	\$ 246,299	7	221,268	6	2100 Short-term borrowings (Note6(8) and 7)	\$ 350,000	11	390,000	10
1150 Notes receivable, net (Note6(2) (16) and 7)	319	-	424	-	2130 Current contract liabilities (Note6(16))	24,519	1	28,095	1
1170 Accounts receivable, net (Note6(2) (16) and 7)	19,669	1	17,649	-	2150 Notes payable	464	-	633	-
1220 Current tax assets	62	-	114	-	2170 Accounts payable (Note7)	26,364	1	22,250	1
1476 Other current financial assets (Note6(7))	1,035	-	1,022	-	2200 Other payable (Note6(4) and 7)	26,088	1	19,356	1
1479 Other current assets	10,187	-	15,035	-	2280 Current lease liabilities (Note6(10) and 7)	349,585	11	346,037	9
	<u>277,571</u>	<u>8</u>	<u>255,512</u>	<u>6</u>	2320 Current portion of long-term borrowings (Note6(9) and 7)	11,667	-	-	-
Non-current assets:					2399 Other current liabilities	1,694	-	1,649	-
1600 Property, plant and equipment (Note6(4))	714,040	22	808,617	22		<u>790,381</u>	<u>25</u>	<u>808,020</u>	<u>22</u>
1755 Right-of-use assets (Note6(5))	2,059,667	64	2,414,556	65	Non-current liabilities:				
1780 Intangible assets (Note6(6))	46,856	1	65,051	2	2540 Long-term borrowings (Note6(9) and 7)	198,333	6	50,000	1
1840 Deferred tax assets (Note6(13))	39,582	1	39,582	1	2580 Non-current lease liabilities (Note6(10) and 7)	2,030,053	61	2,380,546	64
1980 Other non-current financial assets (Note6(7) 7 and 8)	147,603	4	147,344	4	2645 Guarantee deposits	1,588	-	1,608	-
	<u>3,007,748</u>	<u>92</u>	<u>3,475,150</u>	<u>94</u>		<u>2,229,974</u>	<u>67</u>	<u>2,432,154</u>	<u>65</u>
Total assets	\$ 3,285,319	100	3,730,662	100	Total liabilities	3,020,355	92	3,240,174	87
					Equity attributable to owners of parent (Note6(14))				
					3100 Capital stock	219,457	7	1,097,283	30
					3200 Capital surplus	604,393	18	604,393	16
					3310 Legal reserve	8,943	-	8,943	-
					3350 Accumulated deficit	(567,829)	(17)	(1,220,131)	(33)
					Total equity	<u>264,964</u>	<u>8</u>	<u>490,488</u>	<u>13</u>
					Total liabilities and equity	\$ 3,285,319	100	3,730,662	100

The accompanying notes are an integral part of the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.

Statements of comprehensive income

For the years ended December 31, 2022 and 2021

(Expressed in thousands of New Taiwan Dollar)

	2022		2021	
	Amount	%	Amount	%
4000 Operating revenues (Note6(16) and 7)	\$ 546,279	100	391,664	100
5000 Operating costs (Note6(4) 、 (5) 、 (6) 、 (12) and 7)	640,057	117	583,703	149
Gross loss from operations	<u>(93,778)</u>	<u>(17)</u>	<u>(192,039)</u>	<u>(49)</u>
Operating expenses (Note6(4) 、 (5) 、 (6) 、 (10) 、 (12) and 7) :				
6100 Selling expenses	61,971	11	53,049	14
6200 Administrative expenses	36,976	7	39,209	10
Operating expenses	<u>98,947</u>	<u>18</u>	<u>92,258</u>	<u>24</u>
6515 Net other income (expenses) (Note6(18))	26,139	5	34,339	9
Operating income (expenses)	<u>(166,586)</u>	<u>(30)</u>	<u>(249,958)</u>	<u>(64)</u>
Non-operating income and expenses (Note6(4) 、 (6) 、 (10) 、 (19) and 7)				
7100 Total interest income	1,478	-	1,090	-
7020 Other gains and losses, net	2,879	1	(39,141)	(10)
7050 Finance costs	(63,295)	(12)	(69,497)	(18)
7070 Share of gain (loss) of subsidiaries accounted for using equity method, net	-	-	33	-
	<u>(58,938)</u>	<u>(11)</u>	<u>(107,515)</u>	<u>(28)</u>
7900 Loss before income tax	(225,524)	(41)	(357,473)	(92)
7950 Less: Income tax expenses (Note6(13))	-	-	5,008	1
Loss	<u>(225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
8300 Other comprehensive income, net	-	-	-	-
8500 Comprehensive income	<u>\$ (225,524)</u>	<u>(41)</u>	<u>(362,481)</u>	<u>(93)</u>
Loss per share(Note6(15))				
9710 Basic loss per share (NT dollars)	<u>\$ (10.28)</u>		<u>(16.52)</u>	
9810 Diluted loss per share (NT dollars)	<u>\$ (10.28)</u>		<u>(16.52)</u>	

The accompanying notes are an integral part of the financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

GREEN WORLD HOTELS CO., LTD.
Statements of Changes in Equity
For the years ended December 31, 2022 and 2021
(Expressed in thousands of New Taiwan Dollar)

	Capital stock	Capital surplus	Retained earnings			Total equity
			Legal reserve	Accumulated deficit	Total retained earnings	
Balance on January 1, 2021	\$ 1,097,283	604,393	8,943	(857,650)	(848,707)	852,969
Loss for the year ended December 31, 2021	-	-	-	(362,481)	(362,481)	(362,481)
Other comprehensive income for the year ended December 31, 2021	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2021	-	-	-	(362,481)	(362,481)	(362,481)
Balance on December 31, 2021	\$ 1,097,283	604,393	8,943	(1,220,131)	(1,211,188)	490,488
Balance on January 1, 2022	\$ 1,097,283	604,393	8,943	(1,220,131)	(1,211,188)	490,488
Loss for the year ended December 31, 2022	-	-	-	(225,524)	(225,524)	(225,524)
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-
Comprehensive income for the year ended December 31, 2022	-	-	-	(225,524)	(225,524)	(225,524)
Capital Reduction	(877,826)	-	-	877,826	877,826	-
Balance on December 31, 2022	\$ 219,457	604,393	8,943	(567,829)	(558,886)	264,964

The accompanying notes are an integral part of the financial statements.

GREEN WORLD HOTELS CO., LTD.**Statements of Cash Flows****For the years ended December 31, 2022 and 2021****(Expressed in thousands of New Taiwan Dollar)**

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Loss before tax	\$ (225,524)	(357,473)
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	435,652	454,519
Amortization expense	18,314	18,834
Interest expense	63,295	69,497
Interest income	(1,478)	(1,090)
Share of gain of subsidiaries accounted for using equity method	-	(33)
Impairment loss on non-financial assets	41	40,639
Loss from disposal of property, plant and equipment	-	127
Loss from disposal of intangible assets	-	115
Gain on lease termination	-	(27)
Rent concessions	(22,627)	(65,388)
Total adjustments to reconcile profit	<u>493,197</u>	<u>517,193</u>
Changes in operating assets and liabilities:		
Notes receivable	105	145
Accounts receivable	(2,020)	2,082
Other current assets	4,848	(2,996)
Other financial assets	(13)	18
Contract liabilities	(3,576)	14,771
Notes payable	(169)	153
Accounts payable	4,114	(195)
Other payable	2,771	(3,699)
Other current liabilities	45	968
Total changes in operating assets and liabilities	<u>6,105</u>	<u>11,247</u>
Total adjustments	<u>499,302</u>	<u>528,440</u>
Cash inflow generated from operations	273,778	170,967
Interest received	1,478	1,090
Interest paid	(63,025)	(69,497)
Income taxes (paid) refunded	52	(19)
Net cash flows from operating activities	<u>212,283</u>	<u>102,541</u>
Cash flows from (used in) investing activities:		
Proceeds from disposal of subsidiaries	-	4,757
Acquisition of property, plant and equipment	(4,291)	(4,444)
Acquisition of intangible assets	(119)	(1,611)
Other financial assets	(259)	2,827
Net cash (used in) generated from investing activities	<u>(4,669)</u>	<u>1,529</u>
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	(40,000)	40,000
Increase (decrease) in guarantee deposits received	(20)	480
Proceeds from long-term debt	160,000	50,000
Payment of lease liabilities	(302,563)	(274,670)
Net cash used in financing activities	<u>(182,583)</u>	<u>(184,190)</u>
Net increase (decrease) in cash and cash equivalents	25,031	(80,120)
Cash and cash equivalents at beginning of year	221,268	301,388
Cash and cash equivalents at end of year	<u>\$ 246,299</u>	<u>221,268</u>

The accompanying notes are an integral part of the financial statements.

Green World Hotels Co., Ltd.

Deficit Compensation Table

2022

Unit: NTD

Item	Amount	Remarks
Deficit to be offset at the beginning of the period	(1,220,130,521)	
Add: Net income after tax of the year	(225,525,432)	
Capital reduction to offset losses for the period	877,826,740	
Deficit to be offset	(567,829,213)	
Appropriation items:		
Statutory reserves	8,942,753	
Capital reserves	558,886,460	
Deficit to be offset at the end of the period	0	

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

Green World Hotels Co., Ltd.
Status of Business Plan of Capital Reduction in 2022.
Oct. 1 to Dec. 31, 2022

Unit: NT\$1,000

Year Items	2022Q4 Actual	2022 Q4 Estimate	Difference
Operating revenue	167,558	155,888	11,670
Operating costs	163,665	168,074	(4,409)
Operating gross profit	3,893	(12,186)	16,079
Operating Expenses	29,533	30,618	(1,084)
Net other income(expenses)	4,411	0	4,111
Net Operating Loss	(21,529)	(42,804)	21,274
Net Non-operating Expenses	(14,046)	(14,913)	867
Net profit before tax	(35,575)	(57,717)	22,141
Income tax expenses	0	0	0
Net profit (loss) of the current period	(35,575)	(57,717)	22,141

The main reasons for the difference between the actual and estimated figures of the Company's sound operating plan for Q42022 are as follows:

I. Operating revenues and costs:

The Central Epidemic Command Center (CECC) announced on October 12, 2022 that the proposed level of COVID-19 travel outbreak was downgraded to Level 2 effective October 13, 2022 at 00:00 hours in response to the relaxation of border control measures to the country and the need for various international exchanges.

Operating income increased by NT\$11,670,000, or 7%, in the fourth quarter of 2022, mainly due to the higher than estimated average room price as a result of the relative slowdown of the epidemic. The slow recovery of the hotel industry in the fourth quarter of 2022 resulted in a lower than expected increase in the Company's front office manpower and a lower than expected increase in actual salaries, laundry and amenities&supplies costs, resulting in a decrease of NT\$4,409,000 or 3% in actual operating costs compared to the budget.

II. Operating expenses

This is mainly due to the slow recovery of the hotel industry in the fourth quarter of 2022, and the Company's back office manpower did not increase as expected, so the actual salary expense was lower than the budget, resulting in a decrease of NT\$1,084,000 or 4% in actual operating expenses compared to the budget.

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

The actual non-operating income in the fourth quarter of 2022 was larger than estimated, mainly because interest income and other income were not estimated in the budget, resulting in an increase in actual non-operating income (expense) of NT\$867,000 or 6% over the budget.

Green World Hotels Co., Ltd.

“Regulations for Election of Directors and Supervisors”

(renamed the “Regulations for Election of Directors”)

Of the Original and the Amended Articles

Name of the regulation after amendment	Name of the regulation before amendment	Description
Green World Hotels Co., Ltd. Regulations for Election of Directors and Supervisors	Green World Hotels Co., Ltd. Regulations for Election of Directors	The Company establish an audit committee in lieu of a supervisor. herefore, the Supervisor's text are deleted.

Amendments	Current Version	Description
<p>Article 1 Elections of directors of this Company shall be conducted in accordance with these Regulations.</p> <p>Omitted below</p>	<p>Article 1 Elections of directors <u>and supervisors</u> of this Company shall be conducted in accordance with these Regulations.</p> <p>Omitted below</p>	<p>The Company establish an audit committee in lieu of a supervisor. Therefore, the Supervisor's text are deleted.</p>
<p>Article 2 Elections of directors of this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act.</p> <p>The cumulative voting system shall apply to the elections of directors. The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. The attendance card number of the electors may be used on the ballot instead of the name of the electors.</p>	<p>Article 2 Elections of <u>independent</u> directors of this Company shall be conducted in accordance with the candidate nomination system and procedures set out in Article 192-1 of the Company Act. <u>This Corporation shall review the qualifications, education, working experience, background, and the existence of any other matters set forth in Article 30 of the Company Act with respect to nominee directors and supervisors and may not arbitrarily add requirements for documentation of other qualifications. It shall further provide the results of the review to shareholders for their reference, so that qualified directors and</u></p>	<p>The Company establish an audit committee in lieu of a supervisor. Therefore, the Supervisor's text and related contents are deleted.</p>

Amendments	Current Version	Description
	<p><u>supervisors will be elected.</u></p> <p>The <u>registered</u> cumulative voting system shall apply to the elections of <u>directors and supervisors.</u> The number of votes exercisable in respect of one share shall be the same as the number of directors to be elected, and the total number of votes per share may be consolidated for election of one candidate or may be split for election of two or more candidates. <u>A candidate to whom the ballots cast represent a prevailing number of votes shall be deemed a director or supervisor elect. A supervisor shall not be concurrently a director, a managerial officer or other staff/employee of the company, and at least one supervisor shall have a domicile within the territory of the Republic of China to timely exercise its supervision duty.</u> The attendance card number of the electors may be used on the ballot instead of the name of the electors.</p>	
<p>Article 3</p> <p>When opening the ballots, the chair of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chair of the meeting. <u>The ballot boxes shall be prepared by the board of directors and publicly checked by the vote monitoring personnel before voting commences.</u></p>	<p>Article 3</p> <p>When opening the ballots, the chair of the meeting shall appoint ballot supervisor(s) from among the shareholders present. Other personnel responsible for counting and announcing the ballots and performing relevant duties shall be appointed by the chair of the meeting.</p>	Text Correction
Article 4	Article 4	The Company establish an

Amendments	Current Version	Description
<p><u>The number of directors will be as specified in the Company's articles of incorporation, with voting rights separately calculated for independent and non-independent director positions. Those receiving ballots representing the highest numbers of voting rights will be elected sequentially according to their respective numbers of votes. When two or more persons receive the same number of votes, thus exceeding the specified number of positions, they shall draw lots to determine the winner, with the chair drawing lots on behalf of any person not in attendance.</u></p>	<p><u>A candidate elected as the director and supervisor at the same time shall decide on only one role, and the vacancy shall be filled by the candidate with the second highest number of votes. When two or more candidates receive the same number of votes, thus exceeding the specified number of positions, the persons of the same number of votes shall draw lots to determine the winner, with the chair drawing lots on behalf of any candidates not in attendance.</u></p>	<p>audit committee in lieu of a supervisor. Therefore, the Supervisor's text are deleted.</p>
<p>Article 7 A ballot is invalid under any of the following circumstances:</p> <ol style="list-style-type: none"> I. <u>The ballot was not prepared by a person with the right to convene.</u> II. <u>A blank ballot is placed in the ballot box.</u> III. <u>The writing is unclear and indecipherable or has been altered.</u> IV. <u>The candidate whose name is entered in the ballot does not conform to the director candidate list.</u> <p><u>Other words or marks are entered in addition to the number of voting rights allotted.</u></p>	<p>Article 7 <u>A ballot shall be voided and excluded from the votes for any candidate under any one of the following circumstances:</u></p> <ol style="list-style-type: none"> (1) <u>Ballots not in the form provided in accordance with Article 5 of these Rules</u> (2) <u>The number of candidates filled in the ballot exceeding the number of the seats to be elected</u> (3) <u>Ballots not cast in the ballot box or are blank when cast in the ballot box.</u> (4) <u>Ballots with other written characters or symbols in addition to candidate's name, shareholder's number.</u> (5) <u>Illegible writing.</u> (6) <u>The candidate's name in the ballot is inconsistent with the name in the shareholder register.</u> 	<p>Amend this Article in accordance with the provisions of the related laws.</p>

Amendments	Current Version	Description
<p>Article 9</p> <p>Votes shall be calculated on site immediately the after the end of the poll under the supervision of tellers, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on-site.</p> <p>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.</p>	<p>Article 9</p> <p>Votes shall be calculated on site immediately the after the end of the poll under the supervision of tellers, and the results of the calculation, including the list of persons elected as directors or supervisors and the numbers of votes with which they were elected, shall be announced by the chair on-site.</p> <p>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.</p>	<p>The Company establish an audit committee in lieu of a supervisor. Therefore, the Supervisor's text are deleted.</p>
<p>Article 9</p> <p>These Regulations 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 June 23, 2006.</p> <p>2nd amendment made at the AGM on June 15, 2007.</p> <p>3rd amendment made at the AGM on June 26, 2015.</p> <p><u>4th amendment made at the AGM on June 16, 2023.</u></p>	<p>Article 9</p> <p>These Regulations 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 June 23, 2006.</p> <p>2nd amendment made at the AGM on June 15, 2007.</p> <p>3rd amendment made at the AGM on June 26, 2015.</p>	<p>Revision of the amendment date and number of revisions. .</p>

Green World Hotels Co., Ltd.

List of Candidates for Directors and Independent Directors

No.	Shareholder ID	Name	Tax ID No. Citizen ID No.	Number of shareholdings	Major educational attainment (experience)	Remarks
1	5868	Shenyan Investment Co., Ltd. Corporate investor representative: Hsieh, Hsien-Chih	54650677	1,586,100	<p>Education Master's, Graduate Institute of China Studies, Tamkang University Bachelor's degree in Political Science, National Chengchi University</p> <p>Experience Chairman of Green World Hotels Co., Ltd. Chairman of Green World Hotels Co., Ltd. Chairman of Sanpu Travel Group Chairman of new day travel agency Co., ltd. Chairman of san xian travel agency Co., ltd. Chairman of new east travel agency Co., ltd. Chairman of Sakura Travel Agency Co., Ltd. Chairman of starlight travel agency Co., ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of Sanjin Integrated Marketing Co., Ltd. Chairman of Tse Yu Kee Co., Ltd.</p>	Director Candidate
2	6234	H.I.S. Hotel Holdings Co., Ltd. Corporate investor representative: Hoshi.Yasuhiko	11111111	11,192,291	<p>Education Department of Foreign Languages, Dokkyo University</p> <p>Experience H.I.S. Hotel Holdings Co., Ltd. Director H.H.H. USA inc. President H.H.H. Korea inc. Director VISON Hotel Management Co., Ltd. Director Aquaignis Hotel Asset Co., Ltd. Director</p>	Director Candidate
3	5868	Shenyan Investment Co., Ltd. Corporate Investor Representative: Chang, Shi-Feng	54650677	1,586,100	<p>Education Department of Foreign Languages and Literature, National Sun Yat-Sen University</p> <p>Experience Director, Green World Hotels Co., Ltd. Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co.,</p>	Director Candidate

No.	Shareholder ID	Name	Tax ID No. Citizen ID No.	Number of shareholdings	Major educational attainment (experience)	Remarks
					Ltd.	
4	5869	Yiyaun Investment Co., Ltd. Corporate Investor Representative: Liu, Tang-Kun	54650661	362,359	Education Department of Political Science, Chinese Culture University Experience Supervisor of Green World Hotels Co., Ltd. Supervisor of She Kai Precision Co., Ltd. Director of CONN-TEK ELECTRONICS INC. Responsible Person of Xinge Biotechnology Co., Ltd. Municipal Advisor of Taichung City Government	Director Candidate
5		Liu, Shui-Sheng	G1XXXXXX576	0	Education PhD in Economics, The International University of Kagoshima, Japan Experience Independent Director of Green World Hotels Co., Ltd. Chairperson of HELIN Trading CO., LTD. Member of the Zhongshan District Mediation Committee, Taipei City Municipal Advisor of Taipei City Government Lecturer, Faculty of Economics, Kagoshima Kokusai University, Japan	Independent director Candidate
6		Wu, Yi-Tsai	E1XXXXXX073	0	Education : Department of Law, National Taiwan University Experience : Independent Director of Green World Hotels Co., Ltd. Director and legal executive Lawyer of YUN DAH International Law Office Attorney-in-Charge, Chu-Ting-Bo-Da Law Firm Attorneys-at-Law, Chen Shih Yung Law Firm Attorneys-at-Law, Tung-Li Attorneys-at-Law Attorneys-at-Law, Wen-Wen Law Firm	Independent director Candidate
7		Zhang, Yu	T1XXXXXX41	0	Education : Bachelor's degree in Political Science, National Chengchi University National Chengchi University Institute of Public Administration Experience : Ministry of Justice Investigation Bureau Regional Associate, Cathay United	Independent Director Candidate

No.	Shareholder ID	Name	Tax ID No. Citizen ID No.	Number of shareholdings	Major educational attainment (experience)	Remarks
					Bank General Manager of Berry Biotechnology Vice President of Yuanta Bank Executive General Manager of Yuanta Venture Capital	

Green World Hotels Co., Ltd.

Details of Motion to terminate the non-competition restrictions imposed on the new directors

Title	Name	Competition Behavior
Chairman	Representative of Shenyang Investment Co., Ltd.: Hsieh, Hsien-Chih	Chairman of Sanpu Travel Group Chairman of new day travel agency Co., ltd. Chairman of san xian travel agency Co., ltd. Chairman of new east travel agency Co., ltd. Chairman of Sakura Travel Agency Co., Ltd. Chairman of starlight travel agency Co., ltd. Chairman of Green World Co., Ltd. Chairman of Nian Fu Investment Co., Ltd. Chairman of Sanjin Integrated Marketing Co., Ltd. Chairman of Tse Yu Kee Co., Ltd.
Director	H.I.S. Hotel Holdings Co., Ltd Representative: hoshi.yasuhiko	H.I.S. Hotel Holdings Co., Ltd. Director H.H.H. USA inc. President H.H.H. Korea inc. Director VISON Hotel Management Co., Ltd. Director Aquaignis Hotel Asset Co., Ltd. Director
Director	Shenyang Investment Co., Ltd. Corporate Investor Representative: Chang, Shi-Feng	Chairman of Guojing Frozen Food Co., Ltd. Chairman of Xiufeng Industry Co., Ltd. Chairman of Xinyao Media Co., Ltd.
Director	Yiyaun Investment Co., Ltd. Corporate Investor Representative: Liu, Tang-Kun	Director of CONN-TEK ELECTRONICS INC. Responsible Person of Xinge Biotechnology Co., Ltd. Municipal Advisor of Taichung City Government
Independent director	Liu, Shui-Sheng	Chairperson of HELIN Trading CO., LTD.